

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*

FORM APPROVED  
OMB NO. 1049-0136  
Expires: February 28, 1995

001

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

TYPE OF WORK  
 DRILL  DEEPEN

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

5. LEASE DESIGNATION AND SERIAL NO.  
 UTU-73917

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

7. UNIT AGREEMENT NAME  
 N/A

8. FARM OR LEASE NAME, WELL NO.  
 RWS 11ML-1-9-24

2. NAME OF OPERATOR  
 QEP UINTA BASIN, INC.

Contact: Jan Nelson  
 E-Mail: jan.nelson@questar.com

3. ADDRESS  
 11002 E. 17500 S. Vernal, Ut 84078

Telephone number  
 Phone 435-781-4331 Fax 435-781-4323

9. API WELL NO.  
 43-047-36520

10. FIELD AND POOL, OR WILDCAT  
 UNDESIGNATED Wildcat

4. LOCATION OF WELL (Report location clearly and in accordance with and State requirements\*)  
 At Surface NESW, 2000' FSL 2173' FWL SECTION 1, T9S, R24E  
 At proposed production zone 656621Y 4436161Y 40.063051 109.163581

11. SEC., T, R, M, OR BLK & SURVEY OR AREA  
 SEC.1, T9S, R24E, Mer SLB

14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE\*  
 37 +/- MILES SOUTHEAST OF VERNAL, UT.

12. COUNTY OR PARISH  
 Uintah

13. STATE  
 UT

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.  
 (also to nearest drig, unit line if any)  
 2000' +/-

16. NO. OF ACRES IN LEASE  
 1098

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 40

18. DISTANCE FROM PROPOSED location to nearest well, drilling, completed, applied for, on this lease, ft

19. PROPOSED DEPTH  
 6975'

20. BLM/BIA Bond No. on file  
 ESB000024

21. ELEVATIONS (Show whether DF, RT, GR, ect.)  
 5282' GR

22. DATE WORK WILL START  
 ASAP

23. Estimated duration  
 10 days

24. Attachments

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

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A surface Use Plan ( If location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

- Bond to cover the operations unless covered by an existing bond (See Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

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

SIGNED Jan Nelson Name (printed/typed) Jan Nelson DATE 4/2/05  
 TITLE Regulatory Affairs Analyst

PERMIT NO. 43-047-36520 APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify the applicant holds any legal or equitable title to these rights in the subject lease which would entitle the applicant to conduct operations thereon

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Bradley G. Hill TITLE BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III DATE 04-11-05

