

001

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

FORM 3

APPLICATION FOR PERMIT TO DRILL

| | | | |
|---|--|---|-----------------------------|
| 1A. TYPE OF WORK: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN | | 5. MINERAL LEASE NO: UT ST ML-47046 | 6. SURFACE: STATE |
| B. TYPE OF WELL <input type="checkbox"/> OIL <input checked="" type="checkbox"/> GAS OTHER _____ <input checked="" type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE | | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A | |
| 2. NAME OF OPERATOR: QEP UINTA BASIN, INC. | | 8. UNIT OF CA AGREEMENT NAME: N/A | |
| 3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078 | | 9. WELL NAME and NUMBER: WK 9MU-2-9-24 | |
| PHONE NUMBER: (435) 781-4341 | | 10. FIELD AND POOL, OR WILDCAT: UNDESIGNATED Wildcat | |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2176' FSL 630' FEL (LOT 9) AT PROPOSED PRODUCING ZONE: SAME | | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NE SE 2 9S 24E | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 37 +/- MILES SOUTHEAST OF VERNAL, UTAH | | 12. COUNTY: UINTAH | 13. STATE: UTAH |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 630' +/- | 16. NUMBER OF ACRES IN LEASE: 586.47 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 | |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 10,000' +/- | 19. PROPOSED DEPTH 5000' | 20. BOND DESCRIPTION: 04127294 | |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5576' KB | 22. APPROXIMATE DATE WORK WILL START: ASAP | 23. ESTIMATED DURATION: 10 DAYS | |

24 PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | | | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT | | |
|--------------|---|------|------|---------------|---|------|----------------|
| 12 1/4" | 9 5/8" | K-55 | 36 | 450' | PREMIUM PLUS | 257 | 1.18 15.6 ppg |
| 7 7/8" | 4 1/2" | J-55 | 11.6 | TD | EXTENDED, LITE OR HI-FILL | 276 | 3.81 11 ppg |
| | | | | | EXTENDED CLASS "G" | 1009 | 1.25 14.35 ppg |

25 ATTACHMENTS

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

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- COMPLETE DRILLING PLAN
- EVIDNECE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OW

NAME (PLEASE PRINT) John Busch TITLE Construction Supervisor

SIGNATURE John Busch DATE 5/4/04

(This space for State use only)

API NUMBER ASSIGNED: 43-047-35605 APPROVAL: _____

Approved by the
Utah Division of
Oil, Gas and Mining

07-07-04

[Signature]

RECEIVED
MAY 04 2004
DIV. OF OIL, GAS & MINING

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T9S, R24E, S.L.B.&M.

QUESTAR EXPLORATION & PRODUCTION

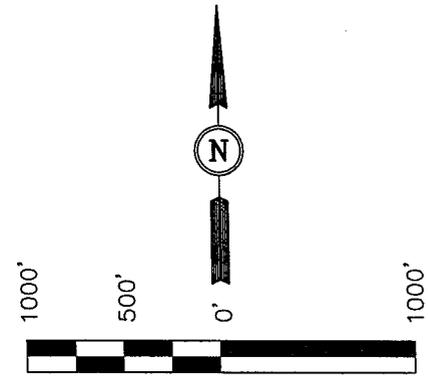
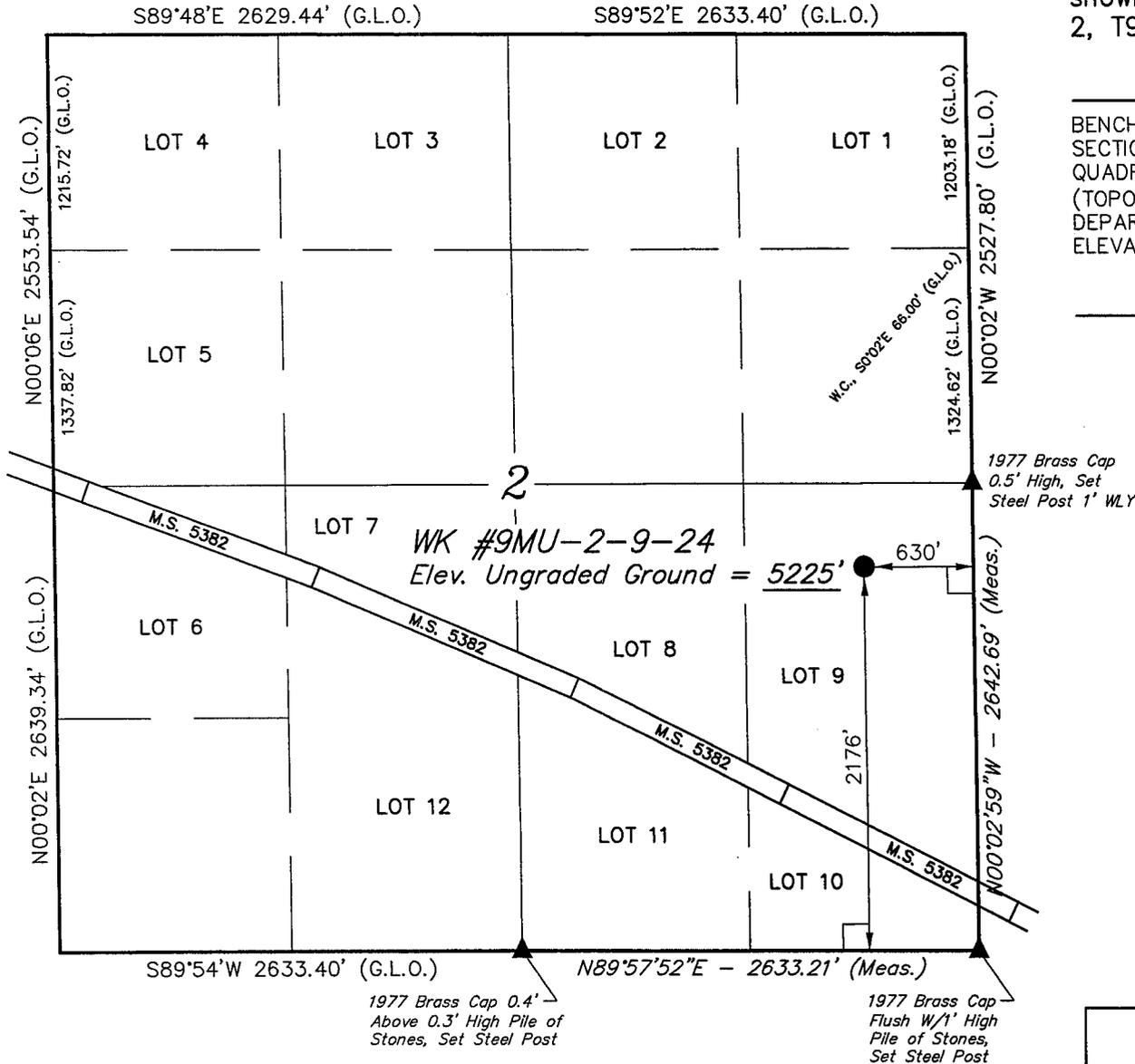
Well location, WK #9MU-2-9-24, located as shown in the NE 1/4 SE 1/4 (LOT 9) of Section 2, T9S, R24E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 45EAM LOCATED IN THE NW 1/4 SW 1/4 OF SECTION 6, T9S, R24E, S.L.B.&M. TAKEN FROM THE BONANZA, 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 5350 FEET.

BASIS OF BEARINGS

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



CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

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

LEGEND:

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

(AUTONOMOUS NAD 83)

LATITUDE = 40°03'48.98" (40.063606)
LONGITUDE = 109°10'27.47" (109.174297)

| | | |
|--------------------------|---|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 03-10-04 | DATE DRAWN: 03-23-04 |
| PARTY G.S. M.B. D.COX | REFERENCES G.L.O. PLAT | |
| WEATHER WARM | FILE QUESTAR EXPLORATION & PRODUCTION | |

Hi Diana,

6-7-04

Here is the Designation Of Operator that is in regards to the E-mail that Ed Bonner is currently holding Bond No. 965-003-032. If you have any question please call me.

Thank you

Jan Nelson
QEP Uinta Basin, Inc.
435-781-4331

RECEIVED
JUN 10 2004
BY: [illegible]

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 | 885' | |
| Wasatch | 3385' | Gas |
| Mesa Verde | 4485' | |
| TD | 5000' | |

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 | 5000' |

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 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.

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DRILLING PROGRAM

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 | 450' | 12 1/4" | 9-5/8" | K-55 | 36 lb/ft (new) LT&C |
| Production | TD | 7 -7/8" | 4 -1/2" | J-55 | 11.60 lb/ft (new)LT&C |

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.
- 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.

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DRILLING PROGRAM

- 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 & Additives</u> |
|---------------|----------------------------|--|
| Surface | 257 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-358sx* Tail-637sx* | 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 4240' ($\pm 500'$ above top of Wasatch). 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.

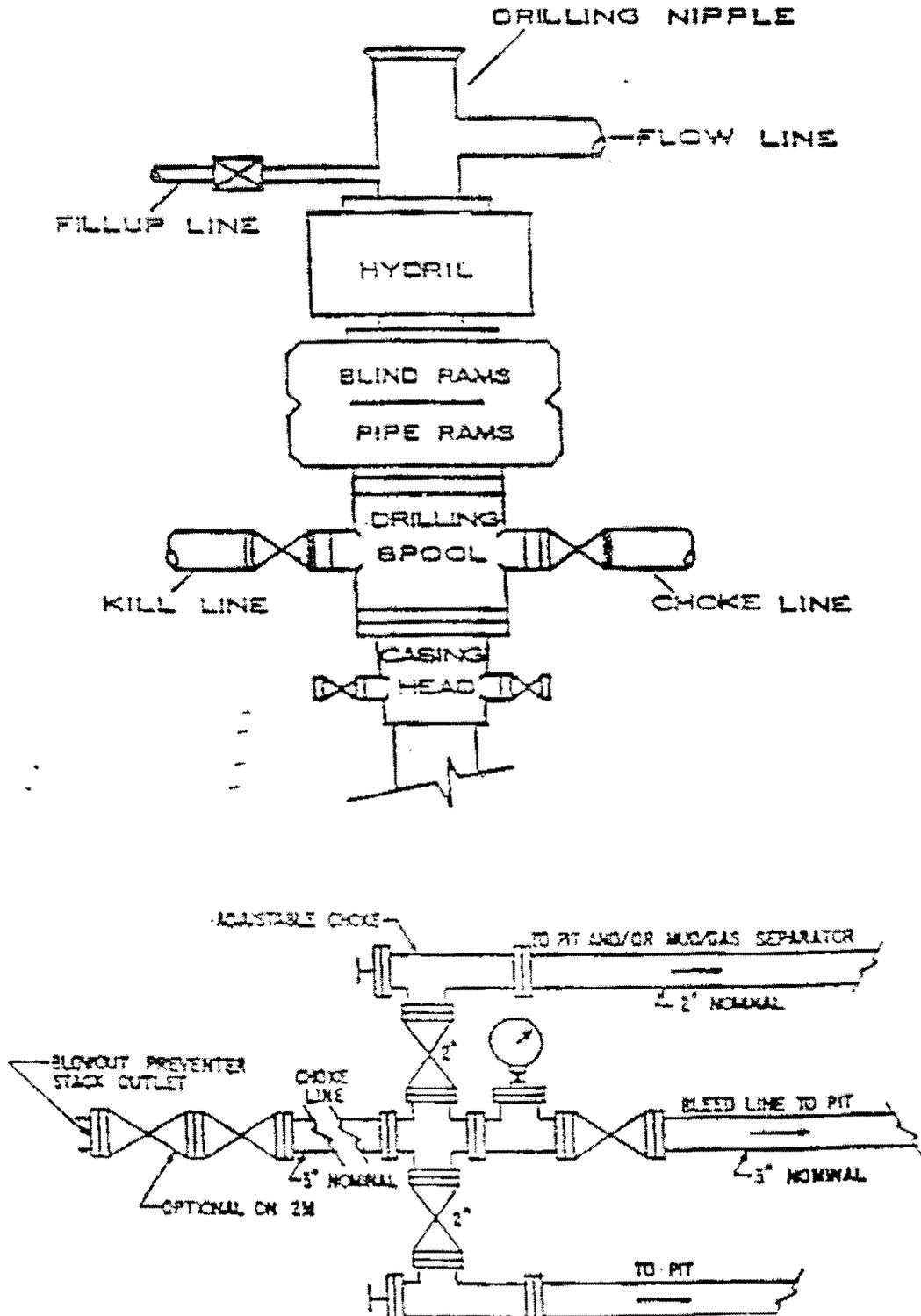
8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

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 2168.0 psi. Maximum anticipated bottom hole temperature is 140° F.

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DRILLING PROGRAM

SCHEMATIC DIAGRAM OF 3,000 PSI BOP STACK

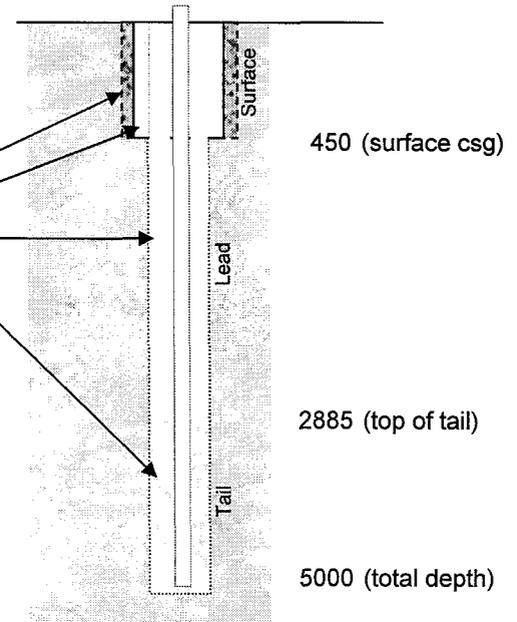


Cement Calculations V2

x-rg (3jul01)

| Interval | wo factor | hole dia | csg dia | cf/f | yield | sxs/ft | feet | sxs |
|----------|-----------|----------|---------|-------|-------|--------|------|-----|
| Surf Csg | 1.2 | 12.25 | 9.625 | 0.673 | 1.18 | 0.571 | 450 | 257 |
| Lead1 | 1.2 | 9.625 | 4.5 | 0.617 | 3.81 | 0.162 | 450 | 73 |
| Lead2 | 1.2 | 7.875 | 4.5 | 0.377 | 3.81 | 0.099 | 2885 | 285 |
| Tail | 1.2 | 7.875 | 4.5 | 0.377 | 1.25 | 0.301 | 2115 | 637 |

| | |
|--------------|-----------------|
| surf csg | 257 sxs |
| total lead | 358 sxs |
| total tail | 637 sxs |
| total | 1252 sxs |



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Lessee's or Operator's Representative:

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

Certification:

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

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

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

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



John Busch

Red Wash Operations Representative

04-May-04

Date

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Paleontological Resource Inventory Report

Questar Energy Production Wells

RW 43-23A-7-22

RW 34-27A-7-22

RW 32-27A-7-22

RW 14-34A-7-22

WRU EIH 14-35-8-22

CWD 4MU-32-8-24

RWU 22-09F-8-24

RWU 43-08F-8-24

~~WK 9MU-2-9-24~~

RWS 10MU-6-9-24

RWS 3MU-9-9-24

RWS 8MU-14-9-24

BSW 11MU-12-9-24

WH 13G-2-7-24

& their proposed access routes

On BLM Lands

Uintah County, Utah

21 March 2004

Prepared by Rod Scheetz, Ph.D.
Paleontologist for
Montgomery Archaeological Consultants
Box 147, 322 East 100 South
Moab, Utah 84532

INTRODUCTION

At the request of Jan Nelson, of Questar Energy, authorized by John Mayers of the BLM Vernal Field Office, a paleontological inventory survey of 14 proposed Questar well locations and their proposed access routes was conducted by Rod Scheetz and crew on 16 & 17 March 2004. The survey was conducted under Utah DOPL Geologist License 5399790-2250 and Utah BLM Paleontological Resources Use Permit #UT-S-01-004. This survey to locate, identify and evaluate paleontological resources was done to meet requirements of The National Environmental Policy Act of 1969, and other Federal laws and regulations that protect paleontological resources.

FEDERAL AND STATE REQUIREMENTS

As mandated by the US Department of the Interior Bureau of Land Management, paleontologically sensitive geologic formations in BLM lands that is considered for exchange or may be impacted due to ground disturbance, need be evaluated for their paleontological resources. This requirement complies with:

- 1) The National Environmental Policy Act of 1969 (NEPA)(P.L. 91-190; 31 Stat. 852, 42 U.S.C. 44321-4327);
- 2) The Federal Land Policy and Management Act of 1976 (P.L. 94-579; 90 Stat. 2743, U.S.C. 1701-1782);

Under policy dictated by the BLM Manual and Handbook H-8270-1 (July, 1998) formations are ranked according to their paleontological potential:

- *Condition 1* is applied to those areas known to contain fossil localities, and special consideration of the known resources is in need of evaluation.
- *Condition 2* is applied to areas that have exposures of geologic rock units known to have produced fossils elsewhere.
- *Condition 3* are areas unlikely to produce fossils based on surficial geology.

Although these guidelines apply mostly to vertebrate fossils, they are equally designed to help protect rare plant and invertebrate fossils. It should be noted, many fossils, though common and unimpressive in and of themselves, can be important paleo-environmental, depositional, and chronostratigraphic indicators.

PREVIOUS WORK

The Uinta Basin is one of many early Tertiary intermontane basins of Utah, Wyoming, and Colorado. Collectively, these basins contain the most complete Eocene faunal record than anywhere else in the world. Due to geographic and temporal differences, each basin contains faunal characters unique enough to define formalized land mammalian "ages". The Uinta Formation of the Uinta Basin contains mammals in an evolutionary stage (called the Uintan Land Mammal Age) more advanced than the Wasatchian and Bridgerian mammals of the Piceance Creek Basin in Colorado and the Bridger Basin in Wyoming. These ages were defined in the late 1800's by W.B. Scott and H.F. Osborn, but there was an obvious gap in the fossil record from the middle Eocene Uintan fauna to the much more derived animals of the Chadronian land mammal age of early Oligocene in South Dakota and Nebraska. It wasn't until the 1930's that O.A.

Peterson and J.L. Kay of the Carnegie Museum began to find fossil mammals in the Duchesne River Formation of the Uinta Basin that the gap was beginning to fill with what appeared to be transitional taxa which come to be known as the Duchesnean land mammal age (Wood et al, 1941). Subsequent workers have since refined the definition of the Duchesnean land mammal age to fossils found in the upper three of the four members of the Duchesne River Formation (Gazin, 1955). The fossils found in the lowest and most productive member of the Duchesne River Formation, the Brennan Basin Member, appear to be more closely at the evolutionary stage of the Uintan age mammals. Although fossils from the Duchesne River Formation are sparse, their value as transitional species has placed much focus to their study (Rasmussen et al, 1999).

The Duchesne River Formation consists primarily of reddish mudstones and sandstones with paleocurrent directions roughly south-southwest. Four lithologic members are recognized within the formation, three bearing mammal fossils (Anderson & Picard, 1972). The lowest of these members, the Brennan Basin Member, ranges in thickness from about 220 to 600 meters and is characterized by pale reddish and yellowish sandstones with some conglomerates and mudstones. Mammals are more common in this member than in any other member and contains several localities from the early years with the Carnegie Museum and more recently from the Utah Field House in Vernal and Washington University in St. Louis (Rasmussen et al, 1999)

FIELD METHODS

Considerable effort was made to locate, identify and evaluate any and all significant fossils or fossil horizons exposed within a ten acre area around the proposed drill hole. Areas of prime attention were areas slated to be disturbed by construction, erosional surfaces, and fresh outcrops. These areas were surveyed for exposed vertebrate, invertebrate, and plant fossils. Anthills were investigated to identify possible microvertebrate horizons that would not otherwise be evident on weathered surfaces. Contacts along sandstone units were investigated for vertebrate and invertebrate trace fossils. Only a cursory survey was performed on soil horizons, because fossil fragments, although they may be common, are out of place and weathered, providing little information. When present, broad erosional surfaces were systematically walked over in a grid-like manner in efforts to locate fossil fragments and their source. However, despite all reasonable efforts to identify fossils and fossil-bearing units, undiscovered fossils may occur in the area, but were not recognized because their exposure was very localized and not within the step of the surveyor.

GEOLOGICAL AND PALEONTOLOGICAL OVERVIEW

The geomorphology of all the areas surveyed is controlled by predominantly overbank mudstones and paleosol horizons forming badlands of steep hills and ridges within occasional thin sandstone beds. Southward thinning tongues of somewhat tangerine-colored mudstones and gray bioturbated sandstone lenses represent the lower, or Brennan Basin, member of the Duchesne River Formation. Intertongues of gray, purple, and reddish gray mudstones are characteristic with the rest of the Myton Member (unit C) of the Uinta Formation. And like the Myton Member, in areas that are well drained, nearly all the outcrop in this part of the section is devoid

of vegetation. The beds are dipping northeast 1-2 degrees.

Fossil bone fragments are not uncommon in portions of the parcels, consisting mostly of fossil turtle/tortoise shell. Most bone occurs as small quarter-sized fragments, with edges worn and rounded. These fragments are especially abundant in the nearly flat outwash drainages. Their worn condition and scattered distribution suggest they occur as lag, either washed in from higher ground, or deflated from an overlying unit. Inter-tongued stratigraphic intervals of the Duchesne River and Uinta Formations, similar to those encompassed by these Sections, have shown to bear rich fossil resources, however few surveys have been done in the Sections of this survey.

LOCATION OF QUESTAR WELLS in T 7 S, R 22 E

A ten-acre parcel surrounding RW 43-23A, RW 34-27A (Fig 1), RW 32-27A, and RW 14-34A (Fig. 2) well-sites, and their proposed access roads, was surveyed for paleontological resources. The wells are located in T 7 S, R 22 E, SLB&M, within the Red Wash NW, 7.5' USGS topographic quadrangle, Uintah County, Utah (Fig. 3).

| WELL | GEOLOGY | PALEONTOLOGY |
|-----------|---|---|
| RW 43-23A | Pad on gentle north slope of small north-directed ridge, covered in eolian sands/alluvium. Access from south across weathered outcrop of Duchesne River Formation mudstones and eolian sands and soils. | No fossils found |
| RW 34-27A | Pad on bench of erosional surface of Duchesne River sandstone and mudstones. Outcrop to the north of the pad is variegated orange/red mudstones topped by pinching and swelling white sandstone bed (Fig. 1). South of pad drops off into drainage with similar alternating beds. Access comes from the north, mostly covered in soils and alluvium except near the pad with outcrop. | No fossils found |
| RW 32-27A | Pad out on an essentially flat pediment surface on bench. | No fossils found |
| RW 14-34A | Pad situated on small bench of Duchesne River Formation sandstone. Bench slopes slightly southeast and is cut by drainages. Steeper slopes occur in the northwest part of the parcel consisting of mostly orange/red Duchesne River and purple/gray Uinta C mudstones. Scattered, isolated mammal and turtle fragments occur in the Myton tongue, but no source could be found, and the condition of the fragments do not allow for identification. | Unidentified isolated fossil mammal and turtle shell fragments found, but are scattered and do not bear identifiable characteristics. |

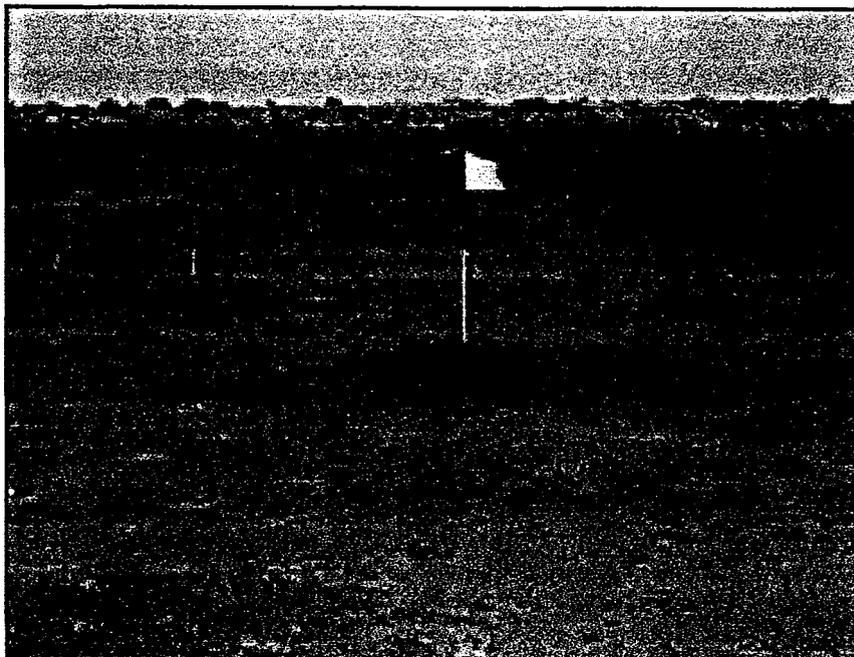


Figure 1. Photo looking north across proposed pad for RW 34-27A-7-22 showing the pad is atop an erosional surface of Duchesne River Formation and is flanked to the north by more mudstones and sandstone lenses.

