

**FIML NATURAL RESOURCES, LLC**

October 1, 2004

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

Attn.: Ms. Diana Whitney

RE: Ute Tribal #2-14-1219  
NWNE Sec 14 T-12-S R-19-E  
Wildcat Field  
Uintah County, Utah

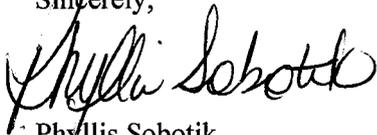
Dear Ms. Whitney:

Enclosed are an original and one copy of an application to drill concerning the referenced proposed well.

FIML (FNR) Natural Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or additional information is required, please contact the undersigned at 303-893-5083.

Sincerely,



Phyllis Sobotik  
Regulatory Specialist

/ps  
Enclosures:

**RECEIVED**  
**OCT 05 2004**  
DIV. OF OIL, GAS & MINING

Form  
(August 2004)

**UTE INDIAN TRIBE  
DEPARTMENT OF ENERGY AND MINERALS  
APPLICATION FOR PERMIT TO DRILL OR REENTER**

FORM  
Approved August 2004

5. Lease Serial No. or EDANo.  
**EDA Number UIT-EDA-001-000**

6. Tribe Name  
**Ute**

1a. Type of work:  DRILL  REENTER  
1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

7. If Unit or CA Agreement, Name and No.  
**N/A**

8. Lease Name and Well No.  
**Ute Tribal 2-14-1219**

2. Name of Operator  
**FIML Natural Resources, LLC**

9. API Well No.  
**43-047-35980**

3a. Address **410 17th St., Suite 570, Denver, CO 80202**

3b. Phone No. (include area code)  
**(303) 893-5073**

10. Field and Pool, or Exploratory  
**Wildcat**

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*  
At surface **733' FNL & 1,775' FEL Sec 14 T-12S R-19E**  
At proposed prod. zone **Same**  
*606634 X 39.778619 N W N E*  
*4403718 Y - 109, 754832*

11. Sec., T. R. M. or Blk. and Survey or Area  
**Sec 14, T-12S R-19E**

14. Distance in miles and direction from nearest town or post office\*  
**27.6 miles south southwest of Ouray, Utah**

12. County **Uintah** 13. State **UT**

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **733'**

16. No. of acres in lease  
**640**

17. Spacing Unit dedicated to this well  
**40 Acres**

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. **N/A**

19. Proposed Depth  
**9,635'**

20. State Bond #  
**8193-15-93**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**5,643' GL**

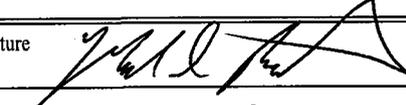
22. Approximate date work will start\*  
**10/18/2004**

23. Estimated duration  
**15 days**

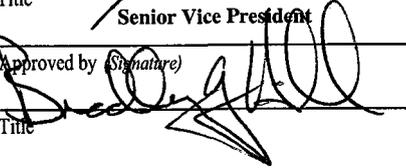
24. Attachments

The following shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan.
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Such other site specific information and/or plans as may be required by the Energy and Minerals Department.

25. Signature  Name (Printed/Typed) **Mark D. Bingham** Date **10/01/2004**

Title **Senior Vice President**

Approved by (Signature)  Name (Printed/Typed) **BRADLEY G. HILL** Date **10-12-04**

Title **ENVIRONMENTAL SCIENTIST III**

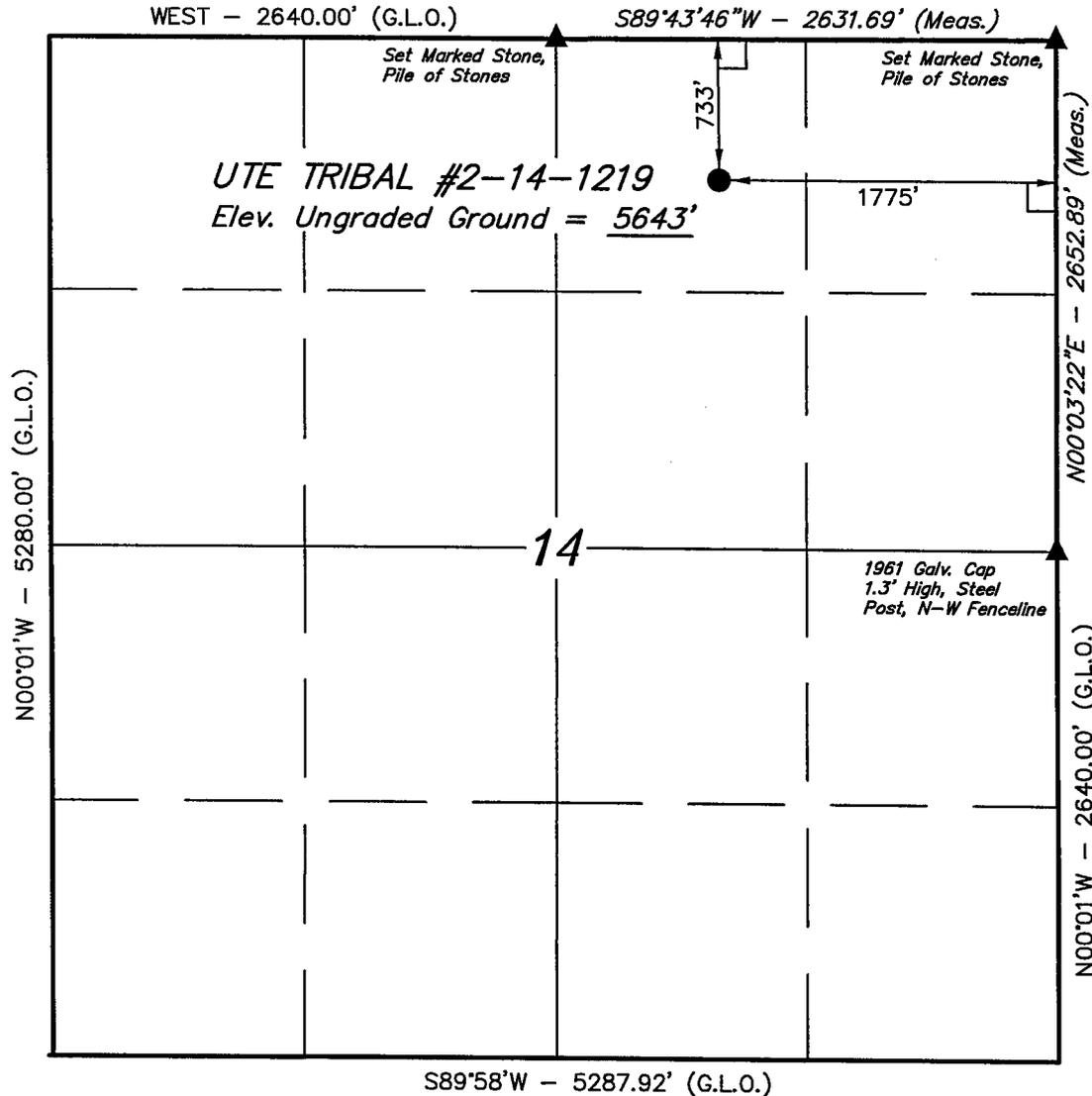
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

**RECEIVED**  
**CONFIDENTIAL** **OCT 05 2004**  
DIV. OF OIL, GAS & MINING

# T12S, R19E, S.L.B.&M.

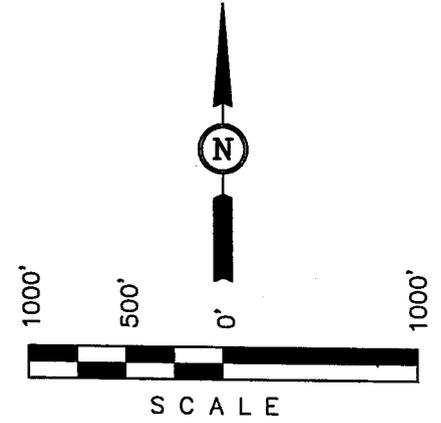
FIML NATURAL RESOURCES, LLC,

Well location, UTE TRIBAL #2-14-1219, located as shown in the NW 1/4 NE 1/4 of Section 14, T12S, R19E, S.L.B.&M. Uintah County, Utah.



