

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL		5. Lease Serial No. UTU-80640
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone				6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator QEP UINTA BASIN, INC.		Contact: JOHN BUSCH E-Mail: john.busch@questar.com		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 11002 E. 17500 S. VERNAL, UT 84078		3b. Phone No. (include area code) Ph: 435.781.4341 Fx: 435.781.4323		8. Lease Name and Well No. HB 4U-3-7-22
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWNW Lot 5 1191FNL 795FWL 40.24626 N Lat, 109.43278 W Lon At proposed prod. zone <i>633364Y 40.24614 4456046Y -109.43205</i>				9. API Well No. <i>43-047-35877</i>
14. Distance in miles and direction from nearest town or post office* 24 +/- MILES SOUTHEAST OF VERNAL, UT				10. Field and Pool, or Exploratory UNDESIGNATED
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 795' +/-		16. No. of Acres in Lease 980.83		11. Sec., T., R., M., or Blk. and Survey or Area Sec 3 T7S R22E Mer SLB SME: BLM
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2750 +/-		19. Proposed Depth 3400 MD		12. County or Parish UINTAH
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5074 GL		22. Approximate date work will start		13. State UT
				17. Spacing Unit dedicated to this well 40.00
				20. BLM/BIA Bond No. on file ESB000024
				23. Estimated duration 10 DAYS

24. Attachments

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

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

25. Signature <i>John Busch</i>	Name (Printed/Typed) JOHN BUSCH	Date 07/30/2004
Title OPERATIONS		
Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed/Typed) BRADLEY G. HILL	Date 11-03-04
Title	Off: ENVIRONMENTAL SCIENTIST III	

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

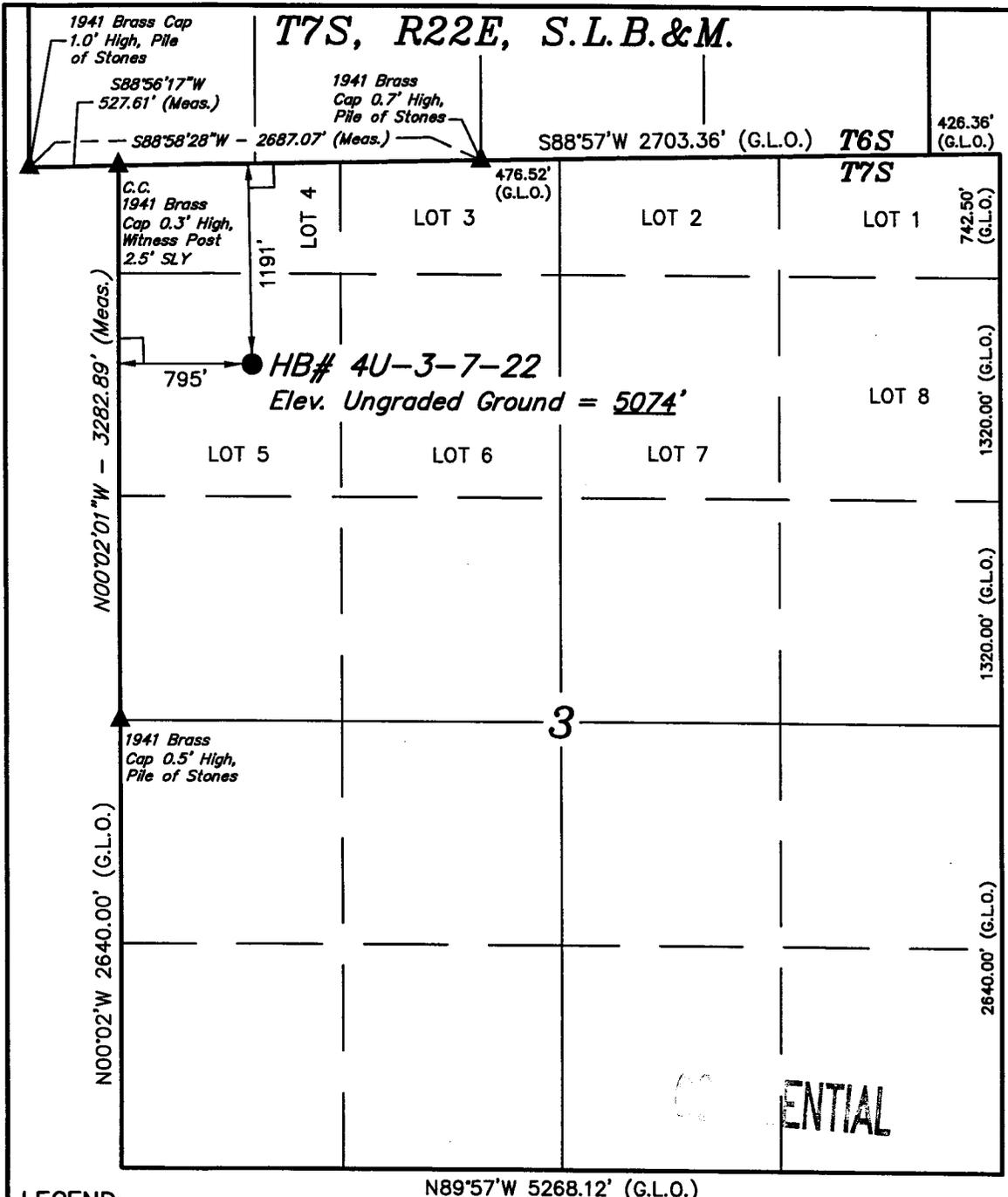
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Electronic Submission #33844 verified by the BLM Well Information System
For QEP UINTA BASIN, INC., will be sent to the Vernal

RECEIVED
AUG 06 2004
DIV. OF OIL, GAS & MINING

*Federal Approval of this
Action is Necessary*

CONFIDENTIAL



QUESTAR EXPLORATION & PRODUCTION

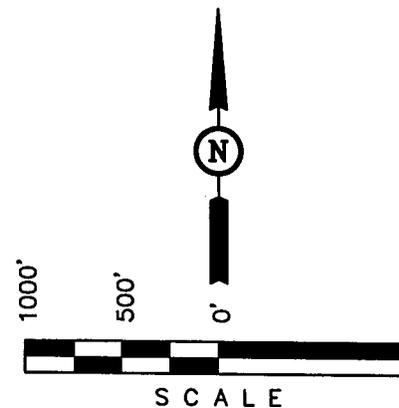
Well location, HB #4U-3-7-22, located as shown in the NW 1/4 NW 1/4 (LOT 5) of Section 3, T7S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (C27) LOCATED IN THE NE 1/4 OF SECTION 11, T7S, R22E, S.L.B.&M. TAKEN FROM THE RED WASH NW QUADRANGLE, UTAH, UTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5275 FEET.