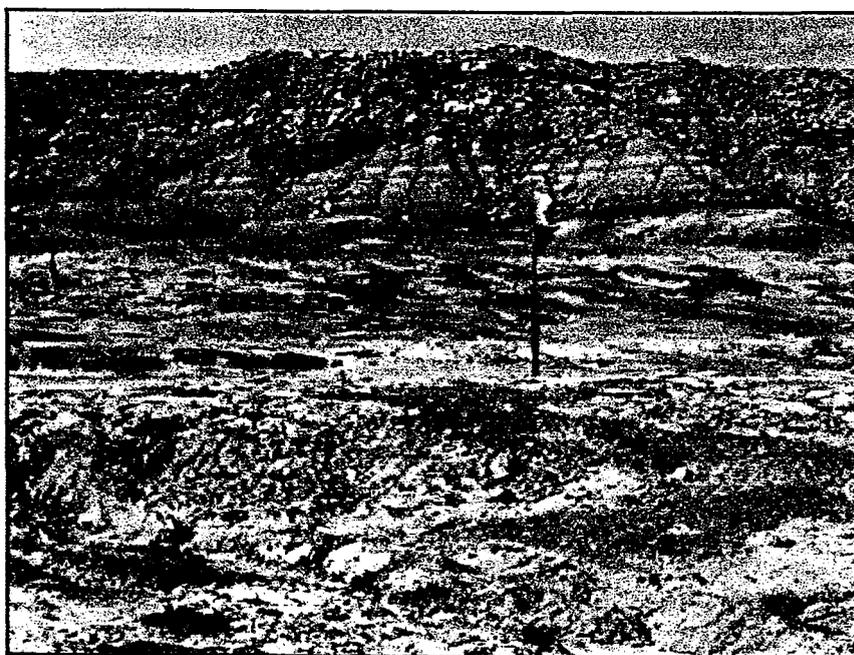


Figure 2. Photo looking north-northeast across the pad for proposed pad for RW 14-34A-7-22. Although most of the pad is in Duchesne River Formation, the north and west edges are comprised of purple-gray fossiliferous mudstones of a tongue of the Uinta C member of the Uinta Formation.

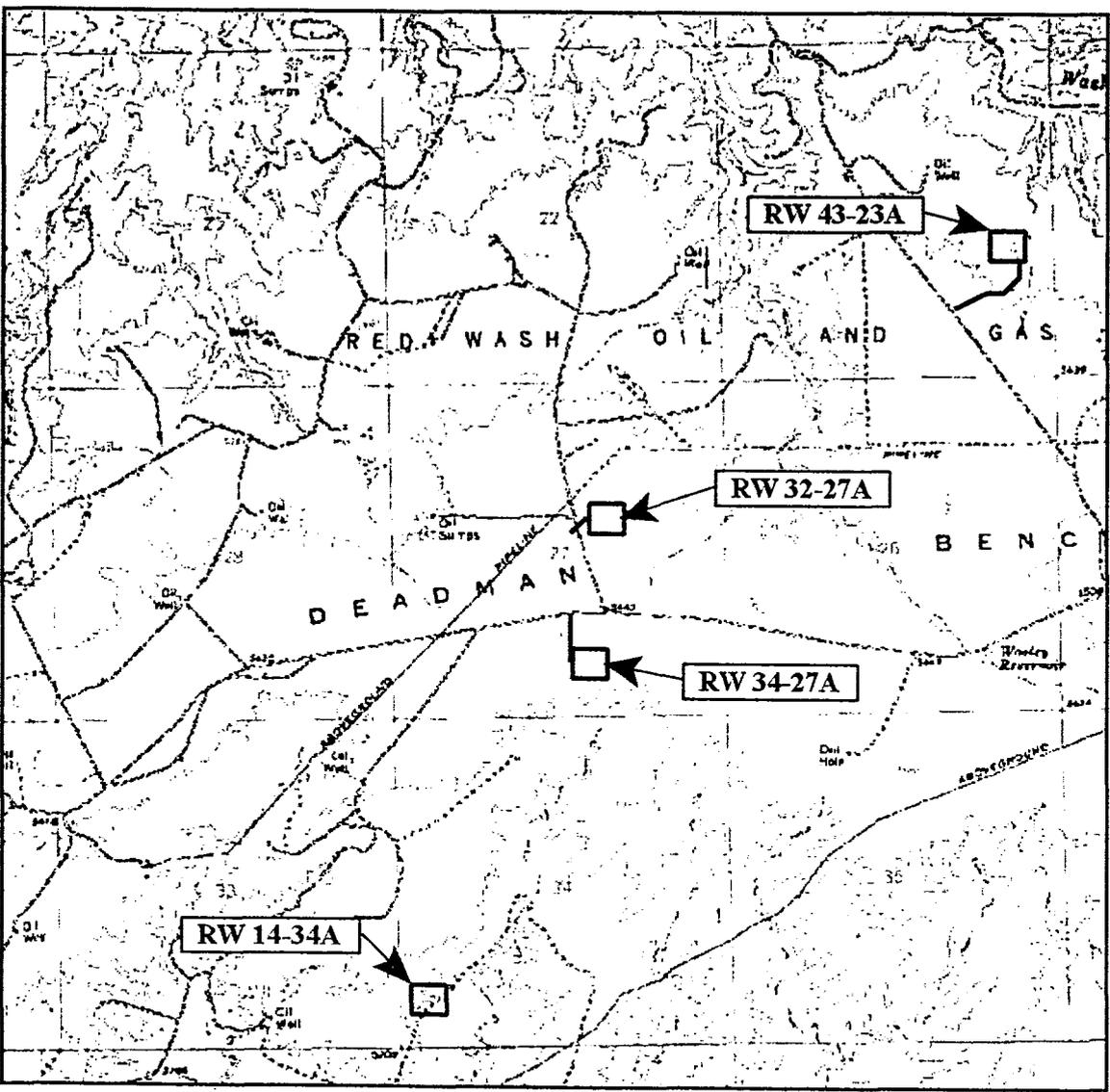


Figure 3. Location of proposed well sites and their access routes within T7S, R22E, in the Red Wash NW Quad. Scale: 1 inch = 0.56 miles.

LOCATION OF QUESTAR WELLS in T 8 S, R 22 E

A ten-acre parcel surrounding WRU EIH 14-35-8-22 well-site, and its proposed access road, was surveyed for paleontological resources. The well is located in the SE/SW Section 35, T 8 S, R 22 E, SLB&M, within the Red Wash SW, 7.5' USGS topographic quadrangle, Uintah County, Utah (Fig. 4).

| WELL | GEOLOGY | PALEONTOLOGY |
|--------------------|--|------------------|
| WRU EIH 14-35-8-22 | Pad completely in eolian sands and poor soils. | No survey needed |

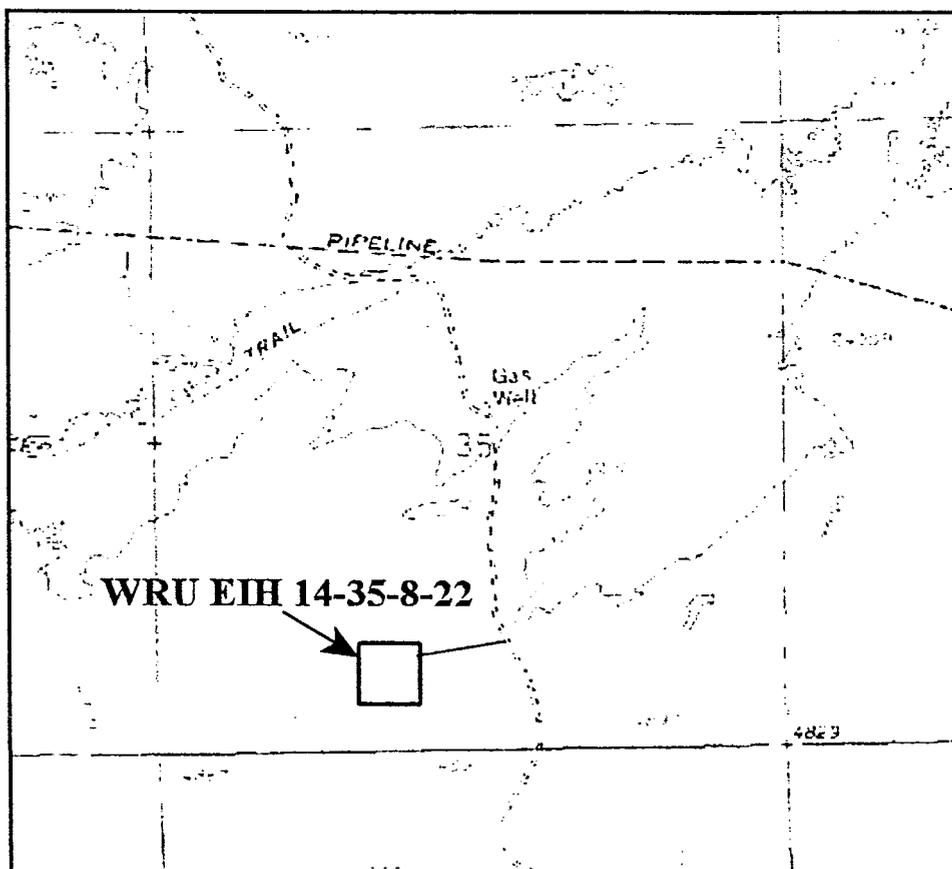


Figure 4. Location of proposed WRU EIH well in Section 35, T8S, R22E, in the Red Wash SW, USGS Quad. Scale: 1 inch = 0.30 miles.

LOCATION OF QUESTAR WELLS in T 8 S, R 24 E

A ten-acre parcel surrounding each of the proposed well locations (Fig. 5) for CWD 4MU-32, RWU 22-09F, and RWU 43-08F, and their proposed access roads, was surveyed for paleontological resources. The wells are located in T 8 S, R 24 E, SLB&M, within the Bonanza and Dinosaur NW, 7.5' USGS topographic quadrangles, Uintah County, Utah.

| WELL | GEOLOGY | PALEONTOLOGY |
|-----------------|--|--|
| CWD 4MU-32-8-24 | Pad in area of low gently rolling hills covered in eolian sand, silt, and soils. Access comes off Gilsonite mine road and crosses mostly eolian sand and soils and by-passing some Myton outcrops of purple-gray and gray mudstone and conglomeratic sandstones. | No survey needed on pad and parcel. Outcrops surveyed along the right-of-way of access. No fossils found. |
| RWU 22-09F-8-24 | Pad situated on small bench below the southward extension of ridge top (Fig. 6). Bench dissected by southeast drainages. Steep slopes above and to the north of pad consist of variegated red, orange, and reddish gray mudstone layers with few light gray sandstone lenses toward the top. Pad is somewhat hummocky with low hills and shallow drainages exposing some light gray bioturbated ribbon sand. A smaller bench occurs lower and to the south of the pad. All outcrop consists of Duchesne River Formation. | Fossil wood locality occurs near the southwest corner of the well pad about half-way up a small hill on a northeast slope in an orange-red mudstone layer (Fig. 7). Fragments collected from a 2 m apron. Limb-bone fragments of a bovine-sized mammal were found in an orange-red mudstone about 50 m southeast of the well-lath. Fragments were broken prior to burial and hematite covered. |
| RWU 43-08F-8-24 | Access initially over flat bench of soils and alluvium, then along Duchesne River outcrop on the high side of ridge down to well-pad. Well pad situated at head of westerly drainage on a gentle northwest slope of soils and weathered outcrop of Duchesne River orange and tan mudstones with occasional light gray ribbon sand. | Occasional turtle shell fragment isolated and worn found along access and on pad. No source or worthwhile material was found. |

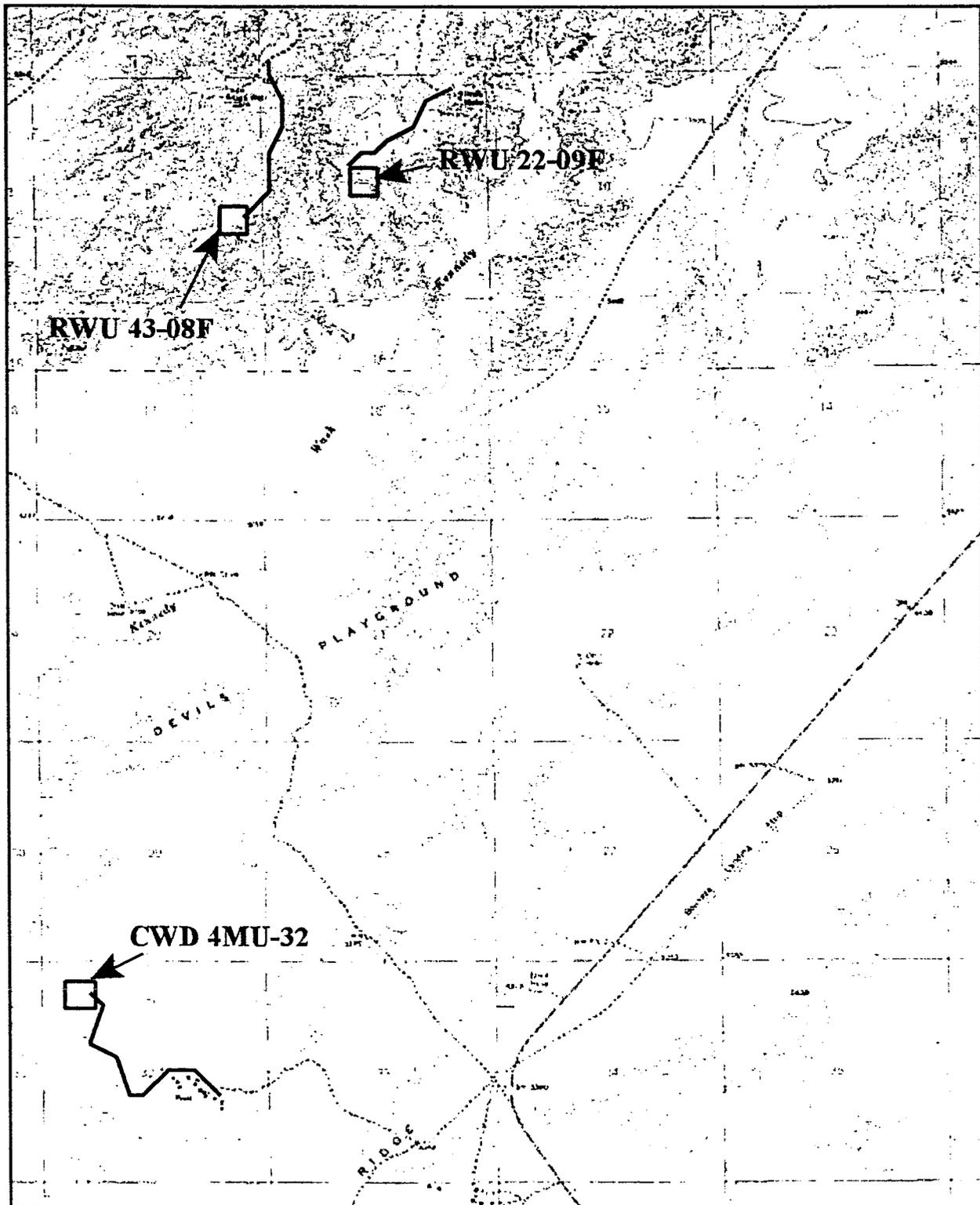


Figure 5. Location of the access routes to, and the 10-acre parcels surrounding Questar's proposed wells in T8S, R24E, in the Bonanza and Dinosaur NW Quadrangle maps. Scale: 1 inch = 0.67 miles.

Figure 6. Photo looking northeast across RWU 22-09F toward the outcrop of Duchesne River Formation exposed on the hill north of the pad.

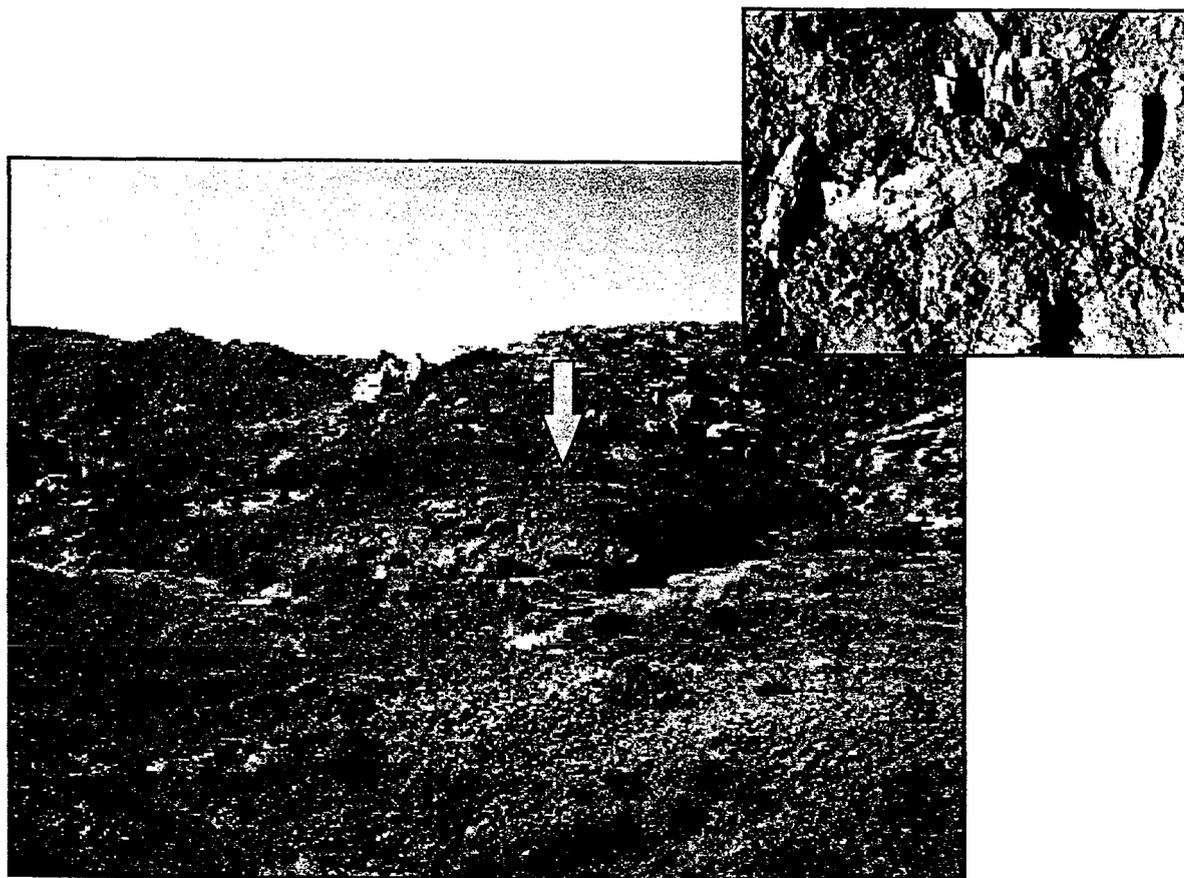
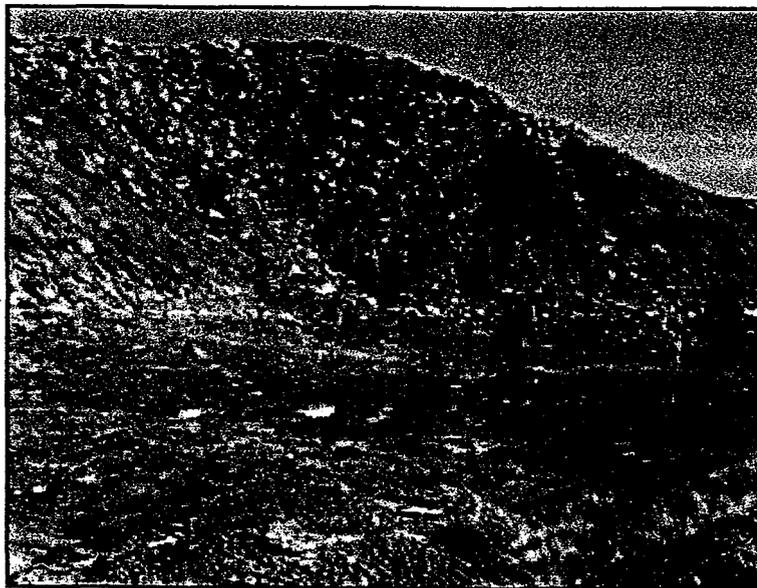
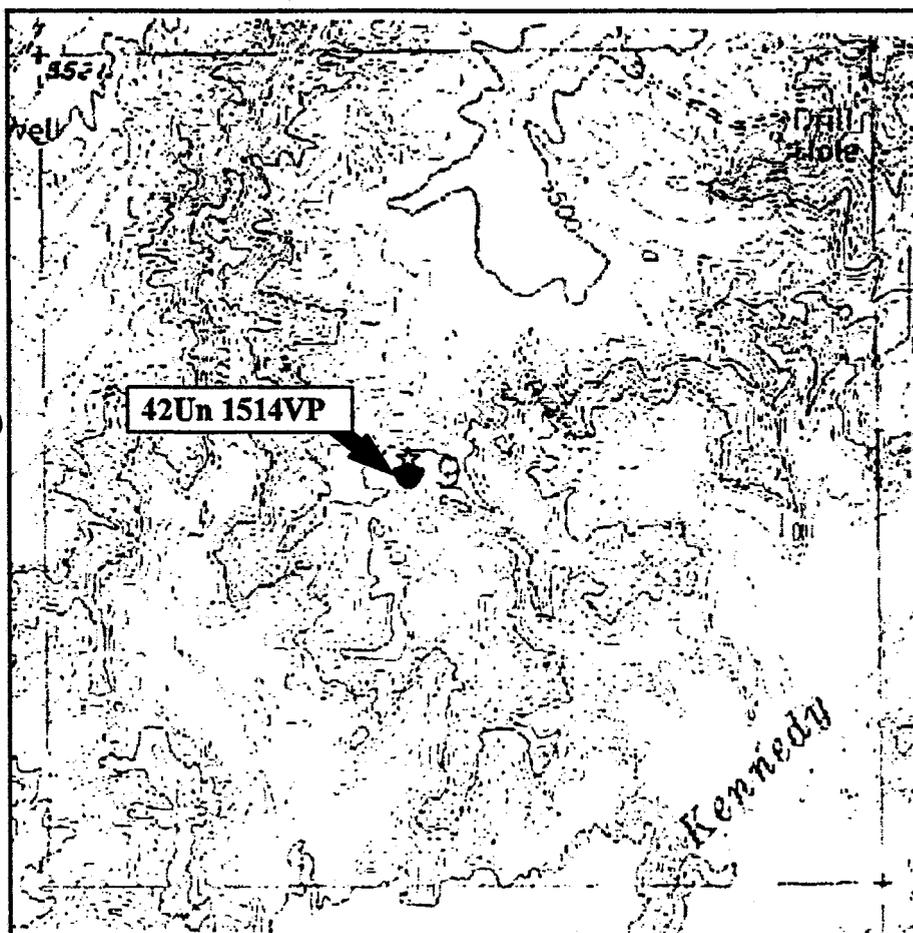


Figure 7. Photo looking southwest toward fossil wood locality (arrow) from the well lath of RWU 22-09F-8-24. Fossil wood (inset photo, nickel for scale) is relatively rare in the Duchesne River Formation and is worthy of note and was collected.