### BASIS OF ELEVATION

BENCH MARK (47 WF) LOCATED IN THE NW 1/4 OF SECTION 22, T12S, R19E, S.L.B.&M. TAKEN FROM THE DOG KNOLL 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 ON CAP AS BEING 6473 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE AND 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.

NO. 191819

ROBERT L. KAY

REGISTERED LAND SURVEYOR  
REGISTRATION NO. 191819  
STATE OF UTAH

<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b>		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 08-31-04	DATE DRAWN: 09-20-04
PARTY G.S. W.L. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE FIML NATURAL RESOURCES, LLC,	

### LEGEND:

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

**BASIS OF BEARINGS**

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.  
(AUTONOMOUS NAD 83)  
LATITUDE = 39°46'42.59" (39.778497)  
LONGITUDE = 109°45'20.56" (109.7557711)  
(AUTONOMOUS NAD 27)  
LATITUDE = 39°46'42.72" (39.778533)  
LONGITUDE = 109°45'18.06" (109.755017)

**SELF CERTIFICATION STATEMENT**

Please be advised that FIML Natural Resources, LLC is considered to be the operator of the following well.

Ute Tribal 2-14-1219  
NW/4 NE/4 733' FNL 1,775' FEL, Section 14, T-12S, R-19E  
EDA Number UIT-EDA-001-000  
Uintah County, Utah

FIML Natural Resources, LLC is responsible under the terms of this lease for the operations conducted upon lease lands.



Rick L. Parks  
Operations Manager  
FIML Natural Resources, LLC  
410 17<sup>th</sup> Street, Suite 570  
Denver, Colorado 80202  
(303) 893-5073

**FIML NATURAL RESOURCES, LLC**

**Ute Tribal 2-14-1219  
NW/4 NE/4 733' FNL 1,775' FEL Sec 14, T-12S, R-19E  
Uintah County, Utah  
EDA Number UIT-EDA-001-000**

**DRILLING PROGRAM**

**1. Estimated Tops of Geological Markers:**

<b>Formation</b>	<b>Depth</b>
Green River	Surface
Wasatch	3,155'
Mesa Verde	6,205'
Blue Castle	7,655'
Neslen	7,925'
Castle Gate	8,505'
Mancos	9,015'
Total Depth	9,635'

**2. Estimated Depths of Anticipated Water, Oil, Gas, or Other Minerals:**

<b>Substance</b>	<b>Formation</b>	<b>Depth</b>
Oil/Gas	Wasatch	3,155'
Oil/Gas	Mesa Verde	6,205'
Oil/Gas	Blue Castle	7,655'
Oil/Gas	Castle Gate	8,505'
Oil/Gas	Mancos	9,015'
Other Mineral Zones	N/A	

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

**3. Pressure Control Equipment:**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

**4. Proposed Casing and Cementing Program:**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

5. **Drilling Fluids Program:**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

6. **Evaluation Program:**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

7. **Abnormal Conditions:**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

8. **Anticipated Starting Dates and Notification of Operations:**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

9. **Other Information:**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

**FIML NATURAL RESOURCES, LLC**

**Ute Tribal 2-14-1219  
NW/4 NE/4 733' FNL 1,775' FEL Sec 14, T-12S, R-19E  
Uintah County, Utah  
EDA Number UIT-EDA-001-000**

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

**1. Existing Roads**

- A. Proceed in a westerly direction from Vernal, Utah along U. S. Highway 40 approximately 14.0 miles to the junction of State Highway 88. Turn left and proceed in a southerly direction approximately 17.0 miles to Ouray, Utah. Proceed in a southerly, then southeasterly direction approximately 9.1 miles on the Seep Ridge Road to the junction of this road and an existing road to the south. Turn right and proceed in a southerly direction approximately 2.8 miles to the junction of this road and an existing road to the west. Turn right and proceed in a westerly, then southwesterly, then southerly direction approximately 15.5 miles to the beginning of the proposed access road to the east. Follow the new access road in an easterly direction approximately 0.2 miles to the Ute Tribal 2-14-1219 location.
- B. The proposed well site is located approximately 27.6 miles south southwest of Ouray, Utah – See attached Topographic Map “A”.
- C. Refer to attached Topographic Map “A”.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

**2. Planned Access Roads**

See Topographic Map “B” for the location of the proposed access road.

**3. Location of existing wells within a one mile radius of proposed well location**

See Topographic Map “C” for the location of existing wells within a one-mile radius.

**4. Location of Existing and /or Proposed Facilities**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

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

- A. Water supply will be from the Kenneth Joe Batty water well. The State Water Right number is 43-10447 and the well is located in Section 9, T-8S, R-20E, Uintah County, Utah.

- B. Water will be hauled by JN Trucking, Inc.
- C. No water well will be drilled on the lease.

**6. Source of Construction Materials**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

**7. Method of Handling Waste Materials**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

**8. Ancillary Facilities**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

**9. Well Site Layout**

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

**10. Plans for Restoration of the Surface**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

**11. Surface Ownership**

Access Road: Ute Indian Tribe  
Location: Ute Indian Tribe

**12. Other Information**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

**13. Operator's Representative and Certification**

Name: Rick L. Parks  
Address: 410 17<sup>th</sup> Street  
Suite 570  
Denver, Colorado 80202

Phone No. 303-893-5081

Cellular No. 303-229-7689

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations and Onshore Oil and Gas Orders. FIML Natural Resources, LLC is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

Certification:

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 that presently exist; that the statements made in this plan are, to the best of my knowledge and belief, true and correct; and that the work associated with operations proposed herein will be performed by FIML Natural Resources, LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it was approved.

10/01/04  
Date

  
\_\_\_\_\_  
Rick L. Parks  
Operations Manager  
FIML Natural Resources, LLC

# FIML NATURAL RESOURCES, LLC

## UTE TRIBAL #2-14-1219

LOCATED IN UINTAH COUNTY, UTAH

SECTION 14, T12S, R19E, S.L.B.&M.