BASIS OF BEARINGS

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



CERTIFIED TRUE AND CORRECT
 REGISTERED LAND SURVEYOR
 STATE OF UTAH
 THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
 ROBERT J. [Signature]
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161309
 STATE OF UTAH

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

N89°57'W 5268.12' (G.L.O.)
 (AUTONOMOUS NAD 83)
 LATITUDE = 40°14'46.54" (40.246261)
 LONGITUDE = 109°25'58.00" (109.432778)

UINTAH ENGINEERING & LAND SURVEYING		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 07-12-04	DATE DRAWN: 07-13-04
PARTY D.A. T.A. D.COX	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE QUESTAR EXPLORATION & PRODUCTION	

Additional Operator Remarks

QEP, Uinta Basin Inc. proposes to drill a well to 3400' to test the Green River. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements

Please see QEP Uinta Basin, Inc. Standard Operating Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 and 24 East.

See attached Onshore No. 1

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

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

Qep Uinta Basin, Inc.
HB 4U-3-7-22

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

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

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<i>Formation</i>	<i>Depth</i>
Uinta	Surface
Green River	3250'
TD	3400'

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

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

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>
Oil/Gas	Green River	3400'

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

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

3. Anticipated Bottom Hole Pressures

Maximum anticipated bottom hole pressure equals approximately 1475.0 psi.

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**HB 4U-3-7-22
1191' FNL 795' FWL
NWNW, SECTION 3, T7S, R22E,
UINTAH COUNTY, UTAH
LEASE # UTU-80640**

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the HB 4U-3-7-22 on July 30, 2004. Weather conditions were sunny and clear at the time of the onsite. In attendance at the inspection were the following individuals:

Paul Buhler	Bureau of Land Management
Dixie Saddleir	Bureau of Land Management
Jan Nelson	QEP Uinta Basin, Inc.

1. Existing Roads:

The proposed well site is approximately 24 miles Southeast of Vernal, Utah.

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

There will be no improvements made to existing access roads.

2. Planned Access Roads:

Please see QEP Uinta Basin Inc. Standard Operating Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

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

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see QEP Uinta Basin Inc. Standard Operating Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

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

A right-of-way will be required for the part of the pipeline that travels off lease in Section 34, T7S, R22E. The part of the pipeline that goes off lease is + / - 1900' in length 20' in width, 3" steel zaplocked gas surface line. Pipeline will be zaplocked on location then drug into place.

5. Location and Type of Water Supply:

Please see QEP Uinta Basin Inc. Standard Operating Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

6. Source of Construction Materials:

Please see QEP Uinta Basin Inc. Standard Operating Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

7. Methods of Handling Waste Materials:

Please see QEP Uinta Basin Inc. Standard Operating Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

8. Ancillary Facilities:

Please see QEP Uinta Basin Inc. Standard Operating Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

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

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

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

A pit liner is required felt if rock encountered.

10. Plans for Reclamation of the Surface:

Please see QEP Uinta Basin Inc. Standard Operating Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

Seed Mix # 3

11. Surface Ownership:

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

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

12. Other Information

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

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

30-Jul-04

Date

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QUESTAR EXPLR. & PROD.

HB #4U-3-7-22

LOCATED IN UINTAH COUNTY, UTAH
SECTION 3, T7S, R22E, S.L.B.&M.

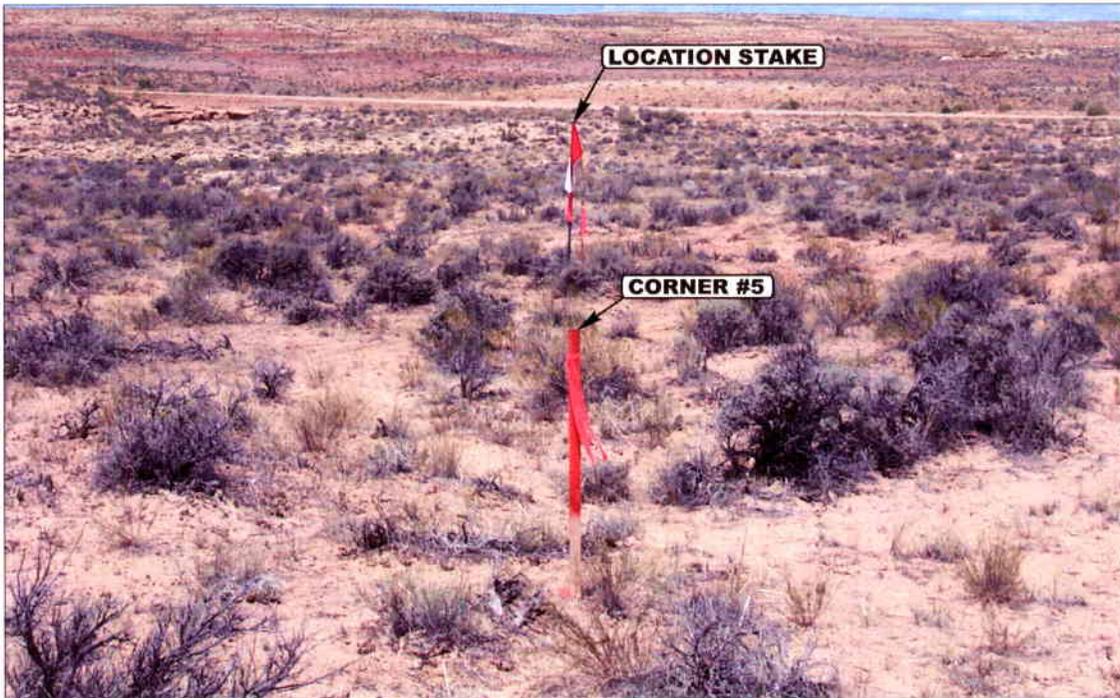


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

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

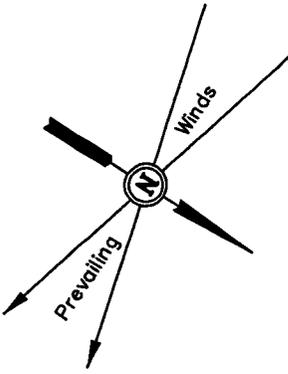
LOCATION PHOTOS	07	13	04	PHOTO
TAKEN BY: D.A.	MONTH	DAY	YEAR	
DRAWN BY: J.D.G.	REVISED: 00-00-00			