\*See Instructions On Reverse Side

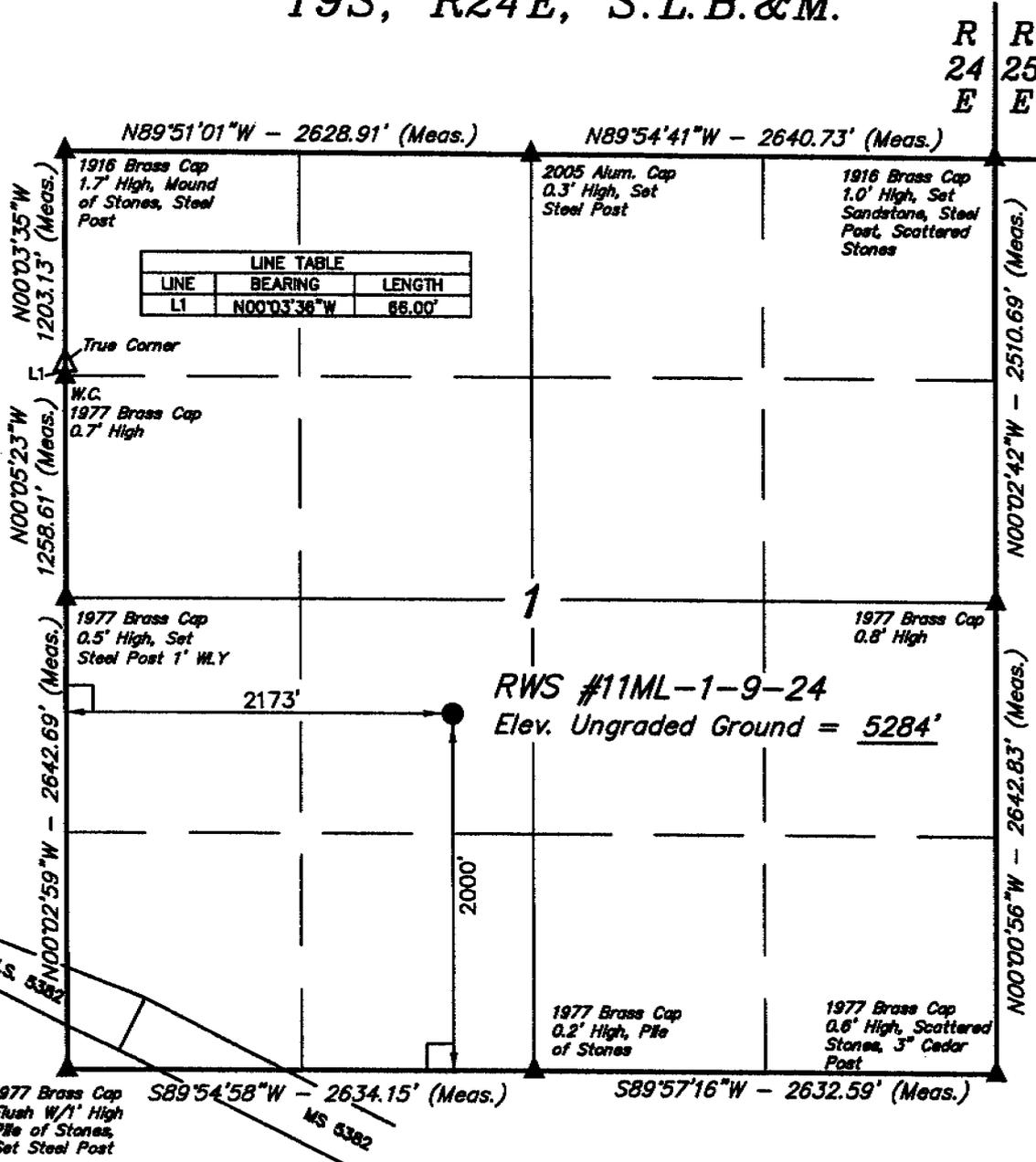
Federal Approval of this Action is Necessary  
 This 16 U.S.C Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

CONFIDENTIAL

T9S, R24E, S.L.B.&M.

**QUESTAR EXPLR. & PROD.**

Well location, RWS #11ML-1-9-24, located as shown in the NE 1/4 SW 1/4 of Section 1, T9S, R24E, S.L.B.&M. Uintah County, Utah.



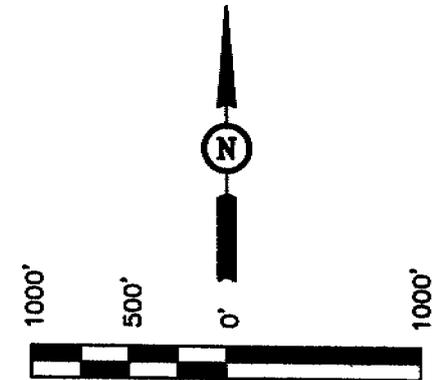
LINE TABLE		
LINE	BEARING	LENGTH
L1	N00°03'36"W	66.00'

**BASIS OF ELEVATION**

BENCH MARK 45EAM LOCATED IN THE NW 1/4 SW 1/4 OF SECTION 6, T9S, R24E, S.L.B.&M. TAKEN FROM THE BONANZA QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5350 FEET.

**BASIS OF BEARINGS**

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



SCALE  
CERTIFIED LAND SURVEYING

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.

*Robert L. Kay*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 1111515  
STATE OF UTAH

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

**LEGEND:**

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

(AUTONOMOUS NAD 83)  
LATITUDE = 40°03'47.25" (40.063125)  
LONGITUDE = 109°09'51.42" (109.164283)  
(AUTONOMOUS NAD 27)  
LATITUDE = 40°03'47.37" (40.063158)  
LONGITUDE = 109°09'49.00" (109.163611)

CONFIDENTIAL

**Additional Operator Remarks**

QEP, Uinta Basin Inc. proposes to drill a well to 6975' to test the MesaVerde. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements

See attached 8-point drilling program.

