

NEWFIELD



December 8, 2004

State of Utah
Division of Oil, Gas & Mining
Attn: Diana Whitney
1594 West North Temple - Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Applications for Permit to Drill:
Ashley Federal 2-23-9-15
Ashley Federal 4-23-9-15
Federal 4-7-9-18
Federal 9-7-9-18
Federal 16-7-9-18 ✓
Pariette Draw Federal 7-23R-8-17

Dear Diana:

Enclosed find APD's on the above referenced wells. The 7-23R-8-17 is an Exception Location. The our Land Department has been notified and they will be sending the required Exception Location Letter. If you have any questions, feel free to give either Brad or myself a call.

Sincerely,

Mandie Crozier
Regulatory Specialist

mc
enclosures

RECEIVED
DEC 13 2004
DIV. OF OIL, GAS & MINING

Form 3160-3
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

5. Lease Serial No.
UTU-16540

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

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

8. Lease Name and Well No.
Federal 16-7-9-18

9. API Well No.
43-047-36162

10. Field and Pool, or Exploratory
Eight Mile Flat

11. Sec., T., R., M., or Blk. and Survey or Area
SE/SE Sec. 7, T9S R18E

12. County or Parish
Uintah

13. State
UT

1a. Type of Work: DRILL REENTER

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

2. Name of Operator
Newfield Production

3a. Address
Route #3 Box 3630, Myton UT 84052

3b. Phone No. (include area code)
(435) 646-3721

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface SE/SE 660' FSL 660' FEL 591414X 40.039972
At proposed prod. zone 4432534Y -109.928485

14. Distance in miles and direction from nearest town or post office*
Approximatley 18.3 miles southeast of Myton, Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) Approx. 660' f/lse, NA f/unit
16. No. of Acres in lease
1356.44

17. Spacing Unit dedicated to this well
40 Acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx. 1322'

19. Proposed Depth
5850'

20. BLM/BIA Bond No. on file
UTU0056

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5056' GL

22. Approximate date work will start*
2nd Quarter 2005

23. Estimated duration
Approximately seven (7) days from spud to rig release.

24. Attachments

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

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

25. Signature *Mandie Crozier* Name (Printed/Typed) Mandie Crozier Date 12/18/04

Title Regulator Specialist

Approved by (Signature) *Bradley G. Hill* Name (Printed/Typed) BRADLEY G. HILL Date 12-15-04

Title ENVIRONMENTAL SCIENTIST III

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

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

*(Instructions on reverse)

**Federal Approval of this
Action is Necessary**

RECEIVED

DEC 13 2004

DIV. OF OIL, GAS & MINING

NEWFIELD PRODUCTION COMPANY
FEDERAL #16-7-9-18
SE/SE SECTION 7, T9S, R18E
UINTAH COUNTY, UTAH

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. GEOLOGIC SURFACE FORMATION:

Uinta formation of Upper Eocene Age

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Uinta	0' – 1640'
Green River	1850'
Wasatch	5850'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

Green River Formation 1850' – 5850' - Oil

4. PROPOSED CASING PROGRAM

Please refer to the Monument Butte Field Standard Operation Procedure (SOP).

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Please refer to the Monument Butte Field SOP. See Exhibit "C".

6. TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:

Please refer to the Monument Butte Field SOP.

7. AUXILIARY SAFETY EQUIPMENT TO BE USED:

Please refer to the Monument Butte Field SOP.

8. TESTING, LOGGING AND CORING PROGRAMS:

Please refer to the Monument Butte Field SOP.

9. ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:

The anticipated maximum bottom hole pressure is 1800 psi. It is not anticipated that abnormal temperatures will be encountered.

10. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:

Please refer to the Monument Butte Field SOP.

**NEWFIELD PRODUCTION COMPANY
FEDERAL #16-7-9-18
SE/SE SECTION 7, T9S, R18E
UINTAH COUNTY, UTAH**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. EXISTING ROADS

See attached Topographic Map "A"

To reach Newfield Production Company well location site Federal #16-7-9-18 located in the SE 1/4 SE 1/4 Section 7, T9S, R18E, Uintah County, Utah:

Proceed southwesterly out of Myton, Utah along Highway 40 - 1.6 miles \pm to the junction of this highway and UT State Hwy 53; proceed southeasterly along Hwy 53 - 11.7 miles \pm to its junction with an existing road to the southeast; proceed southeasterly - 3.6 miles \pm to its junction with an existing road to the east; proceed northeasterly - 1.4 miles \pm to its junction with the beginning of the proposed access road; proceed southerly along the proposed access road 905' \pm to the proposed well location.

2. PLANNED ACCESS ROAD

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

3. LOCATION OF EXISTING WELLS

Refer to Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

Please refer to the Monument Butte Field Standard Operating Procedure (SOP).

5. LOCATION AND TYPE OF WATER SUPPLY

Please refer to the Monument Butte Field SOP. See Exhibit "A".

6. SOURCE OF CONSTRUCTION MATERIALS

Please refer to the Monument Butte Field SOP.

7. METHODS FOR HANDLING WASTE DISPOSAL

Please refer to the Monument Butte Field SOP.

8. ANCILLARY FACILITIES

Please refer to the Monument Butte Field SOP.

9. **WELL SITE LAYOUT**

See attached Location Layout Diagram.

10. **PLANS FOR RESTORATION OF SURFACE**

Please refer to the Monument Butte Field SOP.

11. **SURFACE OWNERSHIP** - Bureau Of Land Management

12. **OTHER ADDITIONAL INFORMATION**

The Archaeological Resource Survey and Paleontological Resource Survey for this area are attached. MOAC Report #04-94, 6/2/04. Paleontological Resource Survey prepared by, Wade E. Miller, 11/21/03. See attached report cover pages, Exhibit "D".

For the Federal #16-7-9-18 Newfield Production Company requests 905' of disturbed area be granted in Lease UTU-16540 to allow for construction of the proposed access road. **Refer to Topographic Map "B"**. The proposed access road will be an 18' crown road (9' either side of the centerline) with drainage ditches along either side of the proposed road whether it is deemed necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum grade will be less than 8%. There will be no culverts required along this access road. There will be barrow ditches and turnouts as needed along this road. There are no fences encountered along this proposed road. There will be no new gates or cattle guards required. All construction material for this access road will be borrowed material accumulated during construction of the access road.

Newfield Production Company requests 905' of disturbed area be granted in Lease UTU-16540 to allow for construction of the proposed gas lines. It is proposed that the disturbed area will be 50' wide to allow for construction of a 6" gas gathering line, and a 3" poly fuel gas line. Both lines will tie in to the existing pipeline infrastructure. **Refer to Topographic Map "C."** For a ROW plan of development, please refer to the Monument Butte Field SOP.

Water Disposal

Immediately upon first production, all produced water will be confined to a steel storage tank. If the production water meets quality guidelines, it is transported to the Ashley, Monument Butte, Jonah, and Beluga water injection facilities by company or contract trucks. Subsequently, the produced water is injected into approved Class II wells to enhance Newfield's secondary recovery project.

Water not meeting quality criteria, is disposed at Newfield's Pariette #4 disposal well (Sec. 7, T9S R19E) or at State of Utah approved surface disposal facilities.

Threatened, Endangered, And Other Sensitive Species

Burrowing Owl: Due to the proximity of the location to active prairie dog towns, there is the potential to encounter nesting burrowing owls between April 1 and August 15. If new construction or surface disturbing activities are scheduled between April 1 and August 15, pre-construction surveys will be conducted to detect the presence of nesting burrowing owls within 0.5 mile of any new construction or surface disturbing activity (see Vernal BLM Field Office Protocol). No new construction or surface disturbing activities will be allowed between April 1 and August 15 within a 0.5 mile radius of any active burrowing owl nest.

Mountain Plover: If new construction or surface disturbing activities are scheduled to occur between May 1 and June 15, detailed surveys of the area within 0.5 mile of the proposed location and within 300 feet of proposed access routes must be conducted to detect the presence of mountain plovers. All surveys must be conducted in accordance with the survey protocols outlined in the most recent USFWS Survey Protocol. Surveys must be completed prior to initiating new

construction or surface disturbing activities. No new construction or surface disturbing activities will be allowed between March 15 and August 15 within a 0.5 mile radius of any documented mountain plover nest site.

Reserve Pit Liner

Please refer to the Monument Butte Field SOP.

Location and Reserve Pit Reclamation

Please refer to the Monument Butte Field SOP.

The following seed mixture will be used on the topsoil stockpile, to the recontoured surface of the reserve pit, and for final reclamation: (All poundages are in pure live seed)

Shadscale	<i>Atriplex confertifolia</i>	4 lbs/acre
Scarlet globmallow	<i>Sphaeralcea concineae</i>	4 lbs/acre
Crested Wheatgrass		4 lbs/acre

Details of the On-Site Inspection

The proposed Federal #16-7-9-18 was on-sited on 4/14/04. The following were present; Brad Mecham (Newfield Production), David Gerbig (Newfield Production), Byron Tolman (Bureau of Land Management), and a SWCA representative. Weather conditions were clear at 60 degrees.

13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Representative

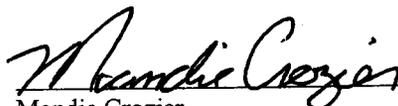
Name: Brad Mecham
Address: Route #3 Box 3630
Myton, UT 84052
Telephone: (435) 646-3721

Certification

Please be advised that NEWFIELD PRODUCTION COMPANY is considered to be the operator of well #16-7-9-18 SE/SE Section 7, Township 9S, Range 18E: Lease UTU-16540 Uintah County, Utah: and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4488944.

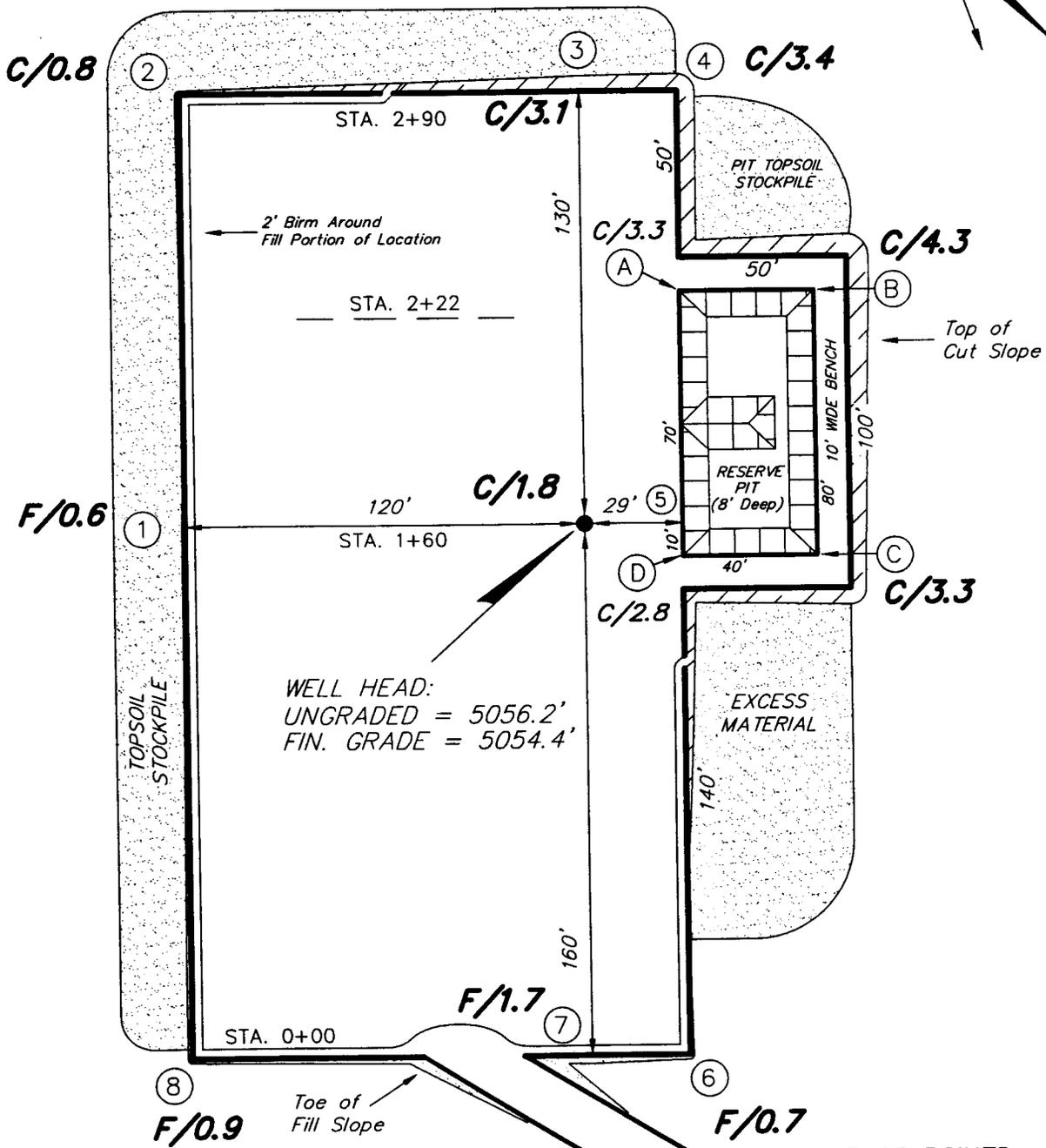
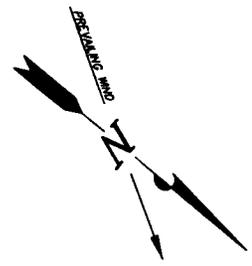
I hereby certify that the proposed drillsite and access route have been inspected, and I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Newfield Production Company and 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.

12/8/04
Date


Mandie Crozier
Regulatory Specialist
Newfield Production Company

INLAND PRODUCTION COMPANY

FEDERAL 16-7-9-18
Section 7, T9S, R18E, S.L.B.&M.



WELL HEAD:
UNGRADED = 5056.2'
FIN. GRADE = 5054.4'

REFERENCE POINTS	
180' SOUTHWEST	= 5058.6'
230' SOUTHWEST	= 5059.9'
170' SOUTHEAST	= 5055.2'
220' SOUTHEAST	= 5057.1'

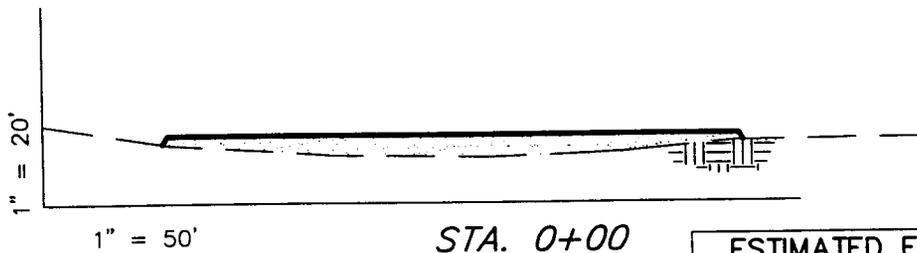
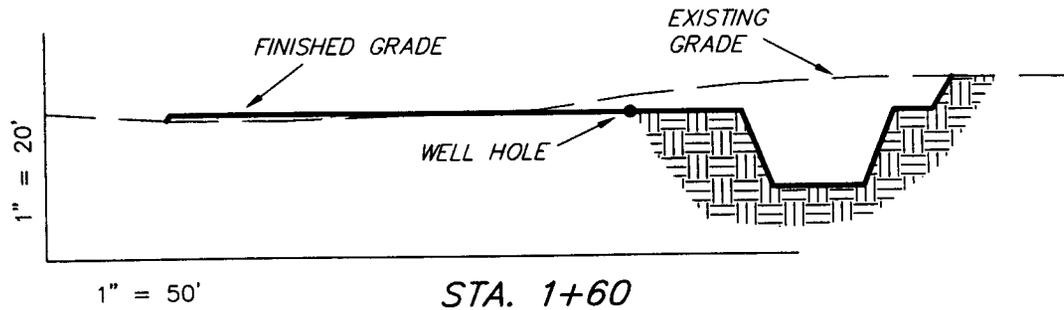
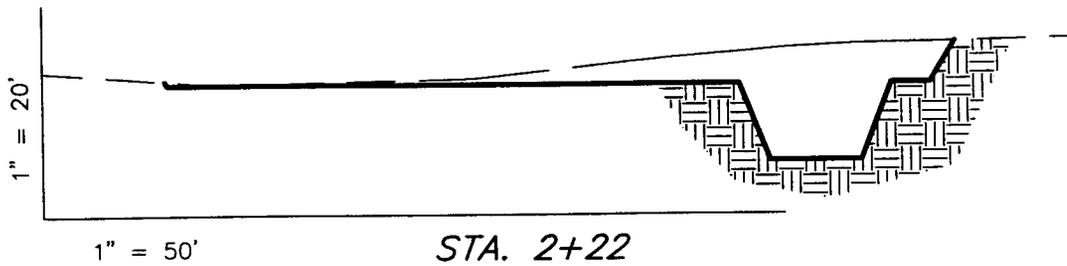
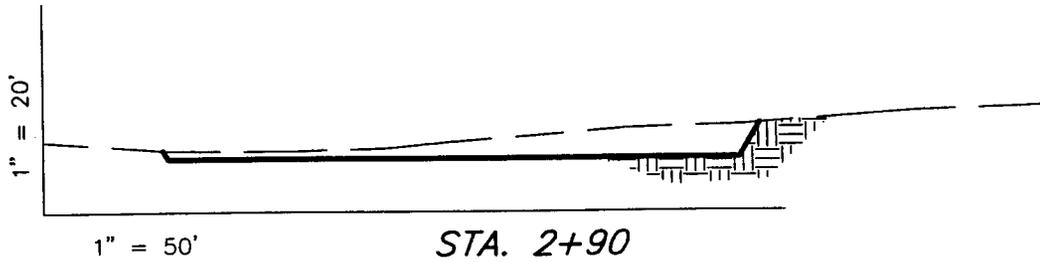
SURVEYED BY: K.G.S.	SCALE: 1" = 50'
DRAWN BY: F.T.M.	DATE: 6-10-04

Tri State
 Land Surveying, Inc.
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078
 (435) 781-2501

INLAND PRODUCTION COMPANY

CROSS SECTIONS

FEDERAL 16-7-9-18



NOTE:
UNLESS OTHERWISE NOTED
ALL CUT/FILL SLOPES ARE
AT 1.5:1

ESTIMATED EARTHWORK QUANTITIES
(No Shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	1,280	1,280	Topsoil is not included in Pad Cut	0
PIT	640	0		640
TOTALS	1,920	1,280	890	640

SURVEYED BY: K.G.S.

SCALE: 1" = 50'

DRAWN BY: F.T.M.

DATE: 6-10-04

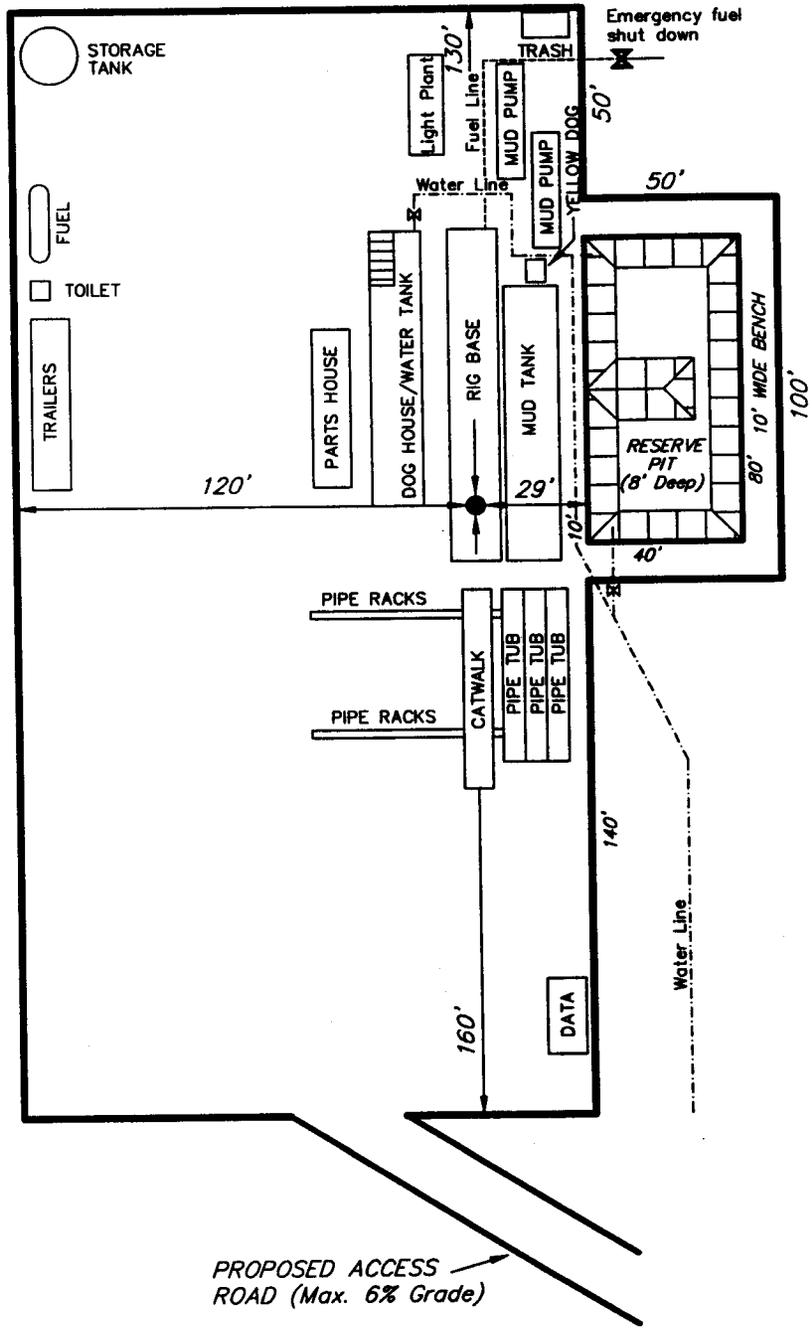
(435) 781-2501

Tri State
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

INLAND PRODUCTION COMPANY

TYPICAL RIG LAYOUT

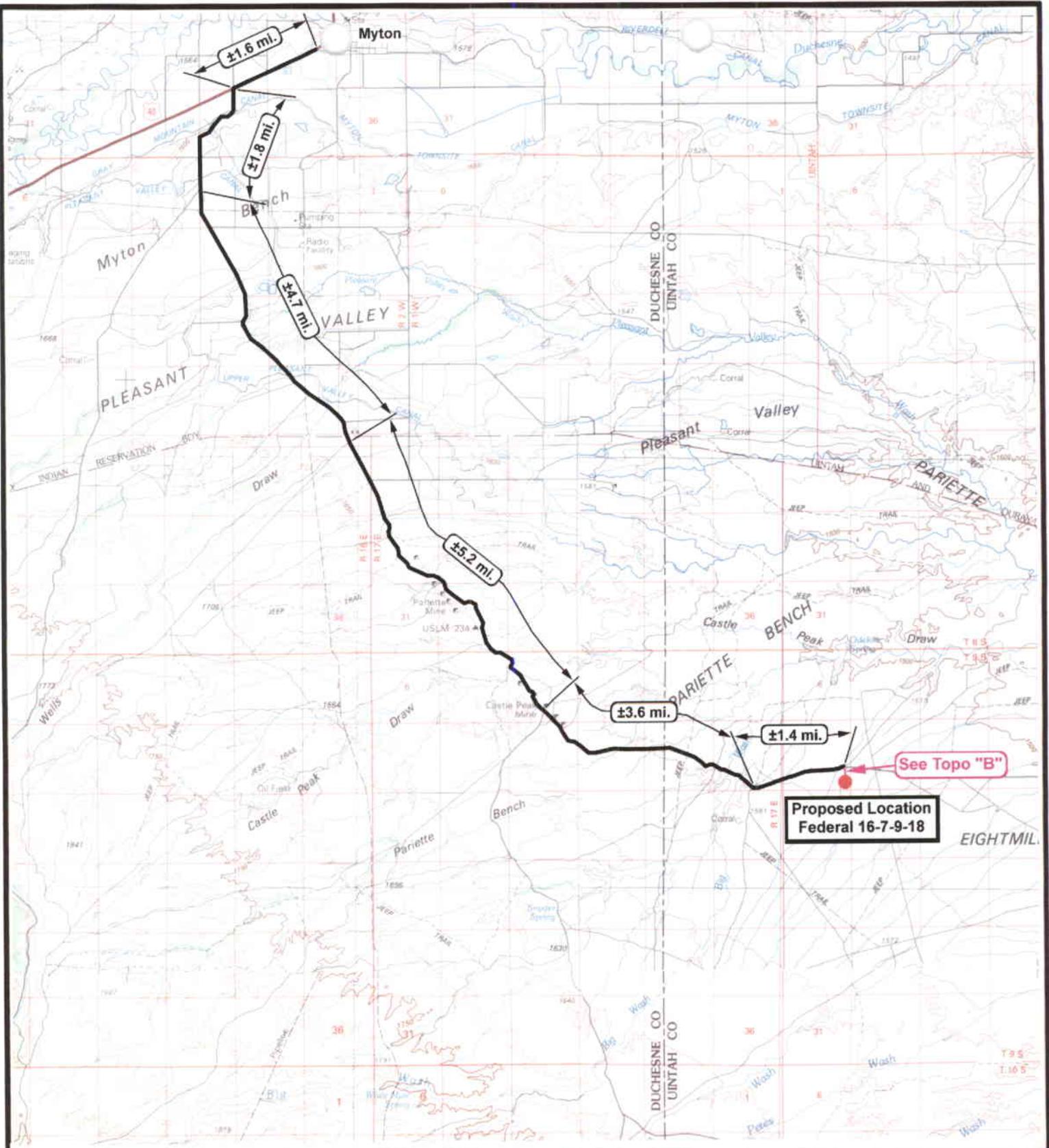
FEDERAL 16-7-9-18



PROPOSED ACCESS ROAD (Max. 6% Grade)

SURVEYED BY: K.G.S.	SCALE: 1" = 50'
DRAWN BY: F.T.M.	DATE: 6-10-04

Tri State
 Land Surveying, Inc.
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078
 (435) 781-2501



**Federal 16-7-9-18
SEC. 7, T9S, R18E, S.L.B.&M.**



**Tri-State
Land Surveying Inc.**
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

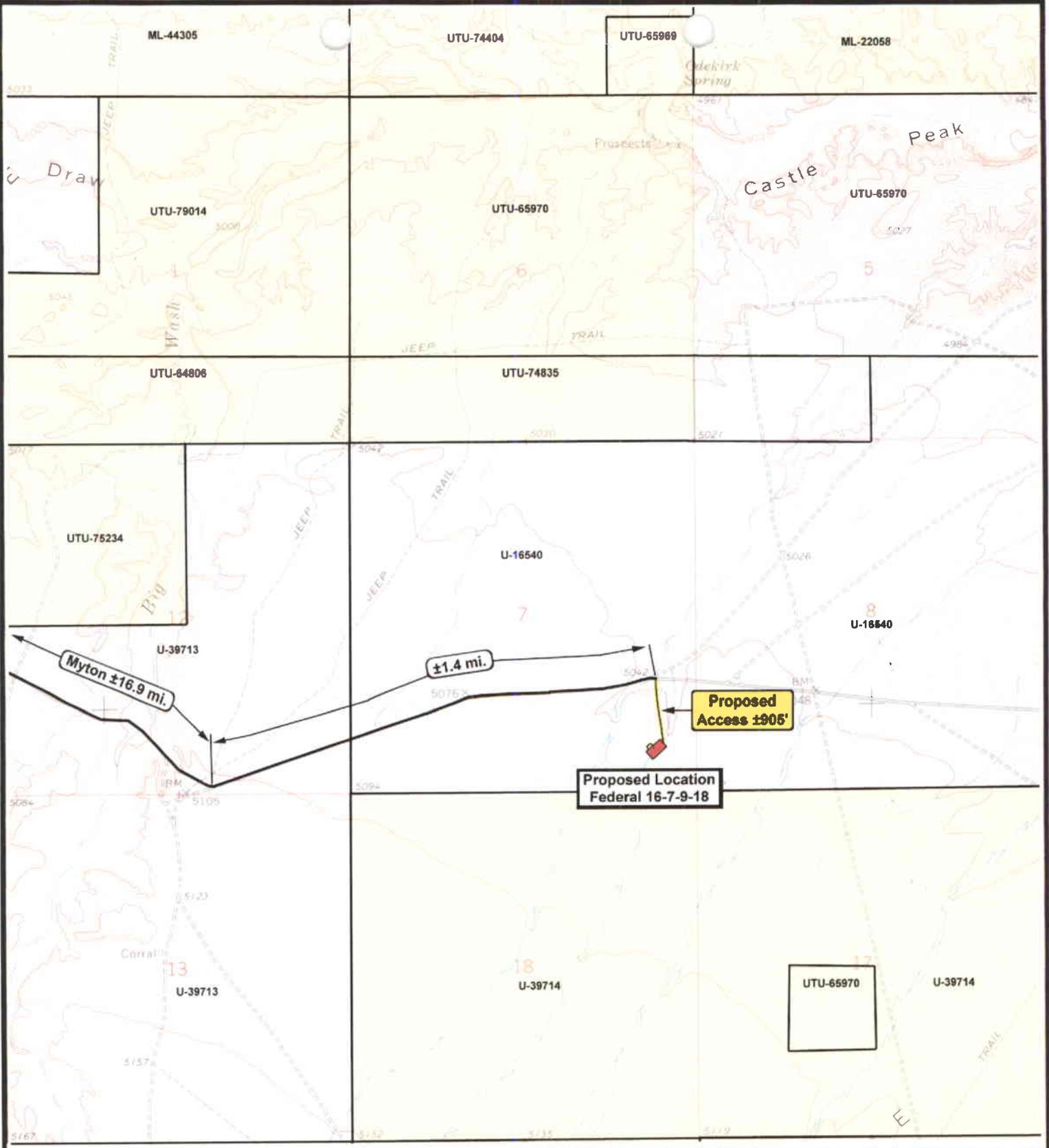
SCALE: 1 = 120,000
DRAWN BY: bgm
DATE: 06-29-2004

Legend

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP

"A"



Federal 16-7-9-18
SEC. 7, T9S, R18E, S.L.B.&M.



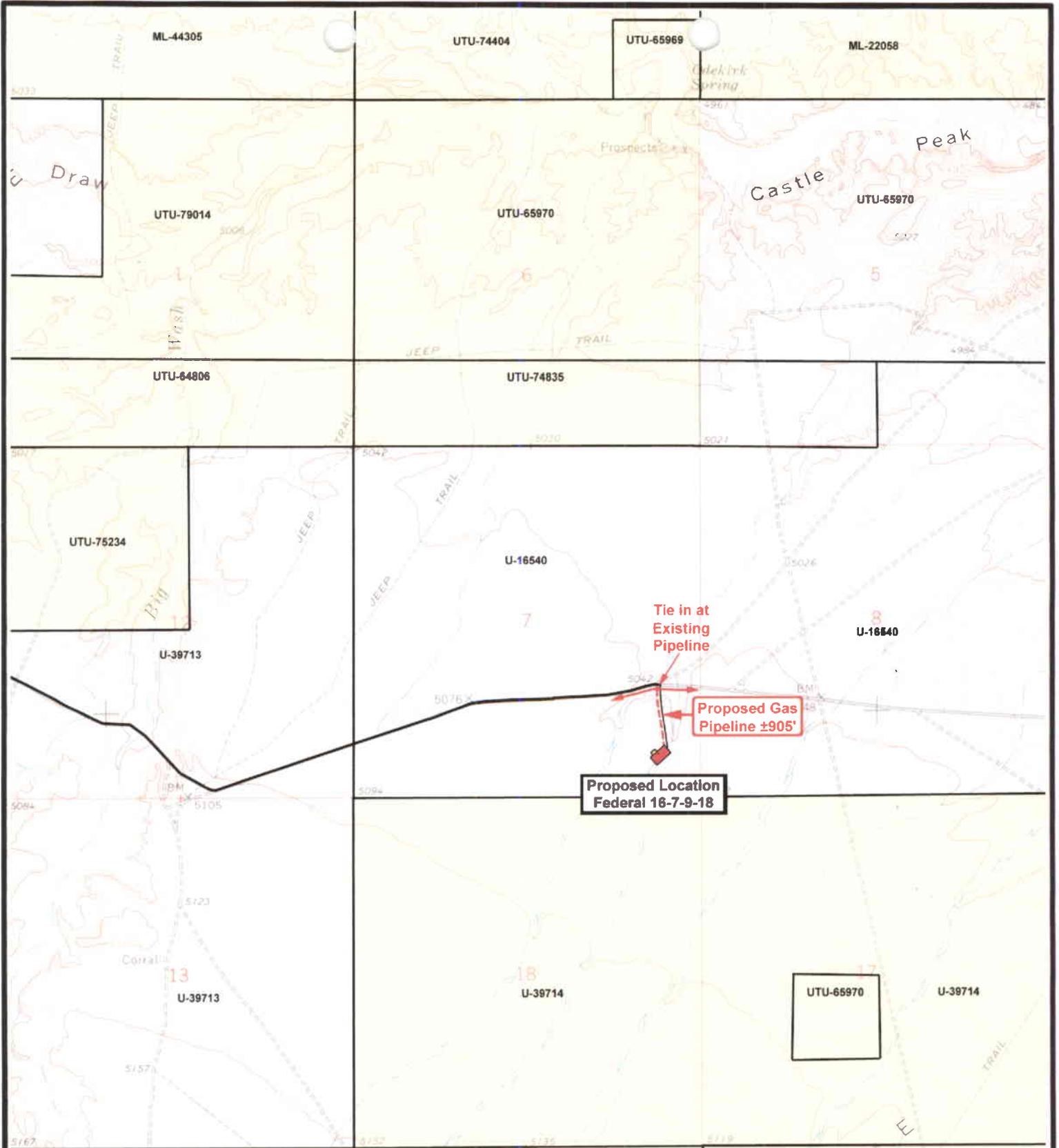
Tri-State
Land Surveying Inc.
 (435) 781-2501
 180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
 DRAWN BY: bgm
 DATE: 06-29-2004

Legend

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP
"B"



Federal 16-7-9-18
SEC. 7, T9S, R18E, S.L.B.&M.

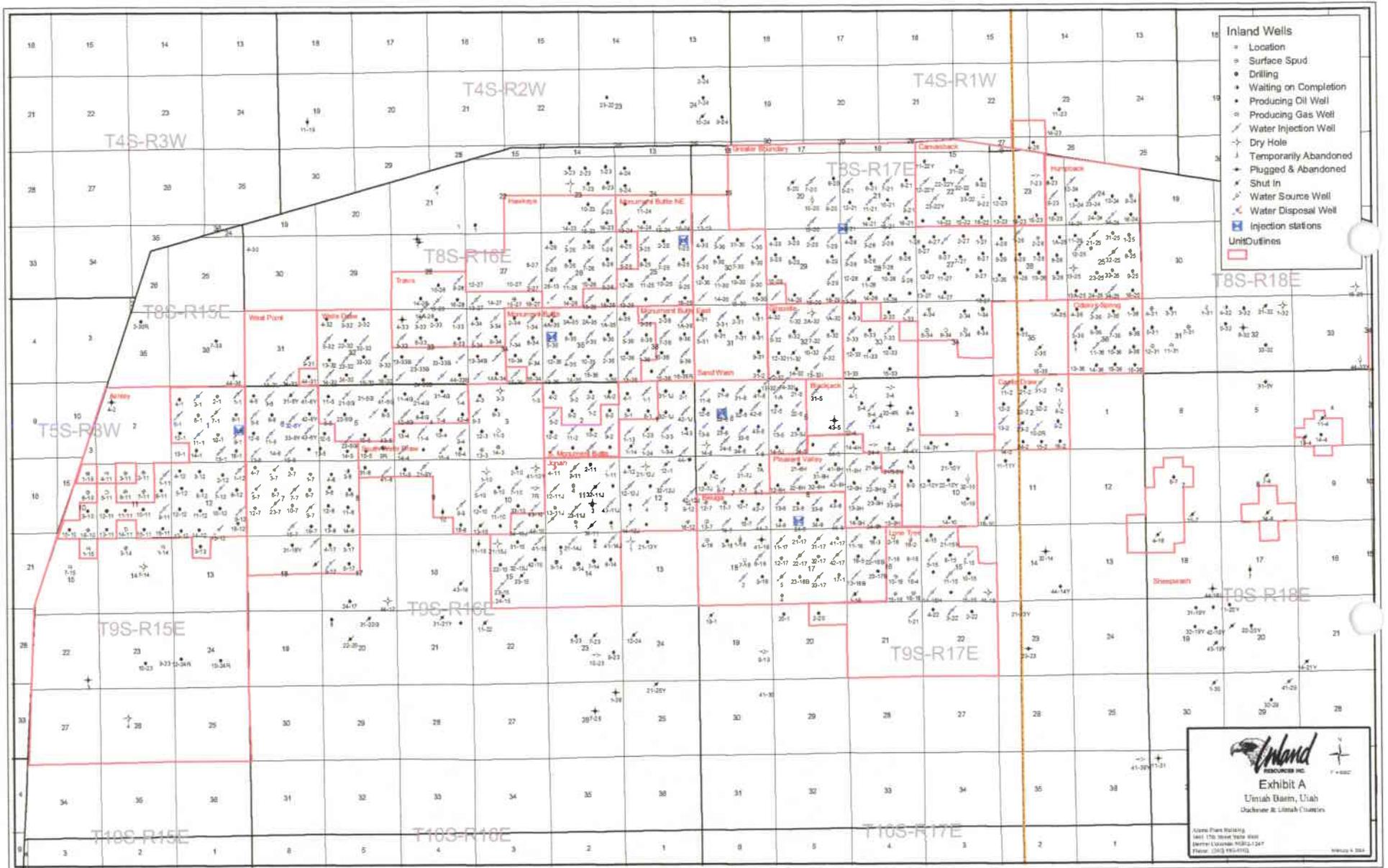


Tri-State
Land Surveying Inc.
 (435) 781-2501
 180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
 DRAWN BY: bgm
 DATE: 06-29-2004

Legend	
	Roads
	Existing Gas Line
	Proposed Gas Line

TOPOGRAPHIC MAP
"C"



UTU-74404

UTU-65970

UTU-79014

UTU-65970

UTU-64806

UTU-74835

UTU-75234

Proposed Location
Federal 16-7-9-18

U-39713

U-39714



**Federal 16-7-9-18
SEC. 7, T9S, R18E, S.L.B.&M.**



*Tri-State
Land Surveying Inc.*
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: bgm
DATE: 06-29-2004

Legend

- Well Locations
- One-Mile Radius

Exhibit "B"

2-M SYSTEM

Blowout Prevention Equipment Systems

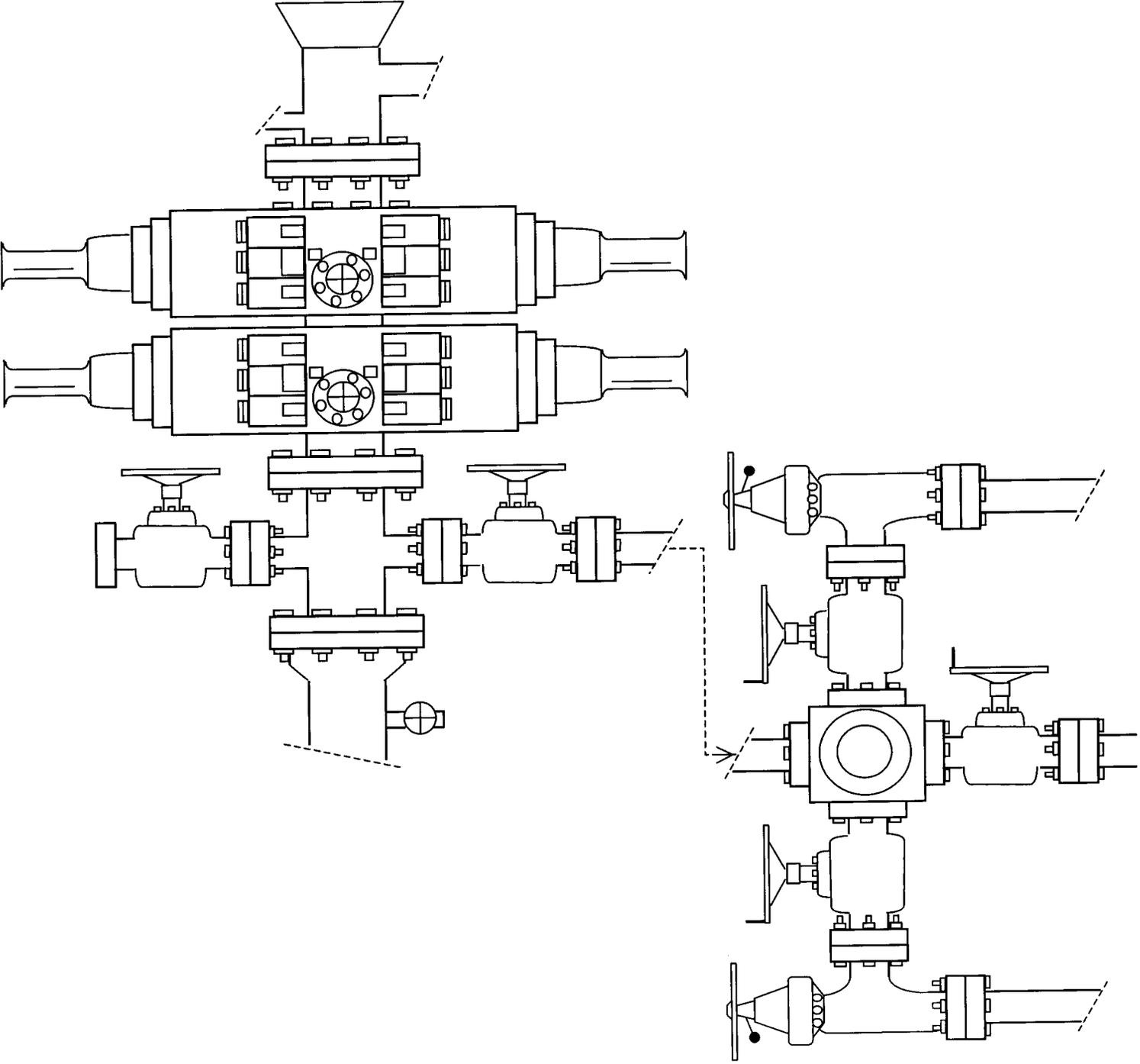


EXHIBIT C

CULTURAL RESOURCE INVENTORY OF INLAND
RESOURCES' SIX BLOCK PARCELS (T8S, R17E, SEC. 20, 33, 34;
T9S R16E S. 15; T9S R17E S. 17, 20; and T9S R18E S. 7)
DUCHESNE AND UINTAH COUNTIES, UTAH

by

Melissa Elkins
and
Keith Montgomery

Prepared For:

Bureau of Land Management
Vernal Field Office

Prepared Under Contract With:

Inland Resources
Route 3 Box 3630
Myton, UT 84052

Prepared By:

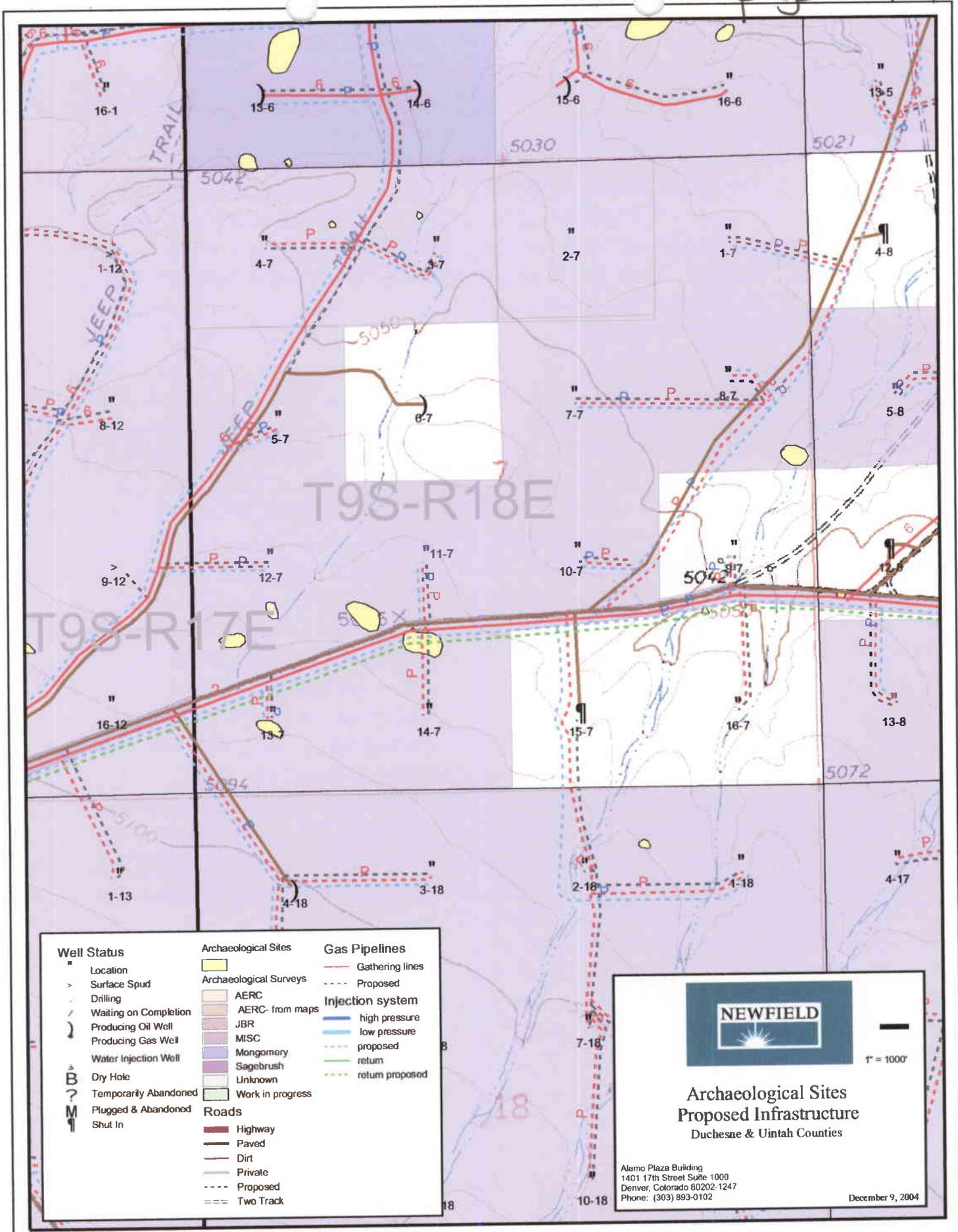
Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532

MOAC Report No. 04-94

June 2, 2004

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

State of Utah Antiquities Project (Survey)
Permit No. U-04-MQ-0436b,p



Well Status	Archaeological Sites	Gas Pipelines
" Location	Archaeological Sites	— Gathering lines
> Surface Spud	Archaeological Surveys	- - - Proposed
• Drilling	AERC	Injection system
• Waiting on Completion	AERC- from maps	— high pressure
• Producing Oil Well	JBR	— low pressure
• Producing Gas Well	MISC	- - - proposed
• Water Injection Well	Montgomery	— return
• Dry Hole	Sagebrush	- - - return proposed
• Temporarily Abandoned	Unknown	
• Plugged & Abandoned	Work in progress	
• Shut In	Roads	
	— Highway	
	— Paved	
	— Dirt	
	— Private	
	- - - Proposed	
	- - - Two Track	



**Archaeological Sites
Proposed Infrastructure**
Duchesne & Uintah Counties

Alamo Plaza Building
1401 17th Street Suite 1000
Denver, Colorado 80202-1247
Phone: (303) 893-0102

December 9, 2004

INLAND RESOURCES, INC.

**PALEONTOLOGICAL FIELD SURVEY OF PROPOSED
PRODUCTION DEVELOPMENT AREAS,
UINTAH COUNTY, UTAH**

**ADDENDUM OF SECTION 7, T 9 S, R 18 E
TO REPORT OF:**

**Sections 3, 4, & 10, T 9 S, R 18 E; Section 7,
T 9 S, R 19 E (dated November 15, 2003)**

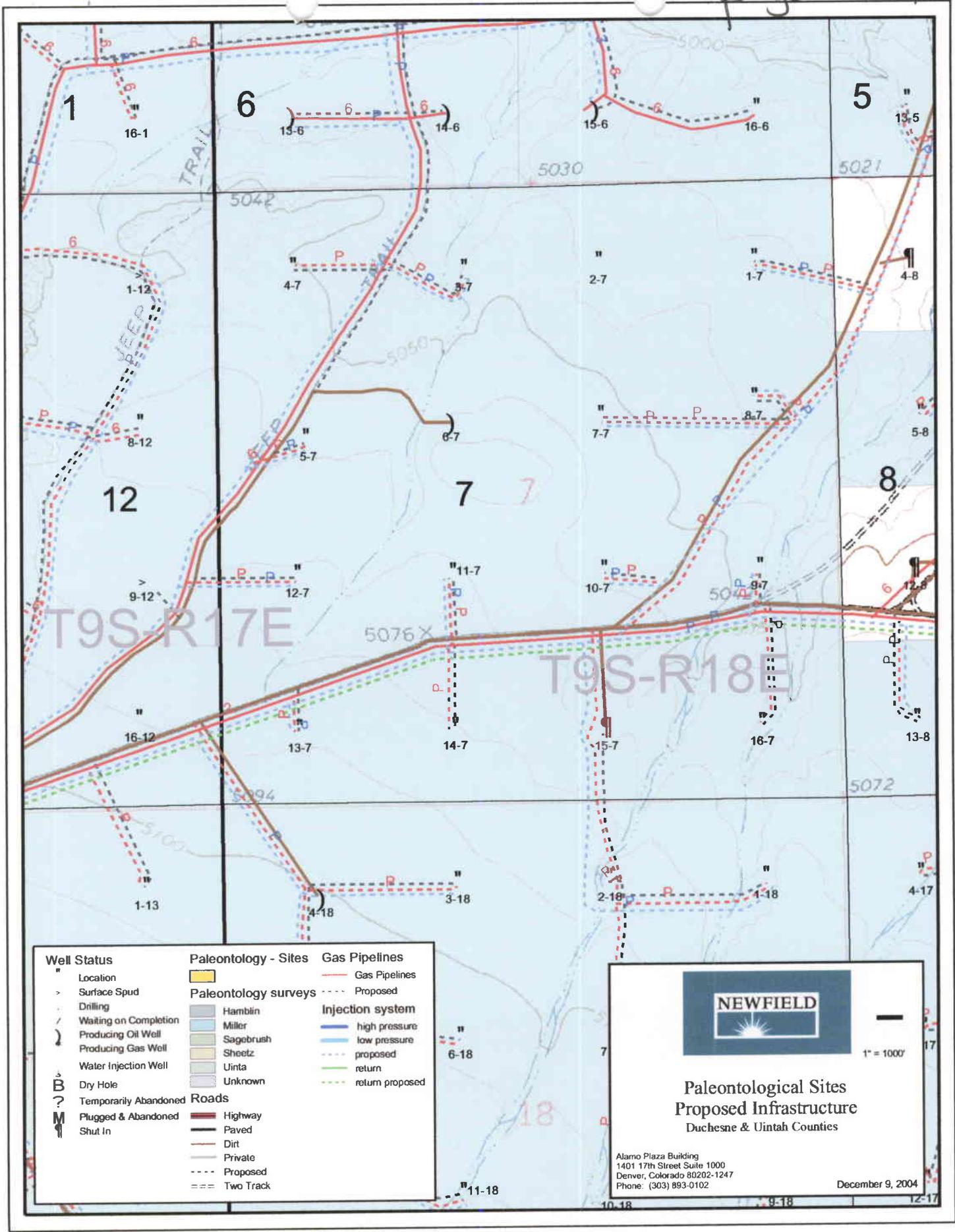
REPORT OF SURVEY

Prepared for:

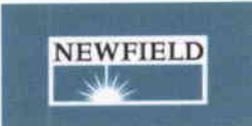
Inland resources, Inc.

Prepared by:

Wade E. Miller
Consulting Paleontologist
November 21, 2003



Well Status	Paleontology - Sites	Gas Pipelines
" Location	Yellow square	Red line Gas Pipelines
> Surface Spud	Paleontology surveys	--- Proposed
Drilling	Hamblin	Injection system
Waiting on Completion	Miller	Blue line high pressure
Producing Oil Well	Sagebrush	Light blue line low pressure
Producing Gas Well	Sheetz	--- proposed
Water Injection Well	Uinta	--- return
Dry Hole	Unknown	--- return proposed
Temporarily Abandoned	Roads	
Plugged & Abandoned	Highway	
Shut In	Paved	
	Dirt	
	Private	
	Proposed	
	Two Track	



1" = 1000'

Paleontological Sites Proposed Infrastructure

Duchesne & Uintah Counties

Alamo Plaza Building
1401 17th Street Suite 1000
Denver, Colorado 80202-1247
Phone: (303) 893-0102

December 9, 2004

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

004

APD RECEIVED: 12/13/2004

API NO. ASSIGNED: 43-047-36162

WELL NAME: FEDERAL 16-7-9-18
OPERATOR: NEWFIELD PRODUCTION (N2695)
CONTACT: MANDIE CROZIER

PHONE NUMBER: 435-646-3721

PROPOSED LOCATION:

SESE 07 090S 180E
SURFACE: 0660 FSL 0660 FEL
BOTTOM: 0660 FSL 0660 FEL
UINTAH
8 MILE FLAT NORTH (590)

Table with 3 columns: Tech Review, Initials, Date. Rows include Engineering, Geology, Surface.

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-16540
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: GRRV
COALBED METHANE WELL? NO

LATITUDE: 40.03997
LONGITUDE: -109.9285

RECEIVED AND/OR REVIEWED:

- Plat
Bond: Fed[1] Ind[] Sta[] Fee[] (No. UTU0056)
Potash (Y/N)
Oil Shale 190-5 (B) or 190-3 or 190-13
Water Permit (No. MUNICIPAL)
RDCC Review (Y/N) (Date:)
Fee Surf Agreement (Y/N)

LOCATION AND SITING:

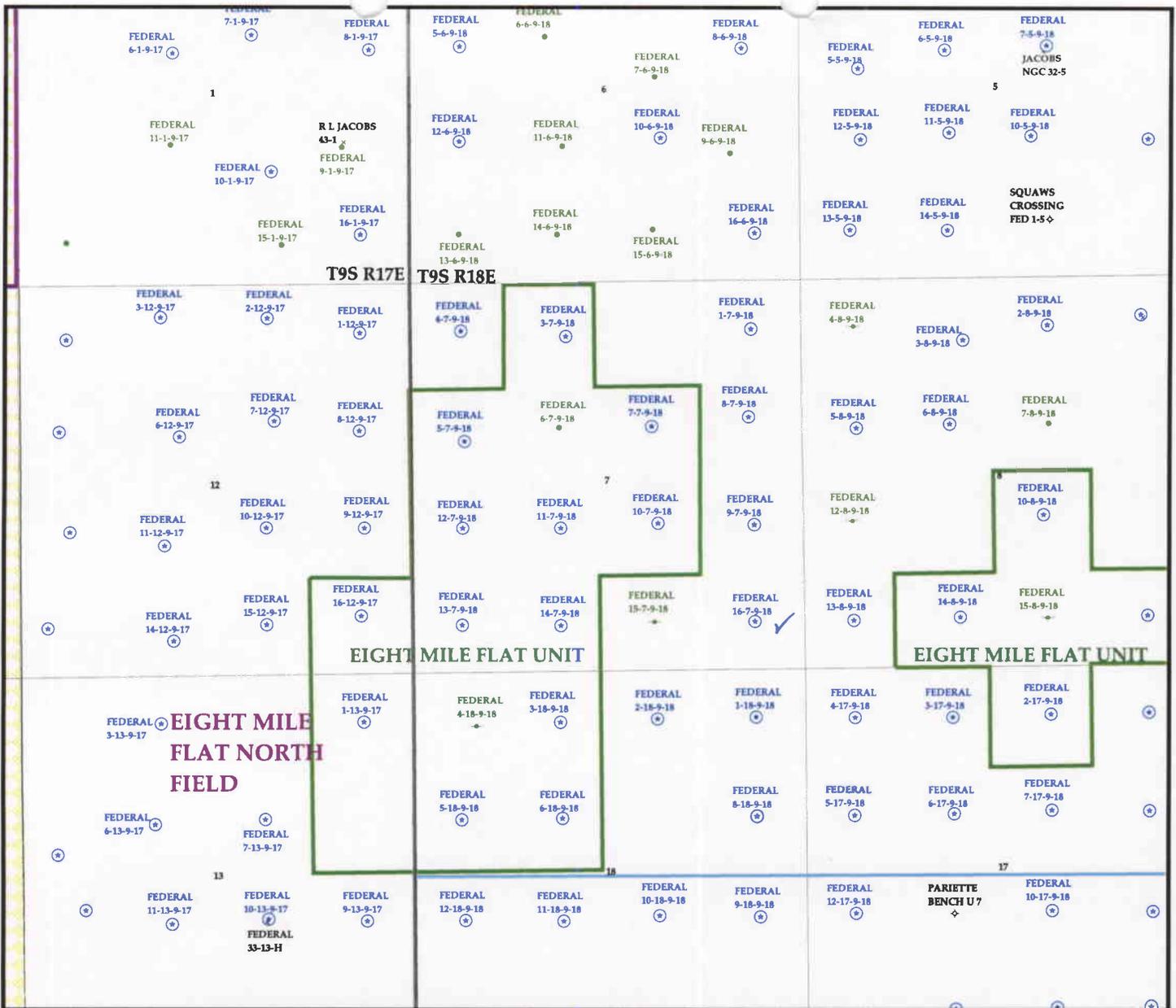
- R649-2-3.
Unit
R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
R649-3-3. Exception
Drilling Unit
Board Cause No:
Eff Date:
Siting:
R649-3-11. Directional Drill

COMMENTS:

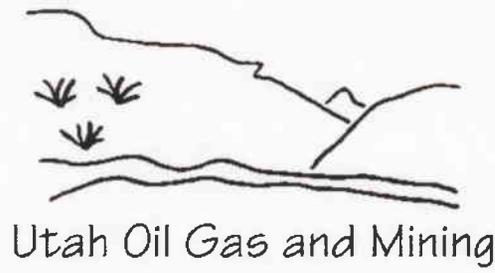
Sop, Separate file

STIPULATIONS:

1- Federal Approval
2- Spacing Strip



OPERATOR: NEWFIELD PROD CO (N2695)
SEC. 7 T.9S R.18E
FIELD: EIGHT MILE FLAT NORTH (590)
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: 15-DECEMBER-2004



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

December 15, 2004

Newfield Production
Rt. #3, Box 3630
Myton, UT 84052

Re: Federal 16-7-9-18 Well, 660' FSL, 660' FEL, SE SE, Sec. 7, T. 9 South,
R. 18 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 43-047-36162.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

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

Operator: Newfield Production
Well Name & Number Federal 16-7-9-18
API Number: 43-047-36162
Lease: UTU-16540

Location: SE SE **Sec.** 7 **T.** 9 South **R.** 18 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

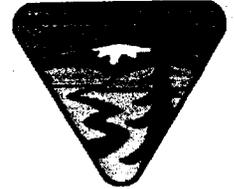
All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells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

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

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



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Newfield
Well No: Federal 16-7-9-18
API No: 43-047-36162
Location: SESE, Sec. 7, T9S, R18E
Lease No: UTU-16540
Agreement: N/A

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	
After hours contact number:	(435) 781-4513	FAX: (435) 781-4410	

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations.

NOTIFICATION REQUIREMENTS

- | | |
|--|--|
| Location Construction
(Notify Melissa Hawk) | - Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion
(Notify Melissa Hawk) | - Prior to moving on the drilling rig. |
| Spud Notice
(Notify PE) | - Twenty-Four (24) hours prior to spudding the well. |
| Casing String & Cementing
(Notify SPT) | - Twenty-Four (24) hours prior to running casing and cementing) all casing strings. |
| BOP & Related Equipment Tests
(Notify SPT) | - Twenty-Four (24) hours prior to initiating pressure tests. |
| First Production Notice
(Notify PE) | - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

RECEIVED
 DEC 13 2004
 BLM VERMIL, UTAH

Form 3160-3
 (September 2001)

FORM APPROVED
 OMB No. 1004-0136
 Expires January 31, 2004

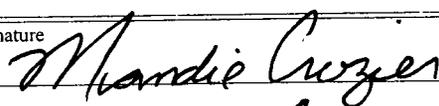
UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-16540
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Newfield Production		7. If Unit or CA Agreement, Name and No. N/A
3a. Address Route #3 Box 3630, Myton UT 84052	3b. Phone No. (include area code) (435) 646-3721	8. Lease Name and Well No. Federal 16-7-9-18
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SE/SE 660' FSL 660' FEL At proposed prod. zone		9. API Well No. 4310A7136162
14. Distance in miles and direction from nearest town or post office* Approximatley 18.3 miles southeast of Myton, Utah		10. Field and Pool, or Exploratory Eight Mile Flat
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) Approx. 660' f/lse, NA f/unit	16. No. of Acres in lease 1356.44	11. Sec., T., R., M., or Blk. and Survey or Area SE/SE Sec. 7, T9S R18E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx. 1322'	19. Proposed Depth 5850'	12. County or Parish Uintah
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5056' GL	22. Approximate date work will start* 2nd Quarter 2005	13. State UT
24. Attachments		17. Spacing Unit dedicated to this well 40 Acres
		20. BLM/BIA Bond No. on file UTU0056
		23. Estimated duration Approximately seven (7) days from spud to rig release.

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

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

25. Signature 	Name (Printed/Typed) Mandie Crozier	Date 12/18/04
Title Regulatory Specialist		
Approved by (Signature) 	Name (Printed/Typed) Assistant Field Manager	Date 12/08/2005
Title Assistant Field Manager Mineral Resources	Office	

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

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

*(Instructions on reverse)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

DEC 18 2005

DIV. OF OIL, GAS & MINING

05J/M 02774

No NBS

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

This well is being approved in accordance with Washington Instruction Memorandum 2005-247 and Section 390 (Category 3) of the Energy Policy Act which establishes statutory categorical exclusions (CX) under the National Environmental Policy Act (NEPA). Category 3 states that an oil or gas well can be drilled within a developed field for which an approved land use plan or any environmental document prepared pursuant to NEPA analyzed drilling as a reasonably foreseeable activity, so long as such plan or document was approved within five (5) years prior to the date of spudding the well. This well is covered under the *Final Environmental Impact Statement and Record of Decision Castle Peak and Eightmile Flat Oil and Gas Exploration Project Newfield Rocky Mountains Inc.*, signed November 21, 2005. If the well has not been spudded by November 21, 2010, a new environmental document will have to be prepared prior to the approval of the APD.

Mountain Plover surveys would have to be conducted in accordance with the U.S. Fish and Wildlife Service Mountain Plover Survey Guidelines.

No construction or drilling shall be allowed during the burrowing owl nesting season (April 1 to Aug. 15), without first consulting the BLM biologist. If no nesting owls are found, drilling will be allowed.

4 to 6 inches of topsoil shall be stripped from the locations and placed as shown on the cut sheet. The topsoil shall be respread over the entire location as soon as completion operations have been finished and recontouring is complete. At this point the production equipment can be set. The areas of the location not needed for production operations, including the reserve pits, shall be seeded with crested wheatgrass (variety Hycrest) at a rate of 12 lbs per acre. The 12 lb/acre rate is considering pure live seed. The interim seeding shall be done by either drilling the seed or by broadcasting the seed and dragging it with a spike tooth harrow.

The pipeline trench for the gas lines shall be dug in the borrow ditch of the road and the trench material side cast into the existing vegetation. When backfilling the trenches, care should be taken to disturb as little of the vegetation as possible and thus allowing the existing plants to reestablish on their own, however, this area should also be seeded with crested wheatgrass at the 12 lb/acre rate to ensure vegetation establishment and to keep invasive weeds to a minimum. All seeding of the pipelines shall be completed using a seed drill.

No pipeline construction will be allowed when soils are muddy and rutting of soils becomes apparent from the use of vehicles. If rutting occurs, operations must cease until soils are dry or frozen.

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

1. Casing cementing operations for production casing shall return cement to surface.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
4. Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.

All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.

BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

5. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
6. 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 BLM, Vernal Field Office. If operations are to be suspended

for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.

7. Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM 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 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Vernal Field Office.

Please submit an electronic copy of all logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. 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 other).

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

10. Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the

API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.

11. A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 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 Onshore Oil & Gas Order No. 3.
12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - a. Operator name, address, and telephone number.
 - b. Well name and number.
 - c. Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
 - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - g. Unit agreement and / or participating area name and number, if applicable.
 - h. Communitization agreement number, if applicable.
13. Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
15. Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: NEWFIELD PRODUCTION COMPANY

Well Name: FEDERAL 16-7-9-18

Api No: 43-047-36162 Lease Type: FEDERAL

Section 07 Township 09S Range 18E County UINTAH

Drilling Contractor ROSS DRILLING RIG # 21

SPUDDED:

Date 12/28/05

Time 2:00 PM

How DRY

Drilling will Commence: _____

Reported by TROY

Telephone # 1-435-823-1990

Date 12/28/2005 Signed CHD

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
ENTITY ACTION FORM - FORM 6

OPERATOR: NEWFIELD PRODUCTION COMPANY
ADDRESS: RT. 3 BOX 3630
MYTON, UT 84052

OPERATOR ACCT. NO. N2695

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
✓ B	99999	11492	43-013-32754	JONAH FEDERAL 16-15-9-16	SESE	15	9S	16E	DUCHESNE	12/28/05	1/5/06
WELL COMMENTS: <i>GRUV</i> CONFIDENTIAL J											
✓ B	99999	14844	43-047-36162	FEDERAL 16-7-9-18	SESE	7	9S	18E	UINTAH	12/28/05	1/5/06
WELL COMMENTS: <i>GRUV Sundance Unit</i> - J											
✓ B	99999	14844	43-047-36160	FEDERAL 4-7-9-18	NWNW	7	9S	18E	UINTAH	12/30/05	1/5/06
WELL COMMENTS: <i>GRUV Sundance Unit</i> - J											
✓ B	99999	12391	43-013-32795	GREATER BOUNDARY 1A-3-9-17	NENE	3	9S	17E	DUCHESNE	12/31/05	1/5/06
WELL COMMENTS: <i>GRUV</i> - J											
✓ B	99999	14844	43-047-35765	FEDERAL 7-9-9-18	SWNE	9	9S	18E	UINTAH	01/03/06	1/5/06
WELL COMMENTS: <i>GRUV Sundance Unit</i> - J											
✓ B	99999	14844	43-047-35831	FEDERAL 15-31-8-18	SWSE	31	8S	18E	UINTAH	01/04/06	1/5/06
WELL COMMENTS: <i>GRUV Sundance Unit</i> - J											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well case)
- B - Add new well to existing entity (group or 22 well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (please list in comments section)

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

Kim Kettle
Signature Kim Kettle

Production Clerk
Title

January 4, 2006
Date

RECEIVED

JAN 04 2006

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.
UTU-16540

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or C.A. Agreement Designation
SUNDANCE

8. Well Name and No.
FEDERAL 16-7-9-18

9. API Well No.
43-047-36162

10. Field and Pool, or Exploratory Area
EIGHT MILE FLAT NORTH

11. County or Parish, State
UINTAH COUNTY, UT.

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator
NEWFIELD PRODUCTION COMPANY

3. Address and Telephone No.
Rt. 3 Box 3630, Myton Utah, 84052 435-646-3721

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)
660 FSL 660 FEL SE/SE Section 7, T9S R18E

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent <input type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other Permit Extension
	<input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Newfield Production Company requests to extend the Permit to Drill this well for one year. The original approval date was 12/15/04 (expiration 12/15/05).

Approved by the
Utah Division of
Oil, Gas and Minerals
 Date: 12-13-05
 By: [Signature]

DEC 07 2005

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

Signed Mandie Crozier Title Regulatory Specialist Date 12/6/2005
 Mandie Crozier

CC: UTAH DOGM

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

CC: Utah DOGM

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.

RESET

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

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

API: 43-047-36162
Well Name: Federal 16-7-9-18
Location: SE/SE Section 7, T9S R18E
Company Permit Issued to: Newfield Production Company
Date Original Permit Issued: 12/15/2004

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 *NA*

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

Mark Crozier
Signature

12/5/2005
Date

Title: Regulatory Specialist

Representing: Newfield Production Company

DEC 07 2005

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side		5. Lease Serial No. UTU16540
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name.
2. Name of Operator Newfield Production Company		7. If Unit or CA/Agreement, Name and/or No. SUNDANCE UNIT
3a. Address Route 3 Box 3630 Myton, UT 84052	3b. Phone No. (include are code) 435.646.3721	8. Well Name and No. FEDERAL 16-7-9-18
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660 FSL 660 FEL SE/SE Section 7 T9S R18E		9. API Well No. 4304736162
		10. Field and Pool, or Exploratory Area Monument Butte
		11. County or Parish, State Uintah, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug & Abandon	<input type="checkbox"/> Temporarily Abandon	Spud Notice
	<input type="checkbox"/> Convert to Injector	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	_____

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate 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.)

On 12/28/2005 MIRU Ross Rig # 21. Spud well @ 2:00 PM. Drill 320' of 12 1/4" hole with air mist. TIH W/ 7 Jt's 8 5/8" J-55 24 # csgn. Set @ 327.49'/ KB On 12/31/2005 cement with 160 sks of class "G" w/ 2% CaCL2 + 1/4# sk Cello- Flake Mixed @ 15.8 ppg > 1.17 cf/ sk yeild. Returned 8 bbls cement to pit. WOC.

I hereby certify that the foregoing is true and correct Name (Printed/ Typed) Troy Zufelt	Title Drilling Foreman
Signature 	Date 01/04/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____	Title _____	Date _____
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.	Office _____	

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

(Instructions on reverse)

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JAN 09 2006

NEWFIELD PRODUCTION COMPANY - CASING & CEMENT REPORT

8 5/8 CASING SET AT 327.49

LAST CASING 8 5/8" set @ 327.49
 DATUM 12' KB
 DATUM TO CUT OFF CASING _____
 DATUM TO BRADENHEAD FLANGE _____
 TD DRILLER 320' LOGGER _____
 HOLE SIZE 12 1/4

OPERATOR Newfield Production Company
 WELL Federal 16-7-9-18
 FIELD/PROSPECT Monument Butte
 CONTRACTOR & RIG # Ross Rig # 21

LOG OF CASING STRING:							
PIECES	OD	ITEM - MAKE - DESCRIPTION	WT / FT	GRD	THREAD	CONDT	LENGTH
		Shoe Joint 45.41'					
		WHI - 92 csg head			8rd	A	0.95
7	8 5/8"	Maverick ST&C csg	24#	J-55	8rd	A	315.64
		GUIDE shoe			8rd	A	0.9
CASING INVENTORY BAL.		FEET	JTS	TOTAL LENGTH OF STRING			317.49
TOTAL LENGTH OF STRING		317.49	7	LESS CUT OFF PIECE			2
LESS NON CSG. ITEMS		1.85		PLUS DATUM TO T/CUT OFF CSG			12
PLUS FULL JTS. LEFT OUT		0		CASING SET DEPTH			327.49
TOTAL		315.64	7	} COMPARE			
TOTAL CSG. DEL. (W/O THRDS)		315.64	7				
TIMING		1ST STAGE					
BEGIN RUN CSG.	Spud	12/28/2005	2:00 PM	GOOD CIRC THRU JOB	Yes		
CSG. IN HOLE		12/29/2005	4:00 PM	Bbls CMT CIRC TO SURFACE	8		
BEGIN CIRC		12/31/2005	2:10 PM	RECIPROCATED PIPE FOR	N/A		
BEGIN PUMP CMT		12/31/2005	2:24 PM				
BEGIN DSPL. CMT		12/31/2005	2:35 PM	BUMPED PLUG TO	590 PSI		
PLUG DOWN		12/31/2005	2:42 PM				
CEMENT USED		CEMENT COMPANY- B. J.					
STAGE	# SX	CEMENT TYPE & ADDITIVES					
1	160	Class "G" w/ 2% CaCL2 + 1/4#/sk Cello-Flake mixed @ 15.8 ppg 1.17 cf/sk yield					
CENTRALIZER & SCRATCHER PLACEMENT		SHOW MAKE & SPACING					
Centralizers - Middle first, top second & third for 3							

COMPANY REPRESENTATIVE Troy Zufelt DATE 12/31/2005

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 NEWFIELD PRODUCTION COMPANY

3a. Address Route 3 Box 3630
 Myton, UT 84052

3b. Phone No. (include are code)
 435.646.3721

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 660 FSL 660 FEL
 SE/SE Section 7 T9S R18E

5. Lease Serial No.
 UTU16540

6. If Indian, Allottee or Tribe Name.

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

8. Well Name and No.
 FEDERAL 16-7-9-18

9. API Well No.
 4304736162

10. Field and Pool, or Exploratory Area
 Monument Butte

11. County or Parish, State
 Uintah, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug & Abandon	<input type="checkbox"/> Temporarily Abandon	Weekly Status Report _____
	<input type="checkbox"/> Convert to Injector	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	_____

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate 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.)

On 1/29/06 MIRU Union Rig # 14. Set all equipment. Pressure test Kelly, TIW, Choke manifold, & Bop's to 2,000 psi. Test 8.625 csgn to 1,500 psi. Vernal BLM field, & Roosevelt DOGM office was notified of test. PU BHA and tag cement @ 257'. Drill out cement & shoe. Drill a 7.875 hole with fresh water to a depth of 5950'. Lay down drill string & BHA. Open hole log w/ Dig/SP/GR log's TD to surface. Decision made to plug well, not enough pay P/U DP TIH to 4151'. Set first plug at 4151 to 3628 W/ 195 sks class "G" cmt mixed at 15.8 ppg 2% CaCL2. TOOH 10 stds wait 4 hrs, TIH and tag cmt at 3628. Lay down 54 jts of DP and TIH 8 stds to 2453 set # 2 plug at 2453 to 2235 W/ 85 sks class "G" cmt W/ 2% CaCL2 mixed at 15.8 ppg TOOH 7 stds Wait on cmt 6 hrs. TIH 4 stds tag # 2 plug at 2275'. Top off plug # 2 W/ 40 sks Class "G" 2% CaCL2 mixed 15.8 ppg top of plug should be at 2150'. LD 64 jts of DP and TIH W/ 7 stds of DP to 440'. Set plug # 3 F/ 440' to surface W/ 210 sks class "G" neat cmt mixed at 15.8 ppg. Release rig at 9:00 PM. On 2/11/06 RIH W/ 60' of 1" pipe top off well W/ 50 sks of cmt Class "G" neat cmt mixed at 15.8 ppg. Cut off well head and weld dry hole marker on 2/15/06.

I hereby certify that the foregoing is true and correct Name (Printed/ Typed) Alvin Nielsen	Title Drilling Foreman
Signature <i>Alvin Nielsen</i>	Date 02/15/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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(Instructions on reverse)

RECEIVED

FEB 22 2006

DIV. OF OIL, GAS, AND GEOTHERMAL ENERGY

SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);				38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
			<p style="text-align: center;">Well Name Federal 16-7-9-18</p>	Garden Gulch Mkr Garden Gulch 1 Garden Gulch 2 Point 3 Mkr X Mkr Y-Mkr Douglas Creek Mkr BiCarbonate Mkr B Limestone Mkr Castle Peak Basal Carbonate Total Depth (LOGGERS)		