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QUESTAR EXPLORATION & PRODUCTION

LOCATION LAYOUT FOR

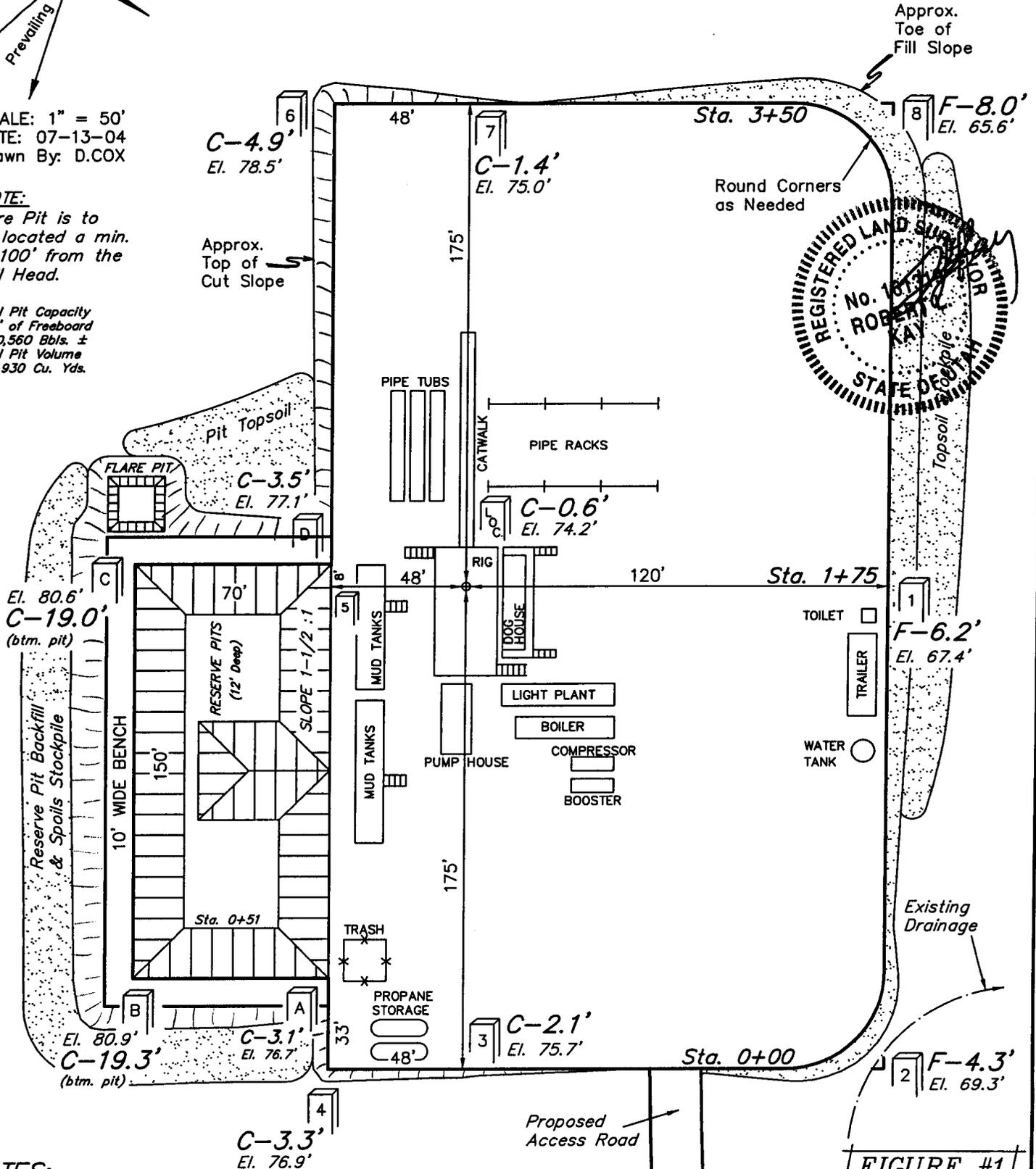
HB #4U-3-7-22
SECTION 3, T7S, R22E, S.L.B.&M.
1191' FNL 795' FWL



SCALE: 1" = 50'
DATE: 07-13-04
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 Location Stake = 5074.2'
Elev. Graded Ground at Location Stake = 5073.6'

FIGURE #1

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

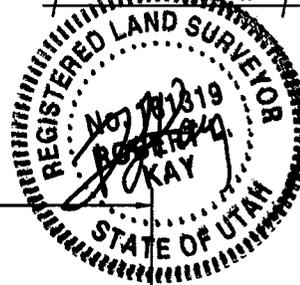
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QUESTAR EXPLORATION & PRODUCTION