See Multi point surface use program.

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

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

DRILLING PROGRAM

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

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

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Prod. Phase Anticipated</u>
Uinta	Surface	
Green River	1300'	
Wasatch	3455'	Gas
Mesa Verde	4420'	
Buck Tongue	6740'	
TD	6975'	

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

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Buck Tongue	6975'

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

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right #36125 or Red Wash water right # 49-2153 to supply fresh water for drilling purposes.

All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonstis Valley Disposal Site; SWNW, Section 12, T8S, R21E.

DRILLING PROGRAM

3. Operator's Specification for Pressure Control Equipment:

- A. 3,000 psi W.P. Double Gate BOP or Single Gate BOP (schematic attached)
- B. Functional test daily
- C. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, (or 70% of burst whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 3M system and individual components shall be operable as designed.

4. Casing Program

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg Size</u>	<u>Type</u>	<u>Weight</u>
Surface	2700'	12 1/4"	9-5/8"	J-55	36 lb/ft (new) LT&C
TD	6975'	7 -7/8"	4 -1/2"	M-80	11.60 lb/ft (new)LT&C

5. Auxiliary Equipment

- A. Kelly Cock – yes
- B. Float at the bit – no
- C. Monitoring equipment on the mud system – visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor – yes
- E. Rotating Head – yes
- F. If drilling with air the following will be used:  
The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').

## DRILLING PROGRAM

- H. Compressor shall be tied directly to the blooie line through a manifold.
- I. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

### 6. Testing, logging and coring program

- A. Cores – none anticipated
- B. DST – none anticipated

Logging – Mud logging – 4500 to TD  
GR-SP-Induction  
Neutron Density  
MRI

- C. Formation and Completion Interval: Buck Tongue interval, final determination of completion will be made by analysis of logs.  
Stimulation – Stimulation will be designed for the particular area of interest as encountered.

DRILLING PROGRAM

7. Cementing Program

<u>Casing</u>	<u>Volume</u>	<u>Type &amp; Additives</u>
Surface	1541sx	Class "G" single slurry mixed to 15.6 ppg, yield = 1.19 cf/sx. Fill to surface with 160 cf (1541sx) calculated. Tail plug used. Allowed to set under pressure
Production	Lead-825sx* Tail-920sx*	Lead/Tail oilfield type cement circulated in place . Tail slurry: Class "G" + gilsonite and additives as required, mixed to 14.8 ppg, yield = 1.34 cf/sx. Fill to 3920' ( $\pm 500'$ above production zone).  Cement Characteristics: Lead slurry: Class "G" + extender and additives as required, mixed to 11.0 ppg, yield = 3.82 cf/sx. Fill to surface. Tail plug used. Allowed to set under pressure.