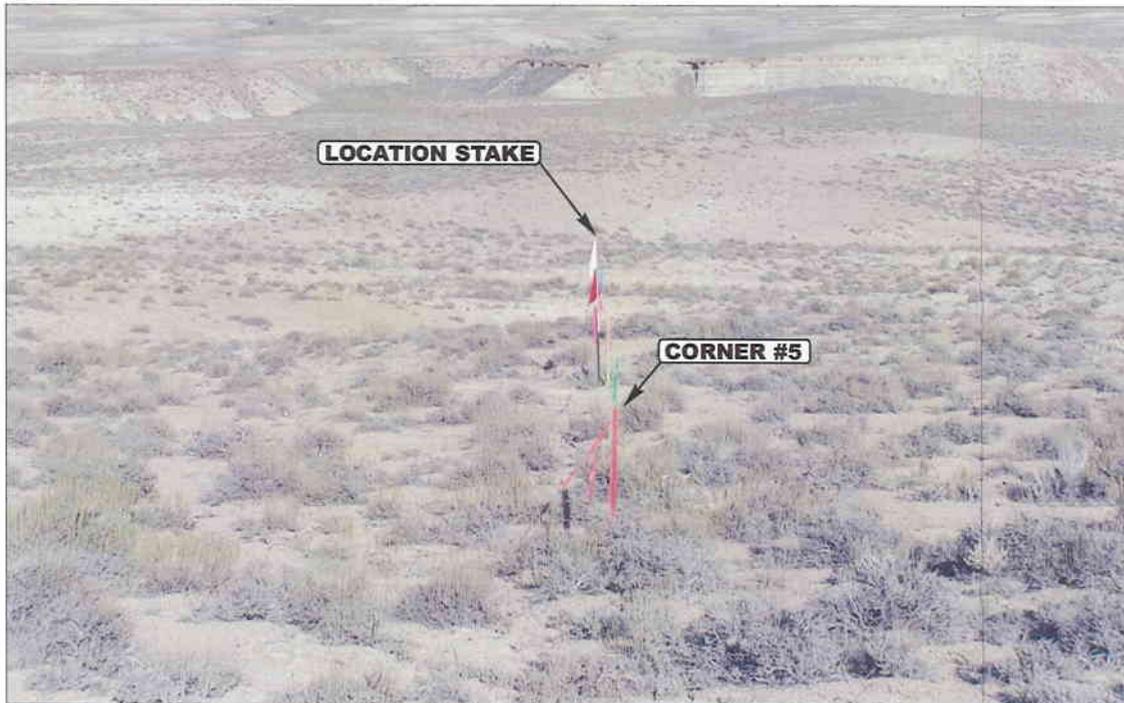


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



- Since 1964 -

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

LOCATION PHOTOS

09 25 04  
MONTH DAY YEAR

PHOTO

TAKEN BY: G.S.

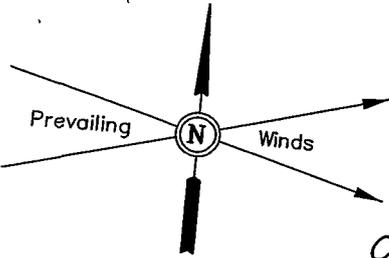
DRAWN BY: L.K.

REVISED: 00-00-00

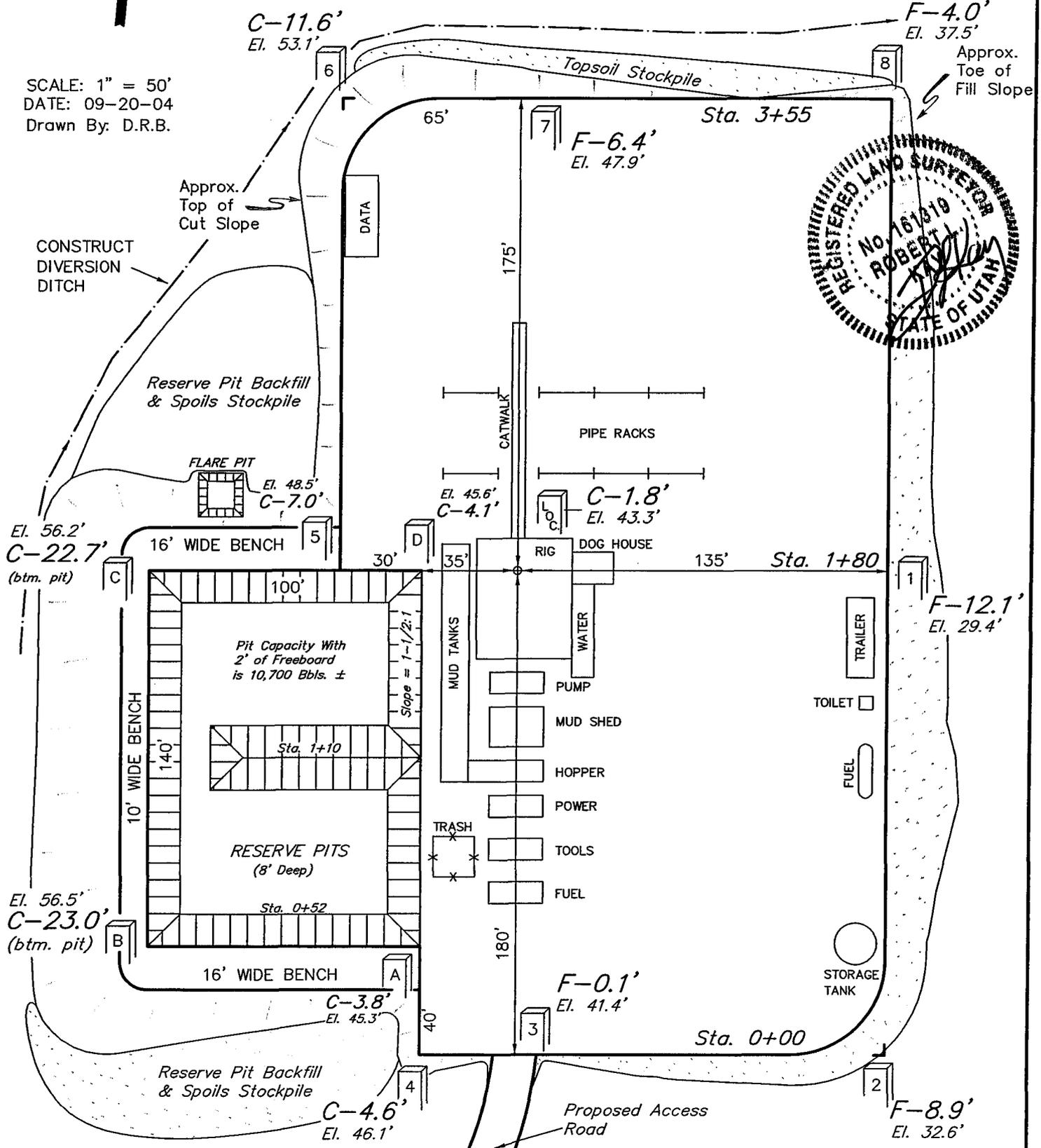
FJML NATURAL RESOURCES, LLC,

LOCATION LAYOUT FOR

UTE TRIBAL #2-14-1219  
SECTION 14, T12S, R19E, S.L.B.&M.  
733' FNL 1775' FEL



SCALE: 1" = 50'  
DATE: 09-20-04  
Drawn By: D.R.B.



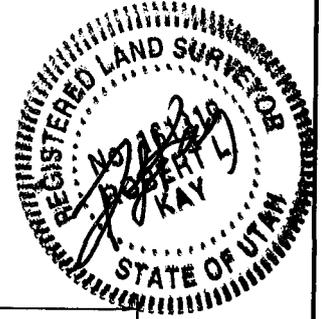
Elev. Ungraded Ground at Location Stake = 5643.3'  
Elev. Graded Ground at Location Stake = 5641.5'

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

FNML NATURAL RESOURCES, LLC,

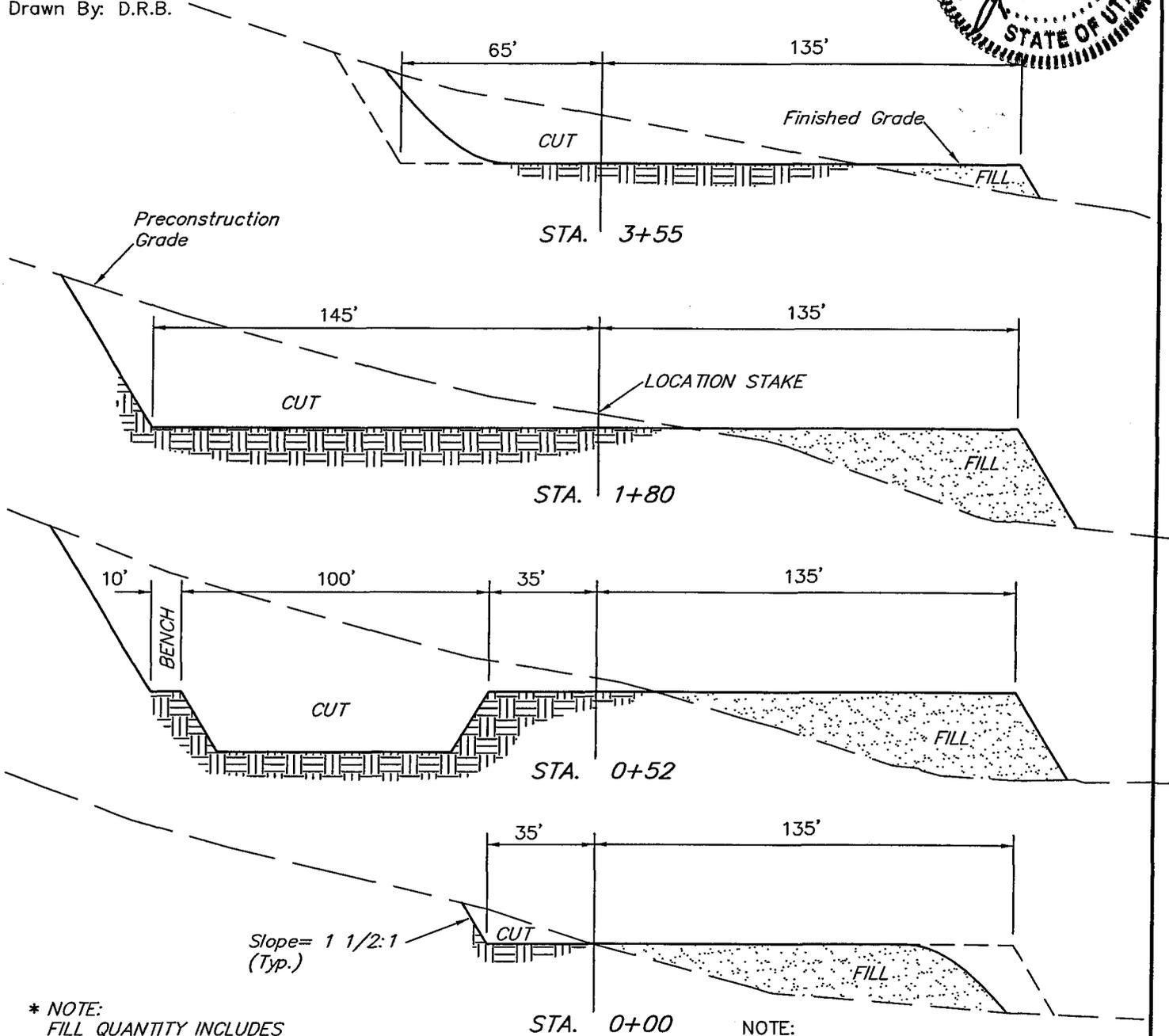
TYPICAL CROSS SECTIONS FOR

UTE TRIBAL #2-14-1219  
SECTION 14, T12S, R19E, S.L.B.&M.  
733' FNL 1775' FEL



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

DATE: 09-20-04  
Drawn By: D.R.B.



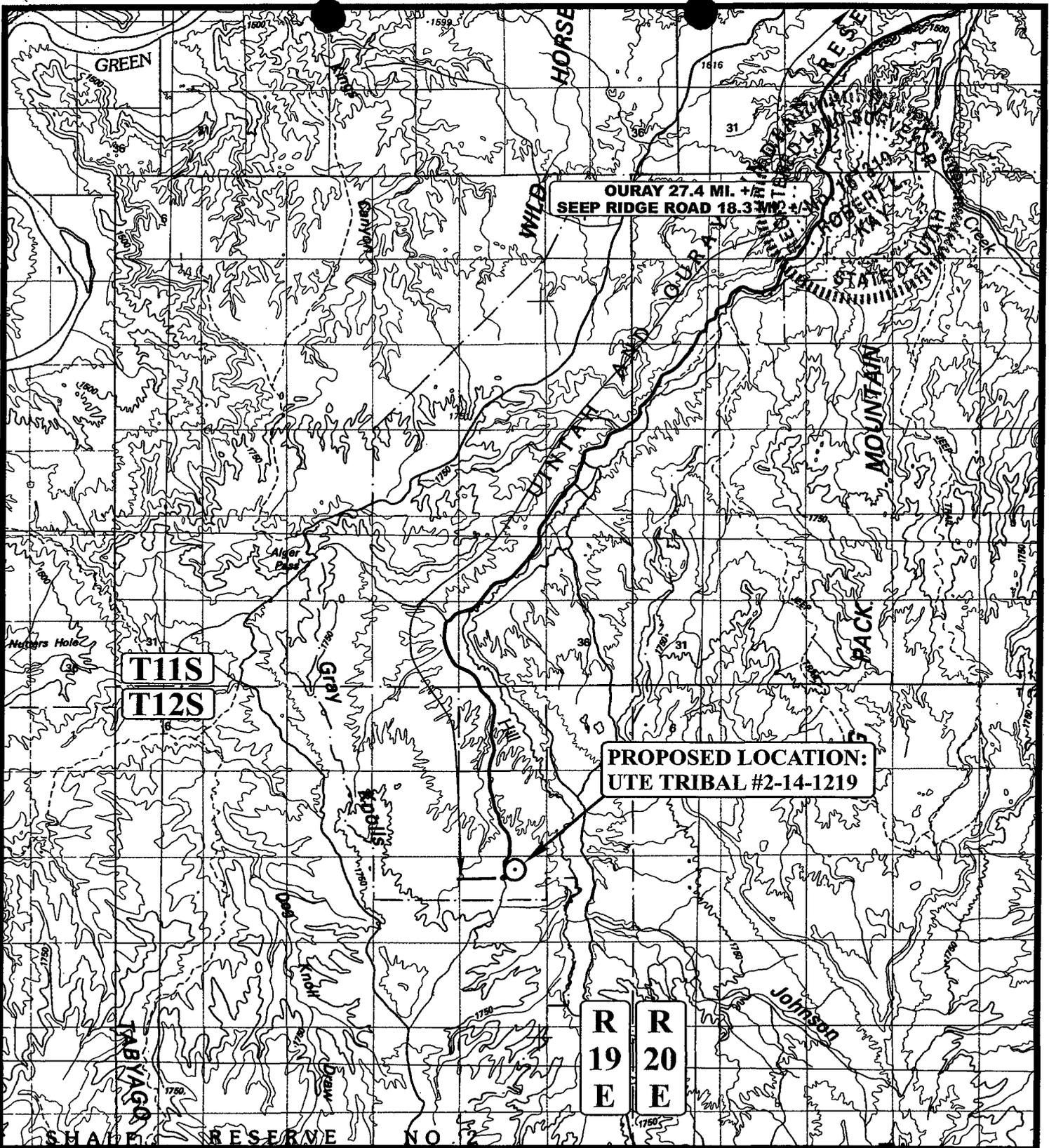
\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

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

APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 4,020 Cu. Yds.
Remaining Location	= 13,770 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 17,790 CU.YDS.</b>
<b>FILL</b>	<b>= 11,460 CU.YDS.</b>

EXCESS MATERIAL	= 6,330 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 5,560 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 770 Cu. Yds.