TYPICAL CROSS SECTIONS FOR

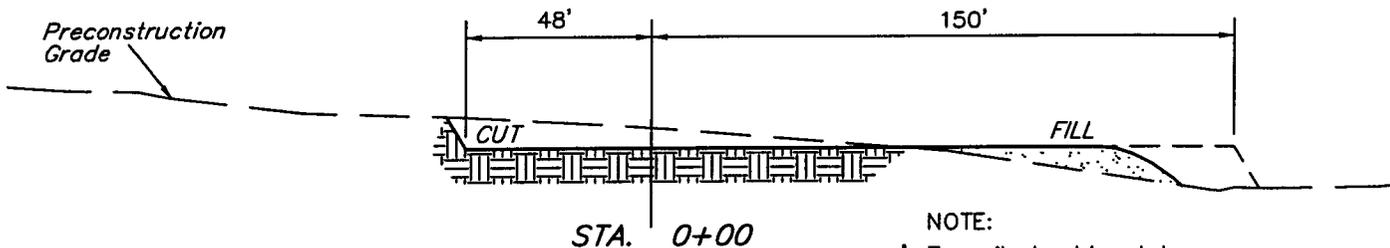
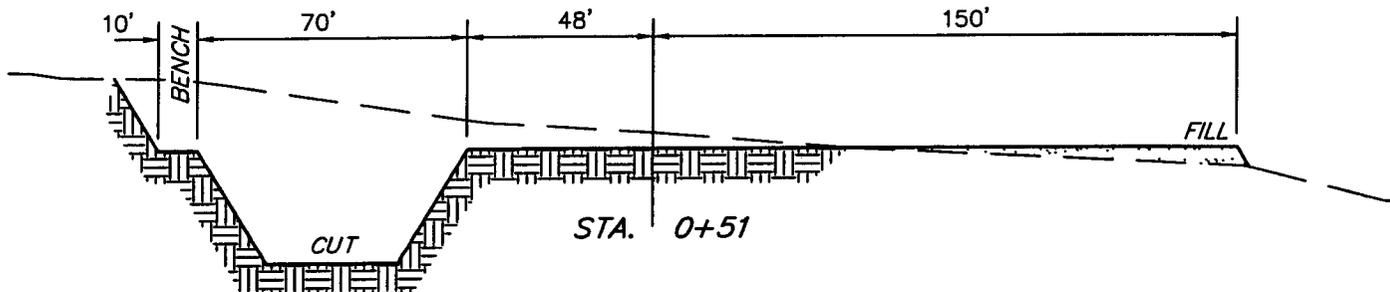
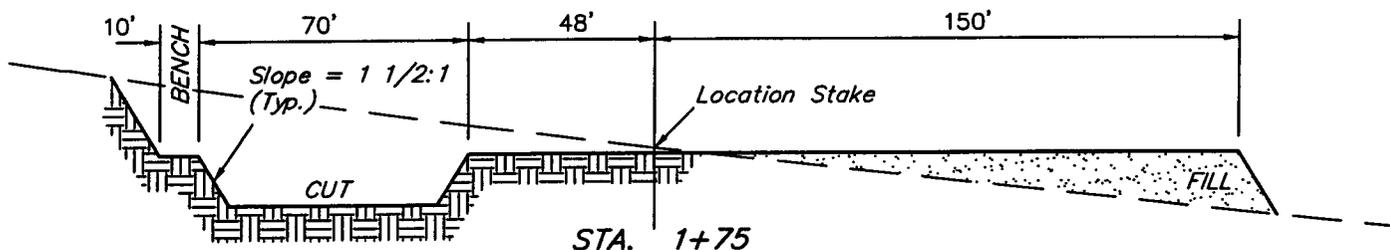
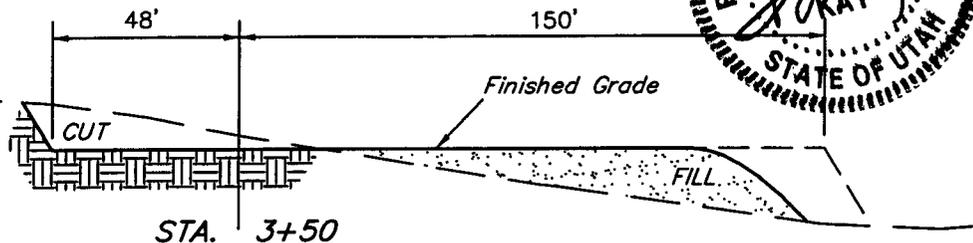
HB #4U-3-7-22
SECTION 3, T7S, R22E, S.L.B.&M.
1191' FNL 795' FWL

FIGURE #2



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

DATE: 07-13-04
Drawn By: D.COX



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

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES	
CUT	
(6") Topsoil Stripping	= 1,760 Cu. Yds.
Remaining Location	= 7,120 Cu. Yds.
TOTAL CUT	= 8,880 CU.YDS.
FILL	= 5,520 CU.YDS.

EXCESS MATERIAL	=	3,360 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,230 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	130 Cu. Yds.

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

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LEGEND:

⊙ PROPOSED LOCATION



QUESTAR EXPLR. & PROD.