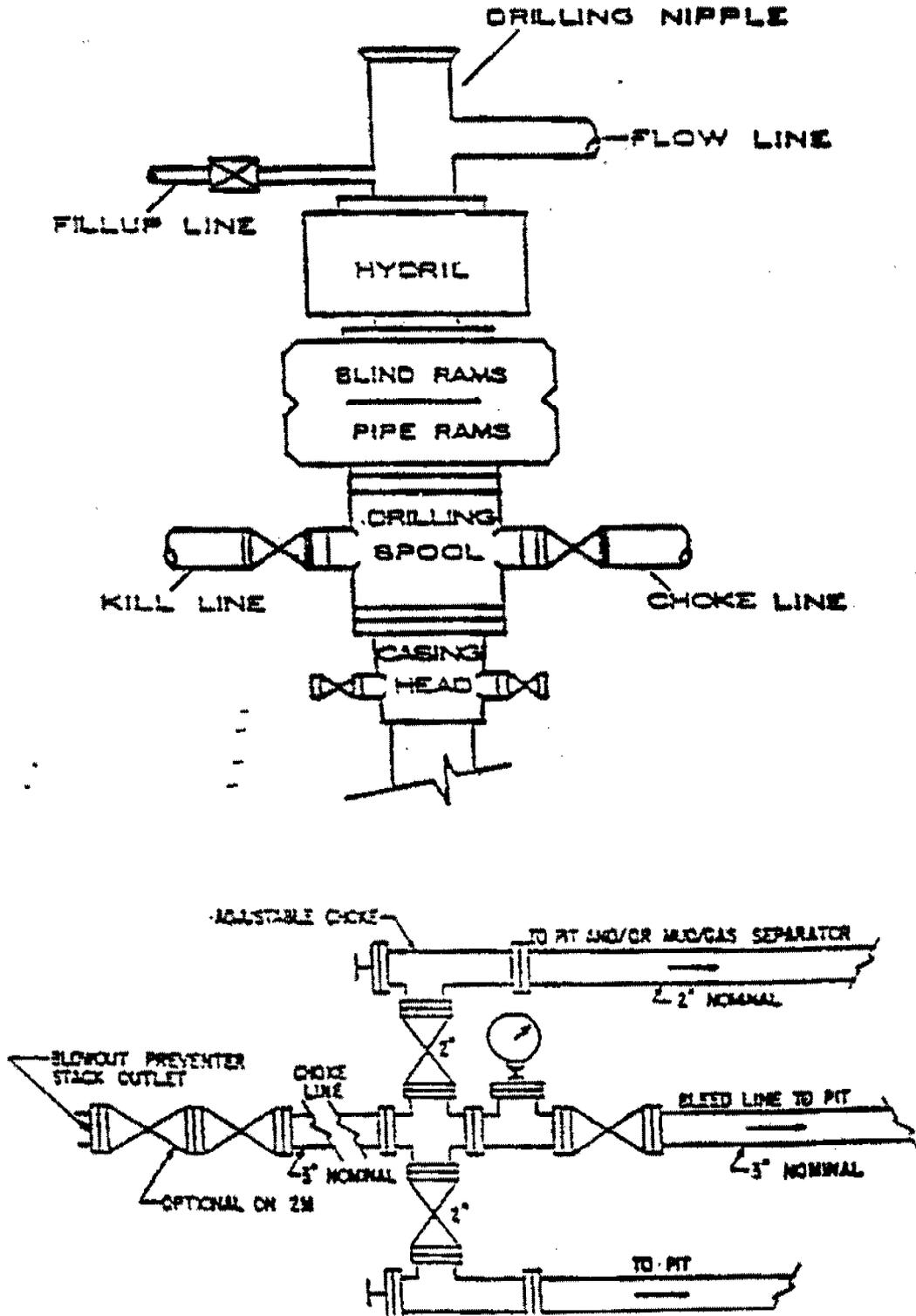
\*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 3025.0 psi. Maximum anticipated bottom hole temperature is 140° F.

DRILLING PROGRAM

SCHEMATIC DIAGRAM OF 3,000 PSI BOP STACK



QEP UINTA BASIN, INC.  
RWS 11ML-1-9-24  
2000' FSL 2173' FWL  
NESW, SECTION 1, T9S, R24E  
UINTAH COUNTY, UTAH  
LEASE # UTU-73917

ONSHORE ORDER NO. 1

MULTI - POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the RWS 11ML-1-9-24 on March 24, 2005. Weather conditions were cool and cloudy at the time of the onsite. In attendance at the inspection were the following individuals:

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

1. Existing Roads:

The proposed well site is approximately 37 miles Southeast of Vernal, Utah.

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

Improvements will be made to existing access roads.

2. Planned Access Roads:

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

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

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

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

5. Location and Type of Water Supply:

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

6. Source of Construction Materials:

Surface and subsurface materials in the immediate area will be utilized. Any gravel will be obtained from a commercial source.

7. **Methods of Handling Waste Materials:**

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

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

8. **Ancillary Facilities:**

None anticipated.

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

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

A pit liner is required. A felt pit liner will be required if bedrock is encountered.

10. **Plans for Reclamation of the Surface:**

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

Seed Mix: # 3

11. **Surface Ownership:**

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

12. **Other Information**

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

There is a Burrowing Owl Stipulation from April 1st to August 15th. No construction or drilling will commence during this period unless otherwise determined by a wildlife biologist that the site is inactive.

Three weeks prior to construction need to contact Bart Zwetzig with the BLM to make sure there are no sign of Ferrets.

No drilling or construction will take place during the Pronghorn season May 10 thru June 20th.

Authorized Officer determined the facilities will be painted Olive Black, color number 5WA20-6.