**LEGEND:**

⊙ PROPOSED LOCATION



**FIML NATURAL RESOURCES, LLC**

UTE TRIBAL #2-14-1219  
SECTION 14, T12S, R19E, S.L.B.&M.  
733' FNL 1775' FEL



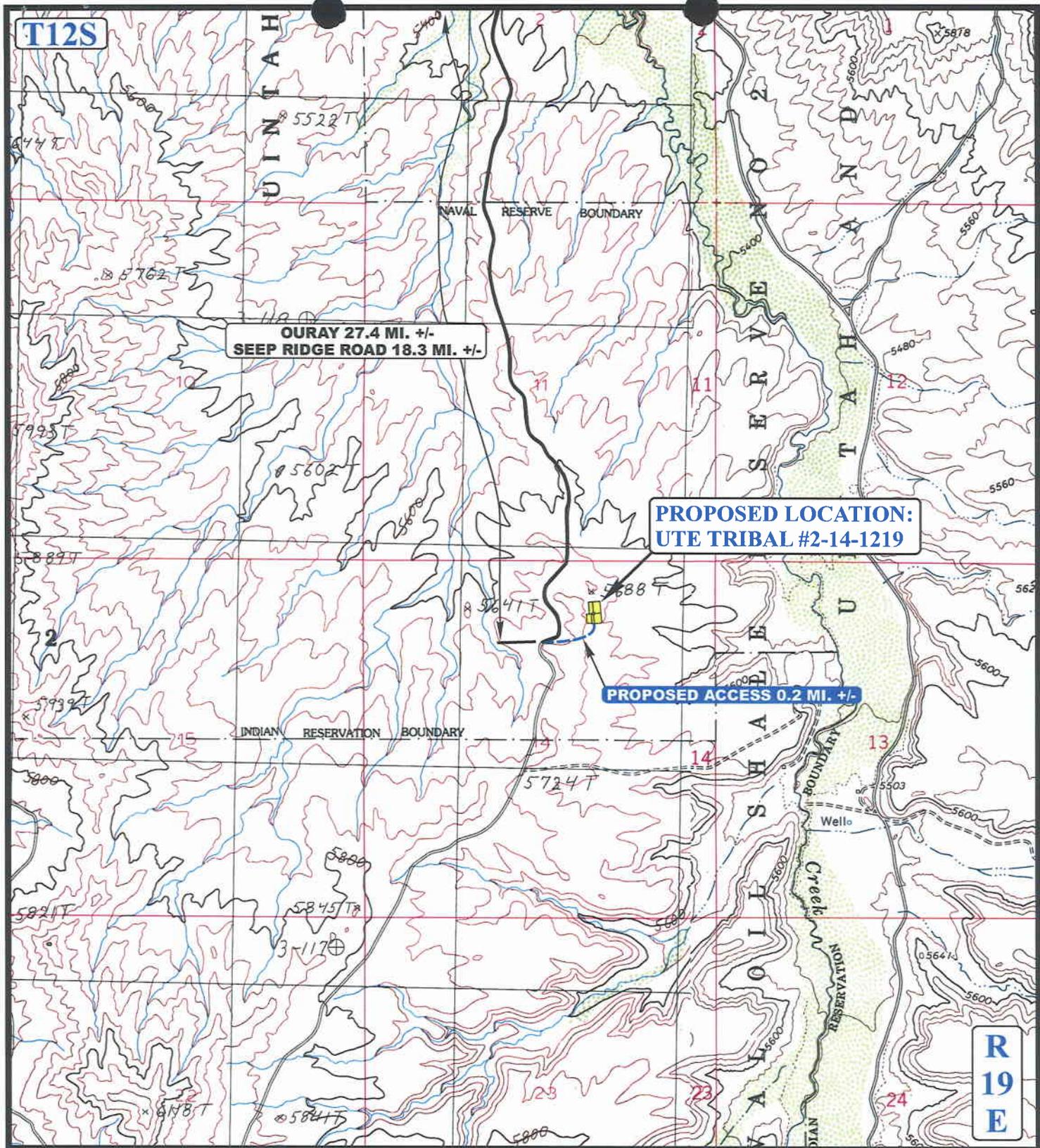
Utah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
MAP

09 25 04  
MONTH DAY YEAR

SCALE: 1:100,000 | DRAWN BY: L.K. | REVISED: 00-00-00





**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



**FIML NATURAL RESOURCES, LLC**

**UTE TRIBAL #2-14-1219**  
**SECTION 14, T12S, R19E, S.L.B.&M.**  
**733' FNL 1775' FEL**

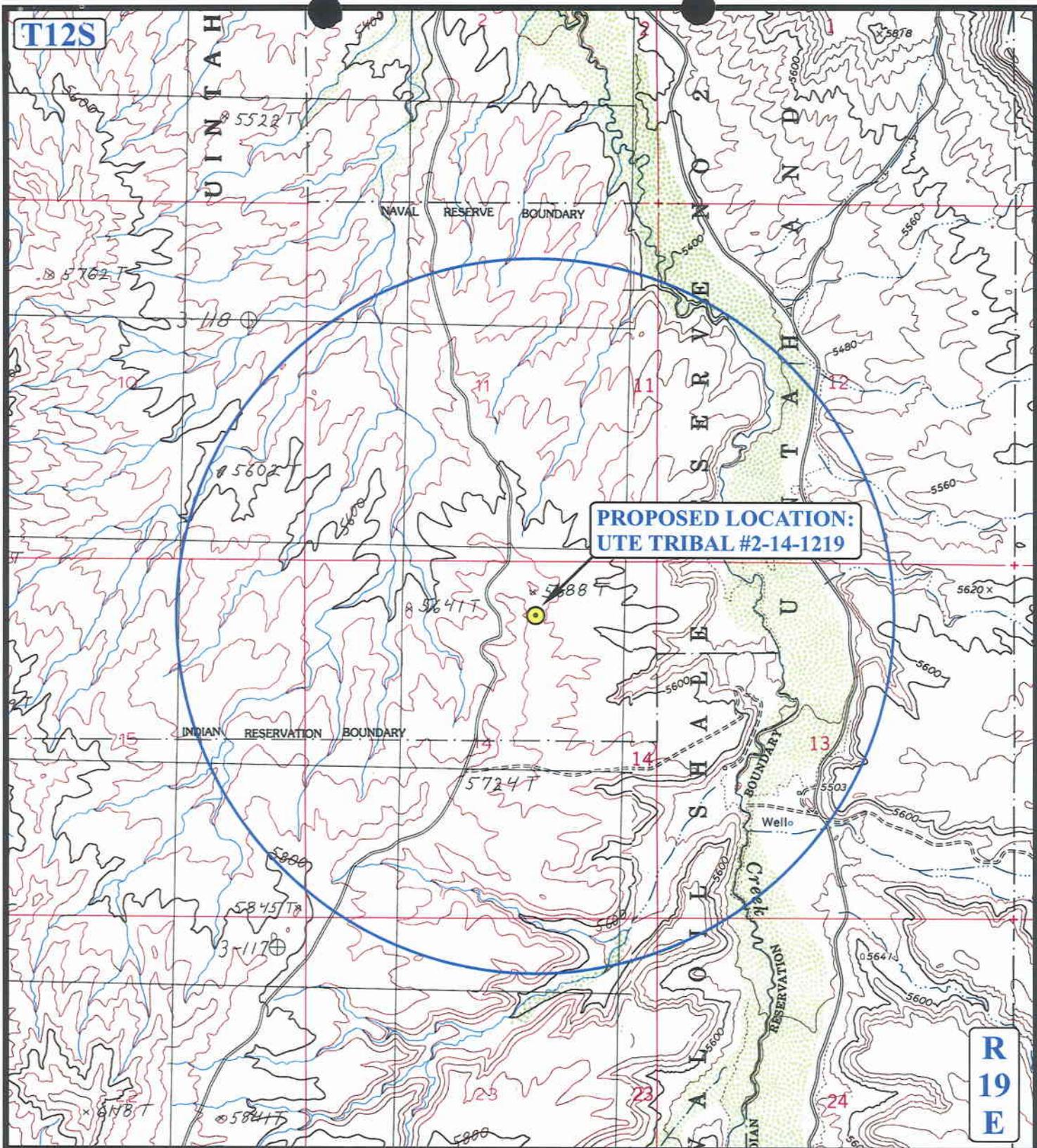


**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 09 25 04  
**MAP** MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00





**PROPOSED LOCATION:  
UTE TRIBAL #2-14-1219**

**LEGEND:**

- |                   |                         |
|-------------------|-------------------------|
| ⊘ DISPOSAL WELLS  | ⊙ WATER WELLS           |
| ● PRODUCING WELLS | ⊖ ABANDONED WELLS       |
| ⊙ SHUT IN WELLS   | ⊖ TEMPORARILY ABANDONED |

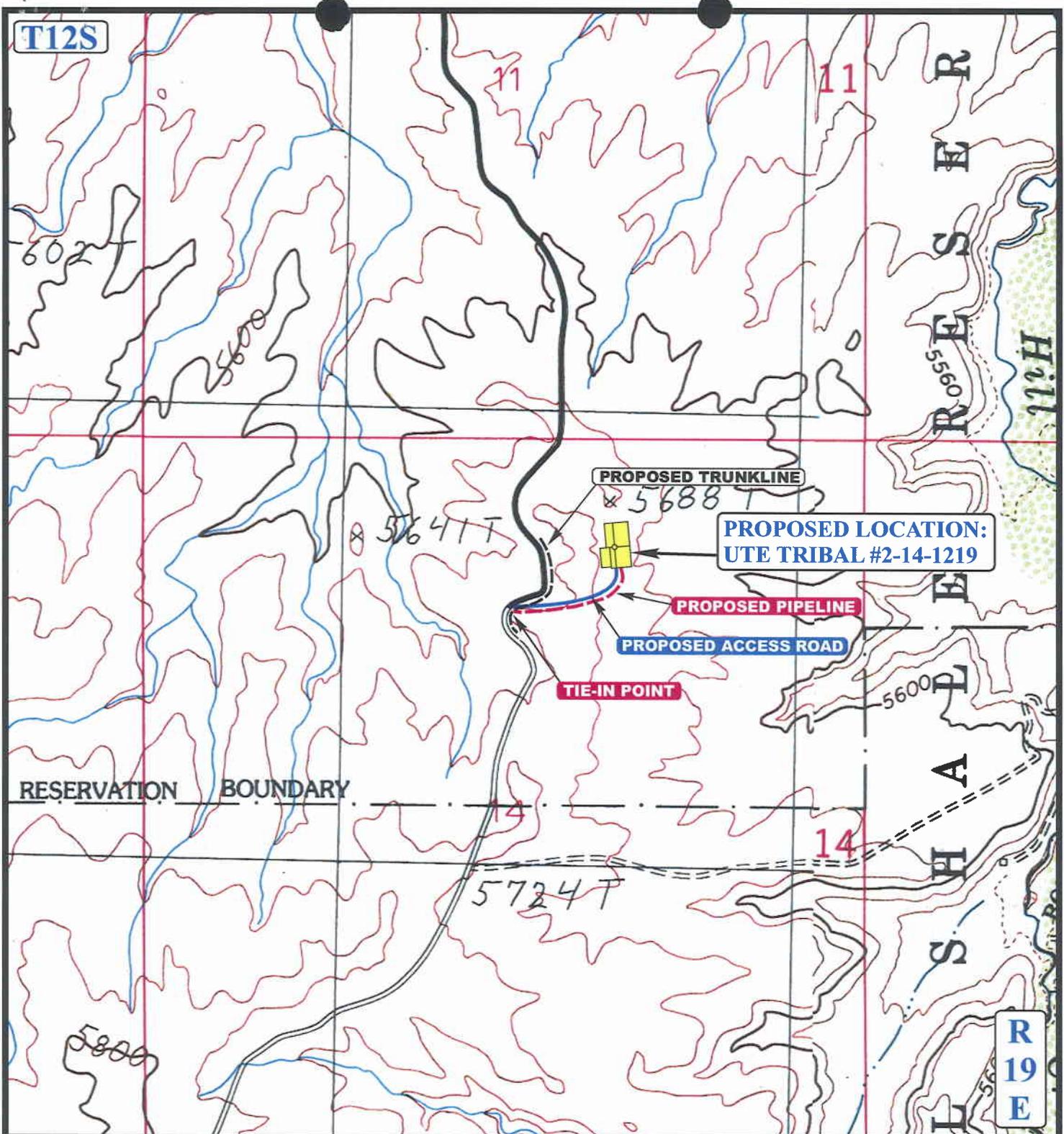


**FIML NATURAL RESOURCES, LLC**

**UTE TRIBAL #2-14-1219  
SECTION 14, T12S, R19E, S.L.B.&M.  
733' FNL 1775' FEL**

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

**TOPOGRAPHIC MAP** 09 25 04  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00 **C**  
TOPO



**APPROXIMATE TOTAL PIPELINE DISTANCE = 965' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



**FIML NATURAL RESOURCES, LLC**

**UTE TRIBAL #2-14-1219**  
**SECTION 14, T12S, R19E, S.L.B.&M.**  
**733' FNL 1775' FEL**



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

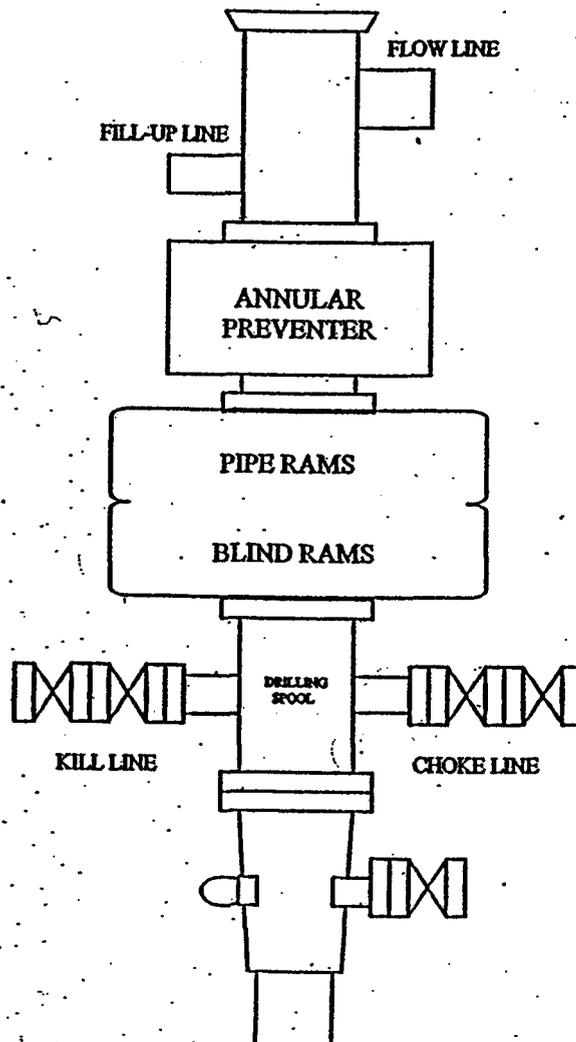
**TOPOGRAPHIC** 09 25 04  
**MAP** MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 00-00-00

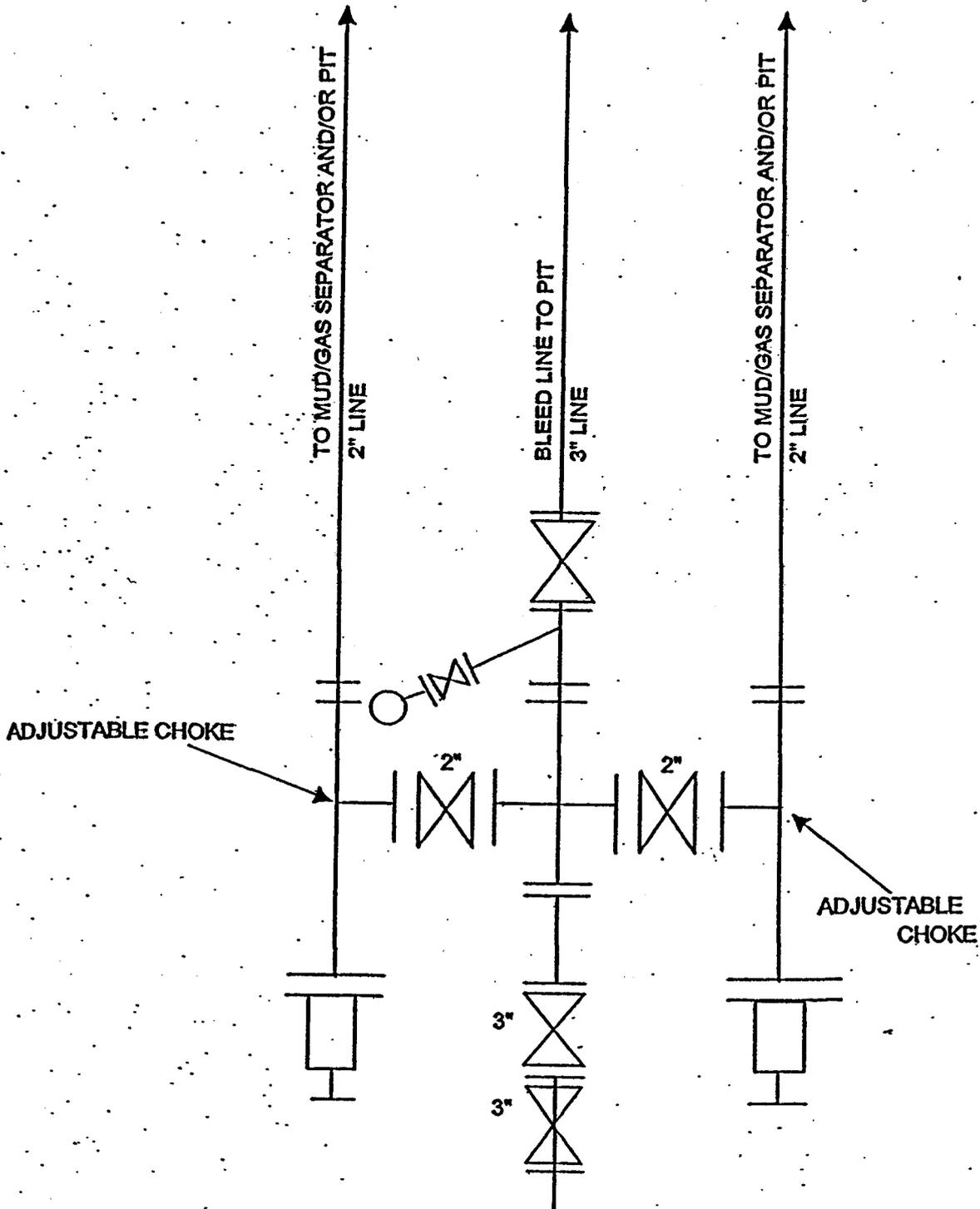


## BOP AND PRESSURE CONTAINMENT DATA

1. BOP EQUIPMENT SHALL CONSIST OF A DOUBLE GATE, HYDRAULICALLY OPERATED PREVENTER WITH PIPE & BLIND RAMS OR TWO SINGLE RAM TYPE PREVENTERS, ONE EQUIPPED WITH PIPE RAMS, THE OTHER EQUIPPED WITH BLIND RAMS.
2. BOP'S ARE TO BE WELL BRACED WITH HAND CONTROLS EXTENDED CLEAR OF THE SUBSTRUCTURE.
3. ACCUMULATOR TO PROVIDE CLOSING PRESSURE IN EXCESS OF THAT REQUIRED WITH SUFFICIENT VOLUME TO OPERATE ALL COMPONENTS.
4. AUXILIARY EQUIPMENT: LOWER KELLY COCK, FULL OPENING STABBING VALVE, 3" CHOKE MANIFOLD, PIT LEVEL INDICATOR &/OR FLOW SENSORS WITH ALARMS.
5. ALL BOP EQUIPMENT, AUXILIARY EQUIPMENT, STAND PIPE, VALVES, & ROTARY HOSE TO BE TESTED TO THE RATE PRESSURE OF THE BOP'S AT THE TIME OF INSTALLATION & EVERY 30 DAYS THEREAFTER. BOP'S TO BE MECHANICALLY CHECKED DAILY. ANNULAR PREVENTER WILL BE TESTED TO 50% (2500 psi) OF PRESSURE RATING.
6. MODIFICATION OF HOOK-UP OR TESTING PROCEDURE MUST BE APPROVED IN WRITING ON TOUR REPORTS BY WELLSITE REPRESENTATIVE.



# 5000 PSI CHOKE MANIFOLD EQUIPMENT



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/05/2004

API NO. ASSIGNED: 43-047-35980

WELL NAME: UTE TRIBAL 2-14-1219  
OPERATOR: FIML NATURAL RESOURCES ( N2530 )  
CONTACT: MARK BINGHAM

PHONE NUMBER: 303-893-5073

PROPOSED LOCATION:

NWNE 14 120S 190E  
SURFACE: 0733 FNL 1775 FEL  
BOTTOM: 0733 FNL 1775 FEL  
UINTAH  
WILDCAT ( 1 )

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

LEASE TYPE: 2 - Indian  
LEASE NUMBER: UIT-EDA-001-000  
SURFACE OWNER: 2 - Indian  
PROPOSED FORMATION: MNCS  
COALBED METHANE WELL? NO

LATITUDE: 39.77862  
LONGITUDE: -109.7548

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[2] Sta[] Fee[]  
(No. 8193-15-93 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-10447 )
- 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, Separate file

STIPULATIONS: 1- Federal Approval  
2- Spacing WSP

T12S R19E

UTE TRIBAL 2-10-1219

UTE TRIBAL 6-11-1219

UTE TRIBAL 2-14-1219

10

11

12

15

14

13

22

23

24

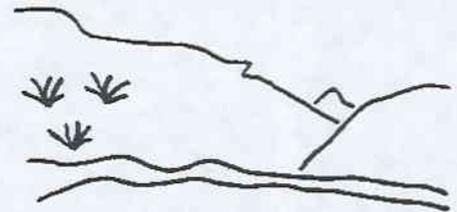
OPERATOR: FIML NATURAL RES LLC (N2530)

SEC. 14 T.12S R.19E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining

Wells

- ♣ GAS INJECTION
- ⊕ GAS STORAGE
- × LOCATION ABANDONED
- ⊕ NEW LOCATION
- ⋄ PLUGGED & ABANDONED
- \* PRODUCING GAS
- PRODUCING OIL
- ⊕ SHUT-IN GAS
- ➔ SHUT-IN OIL
- × TEMP. ABANDONED
- TEST WELL
- ▲ WATER INJECTION
- ◆ WATER SUPPLY
- ♣ WATER DISPOSAL

Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY  
DATE: 8-OCTOBER-2004

002

**FIML NATURAL RESOURCES, LLC**

October 11, 2004

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

Attn.: Ms. Diana Whitney

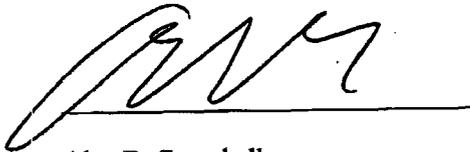
RE: Exception Letter for the Ute Tribal #2-14-1219  
Uintah County, Utah

Dear Ms. Whitney:

FIML Natural Resources, LLC has no objection to the proposed Ute Tribal #2-14-1219 well being drilled 733' FNL and 1775' FEL of Section 14 T-12S R-19E. The original "legal" drillsite location was moved due to severe topographic conditions. Moreover, the Ute Tribal representatives would not allow the drillsite to be placed at the legal location due to the severe topographic constraints.

The signature below is our written waiver of objection to UT Administrative Code R649-3-3.