HB #4U-3-7-22
 SECTION 3, T7S, R22E, S.L.B.&M.
 1191' FNL 795' FWL



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

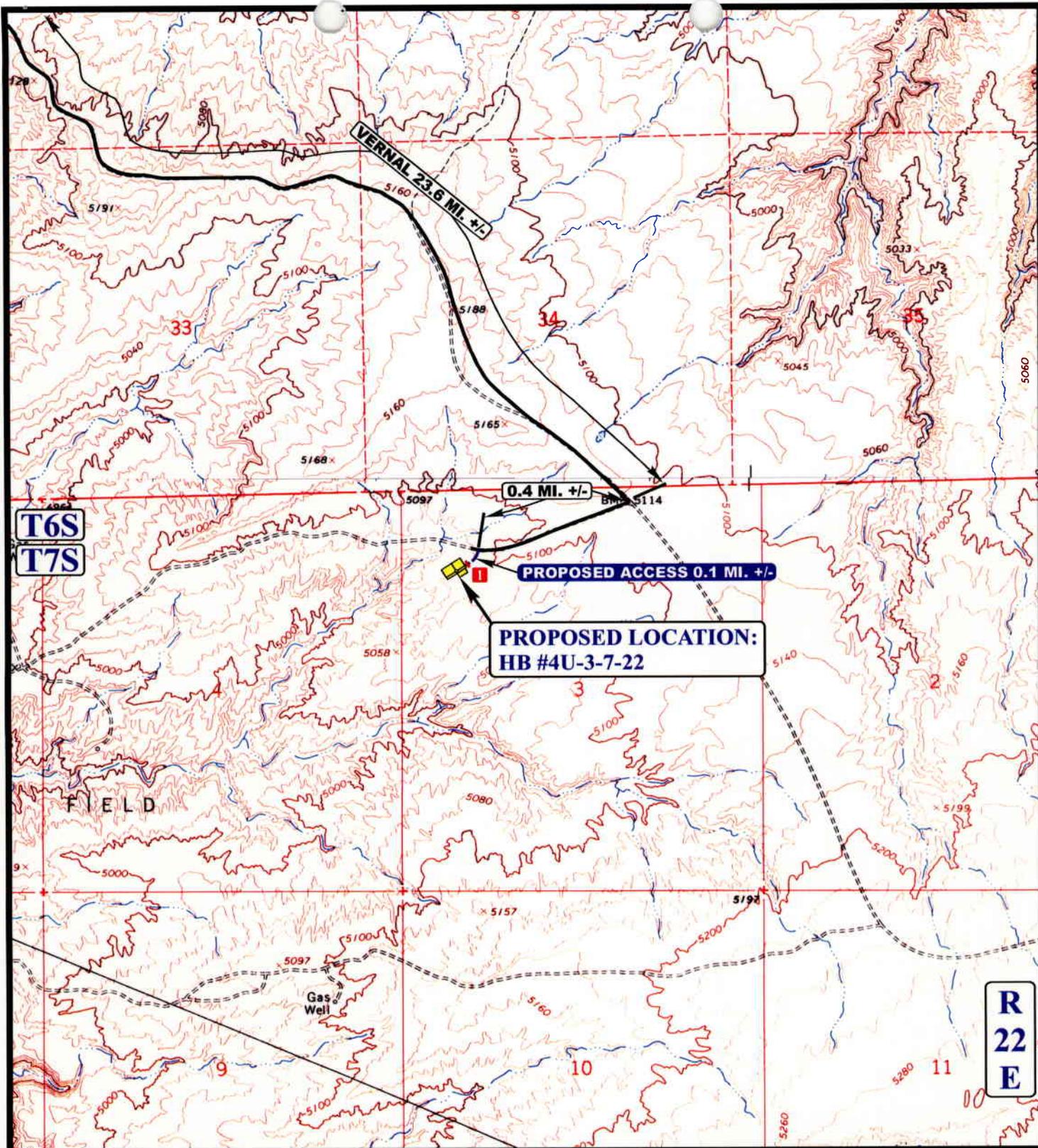
TOPOGRAPHIC
 MAP

07	13	04
MONTH	DAY	YEAR

SCALE: 1:100,000 | DRAWN BY: J.D.G. | REVISED: 00-00-00



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LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- 18" CMP REQUIRED

QUESTAR EXPLR. & PROD.

HB #4U-3-7-22
SECTION 3, T7S, R22E, S.L.B.&M.
1191' FNL 795' FWL



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



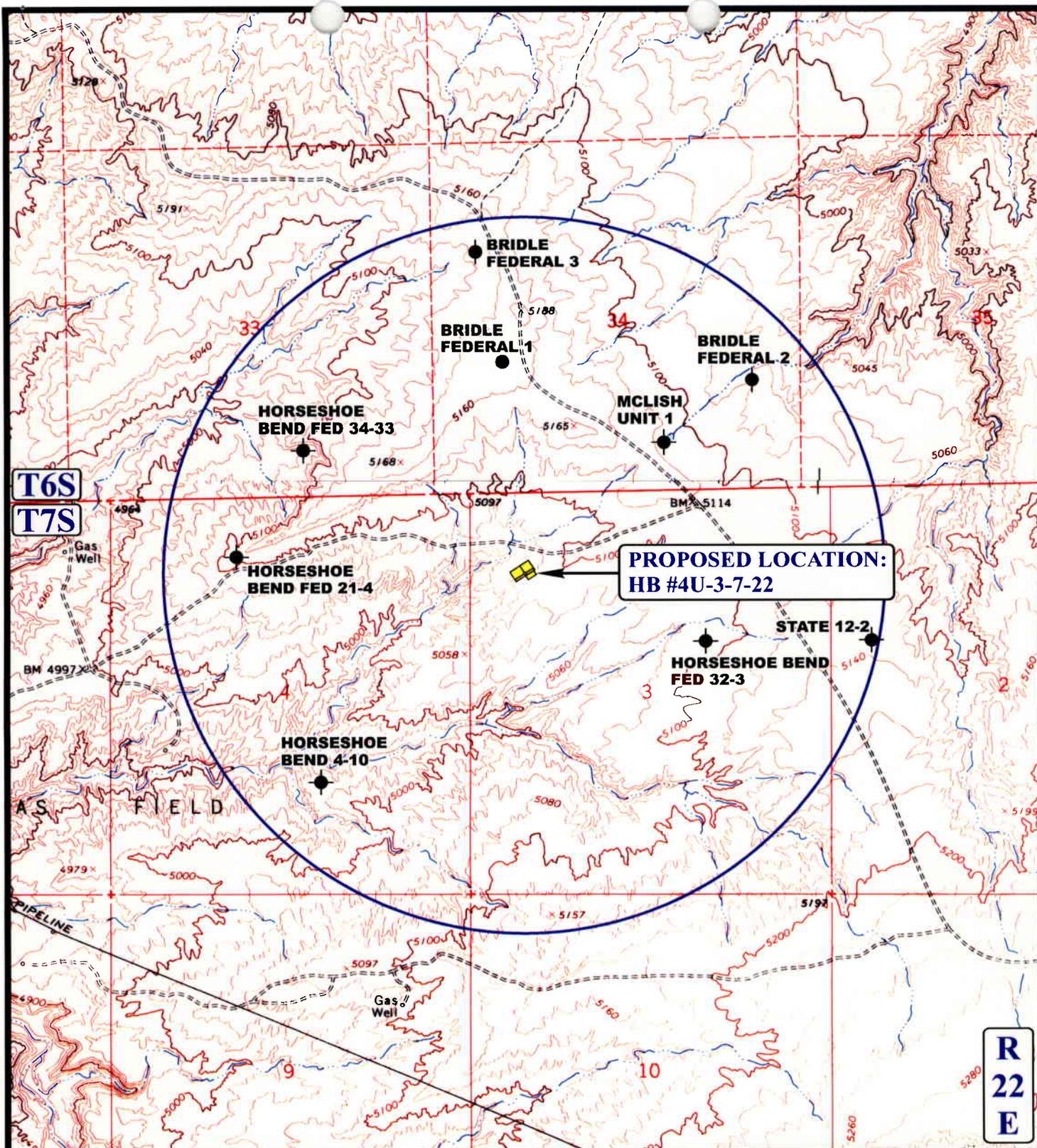
TOPOGRAPHIC
MAP

07 13 04
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.D.G. REVISED: 00-00-00



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LEGEND:

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

QUESTAR EXPLR. & PROD.