**Lessee's or Operator's Representative:**

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

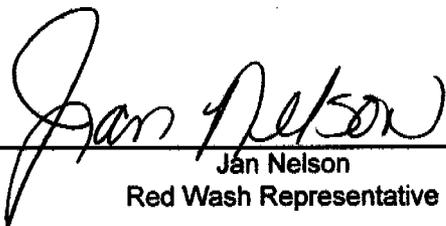
**Certification:**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

QEP Uinta Basin, Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by QEP Uinta Basin, Inc. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

  
\_\_\_\_\_  
Jan Nelson  
Red Wash Representative

02-Apr-05  
\_\_\_\_\_  
Date

# QUESTAR EXPLR. & PROD.

**RWS #11ML-1-9-24**

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 1, T9S, R24E, S.L.B.&M.

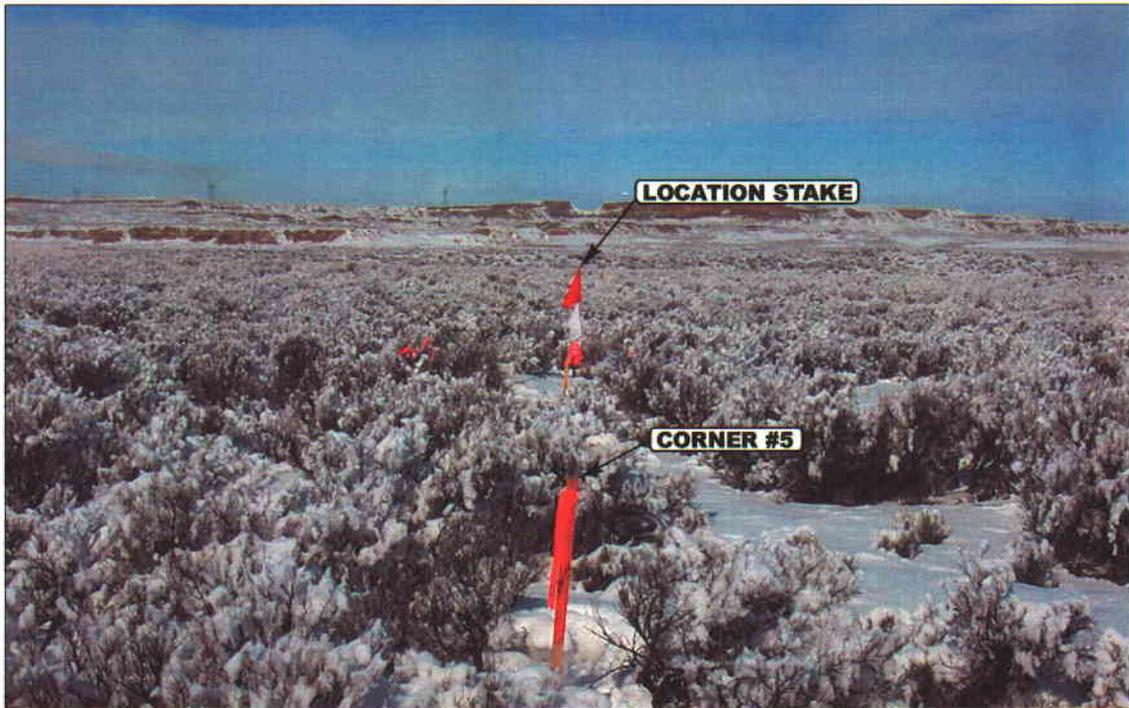


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

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

<b>LOCATION PHOTOS</b>	<b>02</b>	<b>14</b>	<b>05</b>	<b>PHOTO</b>
	MONTH	DAY	YEAR	
TAKEN BY: D.A.	DRAWN BY: L.K.		REVISED: 00-00-00	

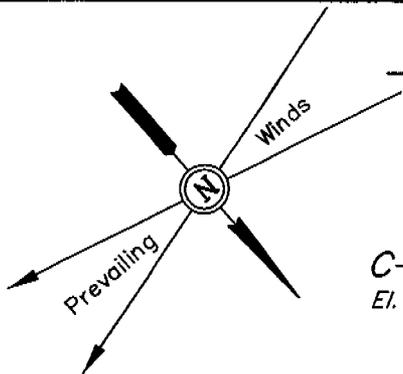
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QUESTAR EXPLR. & PROD.

FIGURE #1

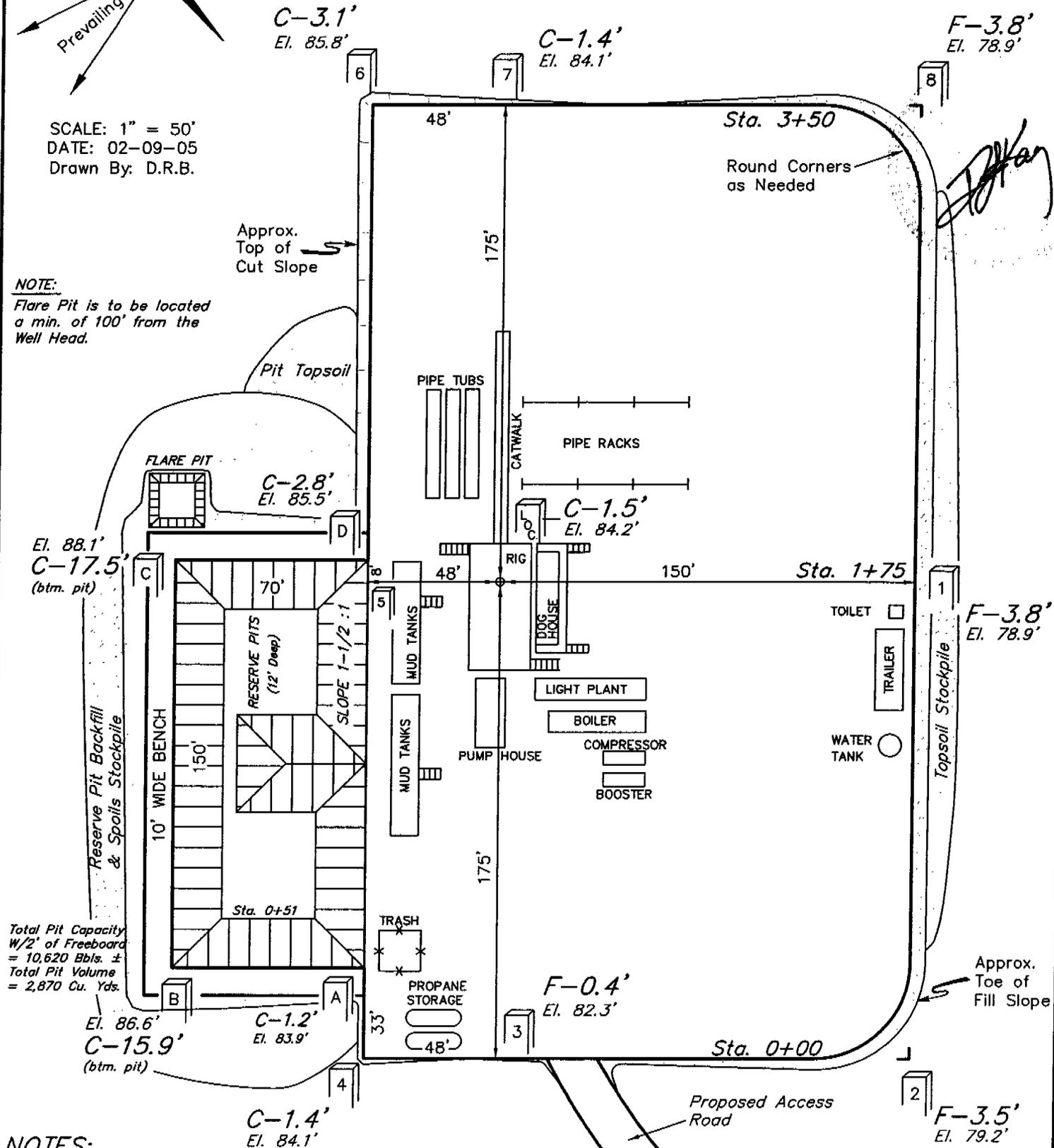
LOCATION LAYOUT FOR

RWS #11ML-1-9-24  
SECTION 1, T9S, R24E, S.L.B.&M.  
2000' FSL 2173' FWL



SCALE: 1" = 50'  
DATE: 02-09-05  
Drawn By: D.R.B.