Figure 8. Location of the fossil locality (42Un 1514VP) relative to the well lath for RWU 22-09F (star) Scale: 1 inch = 0.231 miles.



Fossil locality 42Un1514VP consists of an area encompassing the fossil wood locality and the large mammal remains near the well pad. The fossil wood was found stratigraphically higher than most of the pad, half-way up a small hill on a northeast slope, within an orange-red mudstone layer (Fig. 7). Because of the rare nature of fossil woods in the Duchesne River and Uinta Formations, the wood was collected and documented. In a similar mudstone bed, about 2 meters below the wood and east of the well-pad, limb-bone fragments were found of a bovine-sized mammal. Fragments were broken prior to burial and hematite covered.

LOCATION OF QUESTAR WELLS in T 9 S, R 24 E

A ten-acre parcel surrounding each of the proposed well locations (Fig. 9) for WK 9MU-2, RWS 10MU-6, RWS 3MU-9, RWS 8MU-14, and BSW 1MU-12, and their proposed access roads, was surveyed for paleontological resources. The wells are located in T 9 S, R 24 E, SLB&M, within the Red Wash SE and Bonanza, 7.5' USGS topographic quadrangles, Uintah County, Utah.

| WELL | GEOLOGY | PALEONTOLOGY |
|-----------------|--|---|
| WK 9MU-2-9-24 | Out on sage flat on top of bench. | No survey needed |
| RWS 10MU-6-9-24 | Pad is on essentially flat ground covered in sage/soil. | No survey needed |
| RWS 3MU-9-9-24 | Pad situated on top of bench on south side of Coyote Wash. Access comes from the south-southwest across sage flats. Most of the pad is covered in soils, but the north half of the pad bears moderately good outcrop with some weathered and residuum cover. Outcrop consists of greenish gray fine-grained sandstone lenses and medium-grained brown sandstones with interbeds of gray, tan and green-gray mudstones. Slopes into Coyote Wash are outside of pad but bear good mudstone outcrop. All bedrock consists of the upper beds of the Uinta B. | Despite some relatively good outcrop, no fossils were found. |
| RWS 8MU-14-9-24 | Access and pad on sage flats. | No survey needed |
| BSW 1MU-12-9-24 | Pad situated in a rea of gently rolling hills generally sloping north. Thin ground cover of fine green-gray sandstone/siltstone residuum over gray-green mudstone. Thin poor soils cover parts of the pad. | A few isolated bone fragments found on the pad, but were eroded beyond use. |

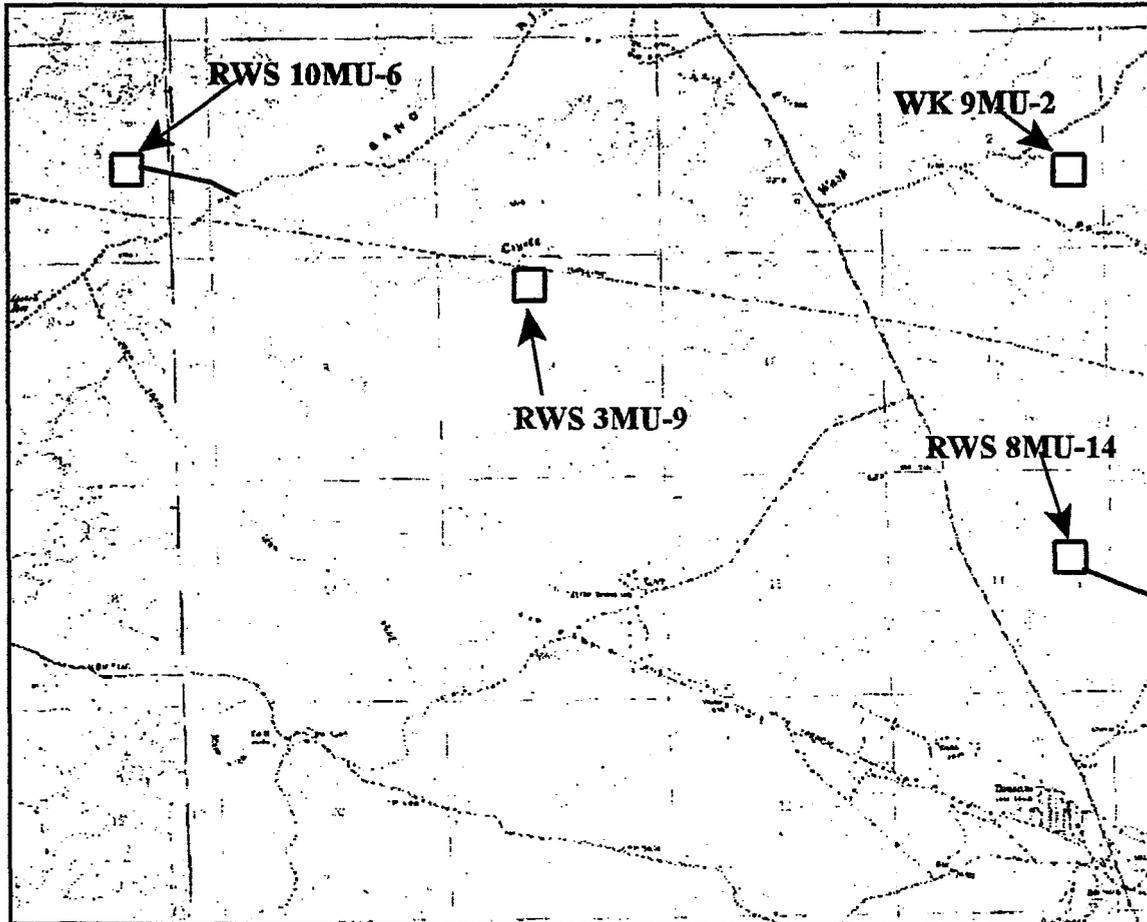


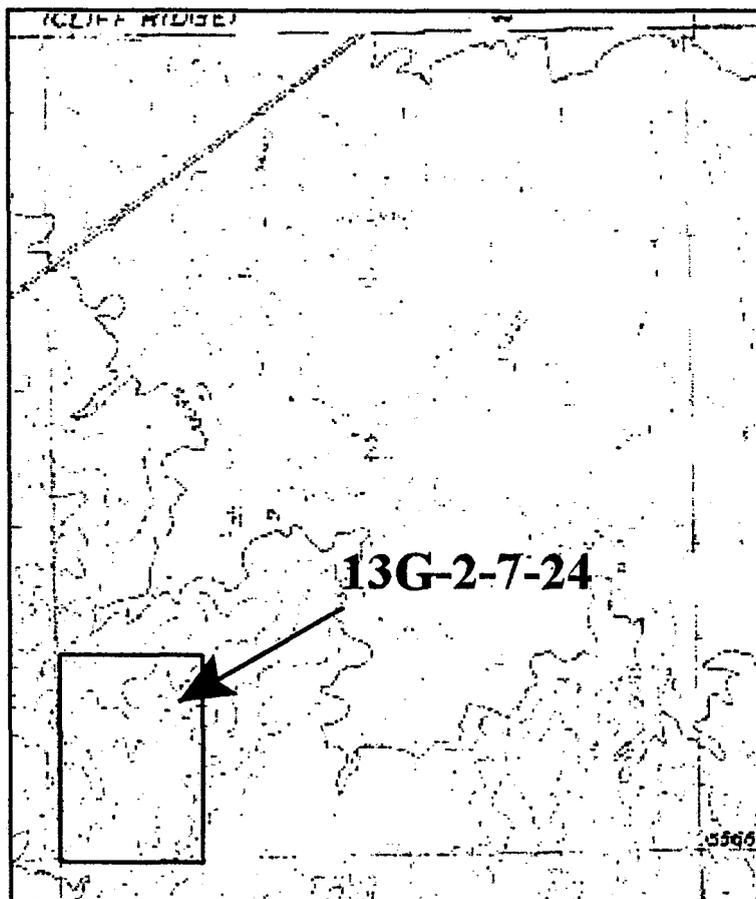
Figure 9. Location of 10-acre parcels surveyed for paleontological resources around proposed Questar wells in T9S, R24E, within the Red Wash SE and Bonanza Quadrangles. Scale: 1 inch = 0.833 miles.

LOCATION OF QUESTAR WELL in T 7 S, R 24 E

A ten-acre parcel surrounding 13G-2-7-24 well-site, and its proposed access road, was surveyed for paleontological resources. The well is located in the SW/SW Section 2, T 7 S, R 24 E, SLB&M, within the Dinosaur NW, 7.5' USGS topographic quadrangle, Uintah County, Utah (Fig. 10).

| WELL | GEOLOGY | PALEONTOLOGY |
|------------|--|---|
| 13G-2-7-24 | Pad had not been staked, but the entire quarter-quarter section is composed on rolling hills of weathered outcrop of Duchesne River mudstones and light gray bioturbated ribbon sandstones. The general slope is to the north with small ridges running north to northeast cut by shallow northerly drainages. | No fossils found within the entire quarter-quarter section. |

Figure 10. Location of Questar's proposed well for 13G-2-7-24. The well pad was not staked as of the time of the paleo survey, so the entire quarter-quarter section was surveyed for paleontological resources. No fossils were found. Scale: 1 inch = 0.294 miles.



RECOMMENDATIONS

Only on the pad for RWU 22-09F-8-24 did we find any significant fossils. Because of this, we suggest the initial stages of construction of the pad be monitored by a paleontologist in case other fossils associated within these same beds are exposed.

Most of the proposed well pads and their access routes did not bear fossils. What few fossil fragments found near/on a few of the well locations, were very eroded and fragmentary beyond identification. Their presence should not warrant any restrictions on the proposed construction. Despite the lack of fossils found on and around the proposed well-pads, it is still possible that ground disturbing activities could cut into fossiliferous beds that are not otherwise fossiliferous on the surface. Should fossils be encountered by the proponent during construction, we recommend work be suspended and the BLM should be contacted to bring in a permitted paleontologist to assess the find. Where that is not feasible, safely remove the fossils to a neutral location for the paleontologist to assess as soon as practical.

| WELL LOCATION | RECOMMENDATIONS |
|--------------------|---|
| RW 43-23A-7-22 | no limitations on pad and access as staked |
| RW 34-27A-7-22 | no limitations on pad and access as staked |
| RW 32-27A-7-22 | no limitations on pad and access as staked |
| RW 14-34A-7-22 | no limitations on pad and access as staked |
| WRU EIH 14-35-8-22 | no limitations on pad and access as staked |
| CWD 4MU-32-8-24 | no limitations on pad and access as staked |
| RWU 22-09F-8-24 | Fossils were found in the vicinity of the pad. We suggest the initial stages of construction of the pad be monitored by a paleontologist in case other fossils associated within these same beds are exposed. |
| RWU 43-08F-8-24 | no limitations on pad and access as staked |
| WK 9MU-2-9-24 | no limitations on pad and access as staked |
| RWS 10MU-6-9-24 | no limitations on pad and access as staked |
| RWS 3MU-9-9-24 | no limitations on pad and access as staked |
| RWS 8MU-14-9-24 | no limitations on pad and access as staked |
| BSW 1MU-12-9-24 | no limitations on pad and access as staked |
| 13G-2-7-24 | no limitations on pad and access as staked |

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WK 9MU-2-9-24

**CULTURAL RESOURCE INVENTORY OF
QUESTAR EXPLORATION AND PRODUCTION'S
THREE PROPOSED WELL LOCATIONS (WK #9MU 2-9-24,
RWS #11MU 12-9-24, RWS #8MU 14-9-24) NEAR BONANZA
UINTAH COUNTY, UTAH**

**Melissa Elkins
and
Mark Bond**

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and
Mark Bond

Prepared For:

Bureau of Land Management
Vernal Field Office
and
State and Institutional Trust Lands Administration
Lease No. ML-47046

Prepared Under Contract With:

Questar E & P
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Vernal, Utah 84078

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MOAC Report No. 04-57

April 14, 2004

United States Department of Interior (FLPMA)
Permit No. 04-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-04-MQ-0311b,s

ABSTRACT

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) of three proposed well locations for Questar Exploration and Production near Bonanza, Uintah County, Utah. The well locations are designated WK #9MU 2-9-24, RWS #11MU 12-9-24, and RWS #8MU 14-9-24. The project area is located northeast of Bonanza in Uintah County, Utah. This project occurs on public land administered by the Bureau of Land Management (BLM), Vernal Field Office and SITLA lands. A total of 39 acres was inventoried of which 12 acres occur on SITLA lands, and 27 acres occur on BLM lands.

The inventory resulted in the documentation of one new archaeological site, 42Un3686. This site is a historic trash dump likely dating between 1930 and 1975. It is recommended not eligible to the NRHP because it lacks additional research potential beyond the current documentation. The artifacts are common types to the area and do not add significant information to the existing cultural history. In addition, the site is not known to be associated with any significant historical figures. No previously recorded sites occur within the project area, and no isolated finds of artifacts were documented.

Site 42Un3686 is located within the proposed access corridor for well location RWS #8MU 14-9-24. However, it is recommended not eligible to the NRHP. Based on the finding, a determination of "no historic properties affected" pursuant to Section 106, CFR 800 is proposed for this project.

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INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) in March 2004 for Questar Exploration and Production's three proposed well locations near Bonanza, Utah. The project area occurs northeast of Bonanza and southeast of Naples in Uintah County, Utah. The survey was implemented at the request of Ms. Jan Nelson, Questar E & P, Vernal, Utah. The project is situated on land administered by the Bureau of Land Management (BLM), Vernal Field Office, and State of Utah Trust Lands Administration (SITLA).

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventory was implemented to attain compliance with a number of federal and state mandates, including the National Environmental Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on March 27 and 28, 2004 by Mark Bond (Project Archaeologist) assisted by Clive Briggs, Kathy Lamm, and Mark Lane under the auspices of U.S.D.I. (FLPMA) Permit No. 04-UT-60122 and State of Utah Antiquities Permit (Survey) No. U-04-MQ-0311b,s issued to MOAC.

A file search was performed at the Utah State Historic Preservation Office by Marty Thomas on April 8, 2004 and of MOAC's office records. These consultations indicated that several cultural resource investigations have been completed near the project area. In 1981, Nickens and Associates surveyed the Bonanza-Rangely Transmission Line (Utah Portion) resulting in the documentation of a lithic scatter in a sand dune (42Un1167) situated outside of the current inventory area (Christensen 1981). The Seep Ridge Cultural Study Tract was inventoried by Nickens and Associates the same year (Larralde and Chandler 1981). Numerous prehistoric and historic sites were recorded during this project, all located outside of the present project area. Also in 1980 Nickens and Associates inventoried a transmission line for the Moon Lake project. Nine archaeological sites were documented along the route, however, all occur outside of the current project area (Reed 1980). An archaeological reconnaissance of the American Gilsonite 1982 drilling program was completed by Utah Archaeological Research Corporation in 1982 (Cook 1982). Results of this survey was negative. In 1988, Alpine Archaeological Consultants surveyed the access roads for the Craig Bonanza 345 kV Transmission Line resulting in no cultural resources in the immediate inventory area (Horn 1988). InterMountain Archaeology Services inventoried two well pads for American Gilsonite in 1999, finding no cultural resources (Bernard 1999). In summary, a number of prehistoric and historic sites have been documented in the area; however, no sites occur within the current Questar E&P undertaking.

DESCRIPTION OF PROJECT AREA

The three proposed well locations for Questar E & P occur in Sections 2, 12, 13 and 14 of Township 9 South, Range 24 East. The project area lies just northeast of the town of Bonanza, Utah. One of the three wells (WK #9MU-2-9-24) is located on SITLA lands (lease number ML-47046). The remaining wells are located on BLM administered lands. A total of 39 acres was inventoried of which 12 acres occur on SITLA lands, and 27 acres occur on BLM lands.

Table 1. Questar E & P Well Locations with Legal Descriptions, Land Status, Access Corridor Lengths, and Cultural Resources

| Well Location Designation | Legal Location | Land Status | Access | Cultural Resources |
|--|---|-------------|------------|--------------------|
| WK #9MU-2-9-24 (Lease No. ML-47046) | T9S R24E Section 2, NE/SE | SITLA | 900 Feet | None |
| RWS #11MU-12-9-24 | T9S R24E Section 12, NE/SW | BLM | In 10-acre | None |
| RWS #8MU-14-9-24 | T9S R24E Section 13 SE/NE and NE/SE; and Section 14 NW/SW | BLM | 3000 Feet | 42Un3686 |

Environment

The study area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. The geology is comprised of Tertiary age deposits which include Paleocene age deposits, and Eocene age fluvial and lacustrine sedimentary rocks. The Uinta Formation, which is predominate in the project area, occurs as eroded outcrops formed by fluvial deposited, stream laid interbedded sandstone and mudstone, and is known for its prolific paleontological localities.

Specifically, the project area occurs northeast of Bonanza, Utah within a system of low ridges that form part of the tableland between the Green and White Rivers. The area is heavily dissected and carved by ephemeral drainages. The elevation ranges between 5200 ft and 5400 ft a.s.l. The project occurs within the Upper Sonoran Desert Shrub Association which includes sagebrush, shadscale, greasewood, mat saltbush, snakeweed, rabbitbrush, prickly pear cactus, Indian ricegrass and other grasses. Modern disturbances include roads and oil/gas development.

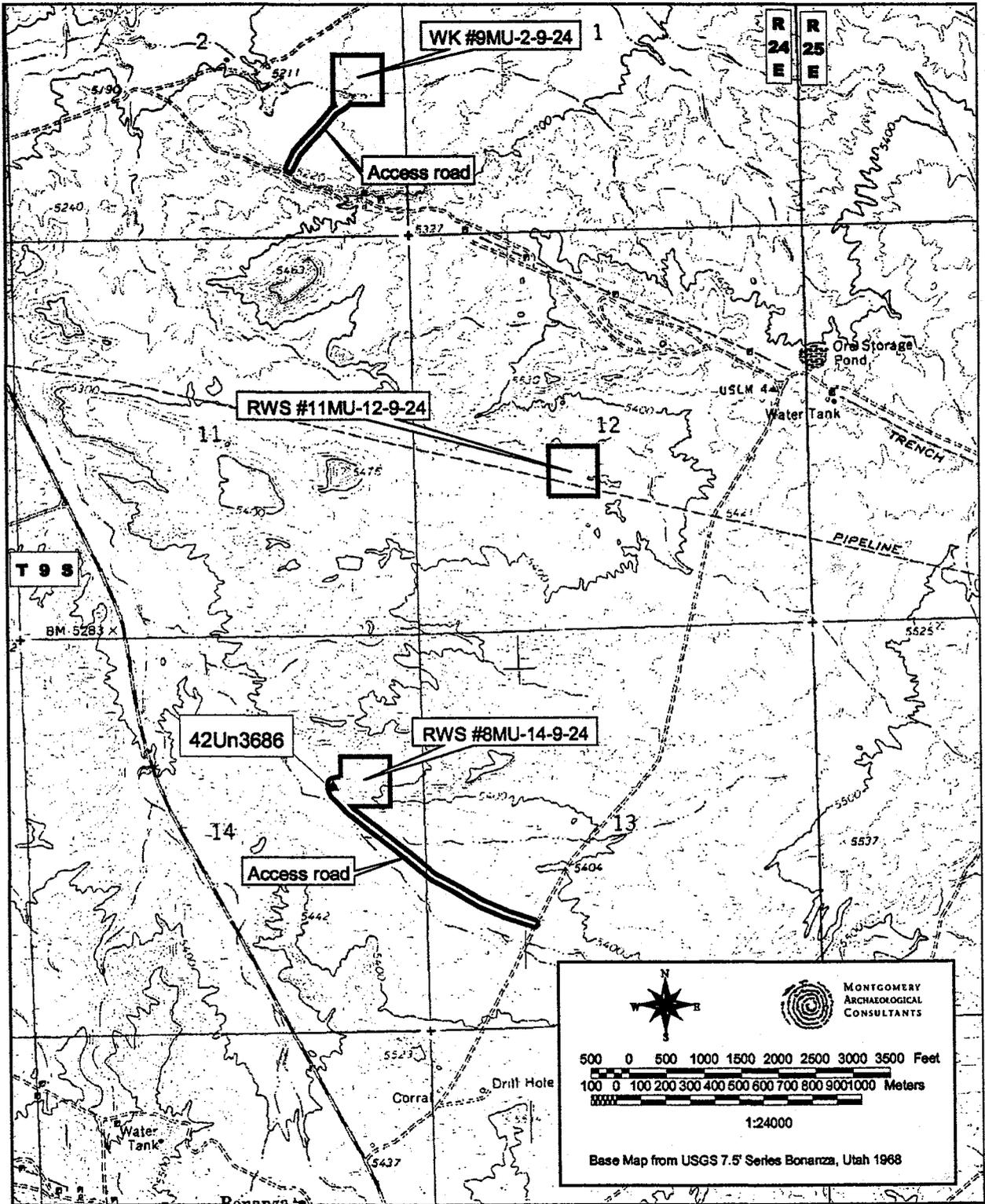


Figure 1. Inventory Area of Questar E & P Three Proposed Well Locations Showing Site 42Un3686, Uintah Co., UT.

Cultural Overview

The cultural-chronological sequence represented in the area includes the Paleoindian, Archaic, Fremont, Protohistoric, and Euro-American stages. The earliest inhabitants of the region are representative of the Paleoindian stage (ca. 12,000-8,000 B.P.), characterized by the adaptation to terminal Pleistocene environments and by the exploitation of big game fauna. The presence of Paleoindian hunters in the Uinta Basin region is implied by the discovery of Clovis and Folsom fluted points (ca. 12,000 B.P. - 10,000 B.P.), as well as the more recent Plano Complex lanceolate points (ca. 10,000 B.P. - 7,000 B.P.). Near the project area, a variety of Plano Complex Paleoindian projectile points have been documented, including Goshen, Alberta, and Midland styles (Hauck 1998). No sites with evidence of Folsom lithic technology have previously been documented near the project area. Spangler (1995:332) reports that there are no sealed cultural deposits in association with extinct fauna or with chronologically distinct Paleoindian artifacts in Utah. Specifically in the Uinta Basin, few Paleoindian sites have been adequately documented, and most evidence of Paleoindian exploitation of the area is restricted to isolated projectile points recovered in nonstratigraphic contexts. Copeland and Fike (1998:21) argue that many areas in Utah are conducive to the herding behavior of megafauna, and that there is a high probability that many of the sites in Utah of unknown age are Paleoindian.