Signature:



Name: Alex B. Campbell

Title: Land Manager

Date: October 11, 2004

FIML Natural Resources, LLC  
410 17th Street, Suite 570  
Denver, CO 80202

RECEIVED

OCT 12 2004

DIV. OF OIL, GAS &amp; MINING

410 17<sup>th</sup> Street, Suite 570 \* Denver, CO 80202 \* (303)893-5073 \* Facsimile (303) 573-0386



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*

October 12, 2004

FIML Natural Resources, LLC  
410 17th St., Suite 570  
Denver, CO 80202

Re: Ute Tribal 2-14-1219 Well, 733' FNL, 1775' FEL, NW NE, Sec. 14,  
T. 12 South, R. 19 East, Uintah County, Utah

Gentlemen:

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

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35980.

Sincerely,

John R. Baza  
Associate Director

pab  
Enclosures

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

**Operator:** FIML Natural Resources, LLC  
**Well Name & Number** Ute Tribal 2-14-1219  
**API Number:** 43-047-35980  
**Lease:** UIT-EDA-001-000

**Location:** NW NE                      Sec. 14              T. 12 South              R. 19 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. 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.

**UTE INDIAN TRIBE  
DEPARTMENT OF ENERGY AND MINERALS**

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form APD for such proposals.*

FORM  
Approved August 2004

5. Lease Serial No. or EDA No.  
**EDA # UIT-EDA-001-000**

6. Tribe Name  
**Ute**

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

8. Well Name and No.  
**Ute Tribal #2-14-1219**

9. API Well No.  
**43-047-35980**

10. Field and Pool, or Exploratory Area  
**Wildcat**

11. County  
**Uintah**

**SUBMIT IN TRIPLICATE**

1. Type of Well  
 Oil Well     Gas Well     Other

**CONFIDENTIAL**

2. Name of Operator    **FIML Natural Resources, LLC**

3a. Address  
**410 17th Street, Suite 900 Denver, CO 80202**

3b. Phone No. (include area code)  
**303-899-5608**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**NWNE 733' FNL 1,775' FEL Sec 14 T-12S R-19E**

**12. CHECK APPROPRIATE BOX(ES) 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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <b>Request for Drilling Permit Extension</b>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the State of Utah. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form Completion shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**FIML Natural Resources, LLC is requesting an extension to the drilling permit issued for the referenced well. Further evaluation of the area is currently being conducted prior to the drilling of this well. The Application for Permit to Drill Request for Permit Extension Validation form is attached.**

State of Utah, Division of Oil, Gas & Mining Surety Bond No. 8193-15-93

**COPY SENT TO OPERATOR**  
Date: 11-25-05  
Initials: CHD

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date: 11-22-05  
By: [Signature]

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**Phyllis Sobotik**

Title **Operations Regulatory Manager**

Signature

[Signature: Phyllis Sobotik]

Date

Nov 17 2005

**THIS SPACE FOR UTE INDIAN TRIBE OFFICE USE**

Approved by

Conditions of approval, if any, are attached. Approval of this notice 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.

Title

Date

Office

**RECEIVED**

**NOV 21 2005**

RESET

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

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

**API:** 43-047-35980  
**Well Name:** Ute Tribal #2-14-1219  
**Location:** NWNE 733' FNL 1775' FEL Sec 14 T12S R19E  
**Company Permit Issued to:** FIML Natural Resources, LLC  
**Date Original Permit Issued:** 10/12/2004

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

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

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

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

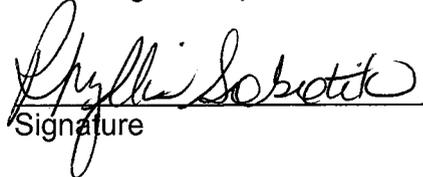
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

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

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

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

  
Signature

11/17/2005  
Date

Title: Operations Regulatory Manager

Representing: FIML Natural Resources, LLC

RECEIVED

NOV 21 2005

DIV. OF OIL, GAS & MINING

UTE INDIAN TRIBE  
DEPARTMENT OF ENERGY AND MINERALS

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form APD for such proposals.

FORM  
Approved August 2004

5. Lease Serial No. or EDA No.  
EDA # UIT-EDA-001-000

6. Tribe Name  
Ute

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

8. Well Name and No.  
Ute Tribal #2-14-1219

9. API Well No.  
43-047-35980

10. Field and Pool, or Exploratory Area  
Wildcat

11. County  
Uintah

SUBMIT IN TRIPLICATE

CONFIDENTIAL

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
FIML Natural Resources, LLC

3a. Address  
410 17th Street, Suite 900 Denver, CO 80202

3b. Phone No. (include area code)  
303-899-5608

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
NWNE 733' FNL 1,775' FEL Sec 14 T-12S R-19E

12. CHECK APPROPRIATE BOX(ES) 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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
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	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the State of Utah. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form Completion shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

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Approved by the  
Utah Division of  
Oil, Gas and Mining

State of Utah, Division of Oil, Gas & Mining Surety Bond No. 8193-15-93

Date: 11-16-06  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 11-17-06  
Initials: [Signature]

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Cassandra Parks

Title Operations Assistant

Signature

[Signature]

Date

11/24/2006

THIS SPACE FOR UTE INDIAN TRIBE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice 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.

Title

Date

Office

RECEIVED

NOV 02 2006

DIV. OF OIL, GAS & MINING

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

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

**API:** 43-047-35980  
**Well Name:** Ute Tribal #2-14-1219  
**Location:** NWNE 733' FNL 1775' FEL Sec 14 T12S R19E  
**Company Permit Issued to:** FIML Natural Resources, LLC  
**Date Original Permit Issued:** 10/12/2004

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

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

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

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

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

  
Signature

10/26/2006  
Date

Title: Operations Regulatory Manager

Representing: FIML Natural Resources, LLC

**RECEIVED**  
**NOV 02 2006**  
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

43 047 35980  
12S 19E 14

January 22, 2008

Cassandra Parks  
FIML Natural Resources, LLC  
410 17<sup>TH</sup> Street, Suite 900  
Denver, CO 80202

Re: APDs Rescinded at the request of FIML Natural Resources, LLC

Dear Ms. Parks:

Enclosed find the list of APDs that you requested to be rescinded to FIML Natural Resources, LLC. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective January 22, 2008.

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

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

Sincerely,

Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal



Ute Tribal 2-14-1219 Sec 14-T12S-R19E 43-047-35980  
Ute Tribal 3-35-56 Sec 35-T05S-R06W 43-013-32994  
Ute Tribal 5-35-56 Sec 35-T05S-R06W 43-013-32995

## Earlene Russell - Drill Permits in the "Naval Reserve"

---

**From:** Earlene Russell  
**To:** Elaine Winick; Mark Bingham  
**Date:** 5/12/2010 10:28 AM  
**Subject:** Drill Permits in the "Naval Reserve"  
**CC:** Brad Hill; Diana Mason; Jean Sweet; Randy Thackeray  
**Attachments:** Naval Reserve Bond.pdf

---

Dear Elaine and Mark,

Years ago the "Naval Reserve Area" was given to the Tribe by the United States Government as FEE SIMPLE property and it includes the minerals. A separate blanket bond was provided by FIML for these wells. DOGM monitors the permitting for this area to insure the wells are properly cased, etc.

The APDs FIML submits in this area (Uintah County, Townships 12S and 13S, Range 19E) should be submitted as Fee minerals, rather than Indian minerals. The bond number for the wells in the Naval Reserve is bond number 81918314 (copy attached) and bond type is State/Fee (5).

Based on the above information, DOGM's database has been changed to show fee minerals and the bond number 81918314. This includes the two new pending permits "Horn Frog".

If you have any questions, please call me at (801) 538-5336.

Earlene Russell  
Division of Oil, Gas & Mining  
PO Box 145801  
Salt Lake City, UT 84114-5801  
or  
1594 W North Temple, Suite 1210  
Salt Lake City, UT 84116  
Phone (801) 538-5336  
Fax (801) 359-3940  
e-mail earlenerussell@utah.gov