

001

Form 3160-3
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*

FORM APPROVED
OMB NO. 1040-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN			5. LEASE DESIGNATION AND SERIAL NO. UTU-71416
TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
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			7. UNIT AGREEMENT NAME STIRRUP UNIT
2. NAME OF OPERATOR QEP UINTA BASIN, INC.			8. FARM OR LEASE NAME, WELL NO. SU 16M-7-7-22
3. ADDRESS 11002 E. 17500 S. Vernal, Ut 84078		Contact: Jan Nelson E-Mail: jan.nelson@questar.com	9. API WELL NO. 43-047-36137
4. LOCATION OF WELL (Report location clearly and in accordance with and State requirements*) At Surface 629793X 843' FSL 529' FEL SESE SEC. 7 40.221075 At proposed production zone 4453200Y -109.474595		Telephone number Phone 435-781-4331 Fax 435-781-4323	10. FIELD AND POOL, OR WILDCAT UNDESIGNATED Horse Slide
14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE* 25 + / - FROM VERNAL, UTAH			11. SEC., T, R, M, OR BLK & SURVEY OR AREA SEC 7 T7S R22E Mer SLB
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (also to nearest drlg, unit line if any) 529' + / -		16. NO. OF ACRES IN LEASE 1256.26	12. COUNTY OR PARISH 13. STATE Uintah UT
18. DISTANCE FROM PROPOSED location to nearest well, drilling, completed, applied for, on this lease, ft 4000' + / -		17. NO. OF ACRES ASSIGNED TO THIS WELL 40	19. PROPOSED DEPTH 14175'
21. ELEVATIONS (Show whether DF, RT, GR, ect.) 5021 GR		20. BLM/BIA Bond No. on file ESB000024	22. DATE WORK WILL START ASAP
24. Attachments		23. Estimated duration 10 days	

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

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

RECEIVED
NOV 30 2004
DIV. OF OIL, GAS & MINING

SIGNED Jan Nelson Name (printed/typed) Jan Nelson DATE November 26, 2004

TITLE Regulatory Affairs

(This space for Federal or State office use)

PERMIT NO. 43-047-36137 APPROVAL DATE _____

Application approval does not warrant or certify the applicant holds any 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:

APPROVED BY [Signature] TITLE BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III DATE 12-02-04

*See Instructions On Reverse Side

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

Federal Approval of this Action is Necessary

CONFIDENTIAL

T7S, R22E, S.L.B.&M.

QUESTAR EXPLR. & PROD.

Well location, SUBW #16M-7-7-22, located as shown in the SE 1/4 SE 1/4 of Section 7, T7S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

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

BASIS OF BEARINGS

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

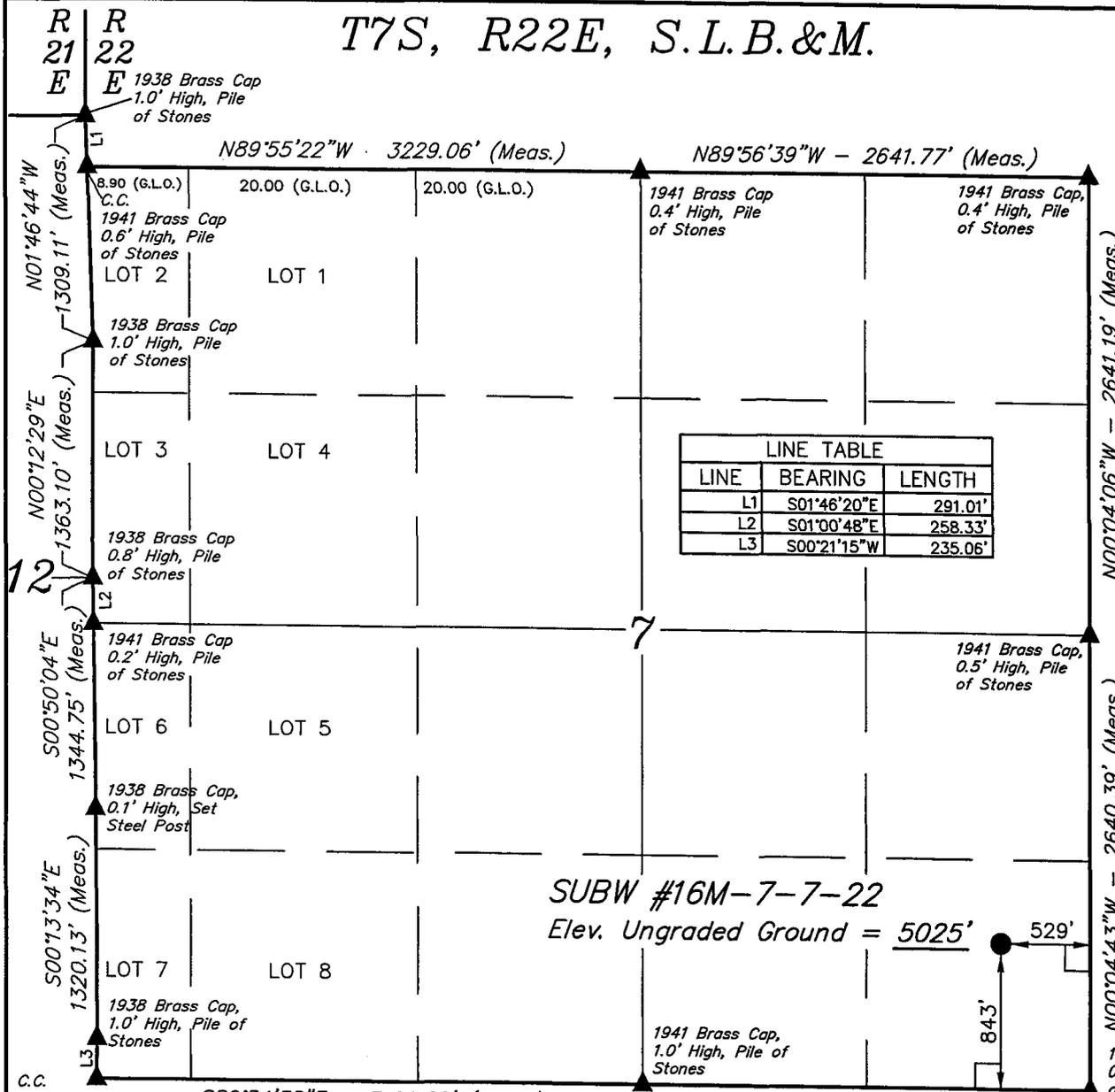


SCALE

CERTIFICATE

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

John A. Gray
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH



LINE TABLE		
LINE	BEARING	LENGTH
L1	S01°46'20"E	291.01'
L2	S01°00'48"E	258.33'
L3	S00°21'15"W	235.06'

SUBW #16M-7-7-22
 Elev. Ungraded Ground = 5025'

C.C.
 1941 Brass Cap,
 0.4' High, Pile of
 Stones

S89°54'38"E - 3186.60' (Meas.)

S89°56'01"E - 2640.97' (Meas.)

LEGEND:

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

(NAD 83)
 LATITUDE = 40°13'15.71" (40.221031)
 LONGITUDE = 109°28'31.06" (109.475294)
 (NAD 27)
 LATITUDE = 40°13'15.84" (40.221067)
 LONGITUDE = 109°28'28.58" (109.474606)

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

SCALE 1" = 1000'	DATE SURVEYED: 10-26-04	DATE DRAWN: 11-01-04
PARTY D.A. T.C. C.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE QUESTAR EXPLR. & PROD.	

Additional Operator Remarks

QEP Uinta Basin, Inc. proposes to drill a well to 14175" to test the Mancos B. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements

See attached 8-point drilling program.

See Onshore Order No. 1 attached

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

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

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	3465'	
Wasatch	6815'	
Mesa Verde	9685'	Gas
Blackhawk	12885'	
Mancos	13325'	
Mancos B	13910'	
TD	14175'	

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	Mancos B	14175'

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.

DRILLING PROGRAM

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 purposes.

3. Operator's Specification for Pressure Control Equipment:

- A. 5,000 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, 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 5M 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	700'	12-1/4"	9-5/8"	J-55	36lb/ft (new) LT&C
Intermediate	10500'+/-	8-3/4"	7"	N-80	26.lb/ft (new) LT&C
Production TD	14175'	6-1/8"	4 1/2"	P-110	13.5lb/ft (new) LT&C

*High Collapse P-110

5. Auxiliary Equipment

- A. Kelly Cock – yes
- B. Float at the bit – no
- C. Monitoring equipment on the mud system – visually and/or PVT/Flow Sho
- D. Full opening safety valve on the rig floor – yes
- E. Rotating Head – yes
 If drilling with air the following will be used:

CONFIDENTIAL

DRILLING PROGRAM

-
- 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.
 - 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.

CONFIDENTIAL

DRILLING PROGRAM

Stimulation – Stimulation will be designed for the particular area of interest as encountered.

7. Cementing Program

<u>Casing</u>	<u>Volume</u>	<u>Type & Additives</u>
---------------	---------------	-----------------------------

*See attached calculations

*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 6147 psi. Maximum anticipated bottom hole temperature is 140° F.

**QEP UINTA BASIN, INC.
SU 16M-7-7-22
843' FSL 529' FEL
SESE, SECTION 7, T7S, R22E, SLB&M
UINTAH COUNTY, UTAH
LEASE # UTU-71416**

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the SU 16M-7-7-22 on November 23, 2004 at approximately 9:00 AM. Weather conditions were cold and cloudy at the time of the onsite. In attendance at the inspection were the following individuals:

Paul Buhler	Bureau of Land Management
Amy Torres	Bureau of Land Management
Jan Nelson	QEP Uinta Basin, Inc.
Kathy Mergens	QEP Uinta Basin, Inc.

1. Existing Roads:

The proposed well site is approximately 20 miles southwest 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:

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

New access roads on BLM surface will be 30' in width crowned (2 to 3%), ditched, and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the road bed will be performed as necessary to provide a well constructed, safe road.

A right-of-way will be required for the part of the road that travels off lease in Section 7 and Sec. 18, T7S,R22E. The part of road that goes off lease in Section 7, is 960' +/- in length. The part of road that goes off lease in Section 18, is 1590' +/- in length.

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

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

A containment dike will be constructed completely around those production facilities which contains fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted impervious subsoil; hold 110% of the capacity of the largest tank; and, be independent of the back cut. If a Spill Prevention, Control, and Countermeasure (SPCC) Plan is required by the Environmental Protection Agency, the containment dike may be expanded to meet SPCC requirements with approval by the BLM/VFO AO. The use of topsoil of the construction of dikes will not be allowed. All loading lines will be placed inside the berm surrounding tank battery. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

A right-of-way will be required for the part of the pipeline that travels off lease in Section 18 and 7, T7S, R22E. The part of pipeline that goes off lease is +/-2545' in length 20' in width, 3" steel zaplocked gas surface line. Pipeline will be zaplocked on location and drug into place.

[Handwritten signature]

5. Location and Type of Water Supply:

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

6. Source of Construction Materials:

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

7. Methods of Handling Waste Materials:

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

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

8. Ancillary Facilities:

None anticipated.

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

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

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

A Pit liner is required felt if rock encountered.

10. Plans for Reclamation of the Surface:

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

Seed mix # 4

CONFIDENTIAL

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.

Install culverts where it crosses washes.

Construct reservoir near corner # 8, use rock for spillway.

No construction or drilling will commence during the Antelope fawning season from May 15 thru June 20th.

CONFIDENTIAL

Lessee's or Operator's Representative:

Jan Nelson
Red Wash Operations Rep.
Qep Uinta Basin, Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4331

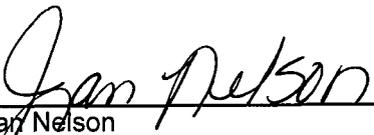
Certification:

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.



Jan Nelson
Red Wash Operations Representative

26-Nov-04

Date

QEP 2004/11/26



**Questar Exploration And Production
11002 East 17500 South
Vernal, Utah 84078**

SU BW 16M-7-7-22

Uintah County, Utah
United States of America

Cement Program Recommendation

Prepared for: Jan Nelson
November 10, 2004
Version: 1

Submitted by:
Rob Kruger
Halliburton Energy Services
1085 E Main
Vernal, Utah 84078
+435.789.2550

HALLIBURTON

CONFIDENTIAL

Halliburton appreciates the opportunity to present this proposal and looks forward to being of service to you.

Foreword

Enclosed is our recommended procedure for cementing the casing strings in the referenced well. The information in this proposal includes well data, calculations, materials requirements, and cost estimates. This proposal is based on information from our field personnel and previous cementing services in the area.