The Archaic stage (ca. 8,000 B.P.-1,500 B.P.) is characterized by the dependence on a foraging subsistence, with peoples seasonally exploiting a wide spectrum of plant and animal species in different ecozones. The shift to an Archaic lifeway was marked by the appearance of new projectile point types, and the development of the atlatl, perhaps in response to a need to pursue smaller and faster game (Holmer 1986). In the Uinta Basin, evidence of Early Archaic presence is relatively sparse compared to the subsequent Middle and Late Archaic periods. Early Archaic (ca. 6000-3000 B.C.) sites in the Basin include sand dune sites and rockshelters primarily clustered in the lower White River drainage (Spangler 1995:373). Early Archaic projectile points recovered from Uinta Basin contexts include Pinto Series, Humboldt, Elko Series, Northern Side-notched, Hawken Side-notched, Sudden Side-notched and Rocker Base Side-notched points. Excavated sites in the area with Early Archaic components include Deluge Shelter in Dinosaur National Monument, and open campsites along the Green River and on the Diamond Mountain Plateau (Spangler 1995:374). The Middle Archaic (ca. 3000-500 B.C.) is characterized by improved climatic conditions and an increase in human population on the northern Colorado Plateau. Several stratified Middle Archaic sites have been excavated and dozens of sites have been documented in the Uinta Basin. Middle Archaic sites in the area reflect cultural influences from the Plains, although a Great Basin and/or northern Colorado Plateau influence is represented in the continuation of the Elko Series projectile points. Subsistence data from Middle Archaic components indicate gathering and processing of plants as well as faunal exploitation (e.g., mule deer, antelope, bighorn sheep, cottontail rabbit, muskrat, prairie dog, beaver and birds). The Late Archaic period (ca. 500 B.C.-A.D. 550) in the Uinta Basin is distinguished by the continuation of Elko Series projectile points with the addition of semi-subterranean residential structures at base camps. By about A.D. 100, maize horticulture and Rose Springs arrow points had been added to the Archaic lifeway. In the Uinta Basin, the earliest evidence of Late Archaic architecture occurs at the Cackleburr Wash Site (42Un1476) where a temporary structure, probably a brush shelter, yielded a date of 316 B.C. (Tucker 1986). The structure was probably associated with seasonal procurement of wild floral resources gathered along Cliff Creek.

The Formative stage (A.D. 500-1300) is recognized in the area as the Uinta Fremont as first defined by Marwitt (1970). This stage is characterized by a reliance upon domesticated corn and squash, increasing sedentism, and in its later periods, substantial habitation structures, pottery, and bow and arrow weapon technology. Based on the evidence from Caldwell Village, Boundary Village, Deluge Shelter, Mantles Cave and others, the temporal range of the Uinta Fremont appears to be from A.D. 650 to 950. This variant is characterized by shallow, saucer-shaped pithouse structures with randomly placed postholes and off-center firepits, some of which were adobe-rimmed. Traits considered unique or predominate to the Uinta Basin include calcite-tempered pottery, two-handled wide-mouth vessels, Utah type metates, the use of gilsonite for pottery repair, settlement on tops of buttes and large-shouldered bifaces (Shields 1970).

Archaeological evidence suggests that Numic peoples appeared in east-central Utah at approximately A.D. 1100 or shortly before the disappearance of Formative-stage peoples (Reed 1994). The archaeological remains of Numic-speaking Utes consist primarily of lithic scatters with low quantities of brown ware ceramics, rock art, and occasional wickiups. The brown ware ceramics appear to be the most reliable indicator of cultural affiliation, as Desert Side-notched and Cottonwood Triangular points were manufactured by other cultural groups beside the Ute (Horn, Reed, and Chandler 1994:130). The Ute appear to have been hunters and gatherers who exploited various fauna and flora resources. According to macrobotanical and faunal data from dated components, deer, elk, pronghorn, bison, and small game were acquired (Reed 1994:191). Plant materials thought to have been exploited for food include goosefoot, grass seeds, pinyon nuts, juniper berries, squawbush berries and leaves, hackberry seeds and possibly saltbush seeds, knotweed, chokecherry, and chickweed (Reed 1994:191).

Archaeological evidence suggests that Numic peoples appeared in east-central Utah at approximately A.D. 1100 or shortly before the disappearance of Formative-stage peoples (Reed 1994). The archaeological remains of Numic-speaking Utes consist primarily of lithic scatters with low quantities of brown ware ceramics, rock art, and occasional wickiups. The brown ware ceramics appear to be the most reliable indicator of cultural affiliation, as Desert Side-notched and Cottonwood Triangular points were manufactured by other cultural groups besides the Ute (Horn, Reed, and Chandler 1994:130). The Ute appear to have been hunter and gatherers exploiting various faunal and floral resources.

On May 5, 1864 Congress passed a law confirming the 1861 executive order setting up the Uintah Reservation (Burton 1996:24). This treaty provided that the Ute people give up their land in central Utah and move within one year to the Uintah Reservation without compensation for loss of land and independence. The Uinta-ats (later called Tavaputs), PahVant, Tumpanawach, and some Cumumba and Sheberetch of Utah were gathered together at the Uintah agency during the late 1860s and early 1870s to form the Uintah Band (Burton 1996:18-19). In the 1880 treaty council the White River Utes, who had participated in the Meeker Massacre, were forced to sell all their land in Colorado and were moved under armed escort to live on the Uintah Reservation (Callaway, Janetski, and Stewart 1986:339). Shortly thereafter, 361 Uncompahgre Utes were forced to sell their lands, and were relocated to the Ouray Reservation adjacent to the southern boundary of the Uintah Reservation. This area embraced a tract of land to the east and south of the Uintah Reservation below Ouray lying east of the Green River. A separate Indian Agency was established in 1881 with headquarters at Ouray which was located across the river from where the first military post, Fort Thornburgh was located. The Department of War established Fort Thornburgh along the Green River in 1881 to maintain peace between the settlers of Ashley Valley.

The infantry who participated in the relocation of the Colorado Indians ensured that the Uncompahgre and White River Utes remained on the two reservations (Burton 1996:28). In the late 1880s, gilsonite was discovered in the Uintah Basin, and Congress was persuaded to apportion 7,040 acres from the reservation so the mineral could be mined.

The earliest recorded visit by Europeans to Utah was the Dominguez-Escalante expedition, of 1776. From the early 1820s to 1845, the Uinta Basin became an important part of the expanding western fur trade. Homesteading began in 1878 with Thomas Smart, one of the first white settlers to settle east of Ouray. In 1879, about forty cowboys and several large herds of cattle wintered on the White River. The winter of 1879-1880 saw the establishment of a settlement near the White River by several pioneers and their families including Ephraim Ellsworth, the Remingtons, and the Campbells. The person most responsible for organizing a permanent homesteading movement in Ouray Valley was William H. Smart, the brother of Thomas Smart, who became president of the Wasatch LDS Stake in 1901 (Burton 1998). When the Ute reservation was opened to white homesteaders in 1905, Smart organized several exploration trips into the area that later attracted many LDS families.

Initially, livestock was the main industry of white homesteaders in Uintah County. Two factors - free grass and the availability of water - influenced men to move their cattle into the county. Most of the land in the area was part of the public domain and no territory or state could tax it. Cattle were eventually brought up east as far as the Green River and then to the surrounding mountains. Large cattle herds had been coming to Brown's Park from Texas and other eastern areas since the early 1850s. The K Ranch was a large cattle operation owned by P.R. Keiser which brought many cowboys to the area. The ranch was located on the Utah-Colorado line with property in both states. Charley Hill, who came to Ashley Valley as a trapper for the Hudson Bay Company, started a cattle company on Hill Creek and Willow Creek in the Book Cliffs (Burton 1996:109). They later moved out when the government set this section aside for the Ouray Indian Agency. Other prominent men in the cattle industry included A.C. Hatch, Dan Mosby, and James McKee. Cattle rustling became an increasingly large problem as cattle herds grew, and conflict resulted between the small and large cattle companies. In 1912, the Uintah Cattle and Horse Growers Association was organized to protect the livestock industry from thieves and to issue an authorized brand book (Ibid: 110).

The sheep industry later became part of Uintah County's economic backbone, and contributed to the decline of the cattle industry. Sheep were first introduced to the valley during the winter of 1879 when Robert Bodily brought in sixty head (Burton 1996:111). Sheep were able to survive the hard winters much better than cattle. By the mid-1890s, more than 50,000 head of sheep were in the region; and the production of wool became very important. In 1897, C.S. Carter began building shearing corrals. In 1899, 500,000 pounds of wool were shipped from the county and sold for twelve and one-half cents per pound (Ibid:111). In 1906, the Uintah Railway Company built shearing pens on the Green River to encourage the shipping of wool by train; and in 1912, pens were built at Bonanza and Dragon. Beginning in the 1940's Mexican sheep-shearing crews and Greek sheepmen from the Price and Helper areas came into the area. The Taylor Grazing Act was passed in 1934, allotting specific areas or "districts" to stockmen for livestock grazing that required permits. This act was a forerunner of the Bureau of Land Management, which was established in 1946 and eventually assumed responsibility for the administration of grazing laws on public land (Burton 1996:115).

Uintah County is also known for its natural resources. Coal, copper, iron, asphalt, shale, and especially gilsonite, were important to the mining industry. When gilsonite was discovered in the Uinta Basin in the 1880s, Congress was persuaded to apportion 7,040 acres from the Ute reservation so the mineral could be mined. This area became known as "The Strip" and later developed into the townsite of Moffat (later renamed Gusher). Gilsonite is a light-weight lustrous black hydrocarbon mineral that can easily be crushed into a black-brown powder. It can be found in commercial quantities only in the Uinta Basin. The earliest use of the mineral was in buggy paints and beer-vat linings. Today it is used in over a hundred products ranging from printing inks to explosives and automobile body sealer and radiator paint (Burton 1998:343). Mining camps also sprang up near the Colorado line in Bonanza, Dragon, and Watson starting in about 1903. Many immigrants, including Greeks and Chinese, worked in the mines. Bonanza became one of the largest and most modern functioning mining camps in the area beginning in 1921 and reached its peak in 1937. It was chosen as the Barber gilsonite company headquarters, because it was near the largest deposits of gilsonite in the area. Miners from Dragon, Rainbow, and other neighboring communities were relocated to Bonanza.

SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At each of the three proposed well locations, a 10 acre square parcel was defined, centered on the well pad center stake. The interior of the well locations were examined for cultural resources by the archaeologist walking parallel transects spaced no more than 10 meters apart. The access roads were surveyed to a width of 30 m (100 ft) by the archaeologists walking zig-zag or parallel transects spaced no more than 10 meters apart. Ground visibility was considered good. A total of 39 acres was inventoried of which 12 acres occur on SITLA lands, and 27 acres occur on BLM lands.

Cultural resources were recorded either as archaeological sites or isolated finds of artifacts. An archaeological site was defined as a spatially definable area with features and/or ten or more artifacts. Sites were documented by archaeologists walking transects, spaced no more than 3 meters apart, and marking the locations of cultural materials with pinflags. This procedure allowed clear definition of site boundaries and artifact concentrations. At the completion of the surface inspection, a handheld GEO XT Trimble GPS unit was employed to point-provenience diagnostic artifacts and other relevant features in reference to the site datum. Archaeological sites were plotted on a 7.5' USGS quadrangle and photographed; site data were entered on an Intermountain Antiquities Computer System (IMACS, 1990 version) inventory form. Permanent datums were placed at the sites consisting of a rebar and aluminum cap stamped with the temporary site number.

INVENTORY RESULTS

The inventory of Questar Exploration and Production's three proposed well locations resulted in the documentation of one archaeological sites (42Un3686). No isolated finds of artifacts were documented.

Archaeological Site

Smithsonian Site No.: 42Un3686
Temporary Site No.: 04-57-1
Land Status: BLM
NRHP Eligibility: Not Eligible

Description: This historic trash dump is situated at the base of a low ridge in a broad drainage bottom that forms part of the tableland between the Green and White Rivers. Most of the artifacts that define the site area are located in a discrete cluster that appears to represent the dumping of a trash barrel. Artifact density within the cluster approaches several hundred artifacts per square meter. The artifact cluster is surrounded to the north, west and south by a 20 m low-density scatter of artifacts that are assumed to be associated with the same dumping episode. The artifacts include hole-in-top milk cans, sanitary food cans, glass bottle and jar fragments and a small number of ceramic sherds. Also present are fragments of electrical wiring, an aluminum pan lid, the wheels and axle from a toy vehicle, a fragment of rubber pressure hose, plastic clothes hanger fragments, wire clothes hangers, a metal scotch tape holder, fragments of steel strapping bands and aluminum foil. A small amount of coal clinkers are also present. There is a faint road depression located on the north side of the artifact cluster on the slope of the ridge. It is oriented from northwest to southeast and appears to have been bladed where it crosses the ridge. Below the ridge to the southeast it can be seen as a two track road. It does not appear to have been used recently. This site is assumed to represent intentional disposal of domestic trash between the years of 1930 and 1975 or shortly there-after based on cross-dating of diagnostic artifacts. The oldest and recent dates are based on the manufacture end date for hole-in-top evaporated milk cans measuring 2 15/16" D x 3 15/16" L (1930-1975). It is unknown whether or not the road was present at the time of trash deposition. This site may be associated with miners involved in the Gilsonite mining activities at the nearby Bonanza and Little Bonanza mining centers during this time period.

NATIONAL REGISTER OF HISTORIC PLACES EVALUATION

The National Register Criteria for Evaluation of Significance and procedures for nominating cultural resources to the National Register of Historic Places (NRHP) are outlined in 36 CFR 60.4 as follows:

The quality of significance in American history, architecture, archaeology, and culture is present in districts, sites, buildings, structures, and objects of State and local importance that possess integrity of location, design, setting, material, workmanship, feeling, and association, and that they:

- a)...are associated with events that have made a significant contribution to the broad patterns of our history; or
- b)...are associated with the lives of persons significant to our past; or
- c)...embody the distinctive characteristics of a type, period, or method of construction; or that represents the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or
- d)...have yielded or may be likely to yield information important in prehistory or history.

The inventory resulted in the documentation of one archaeological site (42Un3686). No isolated finds of artifacts were observed.

Site 42Un3686 is a historic trash dump consisting primarily of tin cans dating between 1930 and 1975. The site likely represents a single dumping episode related to Gilsonite mining activities at the nearby Bonanza and Little Bonanza mines. It is recommended not eligible to the NRHP because it lacks additional research potential beyond the current documentation. The artifacts are common types to the area and do not add significant information to the existing cultural history. In addition, the site is not known to be associated with any significant historical figures.

MANAGEMENT RECOMMENDATIONS

The cultural resource inventory of Questar Exploration and Production's three proposed well locations resulted in the documentation of one historic site (42Un3686) which is recommended not eligible to the NRHP. Based on the finding, a determination of "no historic properties affected" pursuant to Section 106, CFR 800 is proposed for this project.

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APPENDIX A:

**INTERMOUNTAIN ANTIQUITY COMPUTER SYSTEM (IMACS)
SITE INVENTORY FORM
(42Un3686)**

On File At:

**Bureau of Land Management
Vernal Field Office,
and
Division of State History
Salt Lake City, UT**

QUESTAR EXPLR. & PROD.

WK #9MU-2-9-24

LOCATED IN UINTAH COUNTY, UTAH
SECTION 2, T9S, R24E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY

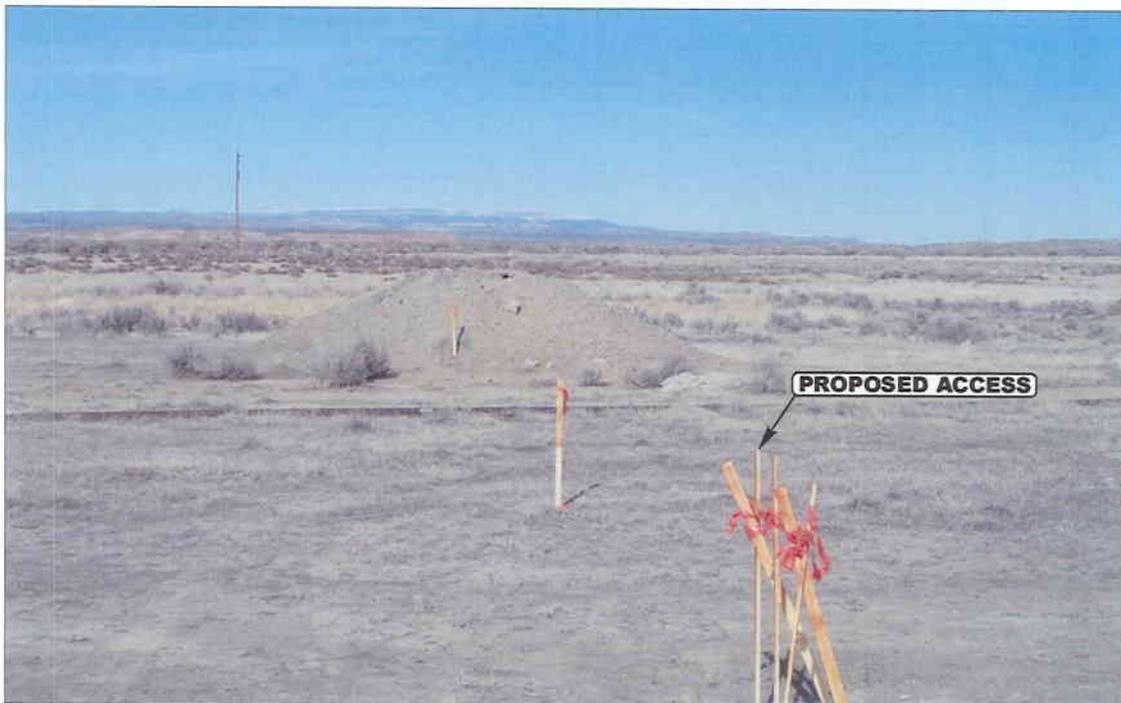


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



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

LOCATION PHOTOS

03 15 04
MONTH DAY YEAR

PHOTO

TAKEN BY: G.S. DRAWN BY: P.M. REVISED: 00-00-00

CONFIDENTIAL

QUESTAR EXPLORATION & PRODUCTION

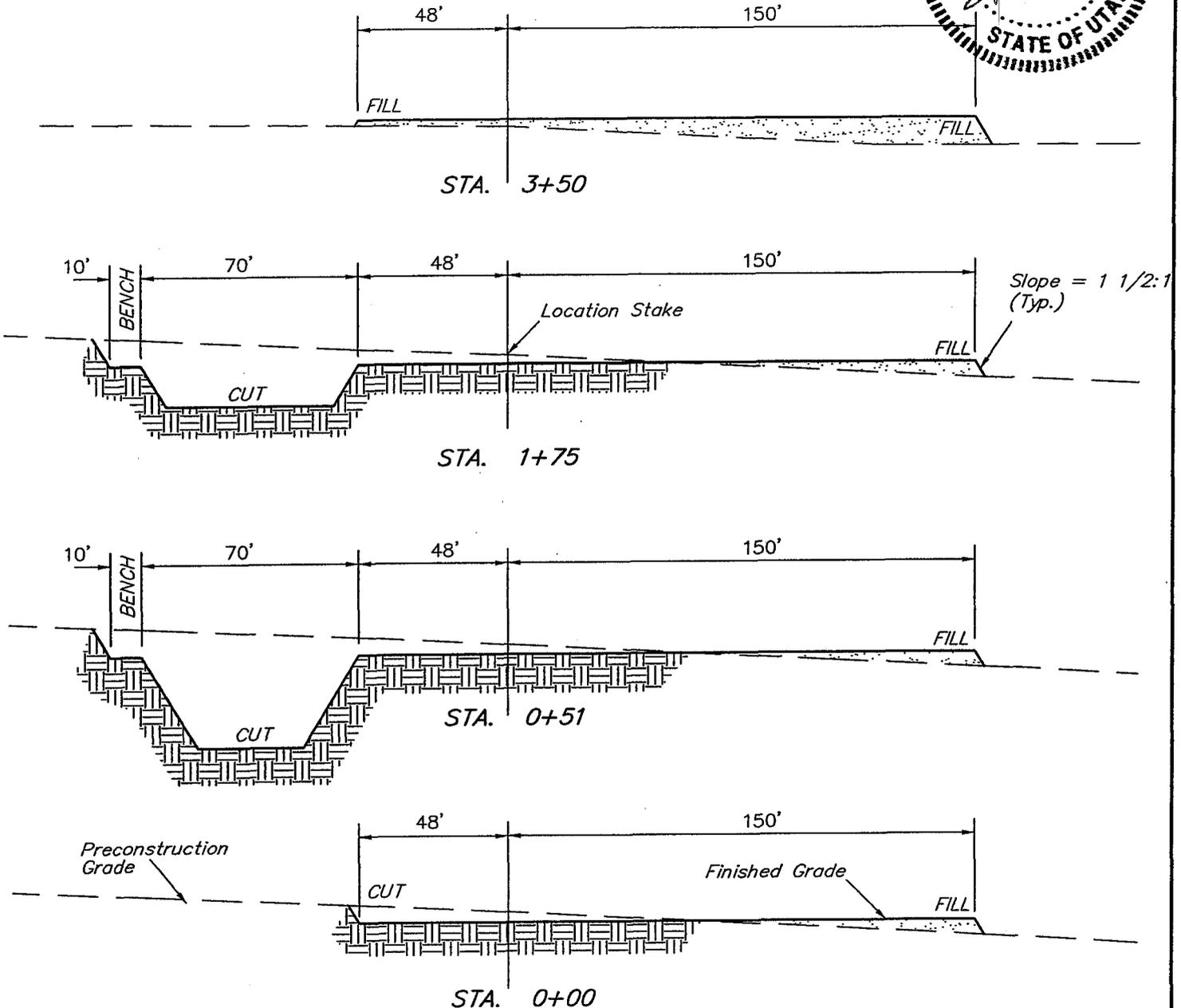
FIGURE #2

TYPICAL CROSS SECTIONS FOR

WK #9MU-2-9-24
SECTION 2, T9S, R24E, S.L.B.&M.
2176' FSL 630' FEL

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

DATE: 03-23-04
Drawn By: D.COX



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

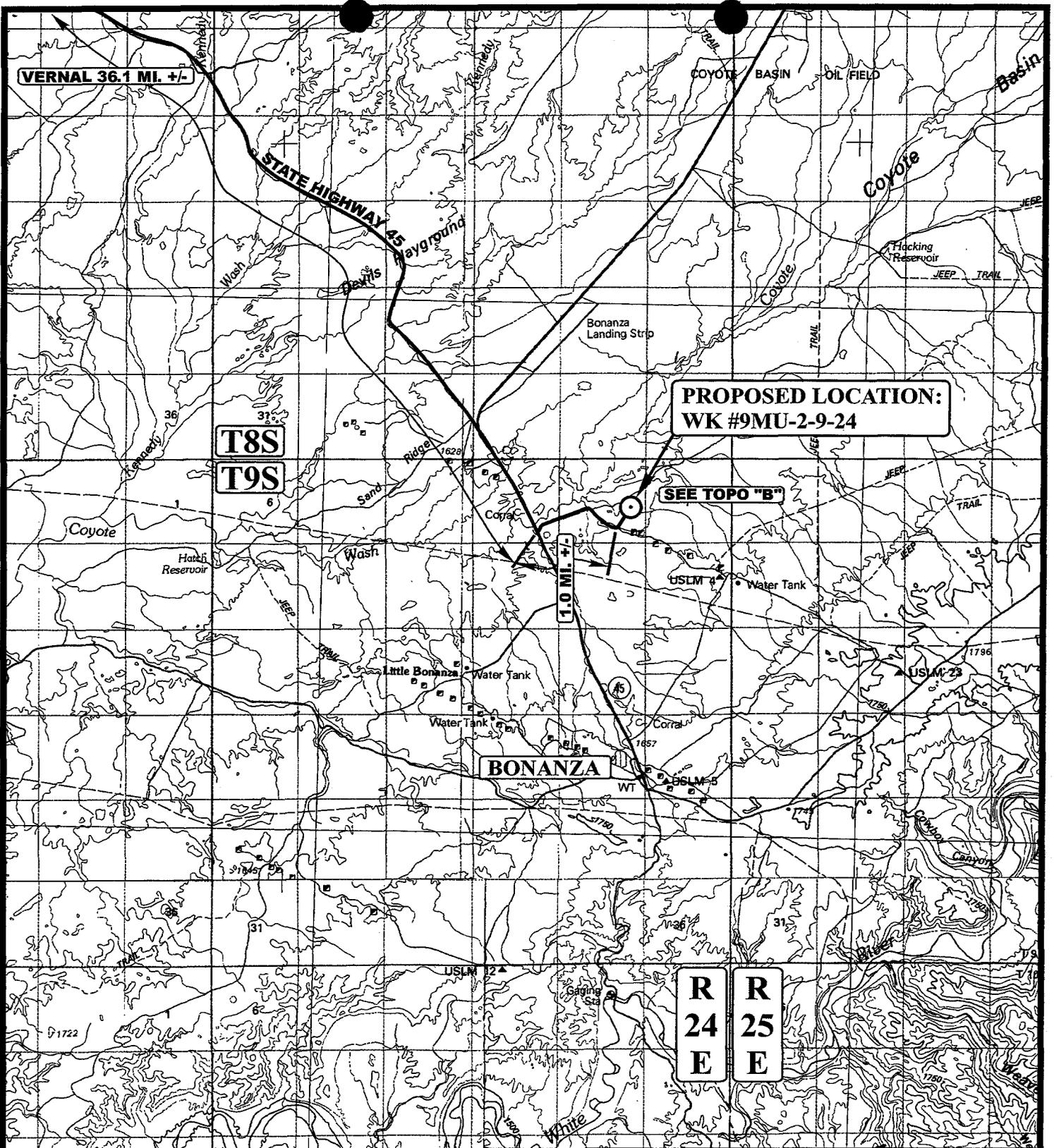
APPROXIMATE YARDAGES

| | | |
|------------------------|----------------|----------------|
| CUT | | |
| (6") Topsoil Stripping | = 1,660 | Cu. Yds. |
| Remaining Location | = 4,730 | Cu. Yds. |
| TOTAL CUT | = 6,390 | CU.YDS. |
| FILL | = 3,300 | CU.YDS. |

| | | |
|--|---------|----------|
| EXCESS MATERIAL | = 3,090 | Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,090 | Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 | Cu. Yds. |

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

CONFIDENTIAL



VERNAL 36.1 MI. +/-

T8S
T9S

PROPOSED LOCATION:
WK #9MU-2-9-24

SEE TOPO "B"

1.0 MI. +/-

BONANZA

R 24 E
R 25 E

LEGEND:

⊙ PROPOSED LOCATION



QUESTAR EXPLR. & PROD.