HB #4U-3-7-22
SECTION 3, T7S, R22E, S.L.B.&M.
1191' FNL 795' FWL



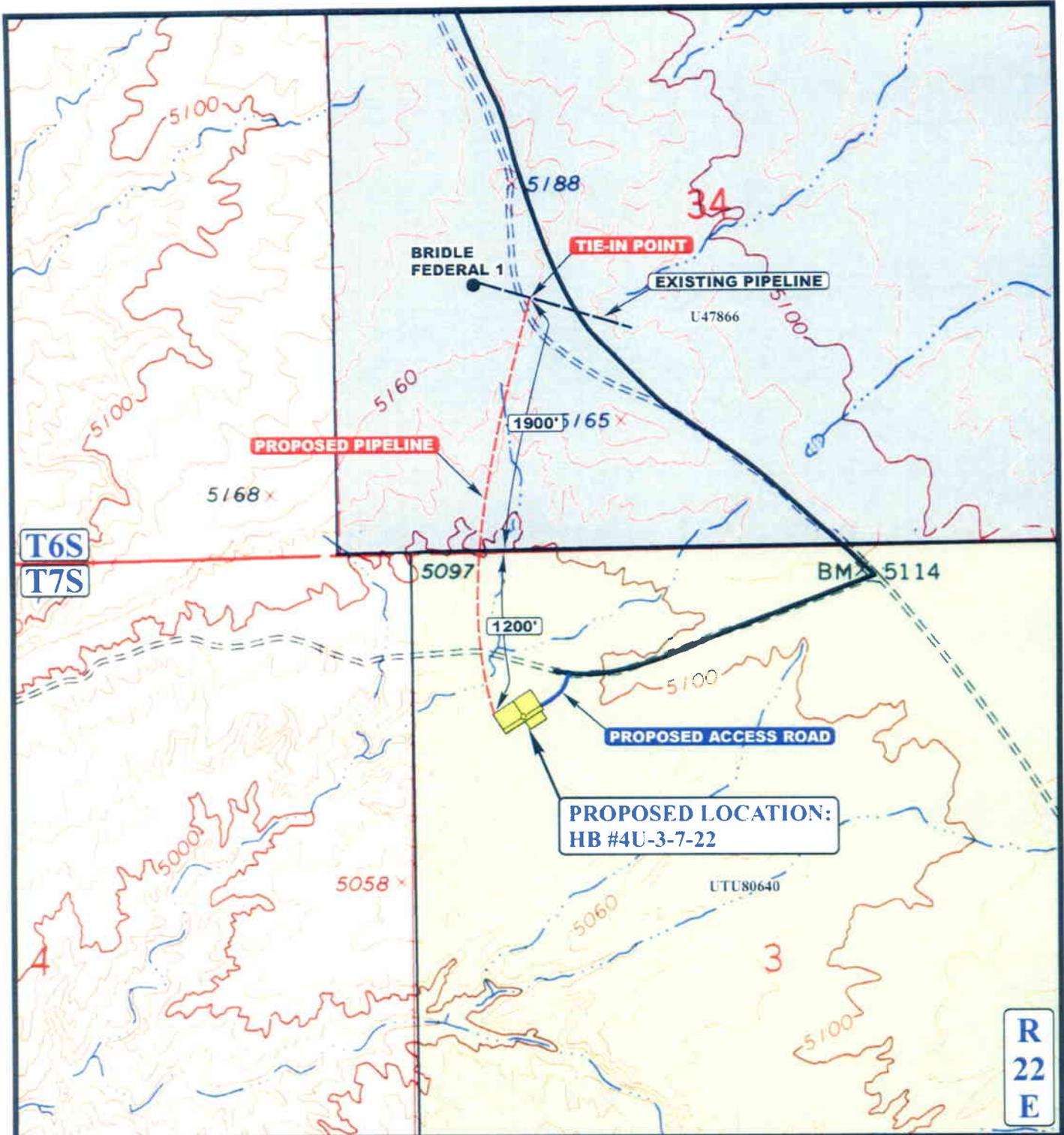
Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP 07 13 04
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: J.D.G. REVISED: 00-00-00



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APPROXIMATE TOTAL PIPELINE DISTANCE = 3100' +/-

LEGEND:

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



QUESTAR EXPLR. & PROD.

HB #4U-3-7-22
SECTION 3, T7S, R22E, S.L.B.&M.
1191' FNL 795' FWL



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

TOPOGRAPHIC MAP 07 13 04
MONTH DAY YEAR
SCALE: 1" = 1000' DRAWN BY: J.D.G. REVISED: 00-00-00



CONFIDENTIAL

004

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/06/2004

API NO. ASSIGNED: 43-047-35877

WELL NAME: HB 4U-3-7-22

OPERATOR: QEP UINTA BASIN, INC. (N2460)

CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:

NWNW 03 070S 220E

SURFACE: 1191 FNL 0795 FWL

BOTTOM: 1191 FNL 0795 FWL

UINTAH

UNDESIGNATED (2)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-80640

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: GRRV

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 40.24614

LONGITUDE: -109.4321

RECEIVED AND/OR REVIEWED:

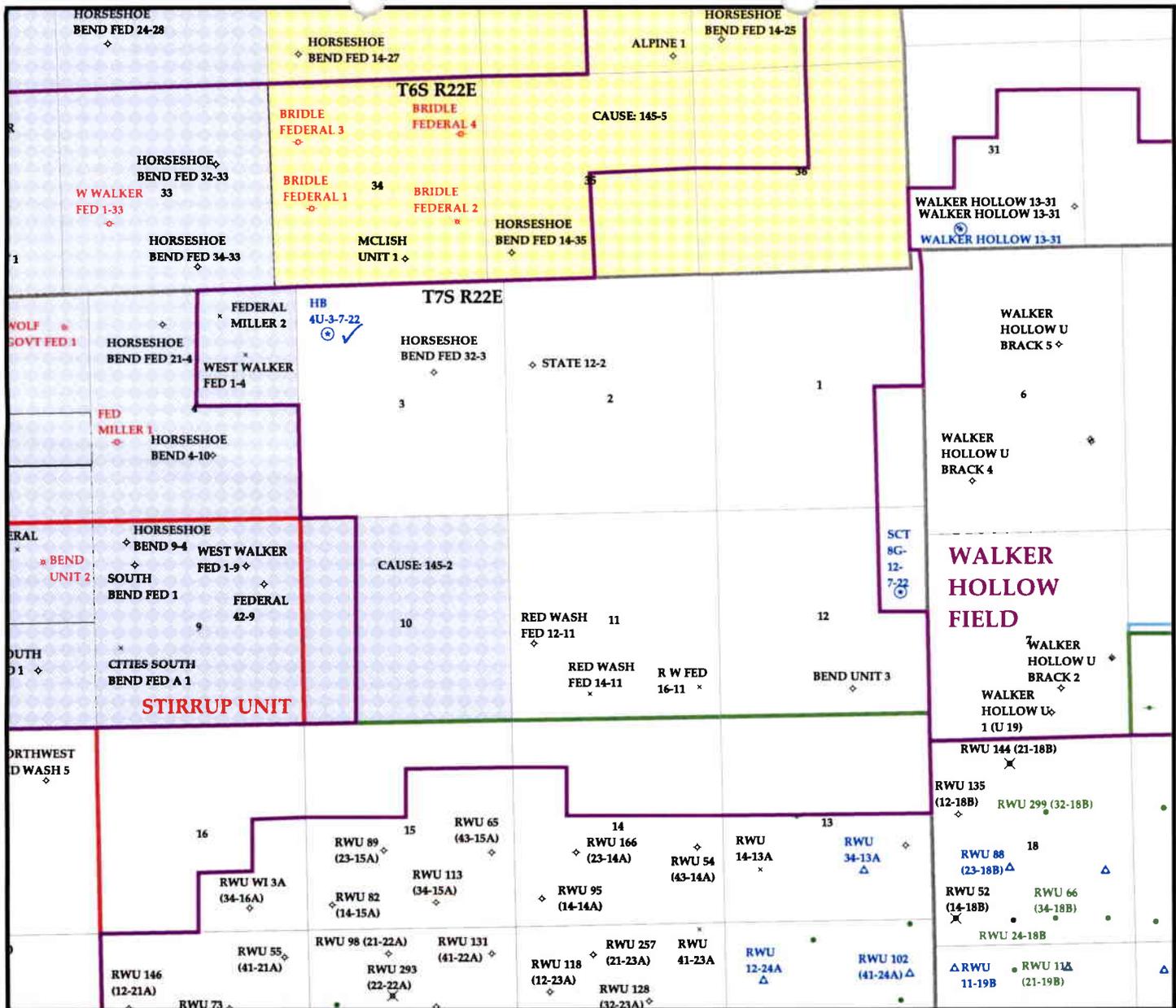
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. ESB000024)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

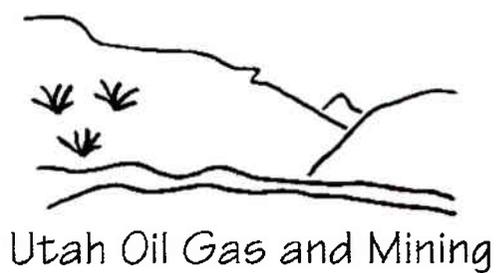
- R649-2-3.
- Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. ~~Exception~~
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: Sop, Supervise file

STIPULATIONS: 1- Federal Approval
2- Spacing VSP



OPERATOR: QEP UINTA BASIN INC (N2460)
SEC. 3 T.7S R.22E
FIELD: UNDESIGNATED (002)
COUNTY: UINTAH
SPACING: R649-3-3 / EXCEPTION LOCATION



- | Wells | Units.shp | Fields.shp |
|-----------------------|----------------|--------------|
| ◇ GAS INJECTION | □ EXPLORATORY | □ ABANDONED |
| ◇ GAS STORAGE | □ GAS STORAGE | □ ACTIVE |
| × LOCATION ABANDONED | □ NF PP OIL | □ COMBINED |
| ⊕ NEW LOCATION | □ NF SECONDARY | □ INACTIVE |
| ◇ PLUGGED & ABANDONED | □ PENDING | □ PROPOSED |
| * PRODUCING GAS | □ PI OIL | □ STORAGE |
| ● PRODUCING OIL | □ PP GAS | □ TERMINATED |
| ◇ SHUT-IN GAS | □ PP GEOTHERML | |
| ◇ SHUT-IN OIL | □ PP OIL | |
| × TEMP. ABANDONED | □ SECONDARY | |
| ◇ TEST WELL | □ TERMINATED | |
| ◇ WATER INJECTION | | |
| ◇ WATER SUPPLY | | |
| ◇ WATER DISPOSAL | | |



PREPARED BY: DIANA WHITNEY
 DATE: 12-AUG-2004



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

November 3, 2004

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

Re: Horse Bend 4U-3-7-22 Well, 1191' FNL, 795' FWL, NW NW, Sec. 3,
T. 7 South, R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35877.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

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

Operator: QEP Uinta Basin, Inc.
Well Name & Number Horse Bend 4U-3-7-22
API Number: 43-047-35877
Lease: UTU-80640

Location: NW NW **Sec.** 3 **T.** 7 South **R.** 22 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

006

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL	5. Lease Serial No. UTU80640	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone			6. If Indian, Allottee or Tribe Name	
2. Name of Operator QEP UINTA BASIN INC		Contact: JOHN BUSCH E-Mail: john.busch@questar.com	7. If Unit or CA Agreement, Name and No.	
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		3b. Phone No. (include area code) Ph: 435.781.4341 Fx: 435.781.4323	8. Lease Name and Well No. HB 4U-3-7-22	
4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface Lot 5 1191FNL 795FWL 40.24626 N Lat, 109.43278 W Lon At proposed prod. zone		9. API Well No. 43-047-35877-00-X1		
14. Distance in miles and direction from nearest town or post office* 24 +/- MILES SOUTHEAST OF VERNAL, UT		10. Field and Pool, or Exploratory UNDESIGNATED		
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 795' +/-		11. Sec., T., R., M., or Blk. and Survey or Area Sec 3 T7S R22E Mer SLB SME: BLM		
16. No. of Acres in Lease 980.83		12. County or Parish UINTAH		
17. Spacing Unit dedicated to this well 40.00		13. State UT		
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2750 +/-		19. Proposed Depth 3400 MD		
20. BLM/BIA Bond No. on file		21. Elevations (Show whether DF, KB, RT, GL, etc.) 5074 GL		
22. Approximate date work will start		23. Estimated duration 10 DAYS		