Halliburton Energy Services recognizes the importance of meeting society's needs for health, safety, and protection of the environment. It is our intention to proactively work with employees, customers, the public, governments, and others to use natural resources in an environmentally sound manner while protecting the health, safety, and environmental processes while supplying high quality products and services to our customers.

We appreciate the opportunity to present this proposal for your consideration and we look forward to being of service to you. Our Services for your well will be coordinated through the Service Center listed below. If you require any additional information or additional designs, please feel free to contact myself or our field representative listed below.

Prepared by: _____
Dean Smith
Technical Professional

Submitted by: _____
Rob Kruger
Senior Account Representative

SERVICE CENTER:	Vernal, Utah
SERVICE COORDINATOR:	Dale Harrold
OPER. ENGINEER:	Richard Curtice
CEMENT ENGINEER:	Dean Smith
PHONE NUMBER:	435-789-2550

Job Information

Cement 9-5/8" Surface Casing

SU BW 16M-7-7-22

12-1/4" Surface Hole Section	0 - 700 ft (MD)
Inner Diameter	12.250 in
Job Excess	100 %

9-5/8" Surface Casing	0 - 700 ft (MD)
Outer Diameter	9.625 in
Inner Diameter	8.921 in
Linear Weight	36 lbm/ft

BHST	80 degF
------	---------

CONFIDENTIAL

Calculations

Cement 9-5/8" Surface Casing

Spacer:

$$\begin{aligned} \text{Total Spacer} &= 112.29 \text{ ft}^3 \\ &= 20.00 \text{ bbl} \end{aligned}$$

Cement : (700.00 ft fill)

$$\begin{aligned} 700.00 \text{ ft} * 0.3132 \text{ ft}^3/\text{ft} * 100 \% &= 438.46 \text{ ft}^3 \\ \text{Primary Cement} &= 438.46 \text{ ft}^3 \\ &= 78.09 \text{ bbl} \end{aligned}$$

Shoe Joint Volume: (42.00 ft fill)

$$\begin{aligned} 42.00 \text{ ft} * 0.4341 \text{ ft}^3/\text{ft} &= 18.23 \text{ ft}^3 \\ &= 3.25 \text{ bbl} \\ \text{Tail plus shoe joint} &= 456.69 \text{ ft}^3 \\ &= 81.34 \text{ bbl} \\ \text{Total Tail} &= 381 \text{ sks} \end{aligned}$$

Total Pipe Capacity:

$$\begin{aligned} 700.00 \text{ ft} * 0.4341 \text{ ft}^3/\text{ft} &= 303.85 \text{ ft}^3 \\ &= 54.12 \text{ bbl} \end{aligned}$$

Displacement Volume to Shoe Joint:

$$\begin{aligned} \text{Capacity of Pipe - Shoe Joint} &= 54.12 \text{ bbl} - 3.25 \text{ bbl} \\ &= 50.87 \text{ bbl} \end{aligned}$$

Job Recommendation

Cement 9-5/8" Surface Casing

Fluid Instructions

Fluid 1: Water Based Spacer

GEL WATER

Fluid Density: 8.34 lbm/gal

Fluid Volume: 20 bbl

Fluid 2: Primary Cement

Premium Plus Type V Cement

94 lbm/sk Premium Plus Type V

2 % Calcium Chloride (Accelerator)

0.25 lbm/sk Flocele (Lost Circulation Additive)

Fluid Weight 15.60 lbm/gal

Slurry Yield: 1.20 ft³/sk

Total Mixing Fluid: 5.27 Gal/sk

Top of Fluid: 0 ft

Calculated Fill: 700 ft

Volume: 81.34 bbl

Calculated Sacks: 380.58 sks

Proposed Sacks: 390 sks

Fluid 3: Water Spacer

WATER DISPLACEMENT

Fluid Density: 8.33 lbm/gal

Fluid Volume: 50.87 bbl

Fluid 4: Top Out Cement (if necessary)

94 lbm/sk Premium Plus Type V

2% Calcium Chloride (on the side)

Fluid Density: 15.60 lbm/gal

Slurry Yield: 1.20 ft³/sk

Total Mixing Fluid: 5.27 Gal/sk

Volume: 21.40 bbl

Calculated Sacks: 100 sks

Detailed Pumping Schedule

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Estimated Avg Rate bbl/min	Downhole Volume
1	Spacer	GEL WATER	8.3	5.0	20 bbl
2	Cement	PREMIUM PLUS TYPE V	15.6	5.0	390 sks
3	Spacer	WATER DISPLACEMENT	8.3	5.0	50.87 bbl

Cost Estimate

Cement 9-5/8" Surface Casing

SAP Quote #0

Mtrl Nbr	Description	Qty	U/M	Unit Price	Gross Amt	Discount	Net Amt
7521	CMT SURFACE CASING BOM	1		0.00	0.00	0.0%	0.00
CEMENTING EQUIPMENT & SERVICES							
16091	ZI - PUMPING CHARGE DEPTH FEET/METERS (FT/M)	1 700 FT	EA	2,879.00	2,879.00	50.0%	1,439.50
1	"ZI-MILEAGE FROM NEAREST HES BASE,/UNIT" Number of Units	80 1	MI	5.28	422.40	50.0%	211.20
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	80 1	MI	3.11	248.80	50.0%	124.40
132	PORT. DAS W/CEMWIN;ACQUIRE W/HES, ZI NUMBER OF DAYS	1 1	JOB	962.00	962.00	50.0%	481.00
SubTotal				USD	4,512.20	50.0%	2,256.10
CEMENTING MATERIALS							
201087	BA.QUIK-GEL - 50 LB BAG	4	BG	31.65	126.60	50.0%	63.30
100003684	PREMIUM PLUS TYPE V	390	SK	21.04	8,205.60	50.0%	4,102.80
100005053	CALCIUM CHLORIDE	10	SK	146.50	1,465.00	50.0%	732.50
100005049	FLOCELE	98	LB	3.24	317.52	50.0%	158.76
Top Out Cement (if necessary)							
100003684	PREMIUM PLUS TYPE V	100	SK	21.04	2,104.00	50.0%	1,052.00
100005053	CALCIUM CHLORIDE (on the side)	3	SK	146.50	439.50	50.0%	219.75
76400	ZI MILEAGE,CMT MTLs DEL/RET MIN NUMBER OF TONS	40 23.6	MI	1.81	1,708.64	50.0%	854.32
3965	HANDLE&DUMP SVC CHRg, CMT&ADDITIVES,ZI NUMBER OF EACH	408 1	CF	2.96	1,207.68	50.0%	603.84
SubTotal				USD	15,574.54	50.0%	7,787.27
CASING EQUIPMENT							
100003164	PLUG - CMTG - TOP PLASTIC - 9-5/8	1	EA	276.05	276.05	45.0%	151.83
100004955	SHOE,FLT,9-5/8 8RD,2-3/4 SUPER SEAL	1	EA	810.81	810.81	45.0%	445.95
100004823	CLR,FLOAT,9-5/8 8RD,29.3-40#/FT,2 3/4	1	EA	898.13	898.13	45.0%	493.97
100004485	CENTRALIZER-9-5/8"-CSG-12 1/4"-HINGED	3	EA	114.00	342.00	45.0%	188.10
100004643	COLLAR-STOP-9 5/8"-W/DOGS	1	EA	50.82	50.82	45.0%	27.95
SubTotal				USD	2,377.81	45.0%	1,307.80
SURCHARGES							
7	ENVIRONMENTAL SURCHARGE,/JOB,ZI	1	JOB	79.00	79.00	45.0%	79.00
8	IRON SAFETY INSPECTION SURCHARGE /JOB ZI	1	JOB	48.00	48.00	45.0%	48.00
86954	FUEL SURCHG-CARS/PICKUPS<1 1/2TON/PER/MI Number of Units	80 1	MI	0.08	6.40	45.0%	6.40
86955	FUEL SURCHG-HEAVY TRKS >1 1/2 TON/PER MI Number of Units	80 1	MI	0.24	19.20	45.0%	19.20
87605	FUEL SURCHG-CMT & CMT ADDITIVES/PER TNM NUMBER OF TONS	40 23.6	MI	0.08	75.52	45.0%	75.52
372867	Cmt PSL - DOT Vehicle Charge, CMT	2	EA	130.00	260.00	45.0%	260.00

HALLIBURTON

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>	<u>Discount</u>	<u>Net Amt</u>
	SubTotal			USD	488.12	0.0%	488.12
	Total			USD			22,952.67
	Discount			USD			11,113.38
	Discounted Total			USD			11,839.29

Primary Plant: Vernal, UT, USA
Secondary Plant: Vernal, UT, USA

Price Book Ref: 01 Western US
Price Date: 1/1/2004

CONFIDENTIAL

Job Information**Multi-Stage Cement 7" Intermediate Casing**

SU BW 16M-7-7-22

9-5/8" Surface Casing	0 - 700 ft (MD)
Outer Diameter	9.625 in
Inner Diameter	8.921 in
Linear Weight	36 lbm/ft
Job Excess	0 %
8-3/4" Intermediate Hole Section	700 - 10500 ft (MD)
Inner Diameter	8.750 in
Job Excess	25 %
DV Tool	5000 ft (MD)
Outer Diameter	7.000 in
Inner Diameter	6.276 in
Linear Weight	26 lbm/ft
7" Intermediate Casing	0 - 10500 ft (MD)
Outer Diameter	7.000 in
Inner Diameter	6.276 in
Linear Weight	26 lbm/ft
Casing Grade	N-80
Mud Type	Water Based Mud
Mud Weight	9 lbm/gal
BHST	195 degF

CONFIDENTIAL

Spacer:

$$\begin{aligned} \text{Total Spacer} &= 56.15 \text{ ft}^3 \\ &= 10.00 \text{ bbl} \end{aligned}$$

Cement : (3500.00 ft fill)

$$\begin{aligned} 700.00 \text{ ft} * 0.1668 \text{ ft}^3/\text{ft} * 0 \% &= 116.77 \text{ ft}^3 \\ 2800.00 \text{ ft} * 0.1503 \text{ ft}^3/\text{ft} * 25 \% &= 526.16 \text{ ft}^3 \\ \text{Total Second Stage Lead Cement} &= 642.92 \text{ ft}^3 \\ &= 114.51 \text{ bbl} \\ \text{Sacks of Cement} &= 169 \text{ sks} \end{aligned}$$

Cement : (1500.00 ft fill)

$$\begin{aligned} 1500.00 \text{ ft} * 0.1503 \text{ ft}^3/\text{ft} * 25 \% &= 281.87 \text{ ft}^3 \\ \text{Second Stage Tail Cement} &= 281.87 \text{ ft}^3 \\ &= 50.20 \text{ bbl} \end{aligned}$$

Shoe Joint Volume: (0.00 ft fill)

$$\begin{aligned} 0.00 \text{ ft} * 0.2148 \text{ ft}^3/\text{ft} &= 0.00 \text{ ft}^3 \\ &= 0.00 \text{ bbl} \\ \text{Tail plus shoe joint} &= 281.87 \text{ ft}^3 \\ &= 50.20 \text{ bbl} \\ \text{Total Tail} &= 174 \text{ sks} \end{aligned}$$

Total Pipe Capacity:

$$\begin{aligned} 5000.00 \text{ ft} * 0.2148 \text{ ft}^3/\text{ft} &= 1074.15 \text{ ft}^3 \\ &= 191.31 \text{ bbl} \end{aligned}$$

Displacement Volume to Shoe Joint:

$$\begin{aligned} \text{Capacity of Pipe - Shoe Joint} &= 191.31 \text{ bbl} - 0.00 \text{ bbl} \\ &= 191.31 \text{ bbl} \end{aligned}$$

Job Recommendation Multi-Stage Cement 7" Intermediate Casing

Fluid Instructions

Stage 1

Fluid 1: Water Spacer

FRESH AHEAD

Fluid Density: 8.34 lbm/gal

Fluid Volume: 10 bbl

Fluid 2: Reactive Spacer

SUPER FLUSH

Fluid Density: 9.20 lbm/gal

Fluid Volume: 20 bbl

Fluid 3: Water Spacer

FRESH BEHIND

Fluid Density: 8.34 lbm/gal

Fluid Volume: 10 bbl

Fluid 4: First Stage Lead Cement

Halliburton Hi-Fill

Fluid Weight 11 lbm/gal

Slurry Yield: 3.84 ft³/sk

Total Mixing Fluid: 23.15 Gal/sk

Top of Fluid: 4700 ft

Calculated Fill: 3300 ft

Volume: 110.45 bbl

Calculated Sacks: 161.32 sks

Proposed Sacks: 170 sks

Fluid 5: First Stage Tail Cement

50/50 Poz Premium AG300 (2% Gel Total)

0.6 % Halad(R)-322 (Low Fluid Loss Control)

2 % Microbond M (Expander)

5 % Salt (Salt)

0.1 % HR-5 (Retarder)

Fluid Weight 14.20 lbm/gal

Slurry Yield: 1.27 ft³/sk

Total Mixing Fluid: 5.61 Gal/sk

Top of Fluid: 8000 ft

Calculated Fill: 2500 ft

Volume: 85.28 bbl

Calculated Sacks: 376.12 sks

Proposed Sacks: 380 sks

Fluid 6: Water Spacer

WATER DISPLACEMENT

Fluid Density: 8.33 lbm/gal

Fluid Volume: 208.50 bbl

Fluid 7: Water Spacer

MUD DISPLACEMENT

Fluid Density: 9 lbm/gal

Fluid Volume: 191.31 bbl

DV Tool 5000 ft (MD)

HALLIBURTON

Stage 2

Fluid 1: Water Spacer
WATER AHEAD

Fluid Density: 8.34 lbm/gal
Fluid Volume: 10 bbl

Fluid 2: Water Spacer
SUPER FLUSH

Fluid Density: 9.20 lbm/gal
Fluid Volume: 20 bbl

Fluid 3: Water Spacer
WATER BEHIND

Fluid Density: 8.34 lbm/gal
Fluid Volume: 10 bbl

Fluid 4: Second Stage Lead Cement
Halliburton Hi-Fill
(NO LCM EXCEPT FLOCELE)

Fluid Weight 11 lbm/gal
Slurry Yield: 3.81 ft³/sk
Total Mixing Fluid: 24.02 Gal/sk
Top of Fluid: 0 ft
Calculated Fill: 3500 ft
Volume: 114.51 bbl
Calculated Sacks: 168.70 sks
Proposed Sacks: 170 sks

Fluid 5: Second Stage Tail Cement
Premium Cement AG300
94 lbm/sk Premium AG300 (Cement-api)
8 % Cal-Seal 60 (Accelerator)
0.25 lbm/sk Flocele (Lost Circulation Additive)

Fluid Weight 14 lbm/gal
Slurry Yield: 1.62 ft³/sk
Total Mixing Fluid: 8.21 Gal/sk
Top of Fluid: 3500 ft
Calculated Fill: 1500 ft
Volume: 50.20 bbl
Calculated Sacks: 173.56 sks
Proposed Sacks: 180 sks

Fluid 6: Water Spacer
WATER DISPLACEMENT

Fluid Density: 8.33 lbm/gal
Fluid Volume: 191.31 bbl

CONFIDENTIAL

Detailed Pumping Schedule

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Estimated Avg Rate bbl/min	Downhole Volume
Stage 1					
1	Spacer	FRESH AHEAD	8.3	5.0	10 bbl
2	Spacer	SUPER FLUSH	9.2	5.0	20 bbl
3	Spacer	FRESH BEHIND	8.3	5.0	10 bbl
4	Cement	STANDARD HI-FILL	11.0	5.0	170 sks
5	Cement	50/50 POZ PREM AG300	14.2	5.0	380 sks
6	Spacer	WATER DISPLACEMENT	8.3	5.0	208.50 bbl
7	Spacer	MUD DISPLACEMENT	9.0	5.0	191.31 bbl
Stage 2					
1	Spacer	WATER AHEAD	8.3	5.0	10 bbl
2	Spacer	SUPER FLUSH	9.2	5.0	20 bbl
3	Spacer	WATER BEHIND	8.3	5.0	10 bbl
4	Cement	STANDARD HI-FILL (no LCM except Flocele)	11.0	5.0	170 sks
5	Cement	50/50 POZ PREM AG300	14.0	5.0	180 sks
6	Spacer	WATER DISPLACEMENT	8.3	5.0	191.31 bbl

CONFIDENTIAL

Cost Estimate Multi-Stage Cement 7" Intermediate Casing

SAP Quote #0

Mtrl Nbr	Description	Qty	U/M	Unit Price	Gross Amt	Discount	Net Amt
392189	CMT MULTIPLE STAGES BOM	1		0.00	0.00	0.0%	0.00
	CEMENTING EQUIPMENT & SERVICES						
16091	ZI - PUMPING CHARGE DEPTH FEET/METERS (FT/M)	1 10500 FT	EA	8,308.00	8,308.00	50.0%	4,154.00
1	"ZI-MILEAGE FROM NEAREST HES BASE,/UNIT" Number of Units	80 1	MI	5.28	422.40	50.0%	211.20
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	80 1	MI	3.11	248.80	50.0%	124.40
132	PORT. DAS W/CEMWIN;ACQUIRE W/HES, ZI NUMBER OF DAYS	1 1	JOB	962.00	962.00	50.0%	481.00
139	ADC (AUTO DENSITY CTRL) SYS, /JOB,ZI NUMBER OF UNITS	1 1	JOB	1,327.00	1,327.00	50.0%	663.50
90	ZI QUICK LATCH ATTACHMENT SIZE IN INCHES/MILLIMETER INCHES/MILLIMETERS (IN/MM)	1 7 IN	JOB	286.00	286.00	50.0%	143.00
74038	ZI PLUG CONTAINER RENTAL-1ST DAY DAYS OR FRACTION (MIN1)	1 1	EA	0.00	770.00	50.0%	385.00
16115	FIELD STORAGE BIN ON SITE >8 HRS,DAY,ZI DAYS OR PARTIAL DAY(WHOLE NO.)	1 1	EA	383.00	383.00	50.0%	191.50
11941	"FIELD STORAGE BIN DELIVERY, ZI" Number of Units	40 1	MI	5.28	211.20	50.0%	105.60
	SubTotal			USD	12,918.40	50.0%	6,459.20
	CEMENTING MATERIALS						
100003639	SUPER FLUSH	40	SK	176.00	7,040.00	50.0%	3,520.00
100005049	FLOCELE	45	LB	3.24	145.80	50.0%	72.90
100003652	SALT	889	LB	0.26	231.14	50.0%	115.57
12302	50-50 POZ (PREMIUM)	380	SK	17.07	6,486.60	50.0%	3,243.30
100003646	HALAD(R)-322	188	LB	11.02	2,071.76	50.0%	1,035.88
100012233	MICROBOND M	626	LB	2.65	1,658.90	50.0%	829.45
100005050	HR-5	32	LB	6.45	206.40	50.0%	103.20
100003685	PREMIUM - CLASS G	180	SK	21.04	3,787.20	50.0%	1,893.60
100005051	CAL-SEAL 60	14	SK	65.11	911.54	50.0%	455.77
21832	HALLIBURTON HI-FILL	340	SK	38.05	12,937.00	50.0%	6,468.50
76400	ZI MILEAGE,CMT MTLs DEL/RET MIN NUMBER OF TONS	40 46.11	MI	1.81	3,338.36	50.0%	1,669.18
3965	HANDLE&DUMP SVC CHRg, CMT&ADDITIVES,ZI NUMBER OF EACH	1110 1	CF	2.96	3,285.60	50.0%	1,642.80
	SubTotal			USD	42,100.30	50.0%	21,050.15
	CASING EQUIPMENT						
100004908	SHOE,FLT,7 8RD,2-3/4 SS II VLV	1	EA	501.89	501.89	45.0%	276.04
100004781	COLLAR-FLOAT- 7 8RD 17-26#/FT - 2-3/4	1	EA	619.35	619.35	45.0%	340.64
100004673	PLUG SET-FREE FALL-7"-8RD	1	EA	982.91	982.91	45.0%	540.60
100013920	CMTR,TY P ES,7 IN 8RD,20-26 LB/FT	1	EA	5,687.22	5,687.22	45.0%	3,127.97
100004479	CTRZR ASSY,API,7 CSG X 8 3/4HOLE,HNGD	25	EA	88.53	2,213.25	45.0%	1,217.29

CONFIDENTIAL

Job Information**Cement 4-1/2" Production Casing**

SU BW 16M-7-7-22

7" Intermediate Casing	0 - 10500 ft (MD)
Outer Diameter	7.000 in
Inner Diameter	6.276 in
Linear Weight	26 lbm/ft
Casing Grade	N-80
Job Excess	0 %
6-1/8" Production Hole Section	10500 - 14425 ft (MD)
Inner Diameter	6.125 in
Job Excess	25 %
4-1/2" Production Casing	0 - 14425 ft (MD)
Outer Diameter	4.500 in
Inner Diameter	3.920 in
Linear Weight	13.50 lbm/ft
Casing Grade	P-110
Mud Type	Water Based Mud
Mud Weight	13 lbm/gal
BHST	230 degF

Calculations

Cement 4-1/2" Production Casing

Spacer:

$$\begin{aligned} 2689.00 \text{ ft} * 0.1044 \text{ ft}^3/\text{ft} * 0 \% &= 280.68 \text{ ft}^3 \\ \text{Total Spacer} &= 280.73 \text{ ft}^3 \\ &= 50.00 \text{ bbl} \end{aligned}$$

Spacer:

$$\begin{aligned} 269.00 \text{ ft} * 0.1044 \text{ ft}^3/\text{ft} * 0 \% &= 28.08 \text{ ft}^3 \\ \text{Total Spacer} &= 28.07 \text{ ft}^3 \\ &= 5.00 \text{ bbl} \end{aligned}$$

Cement: (4925.00 ft fill)

$$\begin{aligned} 1000.00 \text{ ft} * 0.1044 \text{ ft}^3/\text{ft} * 0 \% &= 104.38 \text{ ft}^3 \\ 3925.00 \text{ ft} * 0.0942 \text{ ft}^3/\text{ft} * 25 \% &= 462.02 \text{ ft}^3 \\ \text{Primary Cement} &= 566.40 \text{ ft}^3 \\ &= 100.88 \text{ bbl} \end{aligned}$$

Shoe Joint Volume: (42.00 ft fill)

$$\begin{aligned} 42.00 \text{ ft} * 0.0838 \text{ ft}^3/\text{ft} &= 3.52 \text{ ft}^3 \\ &= 0.63 \text{ bbl} \\ \text{Tail plus shoe joint} &= 569.92 \text{ ft}^3 \\ &= 101.51 \text{ bbl} \\ \text{Total Tail} &= 393 \text{ sks} \end{aligned}$$

Total Pipe Capacity:

$$\begin{aligned} 14425.00 \text{ ft} * 0.0838 \text{ ft}^3/\text{ft} &= 1208.97 \text{ ft}^3 \\ &= 215.33 \text{ bbl} \end{aligned}$$

Displacement Volume to Shoe Joint:

$$\begin{aligned} \text{Capacity of Pipe - Shoe Joint} &= 215.33 \text{ bbl} - 0.63 \text{ bbl} \\ &= 214.70 \text{ bbl} \end{aligned}$$

Job Recommendation

Cement 4-1/2" Production Casing

Fluid Instructions

Fluid 1: Water Based Spacer

13.5 PPG SD SPACER

344 lbm/bbl SSA-1 (Heavy Weight Additive)

Fluid Density: 13.50 lbm/gal

Fluid Volume: 50 bbl

Fluid 2: Water Spacer

FRESH BEHIND

Fluid Density: 8.34 lbm/gal

Fluid Volume: 5 bbl

Fluid 3: Primary Cement

50/50 Poz Premium AG300 (2% Gel Total)

20 % SSA-1 (Additive Material)

0.3 % Halad(R)-344 (Low Fluid Loss Control)

0.2 % HR-12 (Retarder)

0.2 % Super CBL (Gas Migration Control)

0.25 lbm/sk Flocele (Lost Circulation Additive)

Fluid Weight 14.20 lbm/gal

Slurry Yield: 1.45 ft³/sk

Total Mixing Fluid: 6.37 Gal/sk

Top of Fluid: 9500 ft

Calculated Fill: 4925 ft

Volume: 101.51 bbl

Calculated Sacks: 392.51 sks

Proposed Sacks: 400 sks

Fluid 4: Water Spacer

CLAYFIX II DISPLACEMENT

Fluid Density: 8.33 lbm/gal

Fluid Volume: 214.70 bbl

01/10/11

Detailed Pumping Schedule

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Estimated Avg Rate bbl/min	Downhole Volume
1	Spacer	13.5 PPG SD SPACER	13.5	5.0	50 bbl
2	Spacer	FRESH BEHIND	8.3	5.0	5 bbl
3	Cement	50/50 POZ PREMIUM AG300	14.2	5.0	400 sks
4	Spacer	CLAYFIX II DISPLACEMENT	8.3	6.0	214.70 bbl

Cost Estimate

Cement 4-1/2" Production Casing

SAP Quote #0

Mtrl Nbr	Description	Qty	U/M	Unit Price	Gross Amt	Discount	Net Amt
7523	CMT PRODUCTION CASING BOM	1		0.00	0.00	0.0%	0.00
	CEMENTING EQUIPMENT & SERVICES						
16091	ZI - PUMPING CHARGE DEPTH FEET/METERS (FT/M)	1 14425 FT	EA	17,770.00	17,770.00	50.0%	8,885.00
1	"ZI-MILEAGE FROM NEAREST HES BASE,/UNIT" Number of Units	80 1	MI	5.28	422.40	50.0%	211.20
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	80 1	MI	3.11	248.80	50.0%	124.40
132	PORT. DAS W/CEMWIN;ACQUIRE W/HES, ZI NUMBER OF DAYS	1 1	JOB	962.00	962.00	50.0%	481.00
139	ADC (AUTO DENSITY CTRL) SYS, /JOB,ZI NUMBER OF UNITS	1 1	JOB	1,327.00	1,327.00	50.0%	663.50
74038	ZI PLUG CONTAINER RENTAL-1ST DAY DAYS OR FRACTION (MINI)	1 1	EA	0.00	770.00	50.0%	385.00
90	ZI QUICK LATCH ATTACHMENT SIZE IN INCHES/MILLIMETER INCHES/MILLIMETERS (IN/MM)	1 4.5 IN	JOB	286.00	286.00	50.0%	143.00
	SubTotal			USD	21,786.20	50.0%	10,893.10
	CEMENTING MATERIALS						
133235	SD SPACER: 13.5 PPG	50	BBL	69.82	3,491.00	50.0%	1,745.50
100003729	CLAYFIX II	22	GAL	50.67	1,114.74	50.0%	557.37
100003691	SSA-1 - 200 MESH	23780	LB	0.36	8,560.80	50.0%	4,280.40
12302	50-50 POZ (PREMIUM)	400	SK	17.07	6,828.00	50.0%	3,414.00
100003670	HALAD(R)-344	99	LB	45.83	4,537.17	50.0%	2,268.58
100005057	HR-12	66	LB	5.85	386.10	50.0%	193.05
100003668	SUPER CBL	66	LB	42.21	2,785.86	50.0%	1,392.93
100005049	FLOCELE	100	LB	3.24	324.00	50.0%	162.00
76400	ZI MILEAGE,CMT MTLs DEL/RET MIN NUMBER OF TONS	40 29.06	MI	1.81	2,103.94	50.0%	1,051.97
3965	HANDLE&DUMP SVC CHRg, CMT&ADDITIVES,ZI NUMBER OF EACH	771 1	CF	2.96	2,282.16	50.0%	1,141.08
	SubTotal			USD	32,413.77	50.0%	16,206.88
	CASING EQUIPMENT						
100003140	PLUG - CMTG - TOP ALUM - 4-1/2	1	EA	127.05	127.05	45.0%	69.88
100004879	SHOE-FLOAT- 4-1/2 8RD - 2-3/4 SUPER	1	EA	346.46	346.46	45.0%	190.55
100004752	COLLAR-FLOAT- 4-1/2 8RD 9.5-13.5#/FT -	1	EA	404.60	404.60	45.0%	222.53
100004622	CLAMP - LIMIT - 4-1/2 - HINGED -	1	EA	24.26	24.26	45.0%	13.34
100004473	CENTRALIZER ASSY - API - 4-1/2 CSG X	30	EA	69.13	2,073.90	45.0%	1,140.64
100005045	HALLIBURTON WELD-A KIT	1	EA	38.70	38.70	45.0%	21.28
	SubTotal			USD	3,014.97	45.0%	1,658.22
	SURCHARGES						
7	ENVIRONMENTAL SURCHARGE,/JOB,ZI	1	JOB	79.00	79.00	0.0%	79.00

CONFIDENTIAL

Conditions

NOTE

The cost in this analysis is good for the materials and/or services outlined within. These prices are based on Halliburton being awarded the work on a first call basis. Prices will be reviewed for adjustments if awarded on 2nd or 3rd call basis and/or after 30 days of this written analysis. This is in an effort to schedule our work and maintain a high quality of performance for our customers.

The unit prices stated in the proposal are based on our current published prices. The projected equipment, personnel, and material needs are only estimates based on information about the work presently available to us. At the time the work is actually performed, conditions then existing may require an increase or decrease in the equipment, personnel, and/or material needs. Charges will be based upon unit prices in effect at the time the work is performed and the amount of equipment, personnel, and/or material actually utilized in the work. Taxes, if any, are not included. Applicable taxes, if any, will be added to the actual invoice.

It is understood and agreed between the parties that with the exception of the subject discounts, all services performed and equipment and materials sold are provided subject to Halliburton's General Terms and Conditions contained in our current price list, (which include LIMITATION OF LIABILITY and WARRANTY provisions), and pursuant to the applicable Halliburton Work Order Contract (whether or not executed by you), unless a Master Service and/or Sales Contract applicable to the services, equipment, or materials supplied exists between your company and Halliburton, in which case the negotiated Master Contract shall govern the relationship between the parties. A copy of the latest version of our General Terms and Conditions is available from your Halliburton representative or at:

http://www.halliburton.com/hes/general_terms_conditions.pdf for your convenient review, and we would appreciate receiving any questions you may have about them. Should your company be interested in negotiating a Master Contract with Halliburton, our Law Department would be pleased to work with you to finalize a mutually agreeable contract. In this connection, it is also understood and agreed that Customer will continue to execute Halliburton usual field work orders and/or tickets customarily required by Halliburton in connection with the furnishing of said services, equipment, and materials.

Any terms and conditions contained in purchase orders or other documents issued by the customer shall be of no effect except to confirm the type and quantity of services, equipment, and materials to be supplied to the customer.

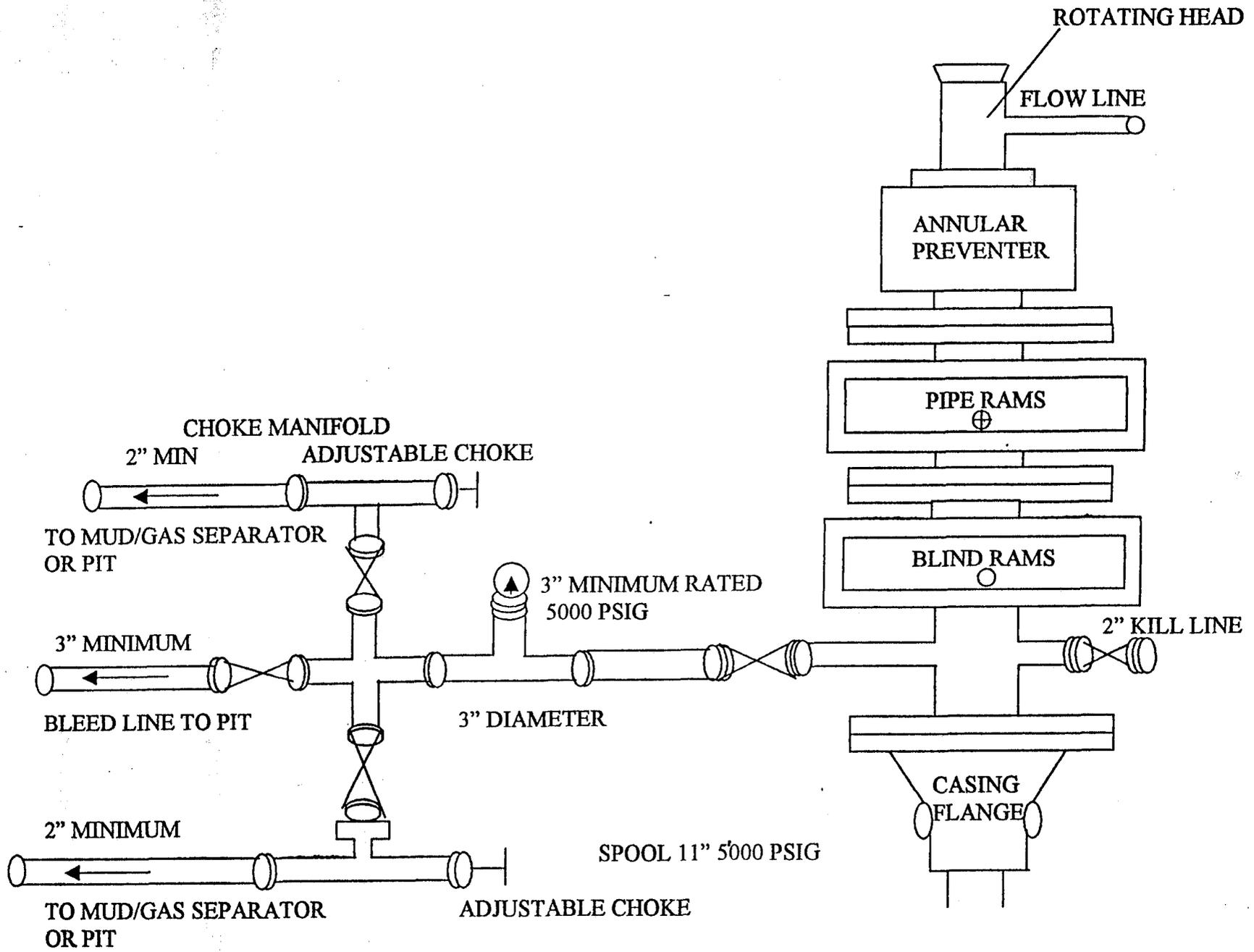
If customer does not have an approved open account with Halliburton or a mutually executed written contract with Halliburton, which dictates payment terms different than those set forth in this clause, all sums due are payable in cash at the time of performance of services or delivery of equipment, products, or materials. If customer has an approved open account, invoices are payable on the twentieth day after date of invoice.

Customer agrees to pay interest on any unpaid balance from the date payable until paid at the highest lawful contract rate applicable, but never to exceed 18% per annum. In the event Halliburton employs an attorney for collection of any account, customer agrees to pay attorney fees of 20% of the unpaid account, plus all collection and court costs.

CONFIDENTIAL

5000 PSIG DIAGRAM

CONFIDENTIAL



QUESTAR EXPLR. & PROD.

SUBW #16M-7-7-22

LOCATED IN UINTAH COUNTY, UTAH
SECTION 7, T7S, R22E, S.L.B.&M.

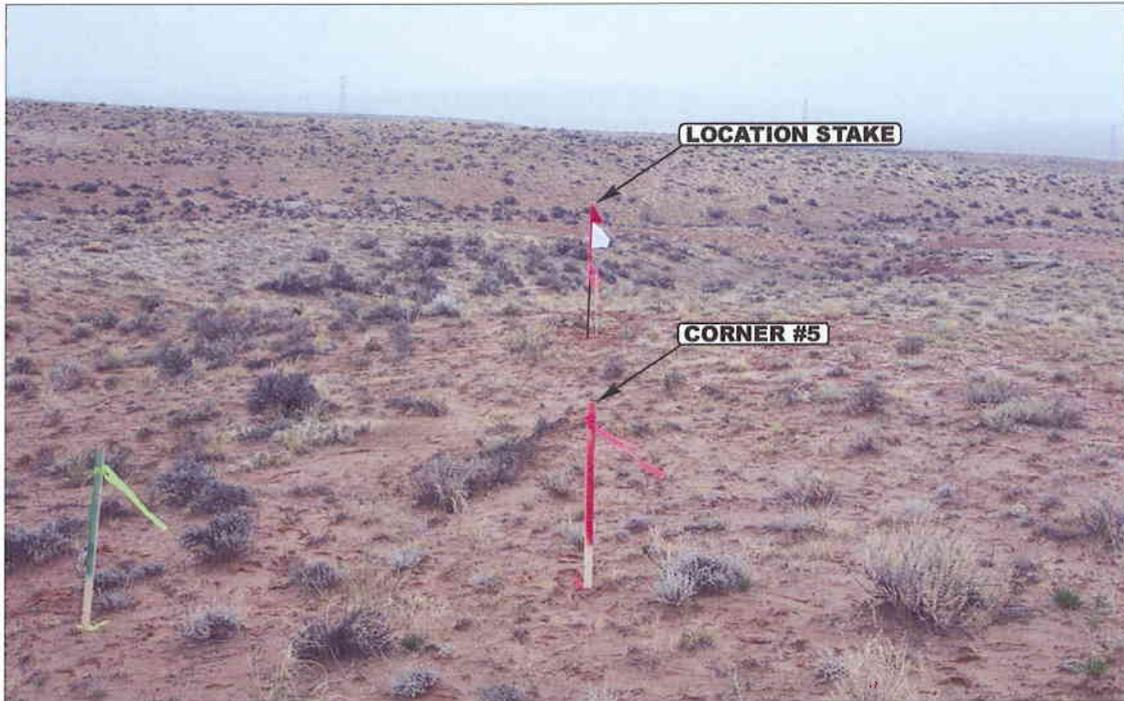


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

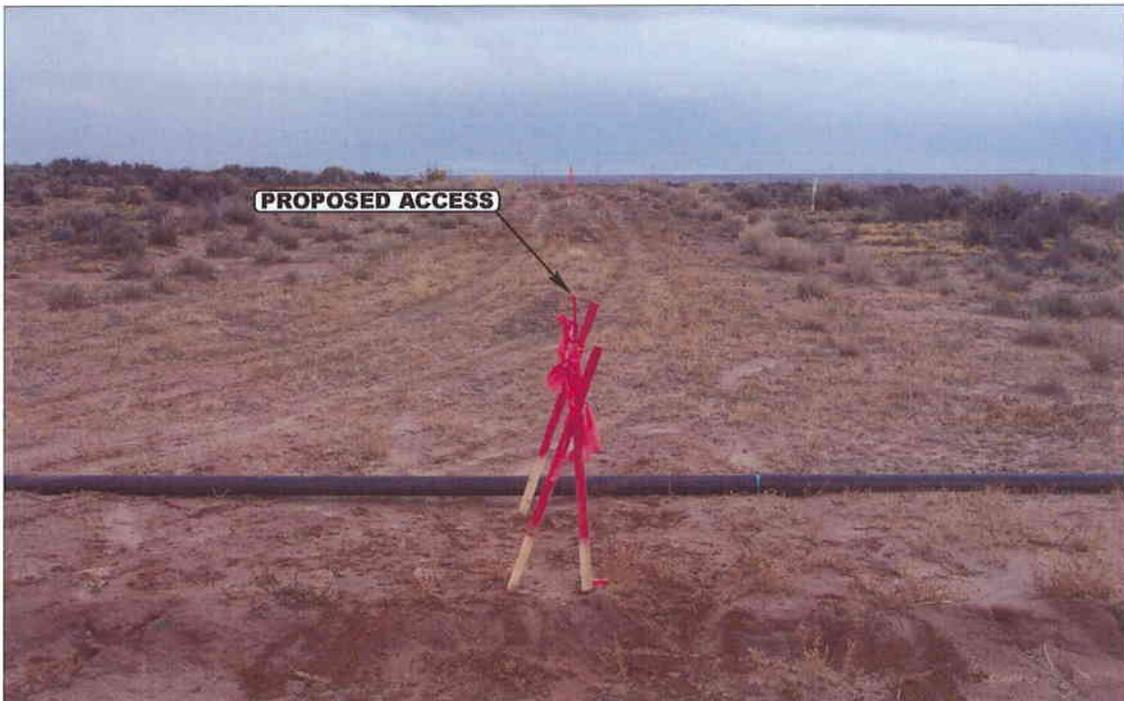


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



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

LOCATION PHOTOS

10 29 04
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

DRAWN BY: L.K.

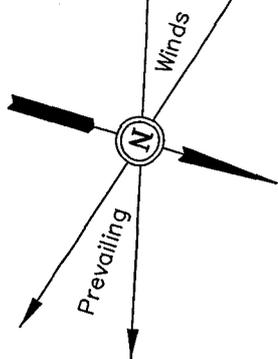
REVISED: 00-00-00

CONFIDENTIAL

QUESTAR EXPLR. & PROD.

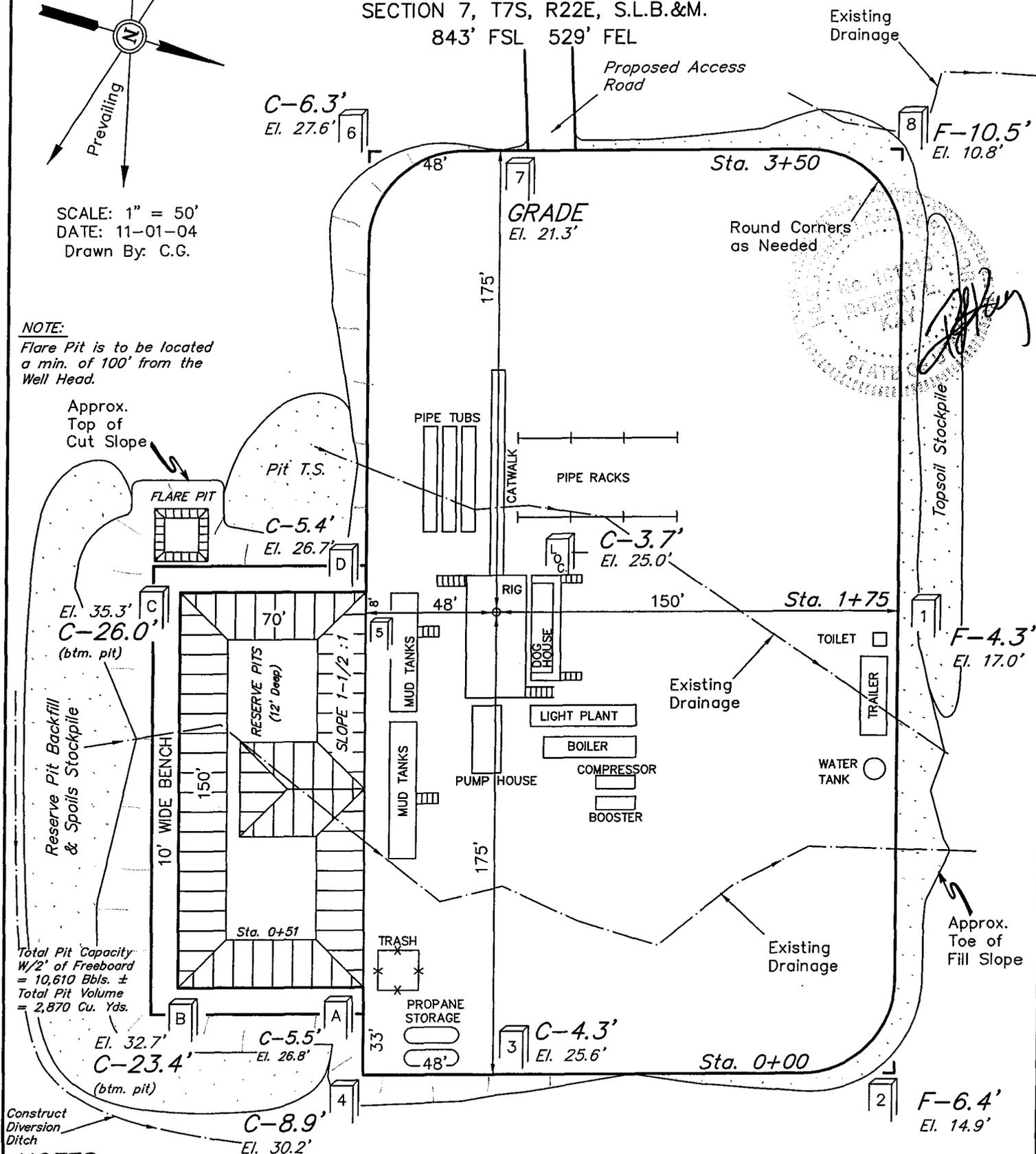
FIGURE #1

LOCATION LAYOUT FOR
 SUBW #16M-7-7-22
 SECTION 7, T7S, R22E, S.L.B.&M.
 843' FSL 529' FEL



SCALE: 1" = 50'
 DATE: 11-01-04
 Drawn By: C.G.

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



Total Pit Capacity
 W/2' of Freeboard
 = 10,610 Bbbls. ±
 Total Pit Volume
 = 2,870 Cu. Yds.

NOTES:
 Elev. Ungraded Ground At Loc. Stake = 5025.0'
 FINISHED GRADE ELEV. AT LOC. STAKE = 5021.3'

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

CONFIDENTIAL

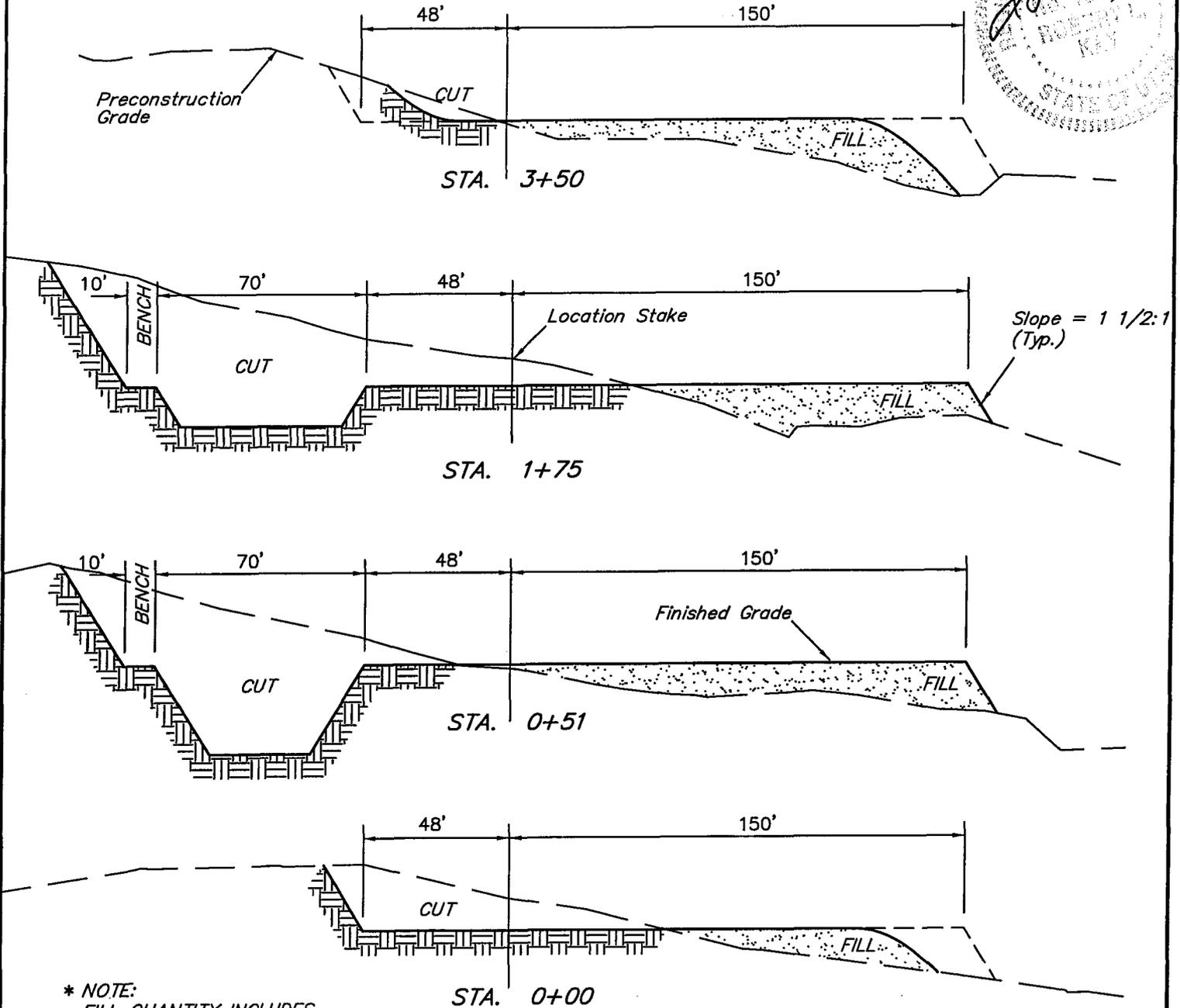
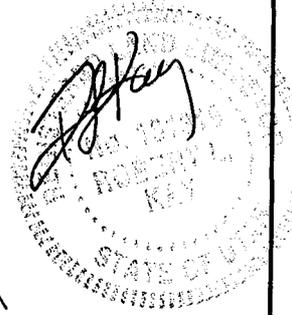
QUESTAR EXPLR. & PROD.

FIGURE #2

TYPICAL CROSS SECTIONS FOR
 SUBW #16M-7-7-22
 SECTION 7, T7S, R22E, S.L.B.&M.
 843' FSL 529' FEL

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

DATE: 11-01-04
 Drawn By: C.G.



* NOTE:
 FILL QUANTITY INCLUDES
 5% FOR COMPACTION

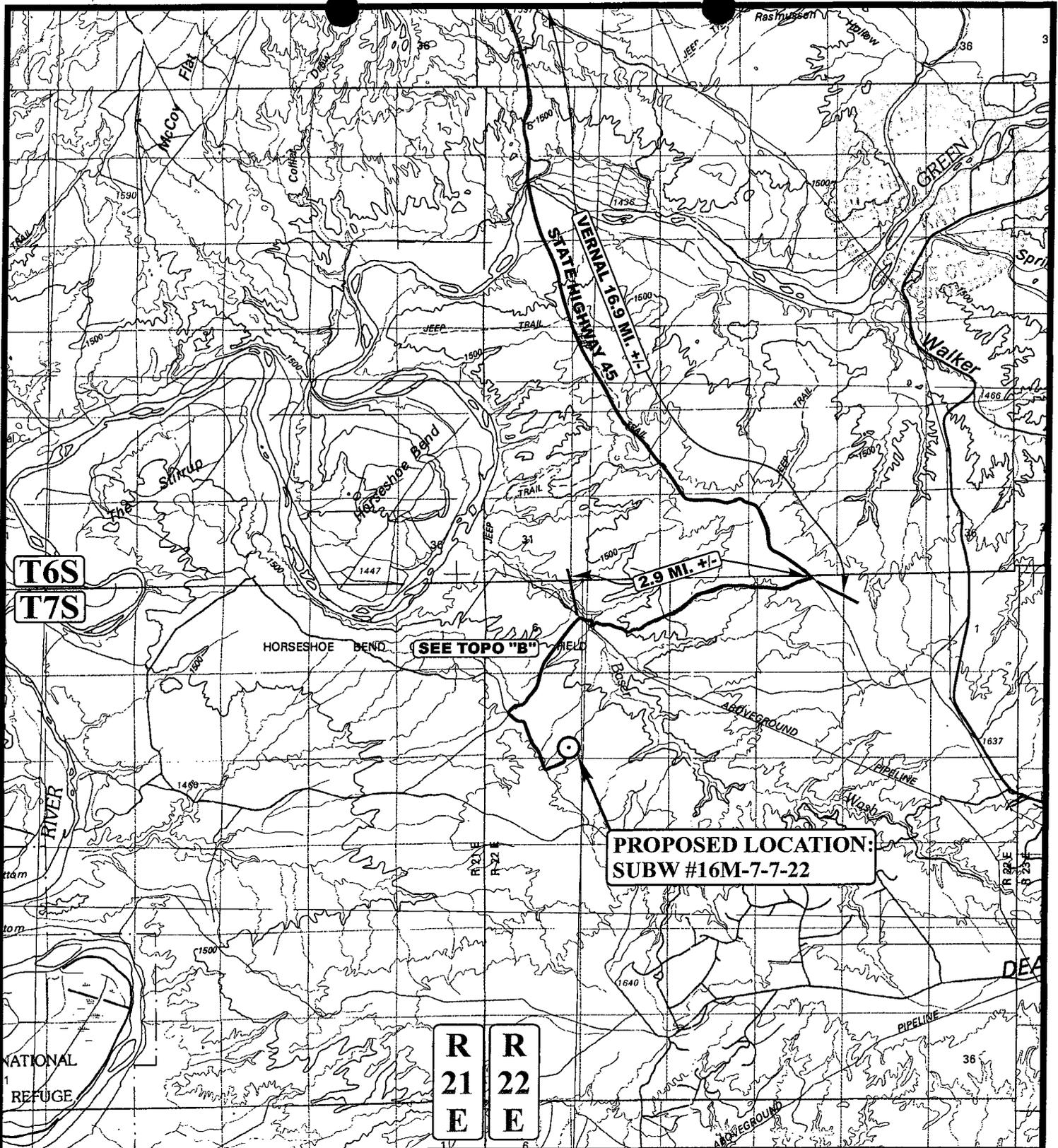
APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	1,850 Cu. Yds.
Remaining Location	=	9,290 Cu. Yds.
TOTAL CUT	=	11,140 CU.YDS.
FILL	=	7,860 CU.YDS.

EXCESS MATERIAL	=	3,280 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,280 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

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

UNCLASSIFIED



T6S
T7S

HORSESHOE BEND (SEE TOPO "B")

**PROPOSED LOCATION:
SUBW #16M-7-7-22**

R 21 E
R 22 E

LEGEND:

○ PROPOSED LOCATION



QUESTAR EXPLR. & PROD.

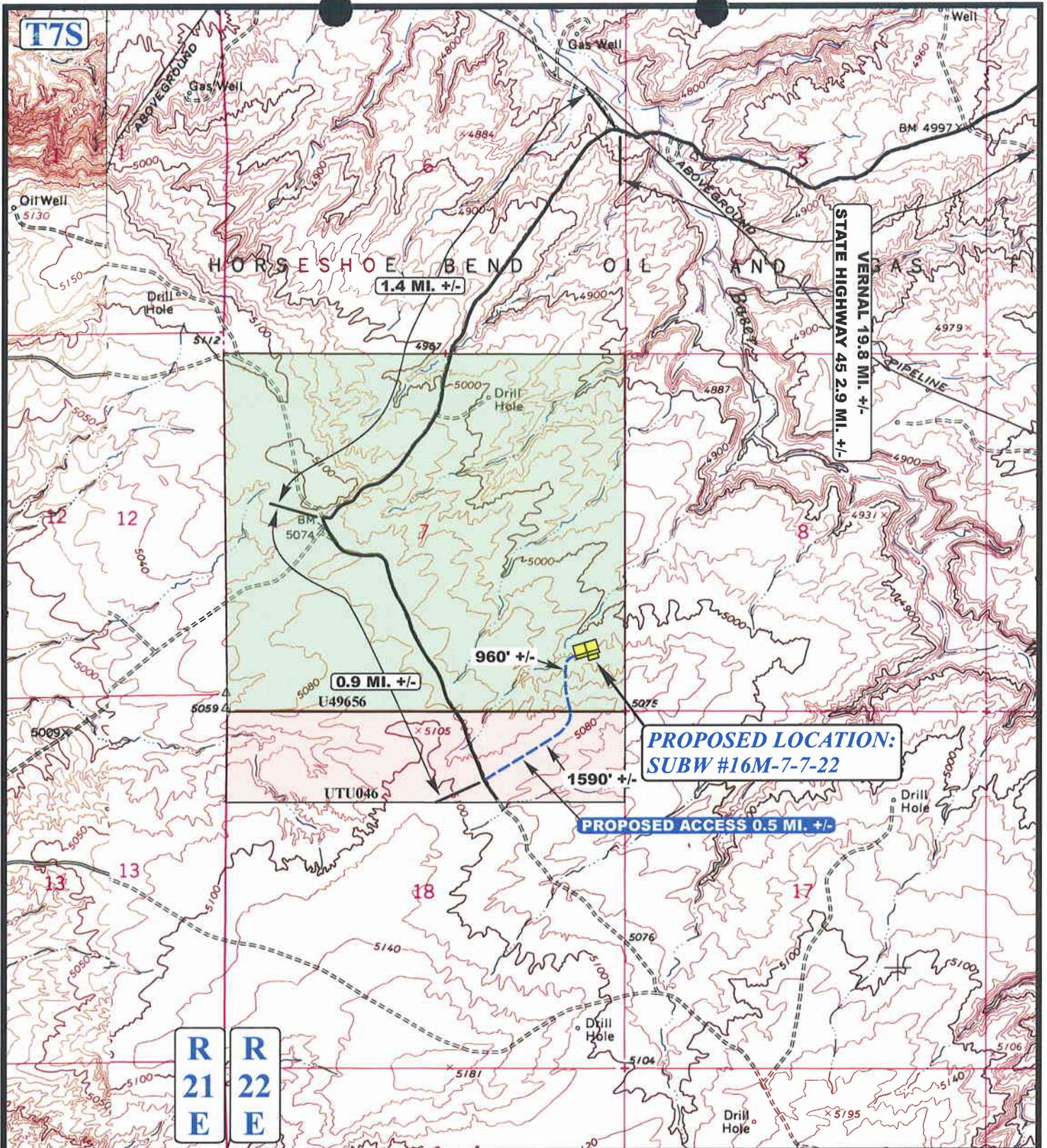
SUBW #16M-7-7-22
SECTION 7, T7S, R21E, S.L.B.&M.
843' FSL 529' FEL



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

TOPOGRAPHIC 10 28 04
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 00-00-00





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



QUESTAR EXPLR. & PROD.

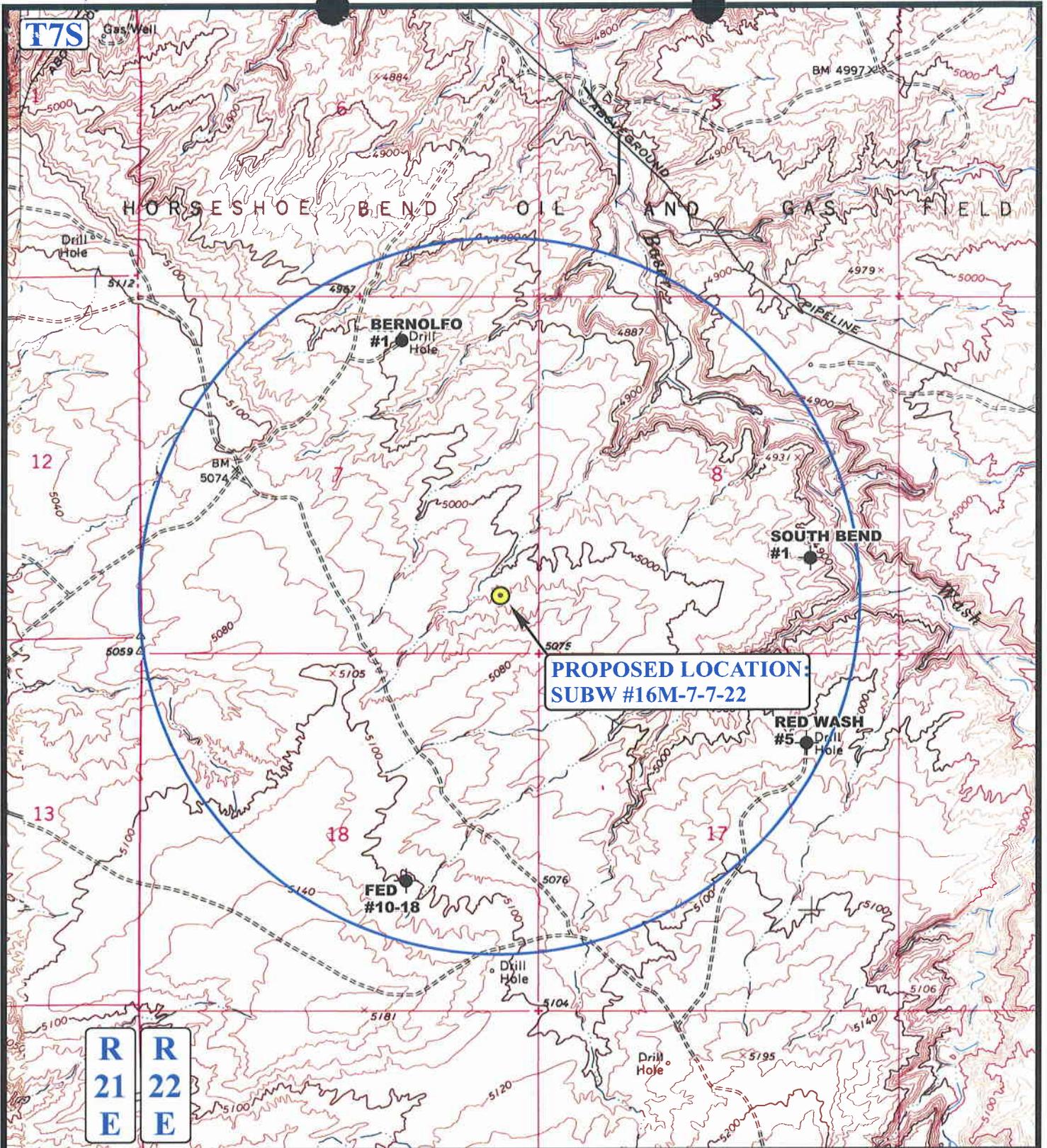
SUBW #16M-7-7-22
SECTION 7, T7S, R21E, S.L.B.&M.
843' FSL 529' FEL

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

TOPOGRAPHIC MAP **10 29 04**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00



CONFIDENTIAL



**PROPOSED LOCATION:
SUBW #16M-7-7-22**

LEGEND:

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



QUESTAR EXPLR. & PROD.

**SUBW #16M-7-7-22
SECTION 7, T7S, R21E, S.L.B.&M.
843' FSL 529' FEL**

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

TOPOGRAPHIC MAP 10 29 04
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00 **C**
TOPO

CONFIDENTIAL

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/30/2004

API NO. ASSIGNED: 43-047-36137

WELL NAME: SU 16M-7-7-22
OPERATOR: QEP UINTA BASIN, INC. (N2460)
CONTACT: JAN NELSON

PHONE NUMBER: 435-781-4331

PROPOSED LOCATION:

SESE 07 070S 220E
SURFACE: 0843 FSL 0529 FEL
BOTTOM: 0843 FSL 0529 FEL
UINTAH
HORSESHOE BEND (620)

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

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-71416
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: MNCS
COALBED METHANE WELL? NO

LATITUDE: 40.22108
LONGITUDE: -109.4746

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. ESB000024)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-2153)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

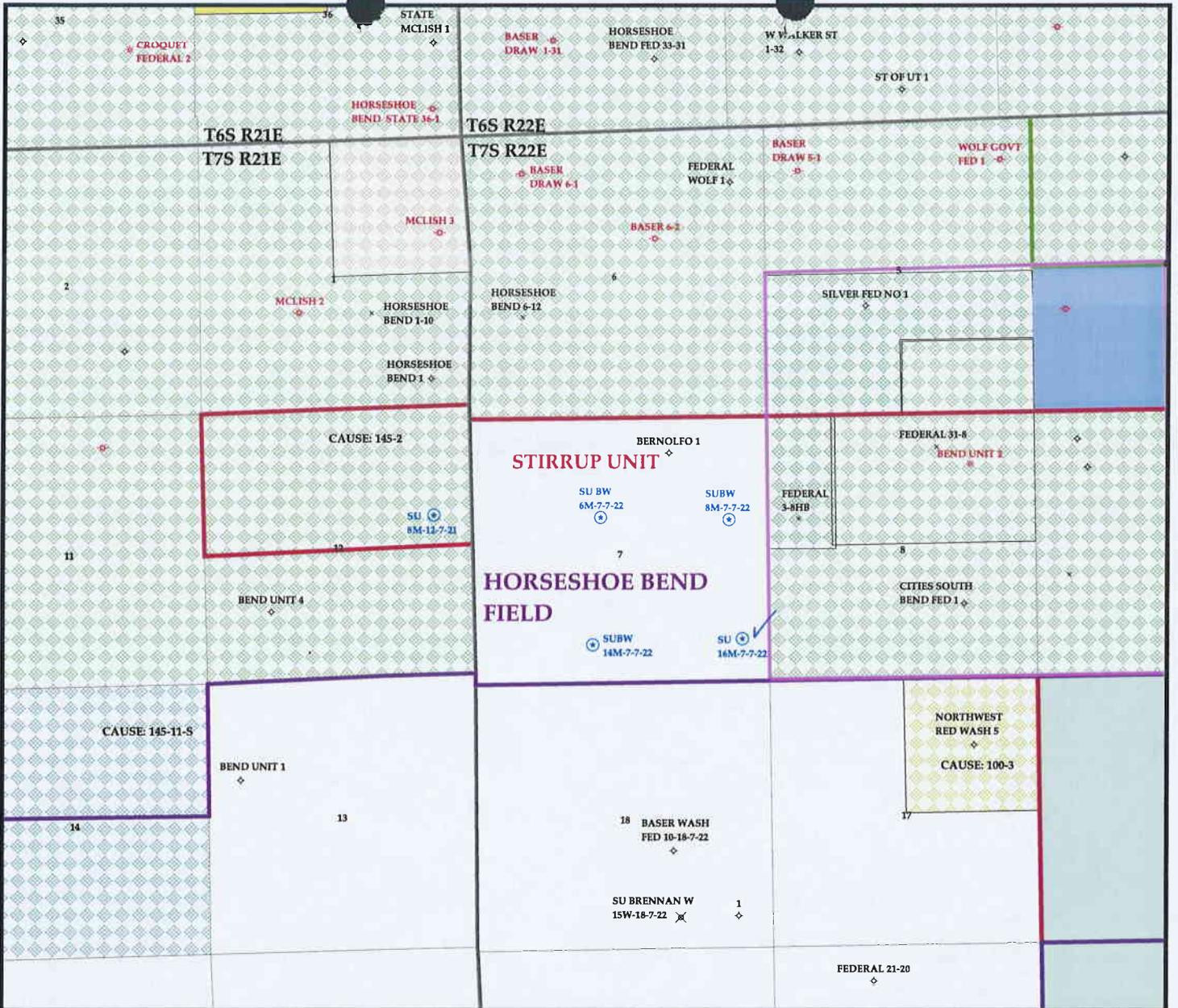
LOCATION AND SITING:

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

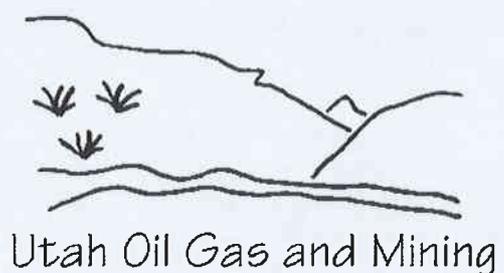
COMMENTS: _____

STIPULATIONS: _____

1. Federal Approval
2. Spacing Strip



OPERATOR: QEP UINTA BASIN (N2460)
SEC. 7 T.7S R.22E
FIELD: HORSE SHOE BEND (620)
COUNTY: UINTAH
SPACING: R649-3-2 / GENERAL SITING



- | 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: 1-DECEMBER-2004

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

December 1, 2004

Memorandum

To: Assistant District Manager Minerals, Vernal District
 From: Michael Coulthard, Petroleum Engineer
 Subject: 2004 Plan of Development Stirrup Unit, Uintah
 County, Utah.

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

API#	WELL NAME	LOCATION
(Proposed PZ Mancos)		
43-047-36136	SUBW 14M-7-7-22 Sec 7	T07S R22E 0776 FSL 2336 FWL
43-047-36137	SU 16M-7-7-22 Sec 7	T07S R22E 0843 FSL 0529 FEL
43-047-36138	SUBW 8M-7-7-22 Sec 7	T07S R22E 2047 FNL 0765 FEL

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

/s/ Michael L. Coulthard

bcc: File - Stirrup Unit
 Central Files
 Division of Oil Gas and Mining
 Agr. Sec. Chron
 Fluid Chron

MCoulthard:mc:12-1-04



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

December 2, 2004

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

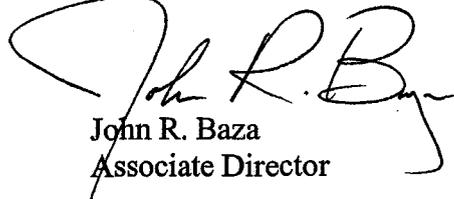
Re: Stirrup Unit 16M-7-7-22 Well, 843' FSL, 529' FEL, SE SE, Sec. 7, T. 7 South,
R. 22 East, Uintah County, Utah

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 43-047-36137.

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 Stirrup Unit 16M-7-7-22
API Number: 43-047-36137
Lease: UTU-71416

Location: SE SE Sec. 7 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.

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOV 26 2004
SUBMIT IN TRIPLICATE

BLM VERNAL, UTAH

007

5. LEASE DESIGNATION AND SERIAL NO.
UTU-~~74416~~ 70854

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

7. UNIT AGREEMENT NAME
STIRRUP UNIT

8. FARM OR LEASE NAME, WELL NO.
SU 16M-7-7-22

9. API WELL NO.
43-047-36137

10. FIELD AND POOL, OR WILDCAT
UNDESIGNATED

11. SEC., T, R, M, OR BLK & SURVEY OR AREA
SEC 7 T7S R22E Mer SLB

12. COUNTY OR PARISH 13. STATE
Uintah UT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

TYPE OF WORK
DRILL DEEPEN
TYPE OF WELL
 SINGLE MULTIPLE
OIL WELL GAS WELL OTHER ZONE ZONE

2. NAME OF OPERATOR
QEP UINTA BASIN, INC.
Contact: Jan Nelson
E-Mail: jan.nelson@questar.com

3. ADDRESS
11002 E. 17500 S. Vernal, Ut 84078
Telephone number
Phone 435-781-4331 Fax 435-781-4323

4. LOCATION OF WELL (Report location clearly and in accordance with and State requirements*)
At Surface 843' FSL 529' FEL SESE SEC. 7
At proposed production zone

14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE*
25 +/- - FROM VERNAL, UTAH

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(also to nearest drig, unit line if any)
529' +/-
16. NO. OF ACRES IN LEASE
1256.26

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED location to nearest well, drilling, completed, applied for, on this lease, ft
4000' +/-
19. PROPOSED DEPTH
14175'

20. BLM/BIA Bond No. on file
ESB000024

21. ELEVATIONS (Show whether DF, RT, GR, ect.)
5021 GR
22. DATE WORK WILL START
ASAP

23. Estimated duration
10 days

24. Attachments

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

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

SIGNED Jan Nelson Name (printed/typed) Jan Nelson

DATE November 26, 2004

TITLE Regulatory Affairs

(This space for Federal or State office use)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

PERMIT NO.

Application approval does not warrant or certify the applicant holds any 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:

APPROVED BY Thomas R. Cleavage TITLE Assistant Field Manager Mineral Resources

DATE 04/29/2005

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001 - It is unlawful 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

RECEIVED

MAY 04 2005

DIV. OF OIL, GAS & MINING

UDOGM

CONFIDENTIAL

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: QEP-Uinta Basin, Inc.
Well Name & Number: SU 16M-7-7-22
API Number: 43-047-36137
Lease Number: U-70854
Location: SESE Sec. 7 T. 7S R. 22E
Agreement: Stirrup Unit

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

Report ALL water shows and water-bearing sands to John Mayers of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable 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.

Pressure Control Equipment

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

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

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil & Gas Order No. 2, regarding air or gas drilling shall be adhered to.

Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint. Surface casing setting depths are based on ground level elevations only.

As a minimum requirement, the operator must bring the top of cement behind the production casing 200' above the base of usable water which has been identified at $\pm 1116'$.

Coring, Logging and Testing Program

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

A cement evaluation tool (CBL or Temperature Survey) will be run from the intermediate casing shoe to top of the cement and shall be utilized to determine the cement top. Submit a field copy of the log to this office.

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).

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Written notification of such must be submitted to this office not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergencies, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Other Information

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

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

THERE ARE NO ADDITIONAL CONDITIONS FOR THE SURFACE USE PROGRAM.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU- 70854 71416
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: STIRRUP UNIT
2. NAME OF OPERATOR: QEP UINTA BASIN, INC		8. WELL NAME and NUMBER: SU 16M-7-7-22
3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078		9. API NUMBER: 4304736137
4. LOCATION OF WELL FOOTAGES AT SURFACE: 843 FSL 529' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 7 7 22E		10. FIELD AND POOL, OR WLD CAT: HORSE SHOE
		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 type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>APD EXTENSION</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
QEP Uinta Basin, Inc. hereby requests a 1 year extension on the SU 16M-7-7-22.

**Approved by the
Utah Division of
Oil, Gas and Mining**
Date: 01-19-06
By: [Signature]

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

NAME (PLEASE PRINT) <u>Jan Nelson</u>	TITLE <u>Regulatory Affairs</u>
SIGNATURE <u>[Signature]</u>	DATE <u>1/13/2006</u>

(This space for State use only)

RECEIVED
JAN 17 2006

RESET

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

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

API: 43-047-36137
Well Name: SU 16M-7-7-22
Location: 843 FSL 529 FEL SESE SEC. 7 T7S R22E
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 12/2/2004

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

1/13/2006
Date

Title: REGULATORY AFFAIRS

Representing: QEP UINTA BASIN, INC.

**RECEIVED
JAN 17 2006**

RECEIVED

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS APR 03 2006

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
UTU-71416

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

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

8. Well Name and No.
SU 16M-7-7-22

9. API Well No.
43-047-36137

10. Field and Pool, or Exploratory Area
HORSE SHOE

11. County or Parish, State
Uintah

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
QEP Uinta Basin, Inc. Contact: Jan Nelson

3a. Address
11002 East 17500 South, Vernal, UT 84078

3b. Phone No. (include area code)
435-781-4331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
843' FSL 529' FEL SESE, SEC 7, T7S, R22E

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
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other <u>APD EXTENTION</u>
	<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

13. Describe Proposed or Completed Operations (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 recomple 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 BLM/BIA. 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 3160-4 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.)

QEP Uinta Basin, Inc. hereby requests a 1 year extention on SU 16M-7-7-22
BLM APD Approval Date: 4/29/2005

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Jan Nelson	Title Regulatory Affairs
Signature <i>Jan Nelson</i>	Date March 30, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by Michael Lee	Title Principal Engineer	Date APR 04 2006
-----------------------------------	-----------------------------	---------------------

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 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.

(Instructions on reverse)

RECEIVED
APR 21 2006



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

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

API: 43-047-36137
Well Name: SU 16M-7-7-22
Location: 843 FSL 529 FEL, SESE, SEC. 7 T7S R22E.
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 4/29/2005

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

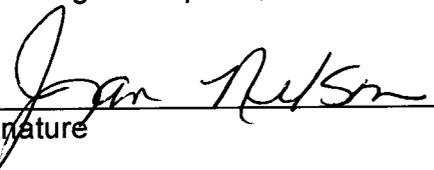
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

3/30/2006
Date

Title: REGULATORY AFFAIRS

Representing: QEP UINTA BASIN, INC.

RECEIVED
APR 21 2006
DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL

QEP Uinta Basin Inc.

Notice of Intent
APD Extension

Lease: UTU-71416
Well: SU 16M - 7-7-22 (43-047-36137)
Location: SESE Sec. 07, T7S, R22E

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

1. The extension and APD will expire on 4/29/2007
2. No other extensions beyond that period will be granted or allowed.

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

2006-04-04

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

Change of Operator (Well Sold)

X - Operator Name Change/Merger

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

1/1/2007

FROM: (Old Operator): N2460-QEP Uinta Basin, Inc. 1050 17th St, Suite 500 Denver, CO 80265 Phone: 1 (303) 672-6900	TO: (New Operator): N5085-Questar E&P Company 1050 17th St, Suite 500 Denver, CO 80265 Phone: 1 (303) 672-6900
-------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------

WELL NAME	CA No.	Unit:	STIRRUP UNIT	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LISTS					*				

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: 4/19/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 4/16/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 1/31/2005
- Is the new operator registered in the State of Utah: Business Number: 764611-0143
- (R649-9-2)Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: n/a
- 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 4/23/2007 BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 4/23/2007
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: _____
- 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: _____

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 4/30/2007 and 5/15/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 4/30/2007 and 5/15/2007
- Bond information entered in RBDMS on: 4/30/2007 and 5/15/2007
- Fee/State wells attached to bond in RBDMS on: 4/30/2007 and 5/15/2007
- Injection Projects to new operator in RBDMS on: 4/30/2007 and 5/15/2007
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: ESB000024
- Indian well(s) covered by Bond Number: 799446
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 965003033
- The **FORMER** operator has requested a release of liability from their bond on: n/a

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: THIS IS A COMPANY NAME CHANGE.

SOME WELL NAMES HAVE BEEN CHANGED AS REQUESTED

QEP Uinta Basin (N2460) to QUESTAR E and P (N5085)
STIRRUP UNIT

4/30/2007 and 5/15/2007

Original Well Name	Well Name & No.	Q/Q	SEC	TWP	RNG	API	Entity	Lease	Well Type	Status
LEOTA FED 1	LEOTA 1-34-2B	NENE	34	070S	210E	4304730879	5420	Federal	OW	P
WV 2W-9-8-21	WV 2W-9-8-21	NWNE	09	080S	210E	4304733905	13676	Federal	GW	P
WV 2W-3-8-21	WV 2W-3-8-21	NWNE	03	080S	210E	4304734207	13677	Federal	GW	P
SU PURDY 7W-34-7-21	SU PURDY 7W-34-7-21	SWNE	34	070S	210E	4304734380	13679	Federal	GW	S
SU PURDY 14M-30-7-22	SU PURDY 14M-30-7-22	SESW	30	070S	220E	4304734384	13750	Federal	GW	P
SU BW 6M-7-7-22	SU BW 6M-7-7-22	SESW	07	070S	220E	4304734837	13966	Federal	GW	P
SU 11MU-9-8-21	SU 11MU-9-8-21	NESW	09	080S	210E	4304735412	14143	Federal	GW	P
SU 8M-12-7-21	SU 8M-12-7-21	SENE	12	070S	210E	4304736096		Federal	GW	APD
SUBW 14M-7-7-22	SUBW 14M-7-7-22	SESW	07	070S	220E	4304736136	15734	Federal	GW	DRL
SU 16M-7-7-22	SU 16M-7-7-22	SESE	07	070S	220E	4304736137		Federal	GW	APD
SUBW 8M-7-7-22	SUBW 8M-7-7-22	SENE	07	070S	220E	4304736138		Federal	GW	APD
HB 14ML-9-7-22	TU 14-9-7-22	SESW	09	070S	220E	4304737345		Federal	GW	APD
WV 2W-2-8-21	WV 2W-2-8-21	NWNE	02	080S	210E	4304734034	13678	State	GW	P
WV 11W-36-7-21	WV 11W-36-7-21	NESW	36	070S	210E	4304734067	13678	State	GW	S
WV 5W-36-7-21	WV 5W-36-7-21	SWNW	36	070S	210E	4304734099	13807	State	GW	DRL
WV 13W-36-7-21	WV 13W-36-7-21	SWSW	36	070S	210E	4304734100	13678	State	GW	P

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

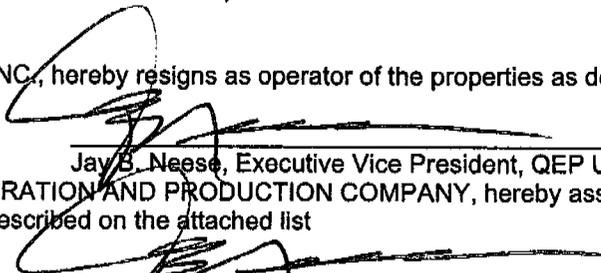
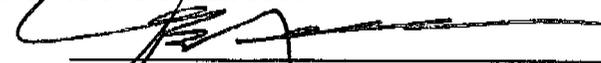
FORM 9

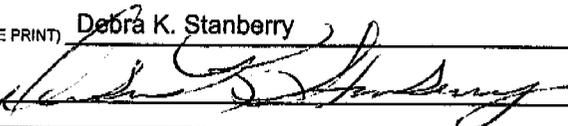
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: see attached
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: see attached
		7. UNIT or CA AGREEMENT NAME: see attached
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: see attached	
2. NAME OF OPERATOR: QUESTAR EXPLORATION AND PRODUCTION COMPANY		9. API NUMBER: attached
3. ADDRESS OF OPERATOR: 1050 17th Street Suite 500 CITY Denver STATE CO ZIP 80265		10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE: attached		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		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: <u>1/1/2007</u> <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 checked="" type="checkbox"/> OTHER: <u>Operator Name Change</u>

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

Effective January 1, 2007 operator of record, QEP Uinta Basin, Inc., will hereafter be known as QUESTAR EXPLORATION AND PRODUCTION COMPANY. This name change involves only an internal corporate name change and no third party change of operator is involved. The same employees will continue to be responsible for operations of the properties described on the attached list. All operations will continue to be covered by bond numbers:
 Federal Bond Number: 965002976 (BLM Reference No. ESB000024)
 Utah State Bond Number: 965003033
 Fee Land Bond Number: 965003033
 Current operator of record, QEP UINTA BASIN, INC., hereby resigns as operator of the properties as described on the attached list.


 Jay B. Neese, Executive Vice President, QEP Uinta Basin, Inc.
 Successor operator of record, QUESTAR EXPLORATION AND PRODUCTION COMPANY, hereby assumes all rights, duties and obligations as operator of the properties as described on the attached list

 Jay B. Neese, Executive Vice President
 Questar Exploration and Production Company

NAME (PLEASE PRINT) <u>Debra K. Stanberry</u>	TITLE <u>Supervisor, Regulatory Affairs</u>
SIGNATURE 	DATE <u>3/16/2007</u>

(This space for State use only)

RECEIVED
APR 19 2007
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

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 type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: see attached
2. NAME OF OPERATOR: QUESTAR EXPLORATION AND PRODUCTION COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: see attached
3. ADDRESS OF OPERATOR: 1050 17th Street Suite 500 Denver STATE CO ZIP 80265		7. UNIT or CA AGREEMENT NAME: see attached
4. LOCATION OF WELL: FOOTAGES AT SURFACE: attached COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		8. WELL NAME and NUMBER: see attached
PHONE NUMBER: (303) 308-3068		9. API NUMBER: attached
		10. FIELD AND POOL, OR WILDCAT:

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 <u>1/1/2007</u>	<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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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>Well Name Changes</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.

PER THE ATTACHED LIST OF WELLS, QUESTAR EXPLORATION AND PRODUCTION COMPANY REQUESTS THAT THE INDIVIDUAL WELL NAMES BE UPDATED IN YOUR RECORDS.

NAME (PLEASE PRINT) <u>Debra K. Starberry</u>	TITLE <u>Supervisor, Regulatory Affairs</u>
SIGNATURE	DATE <u>4/17/2007</u>

(This space for State use only)

RECEIVED
APR 19 2007
DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



IN REPLY REFER TO
3180
UT-922

April 23, 2007

Questar Exploration and Production Company
1050 17th Street, Suite 500
Denver, Colorado 80265

Re: Stirrup Unit
Uintah County, Utah

Gentlemen:

On April 12, 2007, we received an indenture dated April 6, 2007, whereby QEP Uinta Basin, Inc. resigned as Unit Operator and Questar Exploration and Production Company was designated as Successor Unit Operator for the Stirrup Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective April 23, 2007. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Stirrup Unit Agreement.

Your nationwide oil and gas bond No. ESB000024 will be used to cover all federal operations within the Stirrup Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Greg J. Noble

Greg J. Noble
Acting Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)
SITLA
Division of Oil, Gas & Mining
File - Stirrup Unit (w/enclosure)
Agr. Sec. Chron
Reading File
Central Files

UT922:TAThompson:tt:4/23/07

RECEIVED

APR 30 2007

DIV. OF OIL, GAS & MINING

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-71416
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME: STIRRUP UNIT
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: SU 16M-7-7-22	
2. NAME OF OPERATOR: QEP UINTA BASIN, INC		9. API NUMBER: 4304736137
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: HORSE SHOE
4. LOCATION OF WELL FOOTAGES AT SURFACE: 843 FSL 529' FEL		COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 7 7 22E		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> 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 type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>APD EXTENSION</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 QEP Uinta Basin, Inc. hereby requests a 1 year extension on the SU 16M-7-7-22.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 1-22-07
By: [Signature]

FILED TO DIVISION
1-23-07
RM

NAME (PLEASE PRINT) <u>Laura Bills</u>	TITLE <u>Regulatory Assistant</u>
SIGNATURE <u>[Signature]</u>	DATE <u>1/16/2007</u>

(This space for State use only)

RECEIVED
JAN 19 2007

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

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

API: 43-047-36137
Well Name: SU 16M-7-7-22
Location: 843 FSL 529 FEL SESE SEC. 7 T7S R22E
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 12/2/2004

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

Anna Bills
Signature

1/16/2007
Date

Title: REGULATORY ASSISTANT

Representing: QEP UINTA BASIN, INC.

RECEIVED
JAN 19 2007
DIV. OF OIL, GAS & MINING



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



IN REPLY REFER TO:

3160

UT08300

February 8, 2008

43-047-34137

Jan Nelson
Questar Exploration & Production, Co.
11002 East 17500 South
Vernal, UT 84078

Re: Notice of Expiration
Well No. SU 16M-7-7-22
SESE, Sec. 7, T7S, R22E
Uintah County, Utah
Lease No. UTU-70854
Stirrup Unit

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on April 29, 2005. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until April 29, 2007. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

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

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

cc: UDOGM – Diana Mason

RECEIVED

FEB 13 2008

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

February 15, 2008

Laura Bills
Questar Exploration & Production
11002 East 17500 South
Vernal, Utah 84078

43 047 36137
7S 22E 7
SW 16M-7-7-22

Re: APDs Rescinded at the request of Questar Exploration & Production

Dear Ms. Bills:

Enclosed find the list of APDs that you requested to be rescinded to Questar Exploration & Production. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective February 15, 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



Page 2
February 15, 2008
Subject:

Red Wash 14-35 AMU	43-047-36354
Red Wash 44-35 AMU	43-047-36352
Stirrup U BW 8M-7-7-22	43-047-36138
Stirrup U 16M-7-7-22	43-047-36137
HC 14M-6-7-22	43-047-36198
HC 16M-6-7-22	43-047-36197
COY 10ML-14-8-24	43-047-36038
NBE 1ML-12-9-12	43-047-36613
WH 12G-11-7-24	43-047-36195