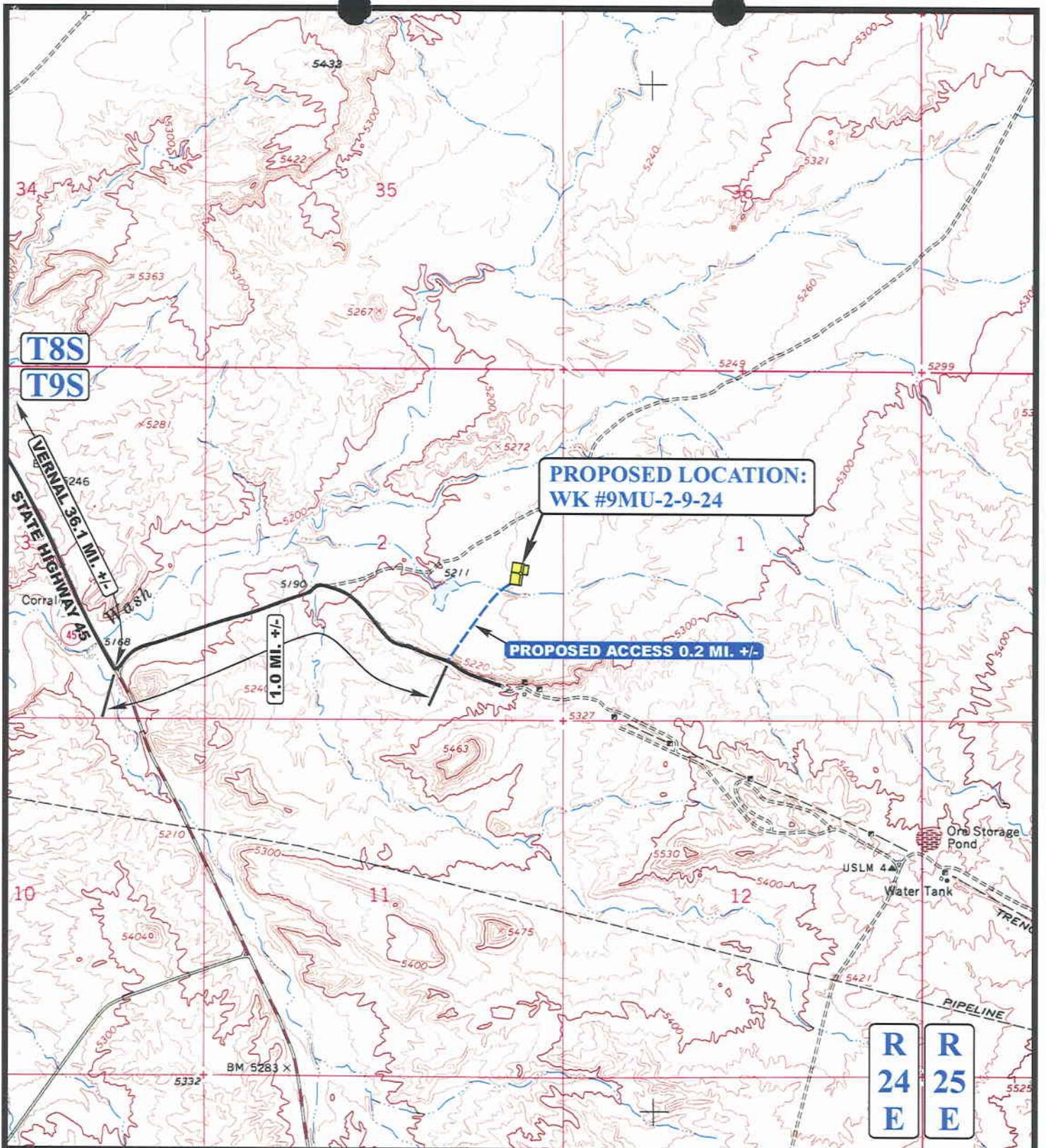
WK #9MU-2-9-24
SECTION 2, T9S, R24E, S.L.B.&M.
2176' FSL 630' FEL

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

TOPOGRAPHIC MAP 03 15 04
MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00



CONFIDENTIAL



**PROPOSED LOCATION:
WK #9MU-2-9-24**

PROPOSED ACCESS 0.2 MI. +/-

1.0 MI. +/-

R 24 E R 25 E

LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD



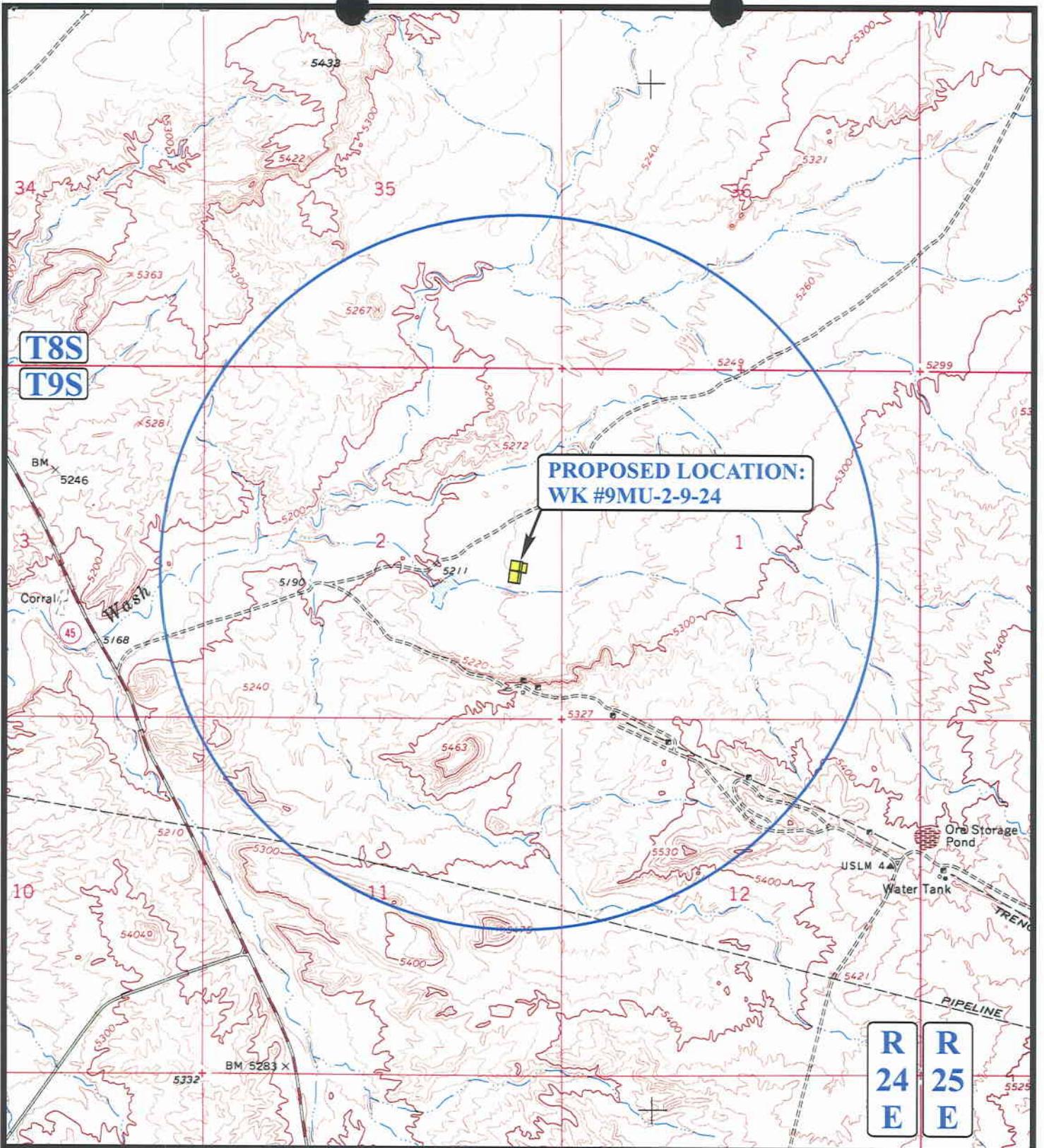
QUESTAR EXPLR. & PROD.

**WK #9MU-2-9-24
SECTION 2, T9S, R24E, S.L.B.&M.
2176' FSL 630' FEL**

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

TOPOGRAPHIC MAP 03 15 04
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00 **B TOPO**

CONFIDENTIAL



**PROPOSED LOCATION:
WK #9MU-2-9-24**

LEGEND:

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

QUESTAR EXPLR. & PROD.

**WK #9MU-2-9-24
SECTION 2, T9S, R24E, S.L.B.&M.
2176' FSL 630' FEL**



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



**TOPOGRAPHIC
MAP**

03 15 04
MONTH DAY YEAR

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

**C
TOPO**

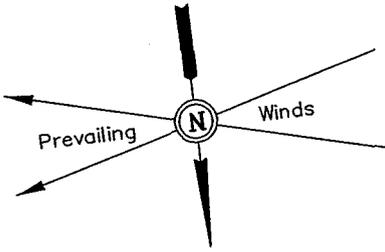
CONFIDENTIAL

QUESTAR EXPLORATION & PRODUCTION

FIGURE #1

LOCATION LAYOUT FOR

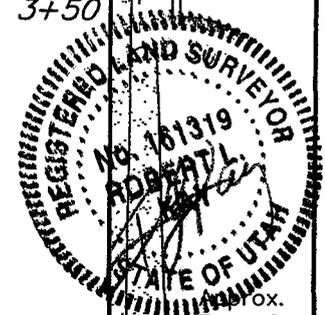
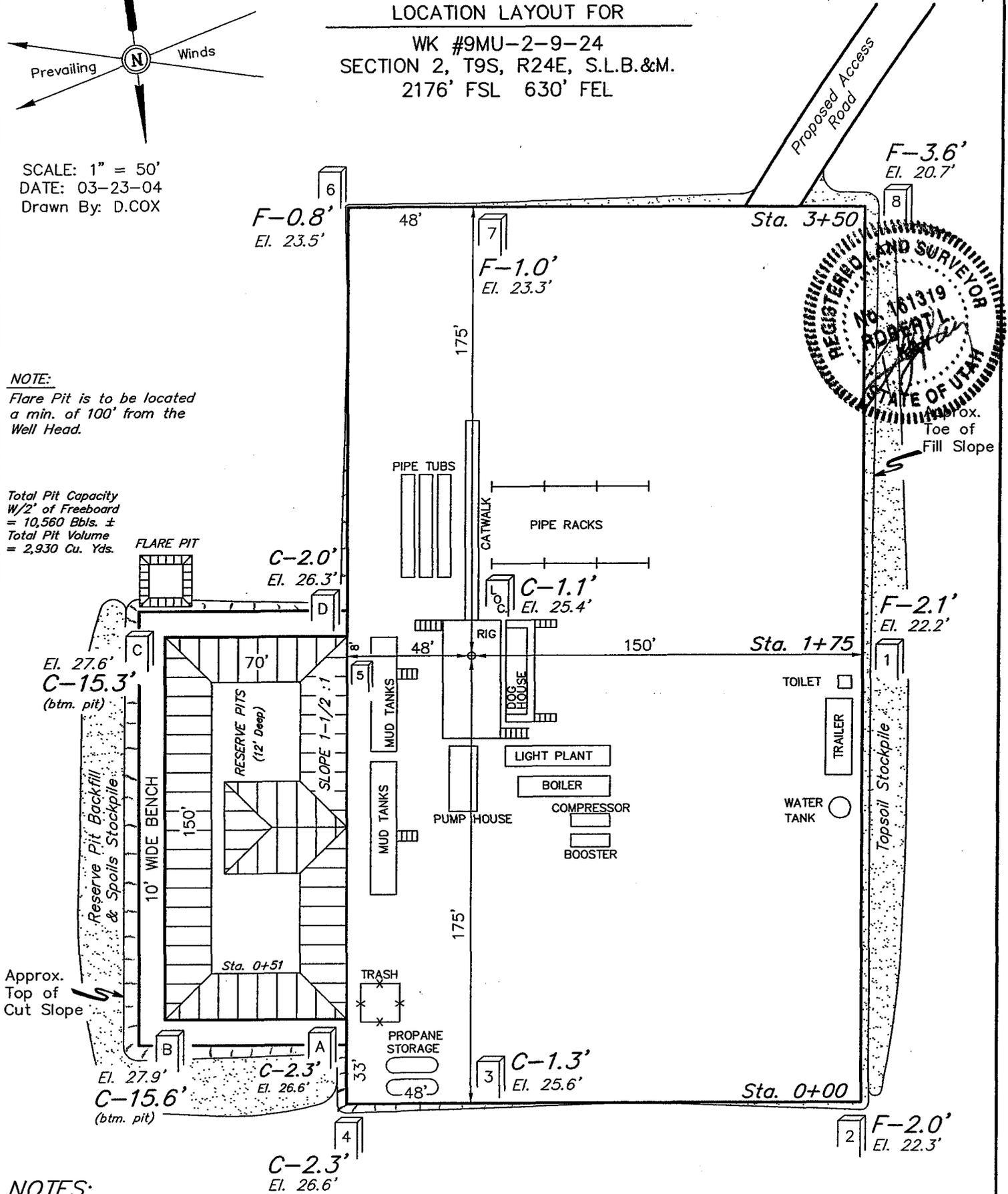
WK #9MU-2-9-24
SECTION 2, T9S, R24E, S.L.B.&M.
2176' FSL 630' FEL



SCALE: 1" = 50'
DATE: 03-23-04
Drawn By: D.COX

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

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5225.4'
FINISHED GRADE ELEV. AT LOC. STAKE = 5224.3'

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/04/2004

API NO. ASSIGNED: 43-047-35695

WELL NAME: WK 9MU-2-9-24
OPERATOR: QEP UINTA BASIN, INC. (N2460)
CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:

NESE 02 090S 240E
SURFACE: 2176 FSL 0630 FEL
BOTTOM: 2176 FSL 0630 FEL
UINTAH
WILDCAT (1)

| INSPECT LOCATN BY: / / | | |
|------------------------|----------|--------|
| Tech Review | Initials | Date |
| Engineering | DKD | 7/2/04 |
| Geology | | |
| Surface | | |

LEASE TYPE: 3 - State
LEASE NUMBER: ML-47046
SURFACE OWNER: 3 - State
PROPOSED FORMATION: MVRD
COALBED METHANE WELL? NO

LATITUDE: 40.06353
LONGITUDE: 109.17362

RECEIVED AND/OR REVIEWED:

Plat

Bond: Fed[] Ind[] Sta[3] Fee[]
(No. ~~04127294~~ 945-003-1032)

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

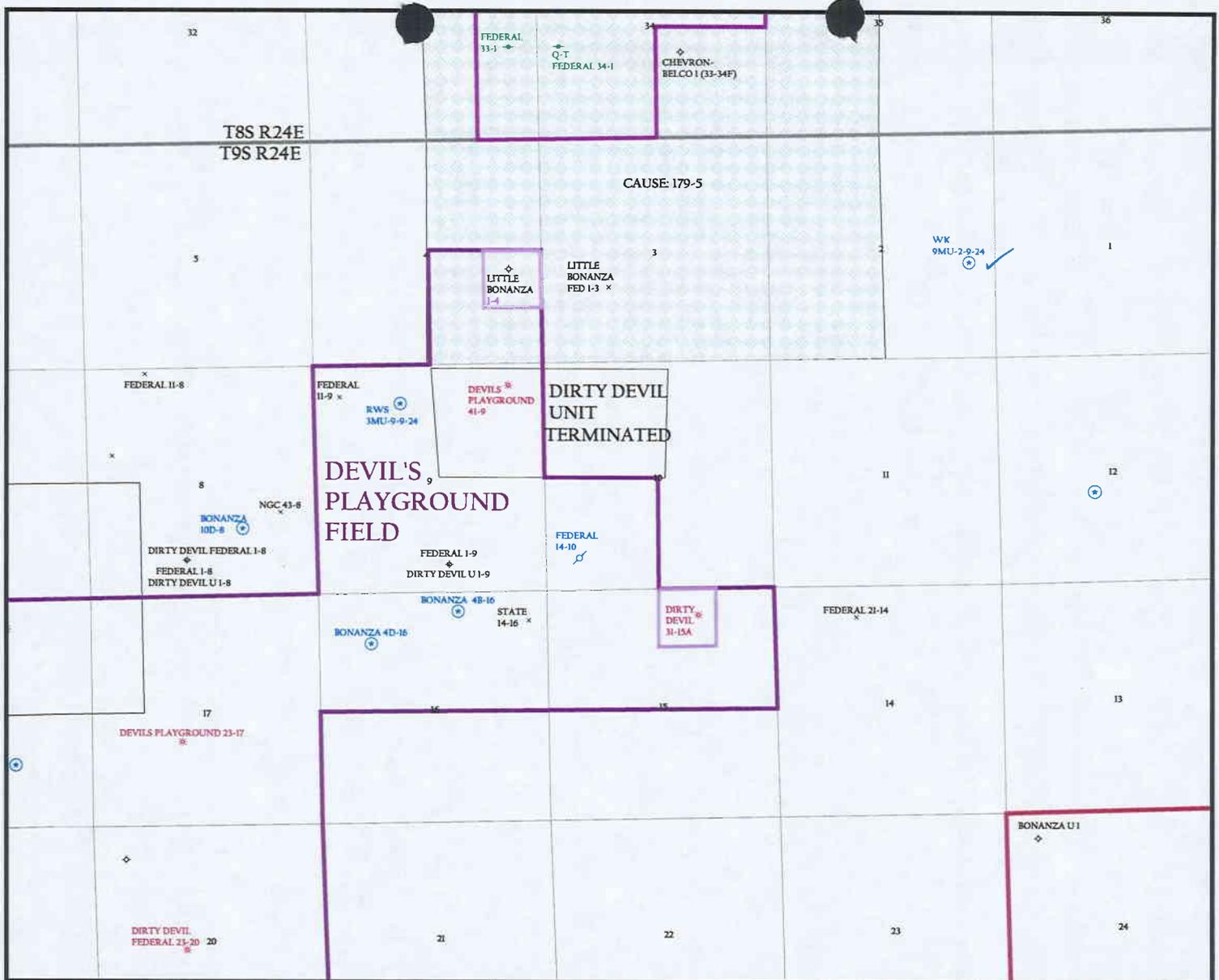
___ R649-3-3. Exception

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

___ R649-3-11. Directional Drill

COMMENTS: Needs Permit (06-21-04)

STIPULATIONS: 1- Spacing Strip
2- Surface Casing Should be extended to 1100' and cemented to surface.
3- STATEMENT OF BASIS



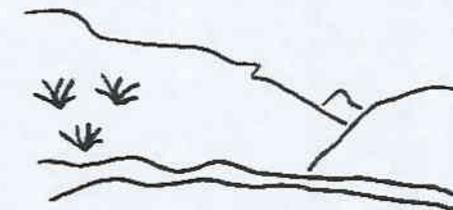
OPERATOR: QEP UINTA BASIN INC (N2460)

SEC. 2 T.9S, R.24E

FIELD: WILDCAT (002)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

Well Status

- ↗ 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: 7-MAY-2004

From: Ed Bonner
To: Whitney, Diana
Date: 5/6/2004 5:31:35 PM
Subject: Re: QEP Uinta Basin Inc. lease and bond

ML 47046 is in the name of Questar Exploration & Production Company with 43.75% interest and III Exploration Company with 56.25% interest.
We are currently holding Bond No. 965-003-032 in the amount of \$80,000 with Liberty Mutual Insurance Company as surety.

From: Ed Bonner
To: Whitney, Diana
Date: 5/12/2004 1:06:19 PM
Subject: Well Clearance

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

Westport Oil & Gas Company
Love 1121-16A

QEP Uinta Basin Inc
WH 13G-2-7-24

EOG Resources Inc
WK 9MU-2-9-24

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

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

DESIGNATION OF OPERATOR

The undersigned is, on the records of the School and Institutional Trust Lands Administration, holder of lease, ML 47046:

And hereby designates:

NAME: QEP UINTAH BASIN, INC.

ADDRESS: 11002 EAST 17500 SOUTH
VERMILION, UT 84078

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Administration or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

Operator agrees to comply with all lease provisions, statutes, rules, and regulations, whether federal, state, or local, in its operations on the subject lease.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Rules and Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Director, Trust Lands Administration or his representative.

The lessee agrees promptly to notify the Trust Lands Administration of any change in the designated operator.

III EXPLORATION, INC.



Signature of Lessee

P.O. Box 7608
BOISE, ID 83707

Address

6-2-04

Date

6-7-04

Date



Signature of Operator

RECEIVED

JUN 08 2004

DIV. OF OIL, GAS & MINING

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

OPERATOR: Q.E.P. UINTA BASIN, INC.

WELL NAME & NUMBER: WK 9MU-2-9-24

API NUMBER: 43-047-35695

LEASE: UT ST ML-47046 FIELD/UNIT: WILDCAT

LOCATION: 1/4,1/4 NE/SE sec: 2 TWP: 9S RNG: 24E 630' FEL 2176' FSL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): 4436413N 655702E SURFACE OWNER: STATE OF UTAH

PARTICIPANTS

DAVID W. HACKFORD (DOGM), JAN NELSON (QEP.), FLOYD BARTLETT (DWR).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS IN A RELATIVELY FLAT AND LEVEL AREA STRETCHING FOR 0.4 MILES TO THE NORTH, SOUTH AND WEST, AND STRETCHING FOR 0.7 MILES TO THE EAST. DRAINAGE IS VERY SLIGHT TO THE WEST. THERE ARE LOW RIDGES AND KNOLLS 1500' TO THE NORTH AND SOUTH. THIS SITE IS THREE MILES NORTH OF BONANZA, UTAH. THE WHITE RIVER IS 5.5 MILES TO THE SOUTHEAST.

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING. THERE ARE NUMEROUS GILSONITE MINES IN THIS SECTION.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 350' BY 268'. ACCESS ROAD WILL BE 0.2 MILES.

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

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. IF A PIPELINE IS NEEDED FOR THIS WELL, IT WILL BE PERMITTED AT A LATER TIME.

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

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

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

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: SAGE, GREASEWOOD, RUSSIAN THISTLE, HALOGETON, CHEAT GRASS: PRONGHORN, COYOTES, SONGBIRDS, RAPTORS, RODENTS, RABBITS, DEER.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

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

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT

CHARACTERISTICS: RESERVE PIT WILL BE 150' BY 70' AND 12' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 12 MIL LINER WILL BE REQUIRED FOR THE RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

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

OTHER OBSERVATIONS/COMMENTS

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A WARM, SUNNY DAY.

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

6/21/04. 10:30 AM
DATE/TIME

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

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

Final Score 35 (Level 1 Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.





June 22, 2004

Mr. Gil Hunt
Technical Services Manager
Division of Oil, Gas & Mining
State of Utah-Department of Natural Resources
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Dear Mr. Hunt:

On June 21, 2004, Mr. David Hackford of your division contacted American Gilsonite Company (AGC) regarding an application for a permit to drill. The application, WK#-9MU-2-9-24 has been submitted by Questar (QEP) and is located in T9S R24E, Section 2. AGC has several concerns regarding this proposed well. AGC owns patented mining claims in this section and has active mining operations ongoing on them. AGC has a strict set of operating parameters that they are mandated to follow because of the presence of explosive and toxic gases that are occasionally encountered when mining gilsonite. Additionally, AGC has encountered substantial groundwater at shallow depths in this area. Due to the numerous potential safety hazards involved, AGC would like some reassurance from your division that the drilling of this proposed well will not create any hazard to our personnel or to the minerals reserved to AGC by law.

AGC would like to know if there is a current board ruling that defines the spacing and pooling for wells in this area (Bonanza Unit). AGC has not been contacted by Questar regarding this well and has questions regarding royalties that may be due.

Should you have any questions regarding this request or need any additional information, please do not hesitate to contact me.

Best Regards

Clay Taylor
Senior Mine Engineer
American Gilsonite Company
435-789-1921 x-415

CC: Earl R. White, Vice President of Operations-AGC



Search Utah.gov

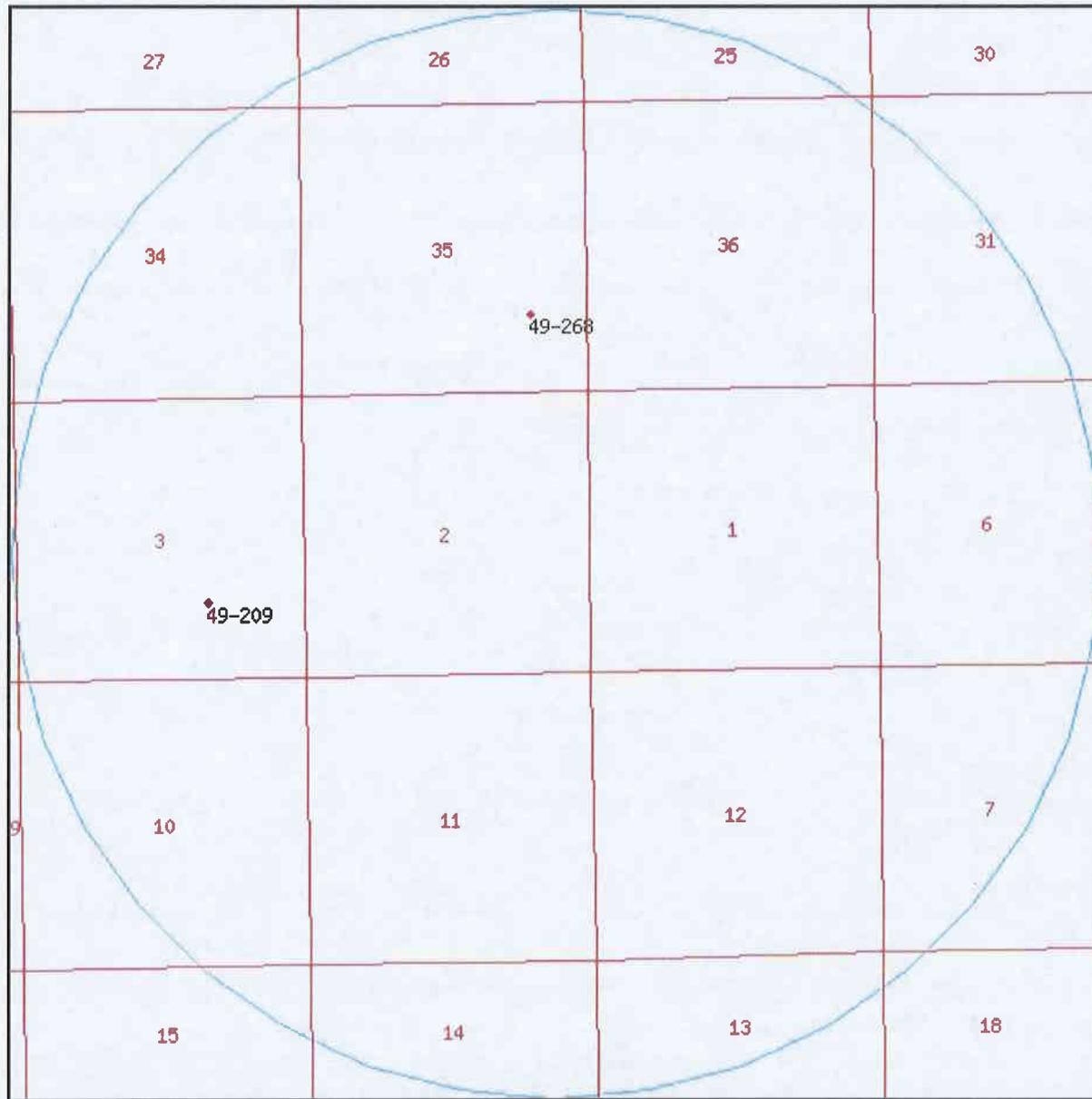
GO

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.03.26.00 Rundate: 06/28/2004 01:35 PM

● Radius search of 10000 feet from a point N2176 W630 from the SE corner, section 02, Township 9S, Range 24E, SL b&m
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



Water Rights

| WR Number | Diversion Type/Location | Well Log | Status | Priority | Uses | CFS | ACFT | Owner Name |
|----------------------|---|---------------------|---------------|-----------------|-------------|------------|-------------|--|
| <u>49-209</u> | Underground N1350 W1800 SE 03 9S 24E SL | <u>well info</u> | P | 19551101 | D | 0.011 | 0.000 | Partnership G.S. Ziegler & Company Jensen UT 84035 |
| <u>49-268</u> | Underground N1390 W1041 SE 35 8S 24E SL | <u>well info</u> | P | 1928 | S | 0.009 | 0.000 | Joseph P. Hacking Vernal UT 84078 |

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)



American Gilsonite Company

Bonanza Minesite
29950 South Bonanza Highway
Bonanza Utah 84008 • Phone (435) 789-1921 • Fax (435) 789-1956

June 22, 2004

Mr. Gil Hunt
Technical Services Manager
Division of Oil, Gas & Mining
State of Utah-Department of Natural Resources
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

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AGC would like to know if there is a current board ruling that defines the spacing and pooling for wells in this area (Bonanza Unit). AGC has not been contacted by Questar regarding this well and has questions regarding royalties that may be due.

Should you have any questions regarding this request or need any additional information, please do not hesitate to contact me.

Best Regards

Clay Taylor
Senior Mine Engineer
American Gilsonite Company
435-789-1921 x-415

CC: Earl R. White, Vice President of Operations-AGC

RECEIVED
JUN 24 2004
DIV. OF OIL, GAS & MINING

From: "Clay Taylor" <ctaylor@amgc.com>
To: <bradhill@utah.gov>
Date: 6/24/2004 2:04:47 PM
Subject: Questar Proposal Near Active Mining Area

Brad,

Our active mines in Sec 2, T9S R24E go to a depth of 1090-ft. See letter attached.

Clay Taylor
Senior Mine Engineer
American Gilsonite Company

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

OPERATOR: Q.E.P. UINTA BASIN, INC.
WELL NAME & NUMBER: WK 9MU-2-9-24
API NUMBER: 43-047-35695
LOCATION: 1/4,1/4 NE/SE Sec: 2 TWP: 9S RNG: 24E 630' FEL 2176' FSL

Geology/Ground Water:

QEP proposes to set 450 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 3,000 feet. A search of Division of Water Rights records shows 2 water wells within a 10,000 foot radius of the proposed location. Both wells are approximately 1 mile from the proposed location and are 100 feet or less in depth. One is listed for domestic use and the other for stock watering. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed well is approximately .3-.4 miles from an active gilsonite mine. Verbal and written correspondence from Clay Taylor at American Gilsonite indicate that they are presently mining at a depth of about 1,100 feet. For both mine safety reasons and protection of the mineral resource surface casing should be extended to below the active mine workings and cemented to surface. The surface hole should also be drilled with air or mist if possible. A surface casing at this depth should adequately protect any useable ground water in this area.

Reviewer: Brad Hill **Date:** 06-28-04

Surface:

The predrill investigation of the surface was performed on 6/21/2004. Floyd Bartlett with DWR and Ed Bonner with SITLA were invited to this investigation on 6/14/2004. Mr. Bartlett was present. He had no concerns regarding the construction of this location or the drilling of this well. SITLA did not have a representative present. This site is in a relatively flat area with no sandstone outcroppings. The White River 5.5 miles to the southeast. This site appears to be the best spot for a location in the immediate area. There are active gilsonite mines in this section. The closest one is 0.4 miles to the south. There is also a power line 0.2 miles to the south. I told Jan Nelson (QEP) that She needed to notify American Gilsonite Company prior to building this location or drilling this well. I also notified American Gilsonite Company after this investigation and told them that QEP was attempting to get a permit to drill at this site. My concern is that lost circulation while drilling this well or blasting while building this location could be dangerous for miners working underground.

Reviewer: David W. Hackford **Date:** 01/13/2004

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

| | | |
|--------------|--------------------------------|--------------|
| Well name: | 06-04 QEP WK 9MU-2-9-24 | |
| Operator: | QEP Uinta Basin Inc. | Project ID: |
| String type: | Surface | 43-047-35695 |
| Location: | Uintah County | |

Design parameters:

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

Burst
Max anticipated surface pressure: 968 psi
Internal gradient: 0.120 psi/ft
Calculated BHP: 1,100 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor: 1.125

Burst:
Design factor: 1.00

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

Tension is based on buoyed weight.
Neutral point: 963 ft

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 90 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 450 ft

Cement top: 622 ft

Non-directional string.

Re subsequent strings:
Next setting depth: 5,000 ft
Next mud weight: 9.500 ppg
Next setting BHP: 2,468 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 1,100 ft
Injection pressure: 1,100 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-----------|-------------------------|-------|------------|----------------------|---------------------|---------------------|-------------------------|
| 1 | 1100 | 9.625 | 36.00 | K-55 | LT&C | 1100 | 1100 | 8.765 | 78.3 |

| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
|---------|---------------------|-------------------------|------------------------|------------------|----------------------|---------------------|---------------------|-------------------------|-----------------------|
| 1 | 480 | 2020 | 4.209 | 1100 | 3520 | 3.20 | 35 | 489 | 14.10 J |

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

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

Date: June 29, 2004
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 1100 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

| | | |
|--------------|--------------------------------|--------------|
| Well name: | 06-04 QEP WK 9MU-2-9-24 | |
| Operator: | QEP Uinta Basin Inc. | Project ID: |
| String type: | Production | 43-047-35695 |
| Location: | Uintah County | |

Design parameters:

Collapse

Mud weight: 9.500 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 145 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 1,867 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 2,467 psi

No backup mud specified.

Tension:

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

Non-directional string.

Tension is based on buoyed weight.
 Neutral point: 4,290 ft

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 5000 | 4.5 | 11.60 | J-55 | LT&C | 5000 | 5000 | 3.875 | 115.9 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 2467 | 4960 | 2.010 | 2467 | 5350 | 2.17 | 50 | 162 | 3.26 J |

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

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

Date: June 29, 2004
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 5000 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Casing Schematic

① Stipulation
Cement to Surface

Uinter

Surface

TOC @ 0.

131' w/ 0% Washout

TOC @ 622.

w/ 15% Washout

② Stipulation

Surface 1100. MD

1256 TOC Tail

Casing Adequate
Cmt will be circ
to surface per
John Busch

3385 Washout

w/ 15% Washout

4485 Mesa Verde

4-1/2"
MW 9.5

Production
5000. MD

885
Green River
9-5/8"
MW 8.4
Frac 19.3

BAP

$$(0.052)(9.5)(5,000) = 2470$$

Anticipate 2168

G₂₀

$$(0.12)(5,000) = 600$$

MASP = 1870

BOPE - 3,000 ✓

Surf Csg - 3520
70% = 2464

Propose Test to 2500 ✓

Adequate

DVD

7/2/04

From: Ed Bonner
To: Whitney, Diana
Date: 7/7/2004 9:50:16 AM
Subject: Bonds & Leases

The following bonds and leases are OK:

CDX Rockies LLC ML 46435 RLB 000 3066

The Houston Exploration Co ML 47782 10455043

QEP Uintah Basin ML 47046 965-003-032



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

July 7, 2004

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

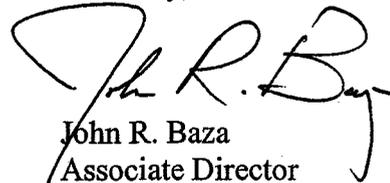
Re: WK 9MU-2-9-24 Well, 2176' FSL, 630' FEL, NE SE, Sec. 2, T. 9 South,
R. 24 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35695.

Sincerely,



John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
7. Surface casing should be extended to 1100' and cemented to surface.

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: ML-47046 |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: N/A |
| 2. NAME OF OPERATOR: QEP UINTA BASIN, INC. | | 8. WELL NAME and NUMBER: WK 9MU-2-9-24 |
| 3. ADDRESS OF OPERATOR: 11002 E 17500S CITY VERNAL STATE UT ZIP 84078 | | 9. API NUMBER: 4304735695 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2176 FSL 630 FEL COUNTY: UINTAH | | 10. FIELD AND POOL, OR WILDCAT: UNDESIGNATED |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 2 9 S 24 STATE: UTAH | | |

CONFIDENTIAL

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|---|---|--|---|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: <u>APD EXTENSION</u> |

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

QEP Uinta Basin, Inc. hereby requests a 1 year extension on the APD WK 9MU-2-9-24.

Approved by the
Utah
Oil, Gas and Mining
Date: 06-16-05
By: *[Signature]*

COPY SENT TO OPERATOR
Date: 6-12-05
Initials: _____

| | |
|---------------------------------------|---|
| NAME (PLEASE PRINT) <u>Jan Nelson</u> | TITLE <u>Regulatory Affairs Analyst</u> |
| SIGNATURE <i>[Signature]</i> | DATE <u>6/13/05</u> |

(This space for State use only)

RECEIVED
JUN 16 2005

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

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

API: 43-047-35695
Well Name: WK 9MU-2-9-24
Location: NESE 2176' FSL 630' FEL SEC. 2, T9S, R24E
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 7/7/2004

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

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

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

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

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

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

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

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

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

Jan Nelson
Signature

6/9/2005
Date

Title: Regulatory Affairs Analyst

Representing: QEP UINTA BASIN, INC.

RECEIVED
JUN 16 2005

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

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

5. Lease Designation and Serial No.
UT ST ML-47046

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

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

8. Well Name and No.
WK 9MU 2-9-24

9. API Well No.
43-047-35695

10. Field and Pool, or Exploratory Area
UNDESIGNATED

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE

CONFIDENTIAL

1. Type of Well
Oil Gas
Well Well Other

2. Name of Operator
QEP, UINTA BASIN, INC.

3. Address and Telephone No. Contact: **Dahn.Caldwell@questar.com**
11002 E. 17500 S. VERNAL, UT 84078-8526 **435-781-4342 Fax 435-781-4357**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2176' FSL, 630' FEL, NESE, SEC 2-T9S-R24E

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

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input checked="" 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>SPUD</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)

On 7/22/05 - Drilled 39' of 20" conductor. Set 40' of 14" conductor pipe. Cmtd w/ 150 sxs Class 'A' Cement.

On 7/23/05 - Drilled 12-1/4" hole to 2787'KB. Ran 61 jts of 9-5/8", J-55, 36#. Land shoe at 2747'KB. Cmt w/ 250 sxs lead and 200 sxs tail.

7/25/05 - Pumped 50 sxs top job down 200' of 1" pipe. No returns. Wait overnight to let cmt set and dig out around cmt head to cmt 2nd top job.

7/27/05 - Pumped 200 sxs top job through 200' of 1" pipe. Got returns. Cmt level held.

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3 - BLM, 2- Utah OG&M, 1 - Denver, 1 - file Word file-server

14. I hereby certify that the foregoing is true and correct.
Signed Dahn F. Caldwell Office Administrator II Date 7/29/2005

(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.

CONFIDENTIAL

OPERATOR: **QEP Uinta Basin, Inc.**
ADDRESS: **11002 East 17500 South
Vernal, Utah 84078-8526**

OPERATOR ACCT. No. N-2460

(435)781-4300

| Action Code | Current Entity No. | New Entity No. | API Number | Well Name | QQ | SC | TP | RG | County | Spud Date | Effective Date |
|------------------------------|--------------------|----------------|--------------|---------------|------|----|----|-----|--------|-----------|--|
| A | 99999 | 14858 | 43-047-35695 | WK 9MU 2-9-24 | NESE | 2 | 9S | 24E | Uintah | 7/22/05 | 8/4/05 |
| WELL 1 COMMENTS: <i>MVRD</i> | | | | | | | | | | | <p style="font-size: 2em; font-weight: bold;">CONFIDENTIAL</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold;">RECEIVED AUG 02 2005</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: 0.8em;">DIV. OF OIL, GAS & MINING</p> |
| WELL 2 COMMENTS: | | | | | | | | | | | |
| WELL 3 COMMENTS: | | | | | | | | | | | |
| WELL 4 COMMENTS: | | | | | | | | | | | |
| WELL 5 COMMENTS: | | | | | | | | | | | |

ACTION CODES (See instructions on back of form)

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

NOTE: Use COMMENT section to explain why each Action Code was selected

(3/89)


Signature

Office Administrator II 7/29/05
Title Date

Phone No. (435)781-4342

CONFIDENTIAL

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: ML-47046 |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A |
| | | | 7. UNIT or CA AGREEMENT NAME: N/A |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | CONFIDENTIAL | | 8. WELL NAME and NUMBER: WK 9MU-2-9-24 |
| 2. NAME OF OPERATOR: QEP UINTA BASIN, INC. | | | 9. API NUMBER: 4304735695 |
| 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: UNDESIGNATED | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2176' FSL 630' FEL | | | COUNTY: UINTAH |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 2 9S 24E | | | STATE: UTAH |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> ACIDIZE | <input checked="" 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"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

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

QEP Uinta Basin, Inc. proposes to drill this well to the Mesa Verde formation. The proposed TD was 5000' the new proposed TD will be 7000'. Please see revised drilling program, casing and cement changes.

COPY SENT TO OPERATOR
Date: 8-8-05
Initials: CHD

RECEIVED
AUG 04 2005

DIV. OF OIL, GAS & MINING

| | |
|---------------------------------------|---------------------------------|
| NAME (PLEASE PRINT) <u>Jan Nelson</u> | TITLE <u>Regulatory Affairs</u> |
| SIGNATURE <u>Jan Nelson</u> | DATE <u>8/3/2005</u> |

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING
DATE: 8/8/05
BY: [Signature]

(5/2000) (See Instructions on Reverse Side)

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 | 1301' | |
| Wasatch | 3471' | Gas |
| Mesa Verde | 4656' | |
| Sego | 6931' | |
| TD | 7000' | |

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 | 7000' |

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 be obtained from Wonsits Valley water right #36125 or Red Wash water right # 49-2153 to supply fresh water for drilling.

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

DRILLING PROGRAM

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 1500 psi, (or 70% of burst 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 | 2700' | 12 1/4" | 9-5/8" | K-55 | 36 lb/ft (new) LT&C |
| Production | 7000' | 7 -7/8" | 4 -1/2" | M-80 | 11.60 lb/ft (new)LT&C |

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.

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: Mesa Verde 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

7. Cementing Program

| <u>Casing</u> | <u>Volume</u> | <u>Type & Additives</u> |
|---------------|----------------------------|---|
| Surface | 1541 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-853sx* Tail-844sx* | 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 4200' ($\pm 500'$ above production zone). |

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.

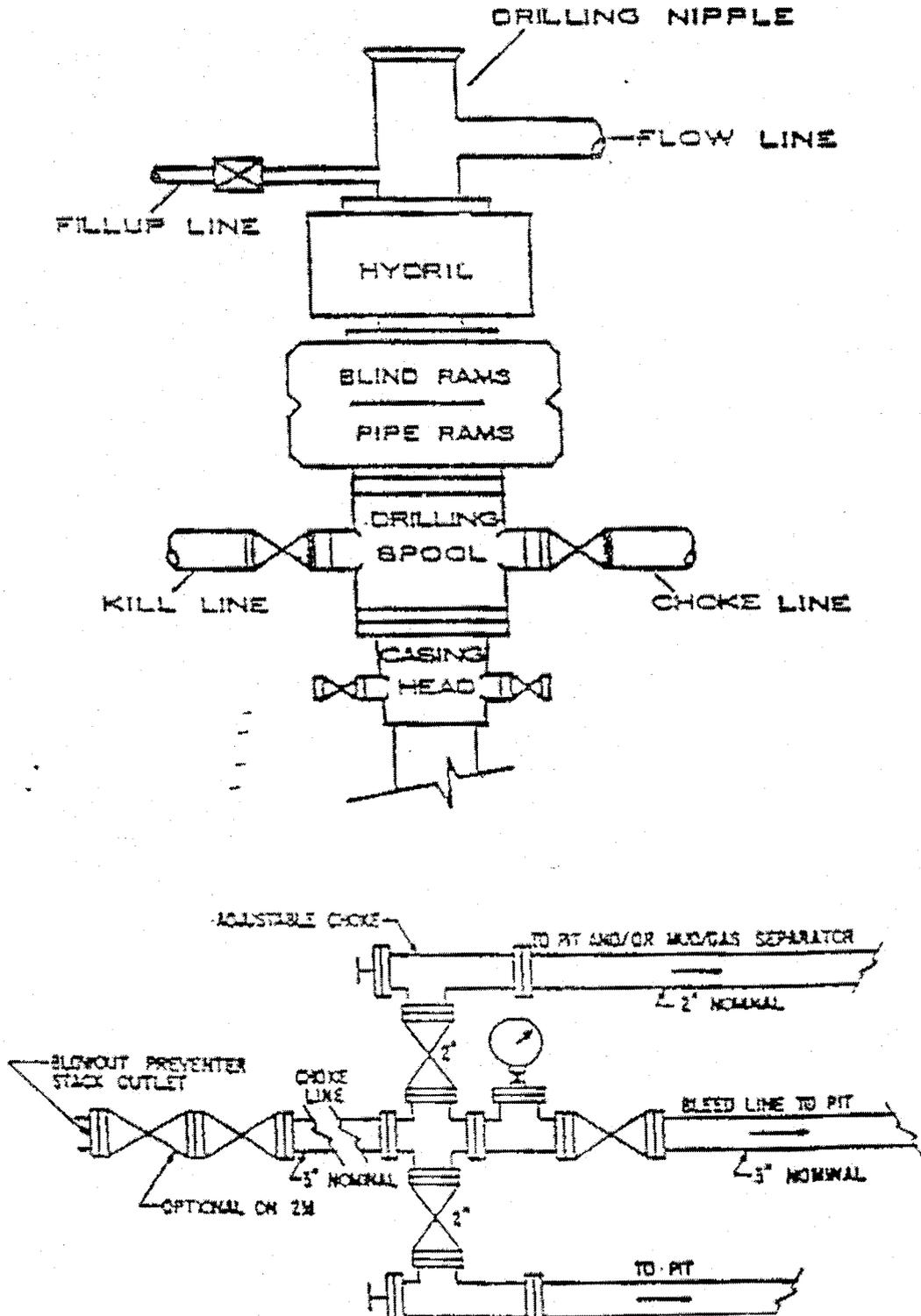
*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

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 3036.0 psi. Maximum anticipated bottom hole temperature is 140° F.

DRILLING PROGRAM

SCHEMATIC DIAGRAM OF 3,000 PSI BOP STACK



Casing Schematic

Surface

9-5/8"
MW 8.4
Frac 19.3

Surface
2700. MD

TOC @
0. TOC @
0.

w/15% wo

3M BOPE proposed ✓

Calc. BHP = 3455 psi

gas (0.12)(7000) = 840 psi

MASP = 2615 psi ✓

Propose Test to 70% internal yield = 2464 psi ✓

✓ Adequate D/D 8/9/05

TOC Tail
2643'

w/15% wo

4-1/2"
MW 9.5

Production
7000. MD

| | | | |
|--------------|-----------------------------|-------------|--------------|
| Well name: | 08-05 QEP WK 9MU-2-9-24rev. | | |
| Operator: | QEP Uinta Basin Inc. | | |
| String type: | Surface | Project ID: | 43-047-35695 |
| Location: | Uintah County | | |

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 1,868 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP: 2,192 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 2,364 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 113 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 450 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 5,000 ft
 Next mud weight: 9.500 ppg
 Next setting BHP: 2,468 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 2,700 ft
 Injection pressure: 2,700 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 2700 | 9.625 | 36.00 | K-55 | LT&C | 2700 | 2700 | 8.765 | 192.3 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 1178 | 2020 | 1.715 | 2192 | 3520 | 1.61 | 85 | 489 | 5.74 J |

Prepared by: Dustin K. Doucet
 Utah Div. of Oil & Mining

Phone: 810-538-5281
 FAX: 801-359-3940

Date: August 8, 2005
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2700 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

| | | | |
|--------------|-----------------------------|-------------|--------------|
| Well name: | 08-05 QEP WK 9MU-2-9-24rev. | | |
| Operator: | QEP Uinta Basin Inc. | | |
| String type: | Production | Project ID: | 43-047-35695 |
| Location: | Uintah County | | |

Design parameters:

Collapse

Mud weight: 9.500 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 2,615 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP: 3,455 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 6,006 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 173 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 7000 | 4.5 | 11.60 | M-80 | LT&C | 7000 | 7000 | 3.875 | 162.3 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 3455 | 6350 | 1.838 | 3455 | 7780 | 2.25 | 70 | 267 | 3.83 B |

Prepared by: Dustin K. Doucet
 Utah Div. of Oil & Mining

Phone: 810-538-5281
 FAX: 801-359-3940

Date: August 8, 2005
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 7000 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

WEEKLY OPERATIONS REPORT – August 11, 2005

QEP

UINTA BASINT09S R24E S-02
43-047-35695“Drilling Activity – Operated” 8-11-05

- Patterson #51 – WK 9MU-2-9-24 drilling at 6,541 feet. PBTD 7,000'. True Oil farmout well. Next the rig will be windowed out to Dominion for approximately 60 days.
- Patterson #52 – the rig has moved to the South Baxter Unit 27 in Sweetwater County, WY for Wexpro.
- Caza #57 – EIH 4MU-36-8-22 running casing at 8,300 feet TD. Next the rig will move to the Robbers Gulch #2 south of Wamsutter, WY. Location is being built.

“Completions & New Wells to Sales” 8-11-05:

FR 9P-36-14-19: (100% WI) Flowing well (Dakota, Cedar Mtn., Morrison, Entrada, & Wingate) to sales. Currently producing 3.23 mmcfpd w/ 416 psi FTP & 428 psi FCP; 25 BW & 10 BO.

GB 5M-9-8-22: (77.5% WI) Drilled out plugs; landed tbg.; kicked off flowing to sales 8-8-05; currently flowing @ 331 mcfpd @ 214 psi FTP, 1082 psi CP on a 24/64" ck. w/ 213 BWPD & 25 BOPD.

GB 7M-28-8-21: (77.5% WI) Frac'd first Mancos zone w/ slickwater & 60,000 lbs 30/50 Econoprop; Frac'd 2nd Mancos w/ slickwater & 33,000 lbs. 30/50 Econoprop; Blackhawk frac'd today w/ 300 Mlbs. 20/40 Econoprop; went to sales 8-9-05; currently flowing @ 3082 mcfpd @ 2431 psi FCP on a 10/64" ck. w/ 698 BWPD & 8 BOPD (over 6000 BLLTR).

GH 1G-17-8-21 (Hz): (100% WI) Started pumping unit 8-4-05; currently making 169 BOPD & 15 BWPD.

WRU EIH 15ML-23-8-22: Fracs (8 stages) pumped Aug. 5th, 6th & 7th; lubed in comp. BP Mon.; TIH and drilled plugs; landed tbg.; went to sales late on 8-11-05.

WRU EIH 13ML-24-8-22: Frac'ing; 6 stages done; will open to pit @ 4 p.m. on the 12th.

*** There is 1 well WOQGM ROW-P/L installation that needs to be completed.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT--" for such proposals

5. Lease Designation and Serial No.
UT ST ML-47046

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

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

8. Well Name and No.
WK 9MU-2-9-24

9. API Well No.
43-047-35695

10. Field and Pool, or Exploratory Area
UNDESIGNATED

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE

1. Type of Well
Oil Gas
Well Well Other

CONFIDENTIAL

2. Name of Operator
QEP, UINTA BASIN, INC.

3. Address and Telephone No. Contact: mike.stahl@questar.com
11002 E. 17500 S. VERNAL, UT 84078-8526 435-781-4389 Fax 435-781-4329

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NE SE, Sec 2-T9S-R24E, 2176' FSL, 630' FEL

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>Commingle</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)

Questar hereby requests permission to commingle gas from the Wasatch and Mesa Verde formations in the WK 9MU-2-9-24, as outlined in the attached sheet.

COPY SENT TO OPERATOR
Date: 10-19-05
Initials: CHD

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

3 - BLM, 2- Utah OG&M, 1 - Denver, 1 - file Word file-server

14. I hereby certify that the foregoing is true and correct.
Signed Mike Stahl Title Engineer Date 9/12/05

(This space for Federal or State office use)

Approved by: _____ Title APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING 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.

DATE: 10/11/05
BY: [Signature]

NOTICE OF INTENT TO COMPLETE INTO MULTIPLE POOLS

WK 9MU-2-9-24

In compliance with the stated objectives of section R649-3-22 of the Utah Administrative Code and the Utah Oil and Gas Conservation Act, Questar Exploration and Production Company hereby requests the commingling of production between intervals in the WK 9MU-2-9-24. Questar considers this commingling to be in the public interest in that it promotes maximum ultimate economic recovery, prevents waste, provides for orderly and efficient production of oil and gas and presents no detrimental effects from commingling the two gas streams.

Questar requests approval for the commingling between the Mesa Verde and Wasatch intervals. As the well is not in a Unit PA and the ownership is the same between formations, production will be reported as combined Mesa Verde / Wasatch production.

This well will be completed using multiple stage hydraulic fracturing. Bridge plugs will be used to isolate completion intervals during fracturing operations and will be drilled up prior to putting the well on production. Mesa Verde and Wasatch intervals will be fractured separately, except where they occur too close together to make isolation unfeasible.

A plat of all contiguous owners will follow along with an affidavit stating that all contiguous owners have been notified and given a 15 day objection period.

I hereby certify that the foregoing is true and correct



Mike Stahl
Completion Engineer
Questar Exploration & Production

9/12/05

AFFIDAVIT OF NOTICE

STATE OF COLORADO)
COUNTY OF DENVER) ss:

Angela Page, being duly sworn, deposes and says:

- 1. That I am employed by Questar Market Resources in the capacity as a Landman. My business address is Independence Plaza
1050 17th Street, Suite 500
Denver, CO 80265
- 2. In my capacity as a Landman, pursuant to the provisions of Utah Administrative Rule 615-3-22 I have provided a copy of Questar Market Resource's application for completion of the WK 9MU-2-9-24 well into two or more pools, in the form of Utah Division of Oil, Gas and Mining's Form 9 Sundry Notice, to owners of all contiguous oil and gas leases or drilling units overlying the pools which are the subject of that application.
- 3. In my capacity as a Landman I am authorized to provide such notice of Questar Market Resource's application to contiguous owners and to make this affidavit on this 13th day of September, 2005.

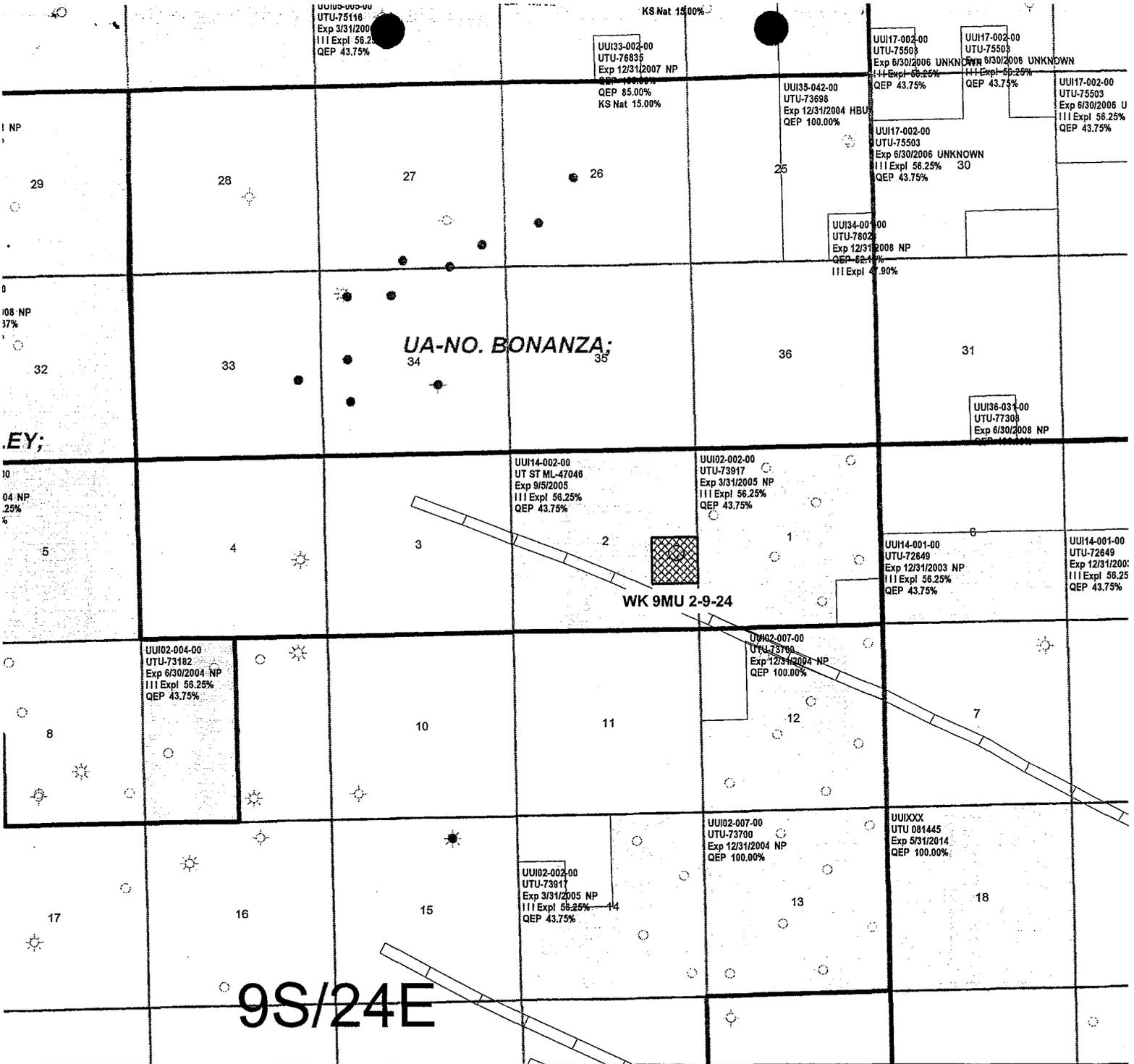
Angela Page
Printed Name: Angela Page

The foregoing instrument was sworn to and subscribed before me this 13th day of Sept., 2005, by Angela Page

Heather Lang
Notary Public

My Commission Expires 07/08/2008



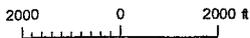


QUESTAR

Tw / Kmv
COMMINGLED PRODUCTION

Uinta Basin—Uintah County, Utah

Well: WK 9MU 2-9-24



1:48000

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: ML-47046 |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: N/A |
| 2. NAME OF OPERATOR: QEP UINTA BASIN, INC. | | 8. WELL NAME and NUMBER: WK 9MU-2-9-24 |
| 3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078 | | 9. API NUMBER: 4304735695 |
| | | 10. FIELD AND POOL, OR WILDCAT: WILDCAT |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2176' FSL 630' FEL | | COUNTY: UINTAH |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 2 9S 24E | | STATE: UTAH |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| <input type="checkbox"/> 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>NAME CHANGE</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., proposes to change the name of the WK 9MU-2-9-24 to the WK 9ML-2-9-24.

| | |
|---------------------------------------|---------------------------------|
| NAME (PLEASE PRINT) <u>Jan Nelson</u> | TITLE <u>Regulatory Affairs</u> |
| SIGNATURE | DATE <u>9/26/2005</u> |

(This space for State use only)

RECEIVED
SEP 28 2005

TRUE OIL LLC

455 NORTH POPLAR STREET

P.O. DRAWER 2360
CASPER, WY 82602
(307) 237-9301
FAX: (307) 266-0252

October 27, 2005

CONFIDENTIAL

Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

RE: WK 9 MU-2-9-24
Sec. 2, T9S-R24E
Uintah County, UT

Gentlemen:

Enclosed is the Well Completion Report for the subject well.

Should you require anything further, please contact me.

Sincerely,

TRUE OIL LLC

John A. Fanto / atr

John A. Fanto
Production Superintendent

JAF/atr

Enclosures

RECEIVED

NOV 01 2005

DIV. OF OIL, GAS & MINING

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

CONFIDENTIAL

5. LEASE DESIGNATION AND SERIAL NUMBER:
UT ST ML-47046

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT or CA AGREEMENT NAME
NA

8. WELL NAME and NUMBER:
WK 9 MJ-2-9-24

9. API NUMBER:
43-047-35695

10. FIELD AND POOL, OR WILDCAT
Undesignated

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NESE 2 9S 24E

12. COUNTY
Uintah

13. STATE
UTAH

2. NAME OF OPERATOR:
True Oil LLC

3. ADDRESS OF OPERATOR:
P. O. Box 2360 CITY Casper STATE WY ZIP 82602

PHONE NUMBER:
(307) 237-9301

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 2176' FSL & 630' FEL, Sec. 2
AT TOP PRODUCING INTERVAL REPORTED BELOW: same
AT TOTAL DEPTH: same

14. DATE SPURRED: 7/22/2005

15. DATE T.D. REACHED: 8/12/2005

16. DATE COMPLETED: 10/10/2005

ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
5,225' GL, 5,241' KB

18. TOTAL DEPTH: MD 7,050 TVD _____

19. PLUG BACK T.D.: MD 7,005 TVD _____

20. IF MULTIPLE COMPLETIONS, HOW MANY? *
NA

21. DEPTH BRIDGE MD 5,000 PLUG SET: TVD _____

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
 Neutron Density, High Res. Induction, CBL

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

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

| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft.) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
|-----------|------------|----------------|----------|-------------|----------------------|----------------------------------|---------------------|----------------|---------------|
| 12-1/4" | 9-5/8 J-55 | 36 lb. | 0 | 2,747 | | Lead: 250 Tail: 200 | 170 | Surface CIR | |
| 7-7/8" | 4-1/2 M-80 | 11.6 lb. | 0 | 7,049 | | HiFill 320 50:50 1,055 Poz | 217 235 | Surface CBL | |

25. TUBING RECORD

| SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|--------|----------------|-----------------|------|----------------|-----------------|------|----------------|-----------------|
| 2-3/8" | 4,816 | | | | | | | |

| 26. PRODUCING INTERVALS | | | | | 27. PERFORATION RECORD | | | | |
|-------------------------|----------|-------------|-----------|--------------|-------------------------|------|-----------|--|--|
| FORMATION NAME | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) | INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS | |
| (A) Upper MesaVerde | 4,849 | | | | 4,917 4,930 | | | Open <input checked="" type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (B) | | | | | 4,936 4,940 | | | Open <input checked="" type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (C) Lower MesaVerde | | | | | 6,205 6,210 | | | Open <input type="checkbox"/> | Squeezed <input checked="" type="checkbox"/> |
| (D) | | | | | 6,218 6,223 | | | Open <input type="checkbox"/> | Squeezed <input checked="" type="checkbox"/> |

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL | AMOUNT AND TYPE OF MATERIAL |
|----------------|--|
| 4,917 - 4,940 | Frac'd w/18,228 gals Delta 140-R & 30,000 lbs. 20/40 White Sand |
| 6,205 - 6,350 | Frac'd w/28,728 gals. 16# Delta 200-R & 50,200 lbs. 20/40 White Sand |
| 6,568 - 6,584 | Frac'd w/42,420 gals. 17# Delta 200-R & 80,000 lbs. 20/40 White Sand |

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

30. WELL STATUS:
Producing

RECEIVED

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

| | | | | | | | | | | |
|------------------------------------|--------------------|--------------------------|----------------------|---------------------|---------------------|---------------------------|------------------|-------------------|---------------------|--------------------------|
| DATE FIRST PRODUCED: 10/10/2005 | | TEST DATE: 10/12/2005 | | HOURS TESTED: 24 | | TEST PRODUCTION RATES: → | OIL - BBL: 17 | GAS - MCF: 720 | WATER - BBL: 132 | PROD. METHOD: Flowing |
| CHOKE SIZE: 20/64s | TBG. PRESS. 400 | CSG. PRESS. 650 | API GRAVITY 50.00 | BTU - GAS 1,147 | GAS/OIL RATIO 43 | 24 HR PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | INTERVAL STATUS: |

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

| Formation | Top (MD) | Bottom (MD) | Descriptions, Contents, etc. | Name | Top (Measured Depth) |
|-----------|----------|-------------|------------------------------|-------------|----------------------|
| | | | | Green River | 1,301 |
| | | | | Wasatch | 3,544 |
| | | | | Mesa Verde | 4,849 |
| | | | | Blocky Sago | 6,818 |

35. ADDITIONAL REMARKS (include plugging procedure)

Additional Perforations: 6,350 - 6,355 - Squeezed and 6,568 - 6,584 - Squeezed

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

NAME (PLEASE PRINT) John A. Fanto TITLE Production Superintendent
 SIGNATURE *John A. Fanto* DATE 10/27/2005

This report must be submitted within 30 days of

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

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

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

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

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

FORM 9

| |
|--|
| 5. LEASE DESIGNATION AND SERIAL NUMBER: UT ST ML-47046 |
| 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA |
| 7. UNIT or CA AGREEMENT NAME: NA |
| 8. WELL NAME and NUMBER: WK 9 MU-2-9-24 |
| 9. API NUMBER: 047-35695 |
| 10. FIELD AND POOL, OR WILDCAT: Undesignated |

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
True Oil LLC

3. ADDRESS OF OPERATOR: P. O. Box 2360 CITY **Casper** STATE **WY** ZIP **82602** PHONE NUMBER: **(307) 237-9301**

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **2176' FSL & 630' FEL, Sec. 2** COUNTY: **Uintah**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NESE 2 9S 24E** STATE: **UTAH**

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| <input type="checkbox"/> 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>Self Certification</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.
Please be advised that True Oil LLC is assuming operations of the WK 9 MU-2-9-24 located in NESE Sec. 2, T9S-R24E, and is responsible under the terms and conditions of the lease for the operations conducted upon this well.

True Oil LLC hereby certifies that True has been in the business of exploration and drilling oil and/or gas wells for over fifty years and has the experience, knowledge and financial capabilities to perform all activities relative to the captioned oil and gas lease.

In addition to the above, True Oil LLC is bonded to operate in the state of Utah under State Bond #QLI-J91-417008-145 Liberty Mutual.

NAME (PLEASE PRINT) John A. Fanto TITLE Production Superintendent
SIGNATURE John A. Fanto / alt DATE 11/16/2005

(This space for State use only)
APPROVED 11/23/05
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

RECEIVED
NOV 21 2005
DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

RECEIVED

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

NOV 14 2005

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:

See Attachment WK 9mu 2-9-24

2. NAME OF OPERATOR:
Questar Exploration and Production Company QEP Uinta Basin N2785

9. API NUMBER:

4304735695

3. ADDRESS OF OPERATOR:
1050 17th Street, Suite 500 CITY Denver STATE Co ZIP 80265

PHONE NUMBER:
(303) 308-3056

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL
FOOTAGES AT SURFACE: See Attachment

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE: UTAH

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

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| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input checked="" type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <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.

Questar Exploration and Production Company has transferred operatorship to True Oil LLC for the locations on the attached list.

True Oil LLC
PO Box 2360
Casper, WY 82602

N 2785

Agreed to by: [Signature]

BLM Statewide Bond # QLI-J91-417008-135 Liberty Mutual
State Bond # QLI-J91-417008-145 Liberty Mutual

The Change of Operator shall be effective as of October 1, 2005.

NAME (PLEASE PRINT) Frank Nielsen

TITLE Regional Land Manager

SIGNATURE [Signature]

DATE 11/2/2005

(This space for State use only)

APPROVED 11123105

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

fat RECEIVED
NOV 17 2005

RECEIVED
NOV 21 2005

DIV. OF OIL, GAS & MINING

DIV. OF OIL, GAS & MINING

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: n/a n/a

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the Oil and Gas Database on: 11/23/2005
- Changes have been entered on the Monthly Operator Change Spread Sheet on: 11/23/2005
- Bond information entered in RBDMS on: 11/23/2005
- Fee/State wells attached to bond in RBDMS on: 11/23/2005
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a Transfer upon completion of well

FEDERAL WELL(S) BOND VERIFICATION:

- Federal well(s) covered by Bond Number: n/a

INDIAN WELL(S) BOND VERIFICATION:

- Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number QLIJ91417008-145
- The **FORMER** operator has requested a release of liability from their bond on: n/a
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

This is a farmout location; QEP drilled the well. Upon completion, the well is to be operated by True Oil LLC, QEP to submit completion report upon first production.

TRUE OIL LLC

455 NORTH POPLAR STREET

P.O. DRAWER 2360
CASPER, WY 82602
(307) 237-9301
FAX: (307) 266-0252

March 6, 2006

Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

RE: WK 9 ML-2-9-24
Sec. 2, T9S-R24E
Uintah County, UT

Gentlemen:

Enclosed in triplicate is a Sundry Notice concerning changing the subject well's producing formation.

Sincerely,

TRUE OIL LLC

John A. Fanto /atr

John A. Fanto
Production Superintendent

JAF/atr

Enclosures

RECEIVED
MAR 15 2006
DIV. OF OIL, GAS & MINING

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

FORM 9

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| SUNDRY NOTICES AND REPORTS ON WELLS | | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UT ST ML-47046 |
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| | | | 7. UNIT or CA AGREEMENT NAME: NA |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | CONFIDENTIAL | | 8. WELL NAME and NUMBER: WK 9 ML-2-9-24 |
| 2. NAME OF OPERATOR: True Oil LLC | | 43 | 9. API NUMBER: 047-35695 |
| 3. ADDRESS OF OPERATOR: P. O. Box 2360 CITY Casper STATE WY ZIP 82602 | | PHONE NUMBER: (307) 237-9301 | 10. FIELD AND POOL, OR WILDCAT: Undesignated |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2176' FSL & 630' FEL, Sec. 2 | | | COUNTY: Uintah |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 2 9S 24E | | | STATE: UTAH |

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| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: <u>Change producing formation</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.