24. Attachments

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

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

25. Signature (Electronic Submission)	Name (Printed/Typed) JOHN BUSCH	Date 07/30/2004
Title OPERATIONS		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) HOWARD B CLEAVINGER II	Date 03/24/2005
Title AFM FOR MINERAL RESOURCES		
Office Vernal		

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

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

Additional Operator Remarks (see next page)

**Electronic Submission #33844 verified by the BLM Well Information System
For QEP UINTA BASIN INC, sent to the Vernal
Committed to AFMSS for processing by LESLIE WALKER on 08/02/2004 (04LW4522AE)**

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Revisions to Operator-Submitted EC Data for APD #33844

	Operator Submitted	BLM Revised (AFMSS)
Lease:	UTU-80640	UTU80640
Agreement:		
Operator:	QEP UINTA BASIN, INC. 11002 E. 17500 S. VERNAL, UT 84078 Ph: 435.781.4341 Fx: 435.781.4323	QEP UINTA BASIN INC 11002 EAST 17500 SOUTH VERNAL, UT 84078 Ph: 435.781.4300
Admin Contact:	JOHN BUSCH OPERATIONS 11002 E. 17500 S. VERNAL, UT 84078 Ph: 435.781.4341 Fx: 435.781.4323 E-Mail: john.busch@questar.com	JOHN BUSCH OPERATIONS 11002 EAST 17500 SOUTH VERNAL, UT 84078 Ph: 435.781.4341 Fx: 435.781.4323 E-Mail: john.busch@questar.com
Tech Contact:		
Well Name:	HB	HB
Number:	4U-3-7-22	4U-3-7-22
Location:		
State:	UT	UT
County:	UINTAH	UINTAH
S/T/R:	Sec 3 T7S R22E Mer SLB	Sec 3 T7S R22E Mer SLB
Surf Loc:	NWNW Lot 5 1191FNL 795FWL 40.24626 N Lat, 109.43278 W Lon	Lot 5 1191FNL 795FWL 40.24626 N Lat, 109.43278 W Lon
Field/Pool:	UNDESIGNATED	UNDESIGNATED
Bond:	ESB000024	

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: QEP-Uinta Basin, Inc.
Well Name & Number: HB 4U-3-7-22
API Number: 43-047-35877
Lease Number: U-80640
Location: Lot 5 Sec. 3 T. 7S R. 22E
Agreement: N/A

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

Casing Program and Auxiliary Equipment

As a minimum requirement, the cement behind the production casing must extend 200' above the surface casing shoe.

Coring, Logging and Testing Program

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

Please submit an electronic copy of all logs run on this well in LAS format. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF or other).

Other Information

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

Kirk Fleetwood (435) 828-7874
Petroleum Engineer

Michael Lee (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

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

A Right-of-Way will be needed for the proposed pipeline.

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United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>

IN REPLY REFER TO:
3100
UTU-80640
(UT-922)

APR 29 2005

CERTIFIED MAIL—Return Receipt Requested

DECISION

III Exploration Company	:	Oil and Gas Lease
P.O. Box 7608	:	UTU-80640
Boise, ID 83707	:	

Suspension of Operations and Production Lifted
Lease Term Adjusted
Lease Expired

Operations and production under oil and gas lease UTU-80640 were suspended from September 1, 2004, until November 1, 2004. At the time the suspension was lifted the lease term resumed with 3 months remaining on the primary term of the lease. As a result, the adjusted expiration date of the lease was February 1, 2005. Since this date has passed the lease is considered expired as of February 1, 2005.

If there are any questions, please contact Mary Higgins at (801) 539-4112.

Teresa Catlin

Teresa Catlin
Acting Chief, Branch of
Fluid Minerals

cc: QEP Uintah Basin, Inc.
1050 17th Street, Suite 500
Denver, CO 80265

bcc: Vernal Field Office
Minerals Management Service (James Sykes w/ AA)
Fluid Chron File
OG Reading File

008



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
<http://www.blm.gov/utah/vernal>



IN REPLY REFER TO:
3160
UT08300

August 24, 2005

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

Re: Notification of Expiration
Well No. HB 4U-3-7-22
Lot 5, Sec. 3, T7S, R22E
Uintah County, Utah
Lease No. UTU-80640

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on March 24, 2005. Usually applications for Permit to Drill are effective for a period of one year. In this case, this office is notifying you that the approval of the referenced application has expired due to the expiration of Lease UTU-80640. Please refer to Decision Letter Dated April 29, 2005, enclosed.

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

Sincerely,

Leslie Wilcken
Legal Instruments Examiner

cc: UDOGM

RECEIVED
SEP 06 2005
DIV. OF OIL, GAS & MINING

009

From: "Jan Nelson" <jan.nelson@questar.com>
To: "Diana Whitney" <dianawhitney@utah.gov>
Date: 9/6/2005 10:20:39 AM
Subject: RE: HB 4U-3-7-22

Hi Diana,

Yes will you please rescind this APD.

Thanks

Jan

-----Original Message-----

From: Diana Whitney [mailto:dianawhitney@utah.gov]
Sent: Tuesday, September 06, 2005 10:16 AM
To: Jan Nelson
Subject: HB 4U-3-7-22

Hi Jan,

I received a letter today from the BLM stating that they are rescinding this APD due to an expired lease. Do you want us to do the same since QEP can't drill on our permit alone?

P.S. This permit expires with us on 11/3/05.

Thanks,
Diana

**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

September 7, 2005

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

Re: APD Rescinded - HB 4U-3-7-22 Sec. 3, T.7S, R. 22E
Uintah County, Utah API No. 43-047-35877

Dear Ms. Nelson:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on November 3, 2004. On September 6, 2005, you requested that the division rescind the state approved APD.

No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 6, 2005.

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

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

Sincerely,


Diana Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal