

ST

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| |
|--|
| 5. LEASE DESIGNATION AND SERIAL NO. UTU-28212 |
| 6. IF INDIAN, ALLOTTEE OR TRIBE NAME na |
| 7. UNIT AGREEMENT NAME na |
| 8. FARM OR LEASE NAME na |
| 9. WELL NO. Horseshoe Bend 3-33 |
| 10. FIELD OR LEASE NAME Wildcat Horseshoe Bend 628 |
| 11. Sec., T., R., M., OR BLK AND SURVEY OR AREA Sec 33, T6S, R21E |
| 12. COUNTY OR PARISH Uintah |
| 13. STATE Utah |
| 20. ROTARY OR CABLE TOOLS Rotary |
| 22. APPROX. DATE WORK WILL START Dec. 15, 2004 |

1a TYPE OF WORK
DRILL **DEEPEN** **PLUG BACK**

B TYPE OF WELL
OIL **GAS**
WELL **WELL** **OTHER** **SINGLE** **MULTIPLE ZONE**

2. NAME OF OPERATOR
The Houston Exploration Company

3. ADDRESS OF OPERATORS
1100 Louisiana Suite 2000 Houston, TX 77002

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)
 at surface **499' FNL & 1961' FWL NENW 622243 X 40.261231**
 At proposed prod. Zone **same as above 4457533Y -109.562482**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
25.3 miles south of Vernal, UT

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)
4,500

16. NO. OF ACRES IN LEASE
360

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

16. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING COMPLETED. OR APPLIED FOR, ON THIS LEASE, FT. **499'**

19. PROPOSED DEPTH
7,375

21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.)
4979.1 GR

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|---------------|----------------|-----------------|---------------|--------------------|
| 11" | 8 5/8" | 36# | 2000' | 779 sks |
| 7 7/8" | 4 1/2" | 11.6# | T.D. | 600 sks |

The operator requests permission to drill the subject well. Please find the attached 10 point plan and 13 point plan. Oil and gas are expected to be produced.

**William A Ryan
290 S 800 E
Vernal, UT 84078
435-789-0968**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24
 SIGNATURE William A. Ryan TITLE Agent DATE Nov. 15, 2004

(This space for Federal or State Office use)

PERMIT NO. 43-047-36215 APPROVAL DATE _____

APPROVED BY Bradley G. Hill TITLE BRADLEY G. HILL DATE 11-06-05
 CONDITIONS OF APPROVAL, IF ANY: ENVIRONMENTAL SCIENTIST III

**RECEIVED
JAN 05 2005**

*See Instructions on Reverse Side

DIV. OF OIL, GAS & MINING

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**

T6S, R21E, S.L.B.&M.

1967 Brass Cap
0.2' High, Pile
of Stones

S89°44'52"W - 2645.08' (Meas.)

S89°45'W - 2644.29' (G.L.O.)

1957 Brass Cap
0.3' High, Pile
of Stones

HORSESHOE BEND #3-33
Elev. Ungraded Ground = 4984'

1961'

499'

N00°15'08"E - 2665.27' (Meas.)

1957 Brass Cap
1.2' High, Pile
of Stones

33

N00°15'E - 2665.74' (G.L.O.)

LOT 2

GREEN RIVER

T6S
T7S

S89°06'W - 5351.94' (G.L.O.)

N00°26'W - 5270.76' (G.L.O.)

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
LATITUDE = 40°15'40.59" (40.261275)
LONGITUDE = 109°33'47.41" (109.563169)
(AUTONOMOUS NAD 27)
LATITUDE = 40°15'40.72" (40.261311)
LONGITUDE = 109°33'44.92" (109.562478)

THE HOUSTON EXPLORATION COMPANY

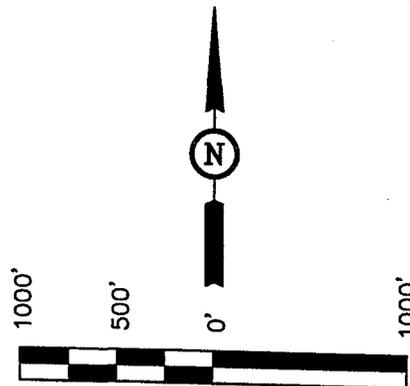
Well location, HORSESHOE BEND #3-33, located as shown in the NE 1/4 NW 1/4 of Section 33, T6S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 33, T6S, R21E, S.L.B.&M. TAKEN FROM THE VERNAL SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4942 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.

[Signature]
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161318
STATE OF UTAH

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

| | | |
|---------------------------|---|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 09-08-04 | DATE DRAWN: 09-23-04 |
| PARTY G.O. B.C. D.R.B. | REFERENCES G.L.O. PLAT | |
| WEATHER WARM | FILE THE HOUSTON EXPLORATION COMPANY | |

002

SELF-CERTIFICATION STATEMENT

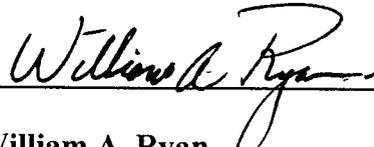
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that The Houston Exploration Company are considered to be the operator of the following well.

**Horseshoe Bend 3-33
Section 33, T.6S, R. 21 E.
NE 1/4, NW 1/4
Lease UTU-28212
Uintah County, Utah**

The Houston Exploration Company is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond 104155044 provides state-wide bond coverage on all Federal lands.



**William A. Ryan
Agent
Rocky Mountain Consulting
350 S. 800 E.
Vernal UT 84078
435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax
rmcwar@hotmail.com**

Ten Point Plan**The Houston Exploration Company**

Horseshoe Bend 3-33

Surface Location NE ¼ NW ¼, Section 33, T. 6S., R. 21 E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

| <u>Formation</u> | <u>Depth</u> | <u>Datum</u> |
|-------------------------|--------------|--------------|
| Green River | Surface | +4,979' G.L. |
| Uteland Butte Limestone | 3,946 | +1,033' |
| Wasatch | 4,080 | + 899' |
| Mesaverda | 5,747 | -768' |
| Buck Tounge | 8,080 | -3,101' |
| Castlegate | 8,152 | -3,173' |
| Mancos | 8,447 | -3,468' |
| TD | 7,375 | -2,396 |

A 11" hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Producing Formation Depth:

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information: Wells within a one-mile radius. NONE

4. Proposed Casing:

| <u>Hole Size</u> | <u>Casing Size</u> | <u>Weight/FT</u> | <u>Grade</u> | <u>Coupling & Tread</u> | <u>Casing Depth</u> | <u>New/Used</u> |
|------------------|--------------------|------------------|--------------|-----------------------------|---------------------|-----------------|
| 11 | 8 5/8 | 36# | J-55 | STC | 2000 | NEW |
| 7 7/8 | 4 ½ | 11.6# | N-80 | LTC | T.D. | NEW |

Cement Program:

The Surface Casing will be cemented to the Surface as follows:

| | <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|----------|------------------------|--|---------------------------|-------------------------|--------------------------|
| Lead: | 8 5/8 | Primium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride | 250 sks. +/- | 3.38ft ³ /sk | 11.0 ppg |
| Tail: | 8 5/8 | Class "G" 2% Calcium Chloride .25#/sk Cello Flake | 329 sks. +/- | 1.2ft ³ /sk | 15.6 ppg |
| Top Job: | 8 5/8 | 4% Calcium Chloride .25#/sk Cello Flake | 200 sks. +/- | 1.10ft ³ /sk | 15.6 ppg |

Production casing will be cemented to 2,500' or higher as follows:

| | <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|-------|------------------------|---|---------------------------|-------------------------|--------------------------|
| Lead: | 4 1/2 | Primium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate | 200 sks +/- | 3.3ft ³ /sk | 11.0 ppg |

Tail:

| | | | | |
|-------|---|-------------|-------------------------|----------|
| 4 1/2 | Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite | 400 sks +/- | 1.56ft ³ /sk | 14.3 ppg |
|-------|---|-------------|-------------------------|----------|

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

| <u>Interval</u> | <u>Mud weight lbs./gal.</u> | <u>Viscosity Sec./OT.</u> | <u>Fluid Loss MI/30 Mins.</u> | <u>Mud Type</u> |
|-----------------|---------------------------------|-------------------------------|-----------------------------------|-----------------|
| 0-2000 | Air/Clear Water | ----- | No Control | Water/Gel |
| 2000-T.D. | 8.4-12.0 | 30 | 8-10 | Water/Gel |

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

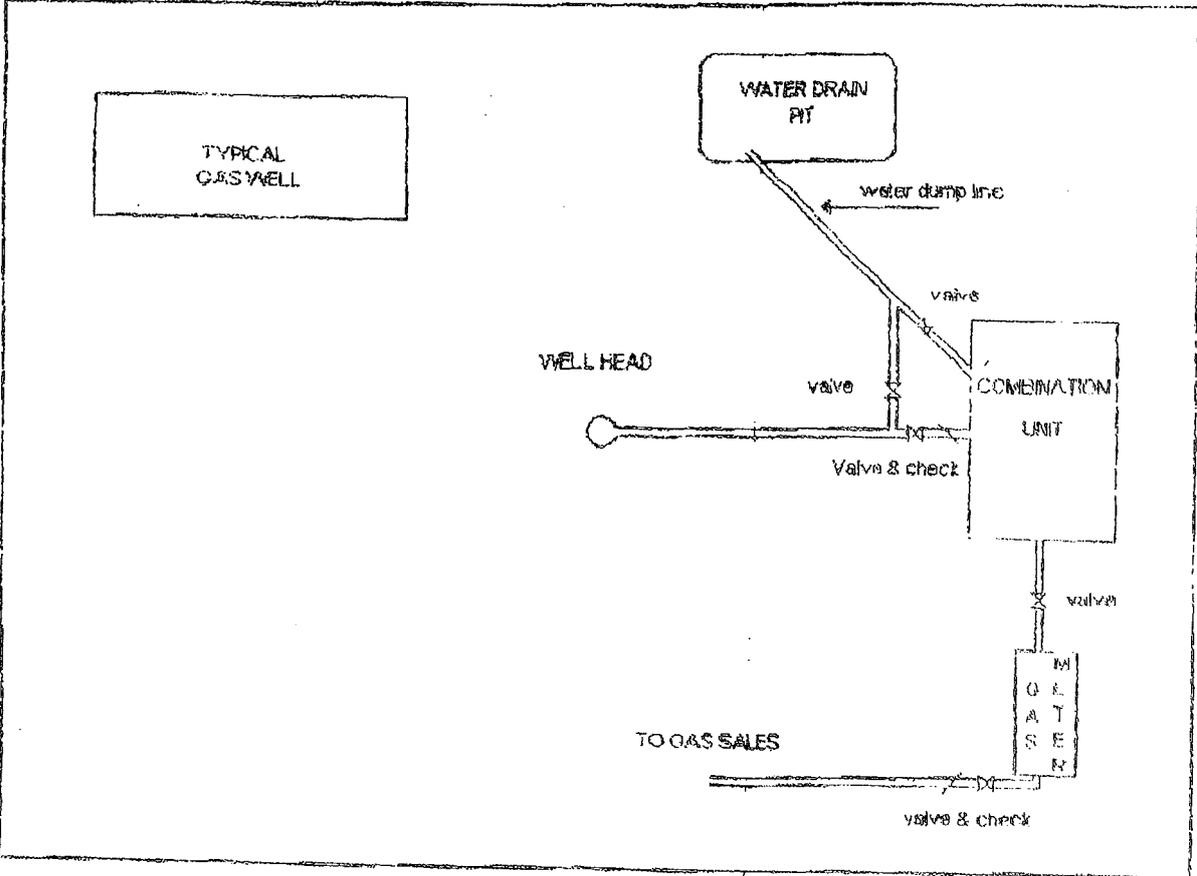
| | |
|---------------------|-------------------|
| Type | Interval |
| DLL/SFL W/GR and SP | T.D. to Surf. Csg |

9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

10. Drilling Schedule:

The anticipated starting date is December 15, 2004. Duration of operations is expected to be 30 days.



THE HOUSTON EXPLORATION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

HORSESHOE BEND 3-33

LOCATED IN NE ¼ NW ¼

SECTION 33, T.6S, R21E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-28212

SURFACE OWNERSHIP: FEDERAL

1. Existing Roads:

To reach The Houston Exploration Co well Horseshoe Bend 3-33 Section 33, T6S, R 21 E, Starting in Vernal, Utah.

Proceed in an easterly, then southerly direction from Vernal, Utah along US Highway 40 approximately 3.9 miles to the junction of State Highway 45; exit right and proceed in a southerly, then southeasterly direction approximately 13 miles on State Highway 45 to the junction of this road and an existing road to the west, turn right and proceed in a westerly direction approximately 4.2 miles to the junction of this road and an existing road to the northwest; turn right and proceed in a northwesterly direction approximately 3.6 miles to the junction of this road and an existing road to the northwest; proceed straight ahead northwesterly approximately 2.1 miles to the junction of this road. And an existing road to the northwest, then north; turn right and proceed in a northwesterly, then northerly direction approximately 0.5 miles to the junction of this road and an existing road to the northeast, then southeast; turn right and proceed in a northeasterly, then southeasterly direction approximately 0.8 miles to the junction of this road and an existing two-track road to the southeast, turn right and follow road flags in a southeasterly direction approximately 0.3 miles to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 28.4 miles.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 784' of existing two-track upgrade on lease and approximately 800' of existing two-track road will need to be upgraded off lease. The road will be graded once per year minimum and maintained.

| | |
|----------------------------------|-------------|
| A) Approximate length | 1584 ft |
| B) Right-of-Way width | 30 ft |
| C) Running surface | 18 ft |
| D) Surface material | Native soil |
| E) Maximum grade | 5% |
| F) Fence crossing | None |
| G) Culvert | None |
| H) Turnouts | None |
| I) Major cuts and fills | None |
| J) Road Flagged | Yes |
| K) Access road surface ownership | Federal |
| L) All new construction on lease | Yes |
| M) Pipe line crossing | No |

Please see the attached location plat for additional details.

An off lease Right-of-Way will be required for approximately 800' of existing two-track upgrade.

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

- | | |
|---|------|
| A) Producing well | None |
| B) Water well | None |
| C) Abandoned well | None |
| D) Temp. abandoned well | None |
| E) Disposal well | None |
| F) Drilling /Permitted well Horseshoe Bend 16-33 | |
| G) Shut in wells | None |
| H) Injection well | None |
| I) Monitoring or observation well | None |

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Carlsbad Canyon** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is **Carlsbad Canyon**.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

Approximately 7,800' +/- of 3" pipeline would be constructed on Federal Lands. The line would tie into the existing pipeline in Section 4, T7S, R21E . The line will be strung and boomed to the east of the location (cross country for approximately 2,700') and the north side of the access road.

An off lease Right-of-Way will be required for approximately 1,900' +/-.

Please see the attached location diagrams for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter.

Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer 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 report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from The White River at the Bonanza Bridge, Permit # - T75376.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **12 ft.** deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

- A) Pad length 330 ft
- B) Pad width 240 ft
- C) Pit depth 12 ft
- D) Pit length 147 ft
- E) Pit width 75 ft
- F) Max cut 20.1 ft
- G) Max fill 7.0 ft
- H) Total cut yds. 8,730 cu yds
- I) Pit location northwest side
- J) Top soil location

east end

K) Access road location

northwest end

L) Flare Pit

corner B

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

A) Thirty nine inch net wire shall

be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,630 cubic yards of material.

Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling

and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified. And left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

| | |
|--------------------------|----------------|
| Black Sage | 1#/acre |
| Shadscale | 4#/acre |
| Galleta Grass | 4#/acre |
| Indian Rice Grass | 3#/acre |

11. Surface ownership:

| | |
|--------------------|----------------|
| Access road | Federal |
| Location | Federal |
| Pipe line | Federal |

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of Sagebrush. Rabbit brush, Bitter Brush, and Indian Rice grass are also found on the

location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations, which would affect such sites will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is the Green River located 1 mile to the South.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

- a) Location Construction
At least forty eight (48) hours prior to

construction of location and access roads.

- b) Location completion
Prior to moving on the drilling rig.
- c) Spud notice
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

The flare pit will be located in corner B of the reserve pit outside the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan
Rocky Mountain Consulting

Vernal, UT 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

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 and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

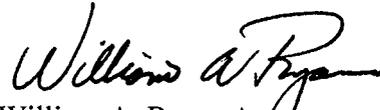
This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by The Houston Exploration Company and its contractors and subcontractors in conformity with this plan and

terms and conditions with this plan and the terms and conditions under which it is approved.

Date 11/30/04



William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Dates: 10/26/04

Statement of use of Hazardous Materials

No chemical(s) from the EPA's consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

William A Ryan
Agent for The Houston Exploration Company
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax

THE HOUSTON EXPLORATION COMPANY
HORSESHOE BEND #3-33
 LOCATED IN UTAH COUNTY, UTAH
 SECTION 33, T6S, R21E, S.L.B.&M.

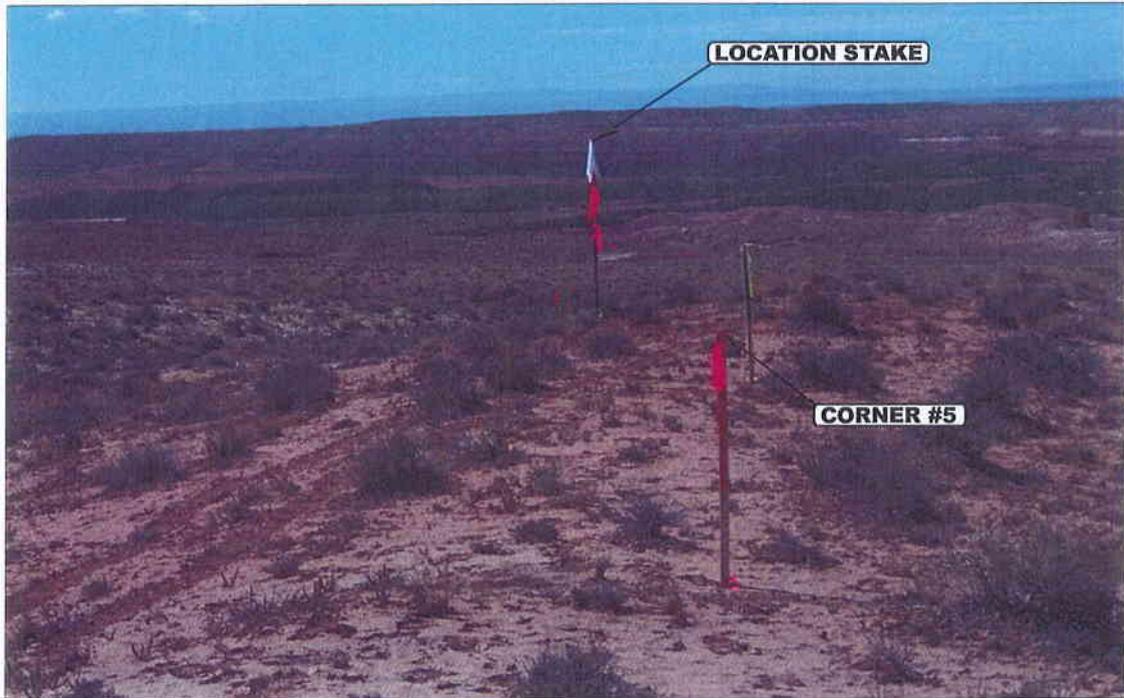


PHOTO: VIEW FROM LOCATION STAKE TO CORNER #1

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



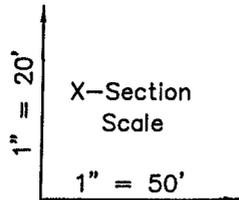
- Since 1964 -

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

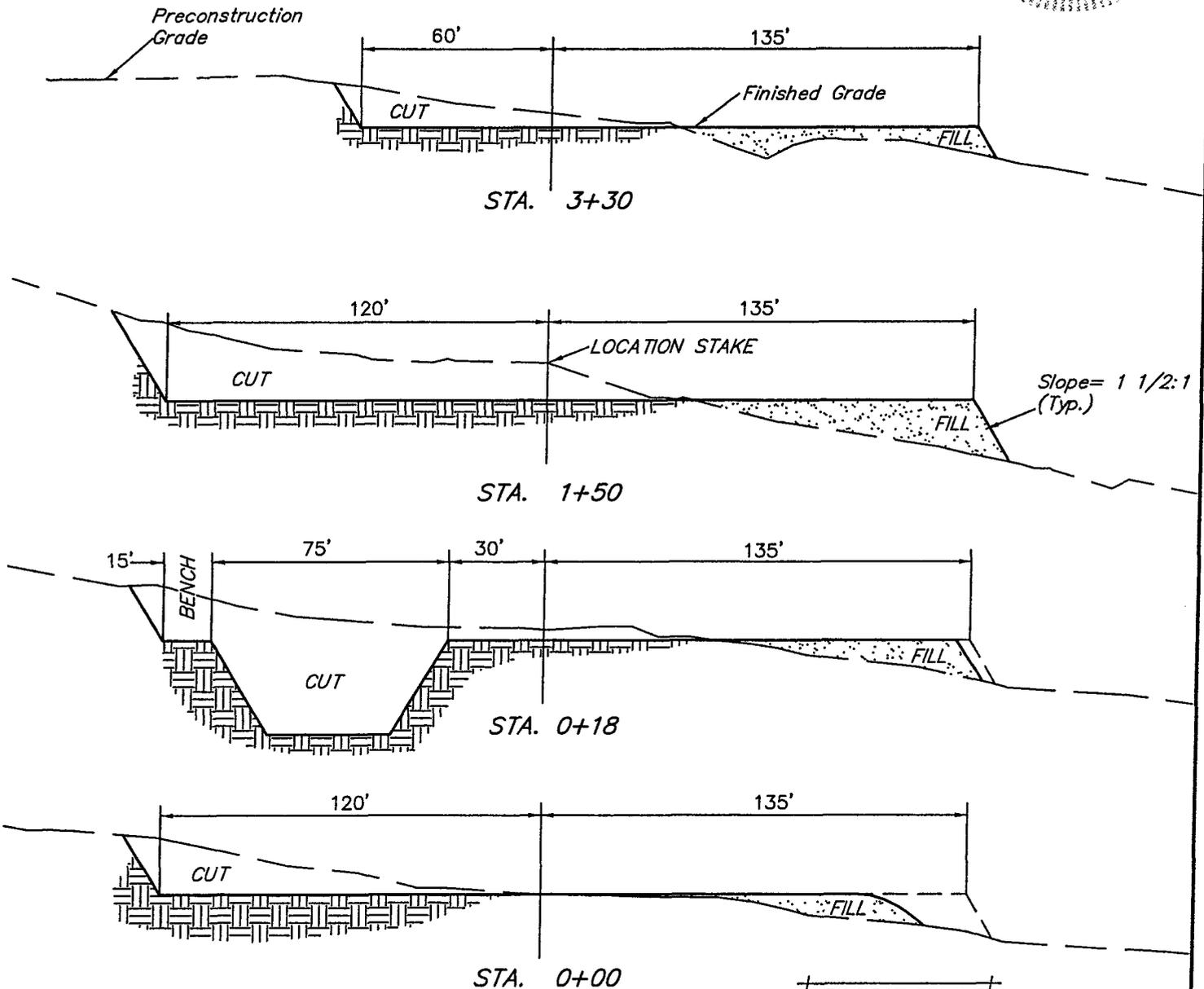
| | | | | | | |
|------------------------|----------------|-------------------|-----------|-----------|-----------|--------------|
| LOCATION PHOTOS | | | 09 | 29 | 04 | PHOTO |
| | | | MONTH | DAY | YEAR | |
| TAKEN BY: B.B. | DRAWN BY: C.P. | REVISED: 00-00-00 | | | | |

THE HOUSTON EXPLORATION COMPANY

TYPICAL CROSS SECTIONS FOR HORSESHOE BEND #3-33 SECTION 33, T6S, R21E, S.L.B.&M. 499' FNL 1961' FWL



DATE: 09-23-04
Drawn By: D.R.B.



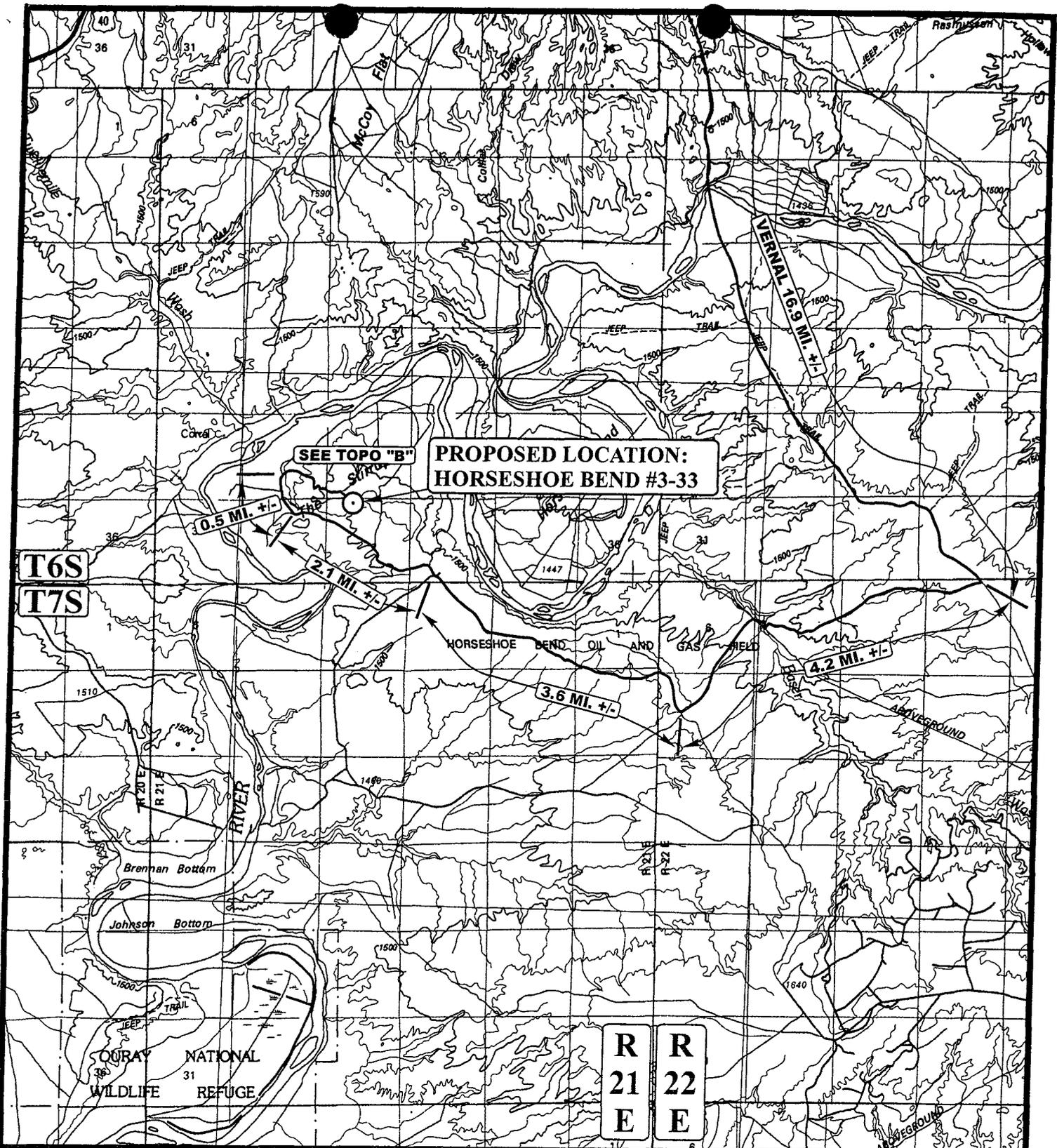
* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

FIGURE #2

APPROXIMATE YARDAGES

| | |
|------------------------|------------------------|
| CUT | |
| (6") Topsoil Stripping | = 1,630 Cu. Yds. |
| Remaining Location | = 7,100 Cu. Yds. |
| TOTAL CUT | = 8,730 CU.YDS. |
| FILL | = 5,440 CU.YDS. |

| | |
|--|------------------|
| EXCESS MATERIAL | = 3,290 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,290 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds. |



LEGEND:

○ PROPOSED LOCATION



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



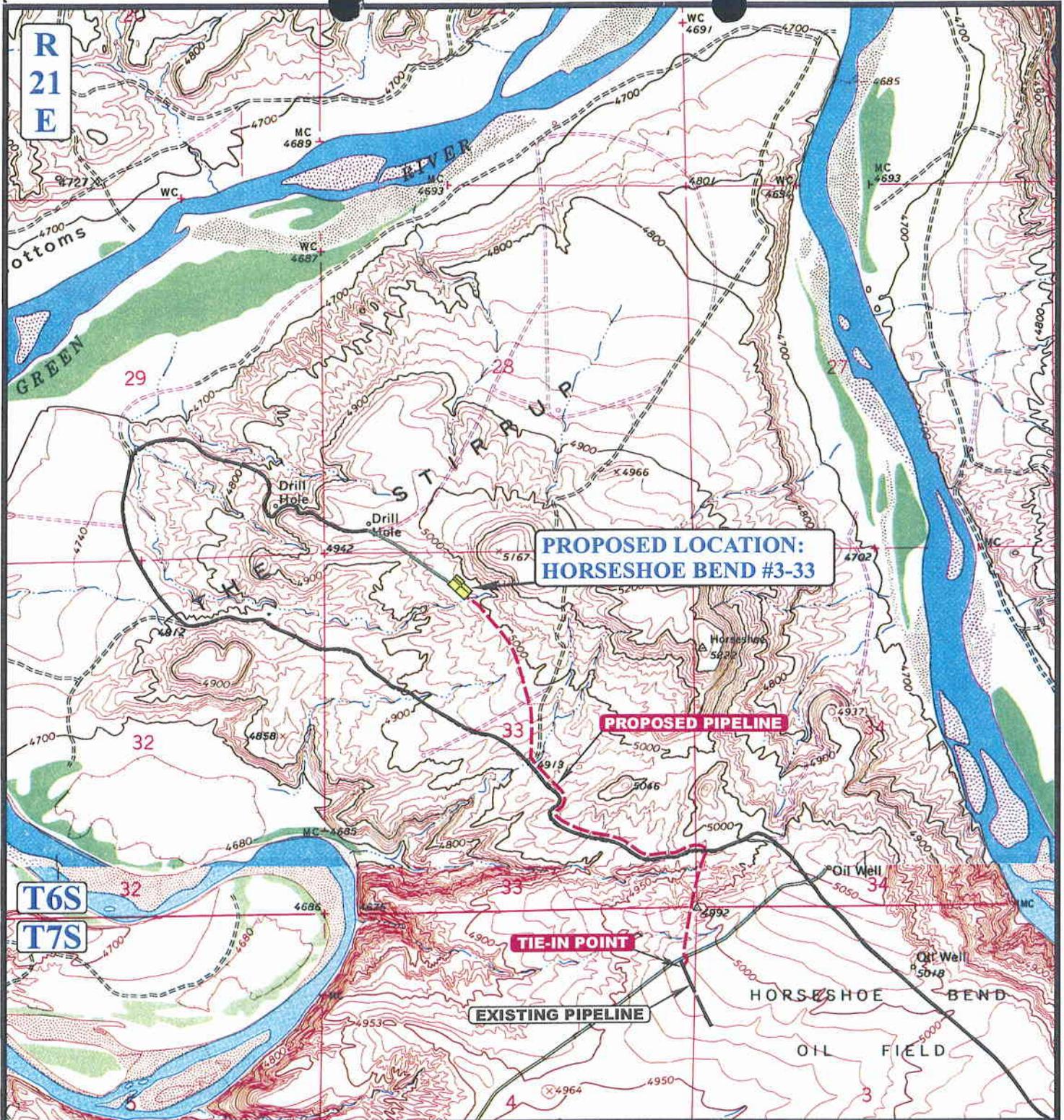
THE HOUSTON EXPLORATION COMPANY

HORSESHOE BEND #3-33
 SECTION 33, T6S, R21E, S.L.B.&M.
 499' FNL 1961' FWL

TOPOGRAPHIC MAP 09 29 04
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





**PROPOSED LOCATION:
HORSESHOE BEND #3-33**

PROPOSED PIPELINE

TIE-IN POINT

EXISTING PIPELINE

APPROXIMATE TOTAL PIPELINE DISTANCE = 7800' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  EXISTING 2-TRACK NEEDS UPGRADED



THE HOUSTON EXPLORATION COMPANY

**HORSESHOE BEND #3-33
SECTION 33, T6S, R21E, S.L.B.&M.
499' FNL 1961' FWL**



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

**TOPOGRAPHIC
MAP**

09 29 04
MONTH DAY YEAR

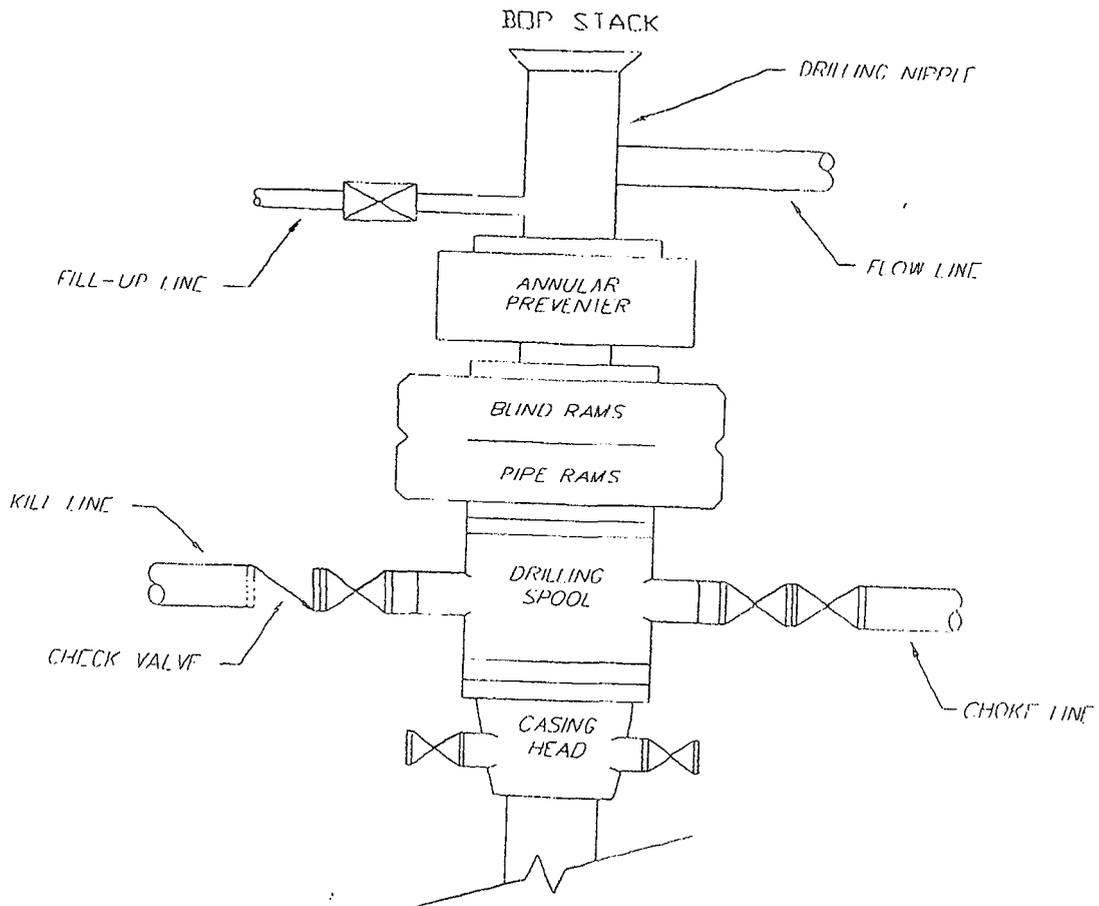
SCALE: 1" = 2000'

DRAWN BY: C.P. REVISED: 00-00-00

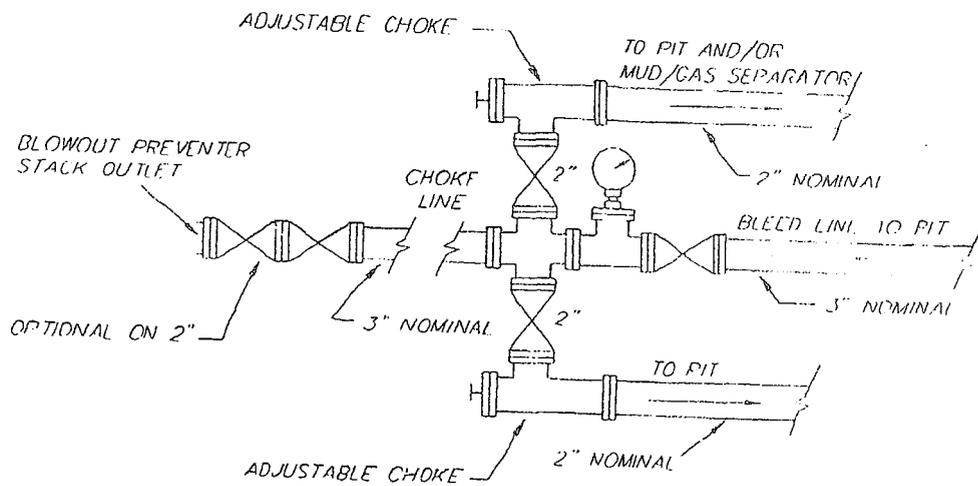


THE HOUSTON EXPLORATION COMPANY

TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i. CHOKER MANIFOLD SCHEMATIC



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/05/2005

API NO. ASSIGNED: 43-047-36215

WELL NAME: HORSESHOE BEND 3-33
OPERATOR: HOUSTON EXPLORATION CO, (N2525)
CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

NENW 33 060S 210E
SURFACE: 0499 FNL 1961 FWL
BOTTOM: 0499 FNL 1961 FWL
UINTAH
HORSESHOE BEND (620)

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

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-28212
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: MNCS
COALBED METHANE WELL? NO

LATITUDE: 40.26123
LONGITUDE: -109.5625

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 104155044)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. T75376)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

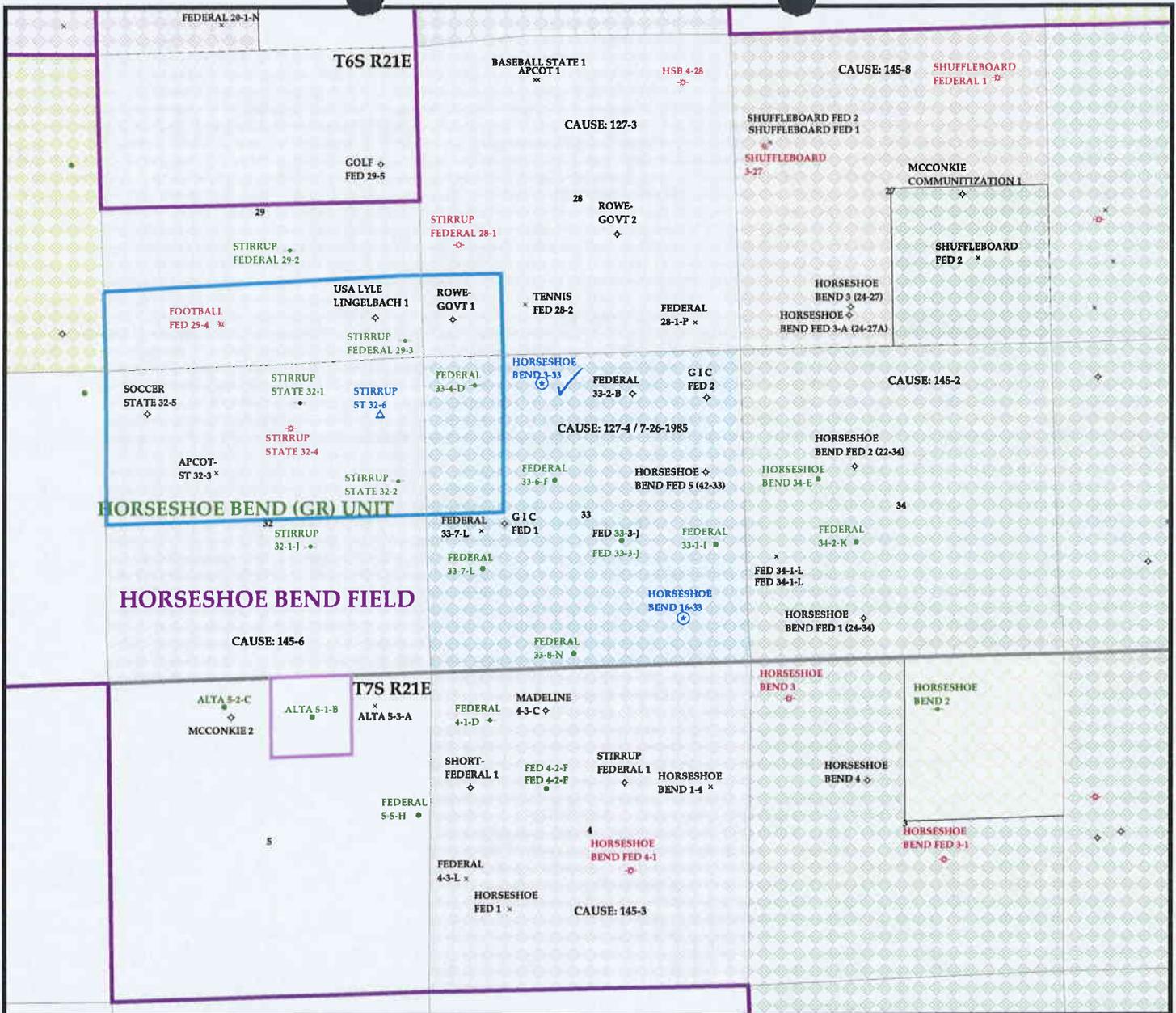
LOCATION AND SITING:

- 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: _____

STIPULATIONS: _____

1. General Approval
2- THE WELL CANNOT PRODUCE FROM
THE INTERVAL DEFINED IN CAUSE
127-4.



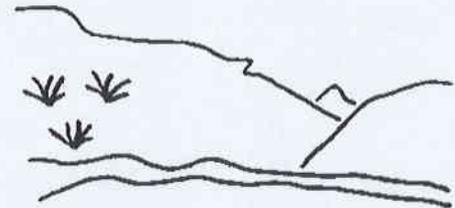
OPERATOR: THE HOUSTON EXPL CO (N2525)

SEC. 33 T.6S R.21E

FIELD: HORSESHOE BEND (620)

COUNTY: UINTAH

CAUSE: 127-4 / 7-26-1985



Utah Oil Gas and Mining

| 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: 6-JANUARY-2005



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

January 6, 2005

Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002

Re: Horseshoe Bend 3-33 Well, 499' FNL, 1961' FWL, NE NW, Sec. 33,
T. 6 South, R. 21 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 43-047-36215.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

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

Operator: Houston Exploration Company

Well Name & Number Horseshoe Bend 3-33

API Number: 43-047-36215

Lease: UTU-28212

Location: NE NW Sec. 33 T. 6 South R. 21 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. The well cannot produce from the interval defined in Cause #127-4.

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-28212

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.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Horseshoe Bend 3-33

2. NAME OF OPERATOR:
The Houston Exploration Company

9. API NUMBER:
4304736215

3. ADDRESS OF OPERATOR:
1100 Louisiana Suite 2000 City **Houston** STATE **TX** ZIP **77002**

PHONE NUMBER:
(713) 830-6800

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **499' FNL & 1961' FWL**

COUNTY: **Uintah**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENW 33 T6S 21E**

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: Extension |
| | <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.

The operator respectfully requests a one year extension for the subject location. Please find the attached Request for Permit Extension Validation form.

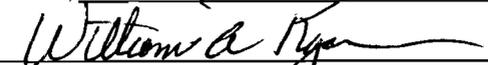
Approved by the
Utah Division of
Oil, Gas and Mining

Date: **02-13-06**
By: 

3-2-06
CHD

NAME (PLEASE PRINT) **William A. Ryan**

TITLE **Agent**

SIGNATURE 

DATE **2/6/2006**

(This space for State use only)

RECEIVED
FEB 13 2006



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

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

API: 43-047-36215-00

Well Name:

Location:

Company Permit Issued to:

Date Original Permit Issued:

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

2/6/2006
Date

Title: Agent

Representing: The Houston Exploration Company

RECEIVED

FEB 13 2006

OFFICE OF THE COMMISSIONER

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

| | | | | | | | |
|-------------------------|--|---|--|--|--|--------------------|--|
| 1. TYPE OF WELL | | OIL WELL <input type="checkbox"/> | | GAS WELL <input checked="" type="checkbox"/> | | OTHER _____ | |
| 2. NAME OF OPERATOR: | | The Houston Exploration Company | | | | | |
| 3. ADDRESS OF OPERATOR: | | 1100 Louisiana, Suite 2000 | | CITY Houston | | STATE TX ZIP 77002 | |
| | | | | PHONE NUMBER: | | (713) 830-6800 | |
| 4. LOCATION OF WELL | | FOOTAGES AT SURFACE: 499' FNL & 1961' FWL | | COUNTY: Uintah | | | |
| | | QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 33 6S 21E | | STATE: UTAH | | | |

| |
|--|
| 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-28212 |
| 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 7. UNIT or CA AGREEMENT NAME: |
| 8. WELL NAME and NUMBER: Horseshoe Bend 3-33 |
| 9. API NUMBER: 4304736215 |
| 10. FIELD AND POOL, OR WILDCAT: Wildcat |

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

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

Operator respectfully requests to extend approval for the subject location for one year.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02-28-07
By: [Signature]

DATE OF OPERATING
3-1-07
RM

| | |
|---|-------------------------------|
| NAME (PLEASE PRINT) <u>Ginger Stringham</u> | TITLE <u>Regulatory Agent</u> |
| SIGNATURE <u>[Signature]</u> | DATE <u>2/26/2007</u> |

(This space for State use only)

RECEIVED
FEB 28 2007
DIV. OF OIL, GAS & MINING

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

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

API: 4304736215
Well Name: Horseshoe Bend 3-33
Location: Section 33, Township 6 South, Range 21 East NENW
Company Permit Issued to: The Houston Exploration Company
Date Original Permit Issued: 1/6/2005

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

2/26/2007

Date

Title: Regulatory Agent

Representing: The Houston Exploration Company

RECEIVED
FEB 28 2007
DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

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

Change of Operator (Well Sold)

X - Operator Merger

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

6/1/2007

| | |
|---|--|
| FROM: (Old Operator): N2525 - The Houston Exploration Company 1100 Louisiana, Suite 2000 Houston, TX 77002 Phone: 1-(713) 830-6800 | TO: (New Operator): N6965-Forest Oil Corporation 707 17th St, Suite 3600 Denver, CO 80202 Phone: 1 (303) 812-1755 |
|---|--|

| WELL NAME | | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|-------------------|--|-----|-----|-----|--------|-----------|------------|-----------|-------------|
| SEE ATTACHED LIST | | | | | | | | | |

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: 7/30/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 7/30/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/31/2007
- 4a. Is the new operator registered in the State of Utah: Business Number: 571171-0143
- 4b. If **NO**, the operator was contacted on: _____
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: _____
- 5c. Reports current for Production/Disposition & Sundries on: YES
6. **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 7/31/2007 BIA
7. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
8. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 8/27/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 8/27/2007
- Bond information entered in RBDMS on: 8/27/2007
- Fee/State wells attached to bond in RBDMS on: 8/27/2007
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 7/30/2007

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: 6236351
- Indian well(s) covered by Bond Number: n/a
- 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 6218963
- 3b. The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 8/1/2007

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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| | | |
|--|--|--|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: See Attached List |
| 2. NAME OF OPERATOR: Forest Oil Corporation <i>N6965</i> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 707 17th Street, #3600 CITY Denver, STATE CO ZIP 80202 | | 7. UNIT or CA AGREEMENT NAME: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached list | | 8. WELL NAME and NUMBER: See Attached List |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: | | 9. API NUMBER: various |
| COUNTY: | | 10. FIELD AND POOL, OR WILDCAT: |
| STATE: UTAH | | |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| <input checked="" 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>Change of Operator</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. *N2525*

Effective 6/1/2007 please change the operator for the attached list of Utah wells from The Houston Exploration Company N-2525) to Forest Oil Corporation (N-6965). Forest merged with The Houston Exploration Company, a copy of the merger document is attached.. The contract operated wells will continue to be contract operated by Enduring.

Forest Oil Corporation as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning approved operations conducted on the lease or portion of the lease described.

Forest Oil Corporation meets the State of Utah bonding requirements under Safeco bond #6218963.

Please send all future correspondence to Forest Oil Corporation at the above listed address.

Forest Oil Corporation, 707 17th Street, Suite #3600, Denver, CO 80202

J.C. Ridens

J. C. Ridens, Senior Vice President - Western Region

7-5-07
Date

| | |
|---|--|
| NAME (PLEASE PRINT) <u>Joanne C. Hresko</u> | TITLE <u>Vice President & General Mgr. - Northern Division</u> |
| SIGNATURE <i>Joanne C. Hresko</i> | DATE <u>7-5-07</u> |

(This space for State use only)

APPROVED 8/27/07
Earlene Russell
(5/2000) **Earlene Russell, Engineering Technician**

All wells with APD or New status

(See Instructions on Reverse Side)

RECEIVED
JUL 30 2007
DIV OF OIL, GAS & MINING *WMP*

| well_name | sec | twp | rng | api | entity | lease | well | stat | flag |
|------------------------|-----|------|------|------------|--------|---------|------|------|------|
| HORSESHOE BEND 16-33 | 33 | 060S | 210E | 4304736214 | | Federal | OW | APD | |
| HORSESHOE BEND 3-33 | 33 | 060S | 210E | 4304736215 | | Federal | OW | APD | |
| N HORSESHOE 7-16-6-21 | 16 | 060S | 210E | 4304737438 | | State | GW | APD | C |
| N HORSESHOE 9-16-6-21 | 16 | 060S | 210E | 4304737439 | | State | GW | APD | C |
| N HORSESHOE 15-16-6-21 | 16 | 060S | 210E | 4304737440 | | State | GW | APD | C |
| N HORSESHOE 11-16-6-21 | 16 | 060S | 210E | 4304737441 | | State | GW | APD | C |
| N HORSESHOE 1-16-6-21 | 16 | 060S | 210E | 4304737442 | | State | GW | APD | C |
| N HORSESHOE 13-2-6-21 | 02 | 060S | 210E | 4304737476 | | State | GW | APD | C |
| N HORSESHOE 15-2-6-21 | 02 | 060S | 210E | 4304737477 | | State | GW | APD | C |
| GUSHER 2-2-6-19 | 02 | 060S | 190E | 4304737561 | | State | OW | APD | C |
| GUSHER 16-2-6-19 | 02 | 060S | 190E | 4304737562 | | State | OW | APD | C |
| GUSHER 1-2-6-19 | 02 | 060S | 190E | 4304737563 | | State | OW | APD | C |
| GUSHER 3-2-6-19 | 02 | 060S | 190E | 4304737568 | | State | OW | APD | C |
| E COYOTE 6-2-8-25 | 02 | 080S | 250E | 4304737572 | | State | GW | APD | C |
| E COYOTE 3-2-8-25 | 02 | 080S | 250E | 4304737573 | | State | GW | APD | C |
| E COYOTE 8-2-8-25 | 02 | 080S | 250E | 4304737574 | | State | GW | APD | C |
| N HORSESHOE 13-16-6-21 | 16 | 060S | 210E | 4304737575 | | State | GW | APD | C |
| E COYOTE 4-2-8-25 | 02 | 080S | 250E | 4304737882 | | State | GW | APD | C |
| E COYOTE 14-2-8-25 | 02 | 080S | 250E | 4304737883 | | State | GW | APD | C |
| E COYOTE 10-2-8-25 | 02 | 080S | 250E | 4304737884 | | State | GW | APD | C |
| E COYOTE 16-2-8-25 | 02 | 080S | 250E | 4304737885 | | State | GW | APD | C |
| E COYOTE 12-2-8-25 | 02 | 080S | 250E | 4304737886 | | State | GW | APD | C |
| N HORSESHOE 16-18-6-22 | 18 | 060S | 220E | 4304737887 | | Federal | GW | APD | C |
| N HORSESHOE 14-18-6-22 | 18 | 060S | 220E | 4304737888 | | Federal | GW | APD | C |
| N HORSESHOE 2-18-6-22 | 18 | 060S | 220E | 4304737889 | | Federal | GW | APD | C |
| N HORSESHOE 10-18-6-22 | 18 | 060S | 220E | 4304737890 | | Federal | GW | APD | C |
| N HORSESHOE 8-18-6-22 | 18 | 060S | 220E | 4304737891 | | Federal | GW | APD | C |
| N HORSESHOE 13-15-6-21 | 15 | 060S | 210E | 4304738013 | | Federal | GW | APD | C |
| N HORSESHOE 15-15-6-21 | 15 | 060S | 210E | 4304738014 | | Federal | GW | APD | C |
| N HORSESHOE 11-15-6-21 | 15 | 060S | 210E | 4304738015 | | Federal | GW | APD | C |
| N HORSESHOE 9-15-6-21 | 15 | 060S | 210E | 4304738016 | | Federal | GW | APD | C |
| N HORSESHOE 5-15-6-21 | 15 | 060S | 210E | 4304738017 | | Federal | GW | APD | C |
| N HORSESHOE 3-15-6-21 | 15 | 060S | 210E | 4304738018 | | Federal | GW | APD | C |
| N HORSESHOE 5-20-6-22 | 20 | 060S | 220E | 4304738019 | | Federal | GW | APD | C |
| N HORSESHOE 13-20-6-22 | 20 | 060S | 220E | 4304738020 | | Federal | GW | APD | C |
| N HORSESHOE 3-20-6-22 | 20 | 060S | 220E | 4304738021 | | Federal | GW | APD | C |
| N HORSESHOE 7-20-6-22 | 20 | 060S | 220E | 4304738022 | | Federal | GW | APD | C |
| N HORSESHOE 11-20-6-22 | 20 | 060S | 220E | 4304738023 | | Federal | GW | APD | C |
| N HORSESHOE 2-12-6-21 | 12 | 060S | 210E | 4304738198 | | Federal | GW | APD | C |
| N HORSESHOE 14-12-6-21 | 12 | 060S | 210E | 4304738199 | | Federal | GW | APD | C |
| N HORSESHOE 10-12-6-21 | 12 | 060S | 210E | 4304738200 | | Federal | GW | APD | C |
| N HORSESHOE 8-12-6-21 | 12 | 060S | 210E | 4304738201 | | Federal | GW | APD | C |
| N HORSESHOE 16-13-6-21 | 13 | 060S | 210E | 4304738202 | | Federal | GW | APD | C |
| N HORSESHOE 15-17-6-22 | 17 | 060S | 220E | 4304738203 | | Federal | GW | APD | C |
| N HORSESHOE 5-19-6-22 | 19 | 060S | 220E | 4304738204 | | Federal | GW | APD | C |
| N HORSESHOE 15-19-6-22 | 19 | 060S | 220E | 4304738205 | | Federal | GW | APD | C |
| N HORSESHOE 3-21-6-22 | 21 | 060S | 220E | 4304738206 | | Federal | GW | APD | C |
| N HORSESHOE 11-21-6-22 | 21 | 060S | 220E | 4304738207 | | Federal | GW | APD | C |
| N HORSESHOE 15-21-6-22 | 21 | 060S | 220E | 4304738208 | | Federal | GW | APD | C |
| N HORSESHOE 13-21-6-22 | 21 | 060S | 220E | 4304738209 | | Federal | GW | APD | C |
| N HORSESHOE 5-21-6-22 | 21 | 060S | 220E | 4304738210 | | Federal | GW | APD | C |
| N HORSESHOE 7-19-6-22 | 19 | 060S | 220E | 4304738271 | | Federal | GW | APD | C |
| N HORSESHOE 5-16-6-22 | 16 | 060S | 220E | 4304738406 | | State | GW | APD | |

| well_name | sec | twp | rng | api | entity | lease | well | stat | flag |
|----------------------------|-----|------|------|------------|--------|---------|------|------|------|
| TWELVEMILE WASH 11-13-5-20 | 13 | 050S | 200E | 4304738437 | | Federal | GW | APD | C |
| TWELVEMILE WASH 1-15-5-20 | 15 | 050S | 200E | 4304738438 | | Federal | GW | APD | C |
| N HORSESHOE 4-33-5-21 | 33 | 050S | 210E | 4304738439 | | Federal | GW | APD | C |
| GUSHER 6-15-6-19 | 15 | 060S | 190E | 4304738440 | | Federal | GW | APD | C |
| HORSESHOE BEND W 9-34-6-20 | 34 | 060S | 200E | 4304738441 | | Federal | GW | APD | C |
| N HORSESHOE 16-12-6-21 | 12 | 060S | 210E | 4304738442 | | Federal | GW | APD | C |
| N WALKER HOLLOW 12-29-6-23 | 29 | 060S | 230E | 4304738443 | | Federal | GW | APD | C |
| N WALKER HOLLOW 10-30-6-23 | 30 | 060S | 230E | 4304738444 | | Federal | GW | APD | C |
| PELICAN LAKE 11-3-8-20 | 03 | 080S | 200E | 4304738445 | | Federal | GW | APD | C |
| PELICAN LAKE 8-4-8-20 | 04 | 080S | 200E | 4304738446 | | Federal | GW | APD | C |
| E COYOTE 10-3-8-25 | 03 | 080S | 250E | 4304738447 | | Federal | GW | APD | C |
| BORDER 10-9-8-25 | 09 | 080S | 250E | 4304738448 | | Federal | GW | APD | C |
| N WALKER HOLLOW 14-33-6-23 | 33 | 060S | 230E | 4304738455 | | Federal | GW | APD | C |
| SNAKE JOHN WASH 14-11-7-25 | 11 | 070S | 250E | 4304738456 | | Federal | GW | APD | C |
| SNAKE JOHN WASH 4-24-7-25 | 24 | 070S | 250E | 4304738457 | | Federal | GW | APD | C |
| SQUAW RIDGE 1-26-7-25 | 26 | 070S | 250E | 4304738458 | | Federal | GW | APD | C |
| SQUAW RIDGE 13-28-7-25 | 28 | 070S | 250E | 4304738459 | | Federal | GW | APD | C |
| SQUAW RIDGE 16-30-7-25 | 30 | 070S | 250E | 4304738460 | | Federal | GW | APD | C |
| SQUAW RIDGE 14-16-7-25 | 16 | 070S | 250E | 4304738461 | | State | GW | APD | C |
| GUSHER 13-11-5-19 | 11 | 050S | 190E | 4304738462 | | State | GW | APD | C |
| N HORSESHOE 1-15-6-21 | 15 | 060S | 210E | 4304738831 | | Federal | GW | APD | C |
| N HORSESHOE 16-9-6-22 | 09 | 060S | 220E | 4304739083 | | State | GW | APD | |
| N HORSESHOE 12-7-6-22 | 07 | 060S | 220E | 4304739084 | | State | GW | APD | |
| N HORSESHOE 14-10-6-22 | 10 | 060S | 220E | 4304739085 | | State | GW | APD | |
| N HORSESHOE 2-15-6-22 | 15 | 060S | 220E | 4304739086 | | State | GW | APD | |
| N WALKER HOLLOW 12-32-6-23 | 32 | 060S | 230E | 4304739087 | | State | GW | APD | |
| N WALKER HOLLOW 10-32-6-23 | 32 | 060S | 230E | 4304739088 | | State | GW | APD | |
| N WALKER HOLLOW 16-32-6-23 | 32 | 060S | 230E | 4304739089 | | State | GW | APD | |
| N WALKER HOLLOW 8-32-6-23 | 32 | 060S | 230E | 4304739090 | | State | GW | APD | |
| N WALKER HOLLOW 11-36-6-23 | 36 | 060S | 230E | 4304739091 | | State | GW | APD | |
| N WALKER HOLLOW 13-36-6-23 | 36 | 060S | 230E | 4304739092 | | State | GW | APD | |
| N WALKER HOLLOW 14-32-6-23 | 32 | 060S | 230E | 4304739093 | | State | GW | APD | |
| N WALKER HOLLOW 15-36-6-23 | 36 | 060S | 230E | 4304739094 | | State | GW | APD | |
| N HORSESHOE 4-15-6-22 | 15 | 060S | 220E | 4304739095 | | State | GW | APD | |
| N HORSESHOE 9-10-6-21 | 10 | 060S | 210E | 4304739284 | | Federal | GW | APD | C |
| N HORSESHOE 12-13-6-21 | 13 | 060S | 210E | 4304739285 | | Federal | GW | APD | |
| N HORSESHOE 7-15-6-21 | 15 | 060S | 210E | 4304739286 | | Federal | GW | APD | |
| N HORSESHOE 9-19-6-22 | 19 | 060S | 220E | 4304739287 | | Federal | GW | APD | |
| N HORSESHOE 13-19-6-22 | 19 | 060S | 220E | 4304739288 | | Federal | GW | APD | |
| N HORSESHOE 11-19-6-22 | 19 | 060S | 220E | 4304739289 | | Federal | GW | APD | |
| SQUAW RIDGE 16-13-7-24 | 13 | 070S | 240E | 4304739319 | | Federal | GW | APD | C |
| N HORSESHOE 16-7-6-22 | 07 | 060S | 220E | 4304739320 | | Federal | GW | APD | C |
| SQUAW RIDGE 8-16-7-25 | 16 | 070S | 250E | 4304738024 | | State | GW | NEW | C |

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

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

| | |
|---|---|
| Well name: | Horseshoe Bend 3-33 |
| API number: | 4304736215 |
| Location: | Qtr-Qtr: NENW Section: 33 Township: 6S Range: 21E |
| Company that filed original application: | The Houston Exploration Company |
| Date original permit was issued: | 01/06/2005 |
| Company that permit was issued to: | The Houston Exploration Company |

| Check one | Desired Action: |
|-------------------------------------|---|
| <input type="checkbox"/> | Transfer pending (unapproved) Application for Permit to Drill to new operator |
| <input type="checkbox"/> | The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application. |
| <input checked="" type="checkbox"/> | Transfer approved Application for Permit to Drill to new operator |
| <input type="checkbox"/> | The undersigned as owner with legal rights to drill on the property as permitted, 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. | Yes | No |
|---|-------------------------------------|-------------------------------------|
| If located on private land, has the ownership changed? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If so, has the surface agreement been updated? | <input type="checkbox"/> | <input type="checkbox"/> |
| Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Has the approved source of water for drilling changed? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Is bonding still in place, which covers this proposed well? Bond No. <u>6218963</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Tami Hofmann Title Regulatory Specialist
 Signature *Tami Hofmann* Date 08/02/2007
 Representing (company name) Forest Oil Corporation

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.



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

April 29, 2008

Ginger Bowden
The Houston Exploration Co.
1100 Louisiana, Suite 2000
Houston, TX 77002

Re: APD Rescinded – Horseshoe Bend 3-33 Sec. 33, T. 6S, R. 21E
Uintah County, Utah API No. 43-047-36215

Dear Ms. Bowden:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (the Division) on January 6, 2005. On February 13, 2006 and on February 28, 2007, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill this well is hereby rescinded, effective April 29, 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



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Green River District-Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
<http://www.blm.gov/ut/st/en/fo/vernal.html>



IN REPLY REFER TO:
3160
UTG011

February 11, 2010

Charles A. Rasey
Forest Oil Corporation
707 17th Street, Suite 3600
Denver, CO 80202

43-047-36215

Re: Request to Return APD
Well No. Horseshoe Bend 3-33
NENW, Sec. 33, T6S, R21E
Uintah County, Utah
Lease No. UTU-28212

Dear Mr. Rasey:

The Application for Permit to Drill (APD) for the above referenced well received on December 20, 2004, is being returned unapproved per a request from Kelly Harris in an email message to Natural Resource Specialist Lori Ford received on February 10, 2010. The message stated that this is Forest Oil Corporation's official request to have the wells on the list in the email returned unapproved, as they are not going to pursue any work with them. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

If you have any questions regarding APD processing, please contact me at (435) 781-4502.

Sincerely,

James H. Sparger
Acting Assistant Field Manager
Lands & Minerals Resources

Enclosures

cc: UDOGM

RECEIVED
FEB 17 2010
DIV. OF OIL, GAS & MINING