True Oil LLC set a bridge plug at 4,009' on December 22, 2005, to shut off the Upper Mesaverde perforations from 4,917' - 4,930' and 4,936' - 4,940'. The Wasatch interval from 3,926' - 3,953' was perforated and tested water. This interval was squeezed with 150 sks. of cement. The Wasatch interval was then perforated from 3,870' - 3,879' (Cutters CBL dated September 21, 2005) on December 29, 2005. This interval was frac'd with 35,500#s 20/40 premium sand and 346 bbls. of 20# Delta 140 gel, and the well was returned to production after flowing back the frac. Please see attached wellbore schematic.

| | |
|--|--|
| NAME (PLEASE PRINT) <u>John A. Fanto</u> | TITLE <u>Production Superintendent</u> |
| SIGNATURE <u><i>John A. Fanto</i></u> | DATE <u>3/6/2006</u> |



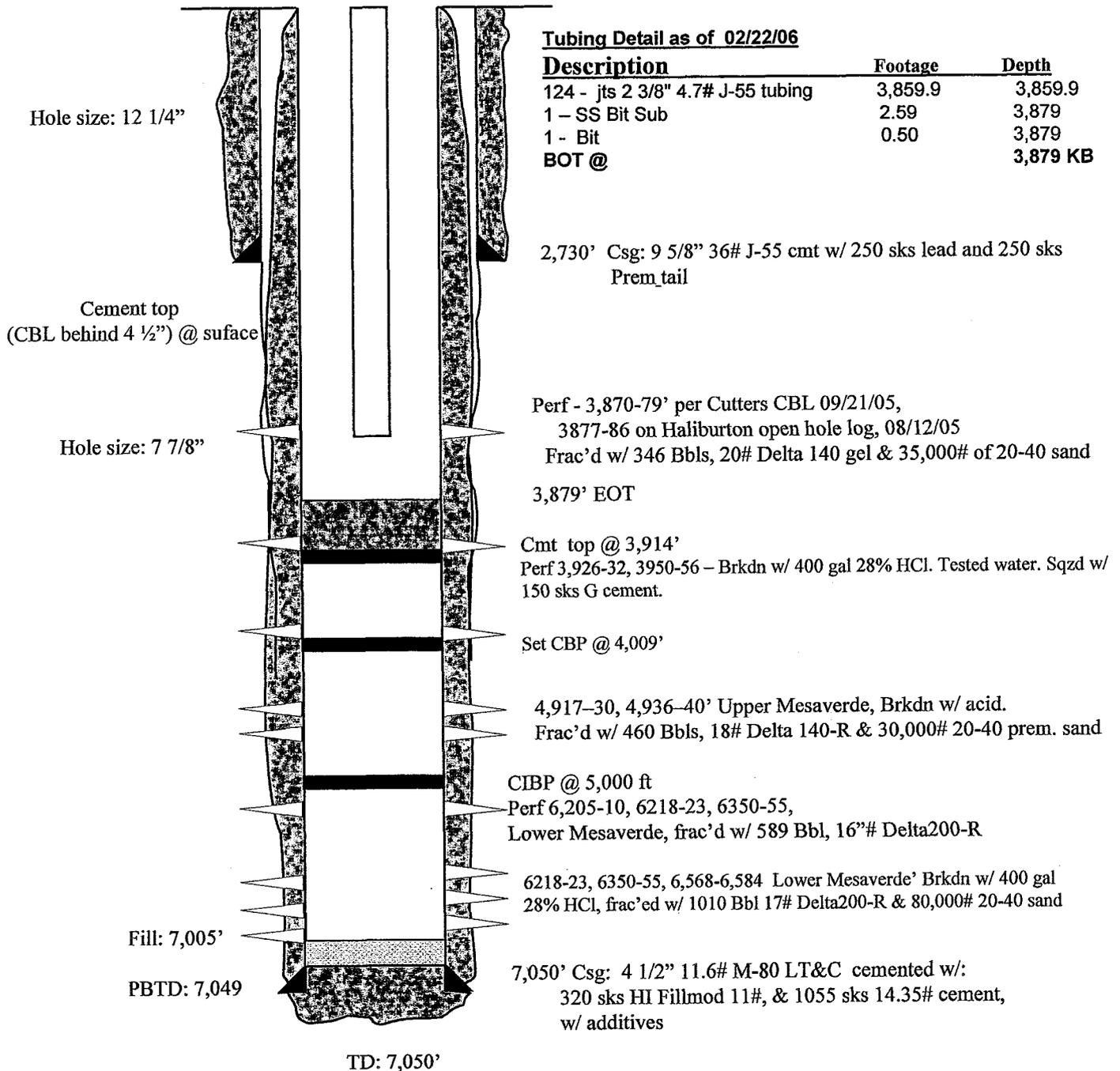
WK 9ML-2-9-24

Created by JAF 3/3/06

NESE Sec. 2, T9S, R24E
 630' FEL, 2,176' FSL
 Uintah County, Utah

KB elev.: 5,241', KB = 16'
 GL elev.: 5,225'
 All depths measured from KB

Recompleted 1/13/06
 IP = 426 MCFD on 1/14/06



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: UT ST ML-47046 |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: NA |
| 2. NAME OF OPERATOR: True Oil LLC | | 8. WELL NAME and NUMBER: WK 9 ML-2-9-24 |
| 3. ADDRESS OF OPERATOR: P. O. Box 2360 CITY Casper STATE WY ZIP 82602 | | 9. API NUMBER: 047-35695 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2176' FSL & 630' FEL, Sec. 2 | | 10. FIELD AND POOL, OR WILDCAT: Undesignated |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 2 9S 24E | | COUNTY: Uintah |
| | | STATE: UTAH |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <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 checked="" type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

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

True Oil LLC requests approval to plug and abandon the subject well per the attached P&A procedure.

COPY SENT TO OPERATOR
Date: 07-27-07
Initials: CTO

| | |
|--|--|
| NAME (PLEASE PRINT) <u>John A. Fanto</u> | TITLE <u>Production Superintendent</u> |
| SIGNATURE <u><i>John A. Fanto</i></u> | DATE <u>7/2/2007</u> |

(This space for State use only)

**APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING**
DATE: 7/26/07
BY: *[Signature]*
(See Instructions on Reverse Side)
** See conditions of Approval (Attached)*

(5/2000)

RECEIVED
JUL 06 2007
DIV. OF OIL, GAS & MINING

True Oil LLC

WK 9 ML-2-9-24

NE SE Sec 2-T9S-R24E

Uintah County, Utah

Note: Please refer to the attached wellbore schematic.

6/29/07

P&A Procedure

1. Check anchors. Blow down well.
2. MIRU service rig.
3. Bleed off tubing. Kill well with produced water.
4. ND tree and NU BOP.
5. POOH with 2 3/8" production string.
6. RU wireline unit. Trip a gauge ring.
Plug #1
7. RIH and set a cement retainer at ±3820'.
8. RIH w/ stinger and 2 3/8" tubing.
9. Squeeze Wasatch perforations 3870 – 3879' with 25 sks of cement.
10. POOH and lay down stinger for retainer.
Plug #2
11. RIH w/ 2 3/8" tubing and set a 20 sk balanced cement plug inside the 4 1/2" casing from 2680-2780'.
Plug #3
12. Set a 100' cement plug inside the 4 1/2" casing at surface with 10 sks cement.
13. If the 4 1/2" x 9 5/8" annulus doesn't have cement at surface, use 1" to cement with 10 sks cement for a surface plug.
14. RDMO Service rig.
15. Cut-off wellhead and install dry hole marker with the name of the operator, the lease, the number and location of the well.
16. Following P&A, the location will be reclaimed and seeded.



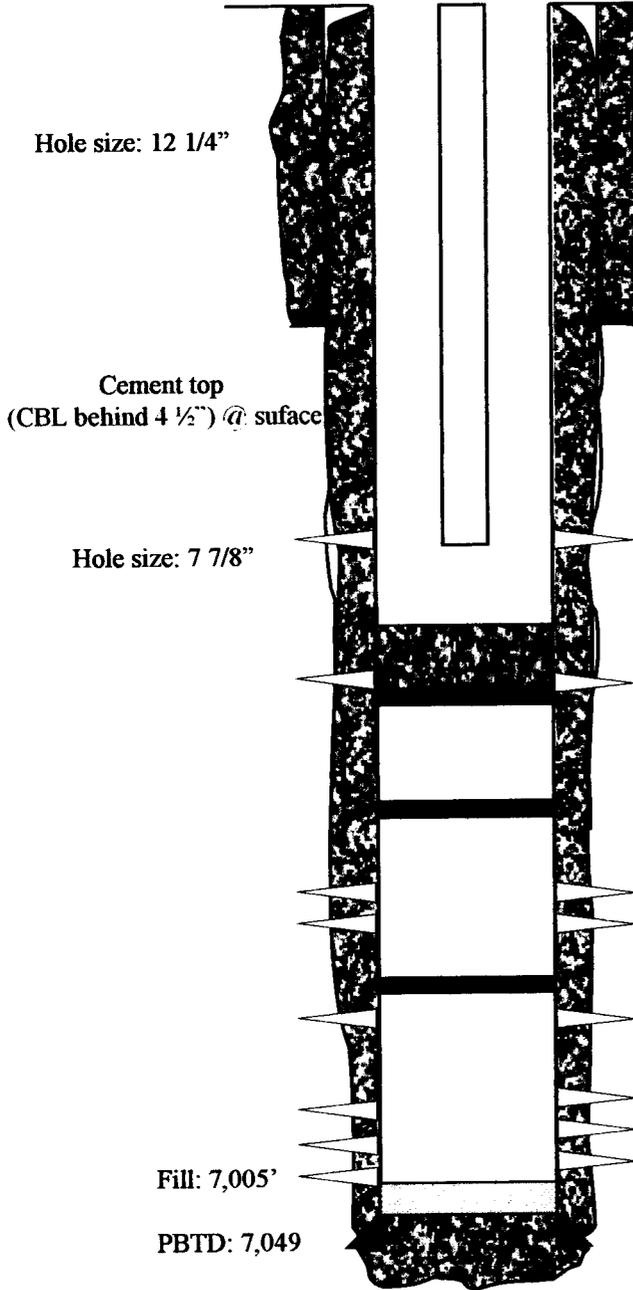
WK 9ML-2-9-24

Updated by JAF 10/10/06

NESE Sec. 2, T9S, R24E
 630' FEL, 2,176' FSL
 Uintah County, Utah

KB elev.: 5,241', KB = 16'
 GL elev.: 5,225'
 All depths measured from KB

Recompleted 1/13/06
 IP = 426 MCFD on 1/14/06



Tubing Detail as of 02/22/06

| Description | Footage | Depth |
|-----------------------------------|---------|-----------------|
| 124 - jts 2 3/8" 4.7# J-55 tubing | 3,859.9 | 3,859.9 |
| 1 - SS Bit Sub | 2.59 | 3,879 |
| 1 - Bit | 0.50 | 3,879 |
| BOT @ | | 3,879 KB |

2,730' Csg: 9 5/8" 36# J-55 cmt w/ 250 sks lead and 250 sks Prem tail

Perf - 3,870-79' per Cutters CBL 09/21/05,
 3877-86 on Haliburton open hole log, 08/12/05
 Frac'd w/ 346 Bbls, 20# Delta 140 gel & 35,000# of 20-40 sand
 3,879' EOT

Cmt top @ 3,914'
 Perf 3,926-32, 3950-56 - Brkdn w/ 400 gal 28% HCl. Tested water. Sqzd w/ 150 sks G cement.

Set CBP @ 4,009'

4,917-30, 4,936-40' Upper Mesaverde, Brkdn w/ acid.
 Frac'd w/ 460 Bbls, 18# Delta 140-R & 30,000# 20-40 prem. Sand
 IP test was 193 MCFD, 1.67BC, and 38.4 BW

CIBP @ 5,000 ft
 Perf 6,205-10, 6218-23, 6350-55,
 Lower Mesaverde, frac'd w/ 589 Bbl, 16"# Delta200-R

6218-23, 6350-55, 6,568-6,584 Lower Mesaverde' Brkdn w/ 400 gal 28% HCl, frac'd w/ 1010 Bbl 17# Delta200-R & 80,000# 20-40 sand
 Well flowed 5 BWPH on a 20/64's choke w/ FCP = 195 psi.

7,050' Csg: 4 1/2" 11.6# M-80 LT&C cemented w/
 320 sks HI Fillmod 11#, & 1055 sks 14.35# cement,
 w/ additives

TD: 7,050'



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

CONDITIONS OF APPROVAL
TO PLUG AND ABANDON WELL

Well Name and Number: WK 9ML-2-9-24
API Number: 43-047-35695
Operator: True Oil, LLC
Reference Document: Original Sundry Notice dated July 2, 2007,
received by DOGM on July 6, 2007.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. **ADD PLUG:** A 100' (10 sk) plug shall be balanced across the top of the Green River formation from 1350' to 1250'. This will also isolate and protect the active mine workings in the area (currently active down to a depth of \pm 1100').
3. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration. Evidence of compliance with this rule should be supplied to the Division upon completion of reclamation.
4. Balance plugs shall be tagged to ensure they are at the depths specified in the proposal.
5. All annuli shall be cemented from a minimum depth of 100' to the surface.
6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
7. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

July 26, 2007

Date

Wellbore Diagram

API Well No: 43-047-35695-00-00

Permit No:

Well Name/No: WK 9ML-2-9-24

Company Name: TRUE OIL, LLC

Location: Sec: 2 T: 9S R: 24E Spot: NESE

Coordinates: X: 655763 Y: 4436196

Field Name: DEVILS PLAYGROUND

County Name: UINTAH

String Information

| String | Bottom (ft sub) | Diameter (inches) | Weight (lb/ft) | Length (ft) |
|--------|-----------------|-------------------|----------------|-------------|
| HOL1 | 2747 | 12.25 | | |
| SURF | 2747 | 9.625 | 36 | 2747 |
| HOL2 | 7049 | 7.875 | | |
| PROD | 7049 | 4.5 | 11.6 | 7049 |
| TI | 4816 | 2.375 | | |

Capacity (f/cf)

2.304

11.459

Plug #3 (steps 12, 13)

$$(105 \times) (1.15) (11.459) = 131'$$

TOC @ surface ✓ o.k.

* Add Aug (1350' to 1250')
to isolate active mine workings at area and GRRV formation (to 1100')
100' = 105K required tag plug
Cement from 2747 ft. to surface

Cement Information

| String | BOC (ft sub) | TOC (ft sub) | Class | Sacks |
|--------|--------------|--------------|-------|-------|
| PROD | 7049 | 0 | UK | 230 |
| PROD | 7049 | 0 | PC | 1055 |
| SURF | 2747 | 0 | UK | 450 |

Cement from 2747 ft. to surface

Surface: 9.625 in. @ 2747 ft.

Hole: 12.25 in. @ 2747 ft.

Plug #2 (step # 11)

$$(20 \times) (1.15) (11.459) = 263'$$

TOC @ 2516' → tag plug

Perforation Information

| Top (ft sub) | Bottom (ft sub) | Shts/Ft | No Shts | Dt Squeeze |
|--------------|-----------------|---------|---------|------------|
| 4917 | 4940 | | | |
| 6205 | 6584 | | | |
| 3870 | 3879 | | | |
| 3926 | 3956 | | | |

Plug #1 (steps 7-10)

$$(25 \text{ scks}) (1.15) (11.459) = 329' \text{ max.}$$

100' between top of lower plug & ccr

229' eq. into perfs. (17K) ✓ o.k.

Formation Information

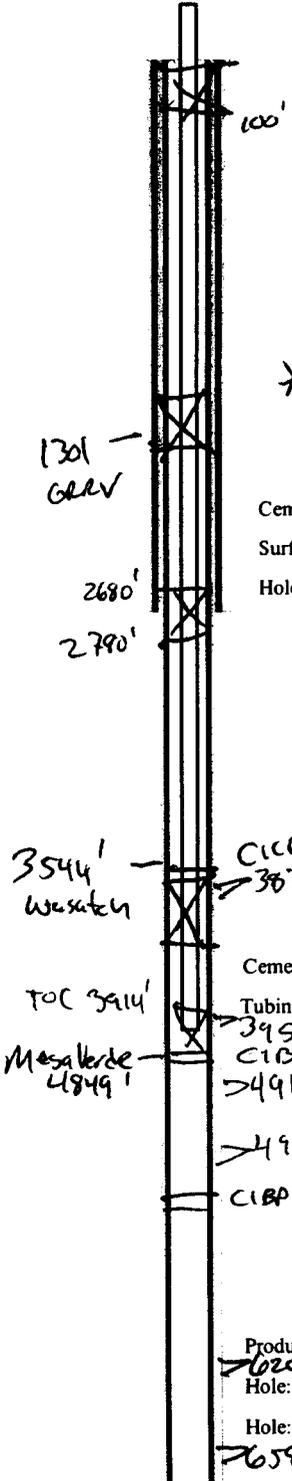
| Formation | Depth |
|-----------|-------|
| GRRV | 1301 |
| WSTC | 3544 |
| MVRD | 4849 |

Production: 4.5 in. @ 7049 ft.

Hole: 7.875 in. @ 7049 ft.

Hole: Unknown

TD: 7050 TVD: 7050 PBD: 7005



TRUE OIL LLC

455 NORTH POPLAR STREET

P.O. DRAWER 2360
CASPER, WY 82602
(307) 237-9301
FAX: (307) 266-0252

July 2, 2007

Utah Div. of Oil, Gas & Mining
1594 W North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

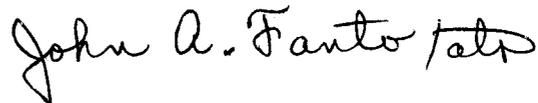
RE: WK 9 ML-2-9-24
Sec. 2, T9S-R24E
Uintah Co., UT

Gentlemen:

Enclosed in duplicate is a Sundry Notice requesting approval to plug and abandon the subject well.

Sincerely,

TRUE OIL LLC



John A. Fanto
Production Superintendent

JAF/atr

Enclosures

RECEIVED
JUL 06 2007
DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

| |
|----------------|
| ROUTING |
| 1. DJJ |
| 2. CDW |

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

9/1/2007

| | |
|--|---|
| FROM: (Old Operator): N2785-True Oil, LLC PO Drawer 2360 Casper, WY 82602 Phone: 1 (307) 237-9301 | TO: (New Operator): N3470-Maximum Energy Corp. 50 W Broadway, Suite 1125 Salt Lake City, UT 84101 Phone: 1 (801) 364-9724 |
|--|---|

| CA No. | | | Unit: | | | | | |
|---------------|-----|------|-------|------------|-----------|------------|-----------|-------------|
| WELL NAME | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
| WK 9ML-2-9-24 | 02 | 090S | 240E | 4304735695 | 14858 | State | GW | S |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 11/14/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 11/14/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 4/30/2008
- a. Is the new operator registered in the State of Utah: Business Number: 5275257-0142
- b. If **NO**, the operator was contacted on:
- a. (R649-9-2)Waste Management Plan has been received on: REQUESTED 4/30/2008
- b. Inspections of LA PA state/fee well sites complete on: n/a
- c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 4/30/2008
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 4/30/2008
- Bond information entered in RBDMS on: 4/30/2008
- Fee/State wells attached to bond in RBDMS on: 4/30/2008
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: ok

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: n/a
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 69102416
- b. The **FORMER** operator has requested a release of liability from their bond on: n/a

The Division sent response by letter on:

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

| | | |
|---|--|---|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: SEE BELOW |
| 2. NAME OF OPERATOR: TRUE OIL, LLC <i>N2785</i> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: P.O. DRAWER 2360 CITY CASPER STATE WY ZIP 82602 | | 7. UNIT or CA AGREEMENT NAME: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: SEE BELOW FOR EACH WELL | | 8. WELL NAME and NUMBER: SEE BELOW |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 9S 24E S | | 9. API NUMBER: SEE BELOW |
| COUNTY: UINTAH | | 10. FIELD AND POOL, OR WILDCAT: DEVIL'S PLAYGROUND |
| STATE: UTAH | | |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input checked="" 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>ASSIGN OF WELLS AND LEASES</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.
EFFECTIVE SEPTEMBER 1, 2007, TRUE OIL, LLC HAS ASSIGNED ITS RECORD TITLE TO THE FOLLOWING TWO LEASES AND WELLS TO MAXIMUM ENERGY CORPORATION WHO HAS DESIGNATED MOUNTAIN OIL AND GAS, INC. AS OPERATOR OF SAID LEASES AND WELLS. MOUNTAIN OIL AND GAS, INC., IS ASSUMING OPERATIONS OF THE WELLS LISTED BELOW AND IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASES FOR OPERATIONS CONDUCTED ON THE WELLS. * see attached maximum ENERGY CORP.

FEDERAL LEASE UTU-73700, COMPRISED OF LOTS 1-6, SENW, S/2 OF SECTION 12, AND ALL OF SECTION 13, T9S, R24E, SLM; WELL NO. BSW 11ML-12-9-24, API NO. 43-047-35654, LOCATED 2141' FSL, 2139' FWL.

STATE LEASE ML-47046, COMPRISED OF ALL OF SECTION 2, T9S, R24E, SLM; WELL NO. WK 9ML-2-9-24, API NO. 43-047-35695, LOCATED 2176' FSL, 630' FEL.

MOUNTAIN OIL AND GAS, INC. (435) 722-4048 *N2485* *N3470 Maximum Energy*
P.O. BOX 1018, ROOSEVELT, UTAH

AGREED TO BY: *Marvin Blair Harmon* ITS: *Attorney - IN-FACT For Mountain oil & Gas Inc.*

NAME (PLEASE PRINT) Thomas J. Walker TITLE Attorney-in-Fact, TRUE OIL LLC
SIGNATURE *Thomas J. Walker* DATE November 2, 2007

(This space for State use only)

APPROVED *4/30/2008*
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(5/2000) (See Instructions on Reverse Side)

RECEIVED
NOV 14 2007
DIV. OF OIL, GAS & MINING

Maximum Energy Corp.

50 West Broadway, #1125

Salt Lake City, Utah

84101

To: State of Utah,

Oil and Gas Division

1594 West N Temple, 1210

PO Box 145801

Salt Lake City, Utah, 84114

ATTN Earlene Russell

Fax: 801.359.3940

N 3470

Bond # 69102416

↑

Maximum Energy Corporation hereby assigns as the operator of record to Maximum Energy Corporation.
ONLY FOR THE WK 9ML-2-9-24 (API #43-047-35695). MOUNTAIN OIL AND GAS, INC WILL BE THE
OPERATOR OF RECORD FOR THE BSW 11ML-12-9-24 (API 43-047-35654).

↓ N2485

BOND UTB000148

Signed on this 16th day of April, 2008

Marvin Bliss Harmer

Marvin Bliss Harmer, President

RECEIVED

APR 16 2008

DIV. OF OIL, GAS & MINING

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: ML-47046 |
| | | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA |
| 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: NA |
| | | | 8. WELL NAME and NUMBER: WK 9ML-2-9-24 |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 9. API NUMBER: 4304735695 | |
| 2. NAME OF OPERATOR: Maximum Energy Corp. | | 10. FIELD AND POOL, OR WILDCAT: Undesignated | |
| 3. ADDRESS OF OPERATOR: PO Box 295 CITY Roosevelt STATE UT ZIP 84066 | | PHONE NUMBER: (435) 724-2400 | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2176' FSL & 630' FEL | | | COUNTY: |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 2 9S 24E | | | STATE: UTAH |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|---|---|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
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| | <input type="checkbox"/> CHANGE WELL STATUS | <input checked="" type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

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

Well was not P&Ad as contemplated on the sundry dated November 2, 2007 and submitted by the former operator True Oil and was instead returned to production.

| | |
|---|------------------------|
| NAME (PLEASE PRINT) Craig Phillips | TITLE President |
| SIGNATURE | DATE 5/8/2009 |

(This space for State use only)

RECEIVED
MAY 18 2009
DIV. OF OIL, GAS & MINING