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



**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 5284.2'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5282.7'

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

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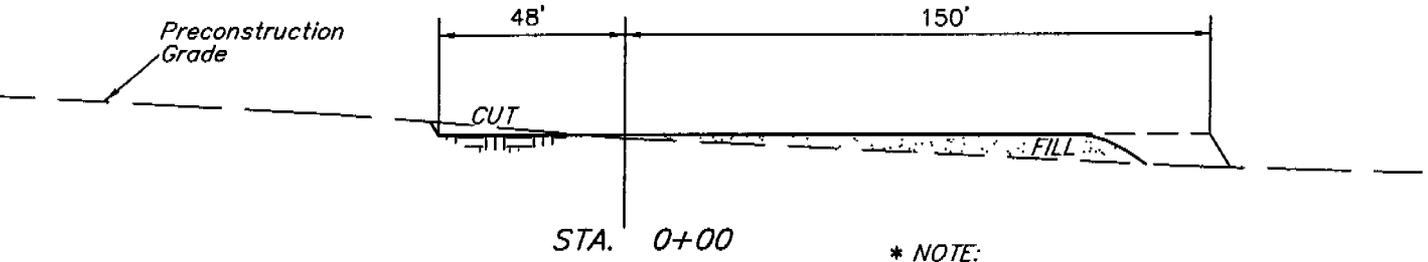
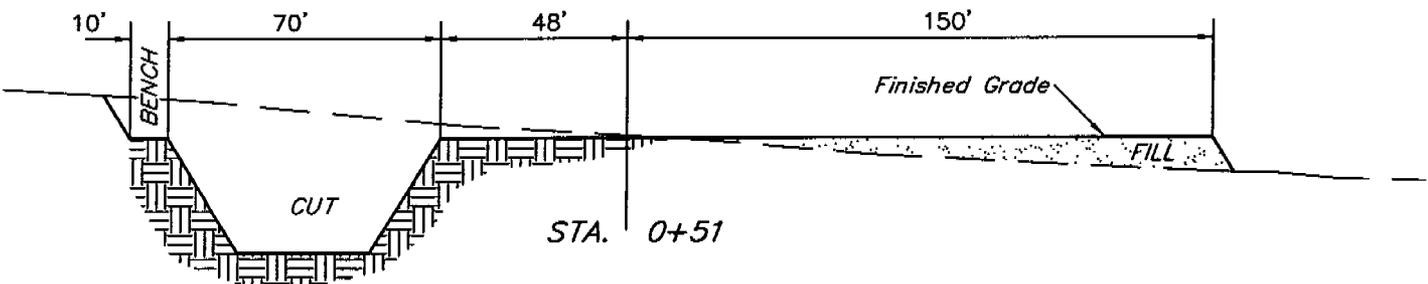
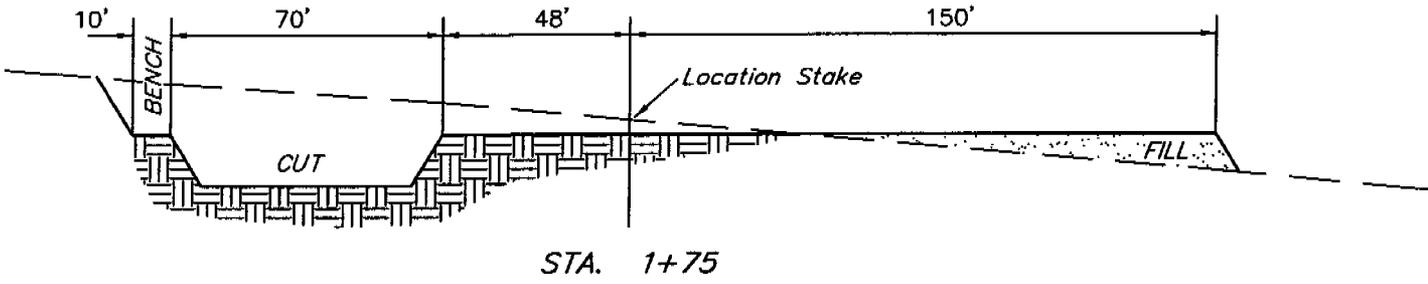
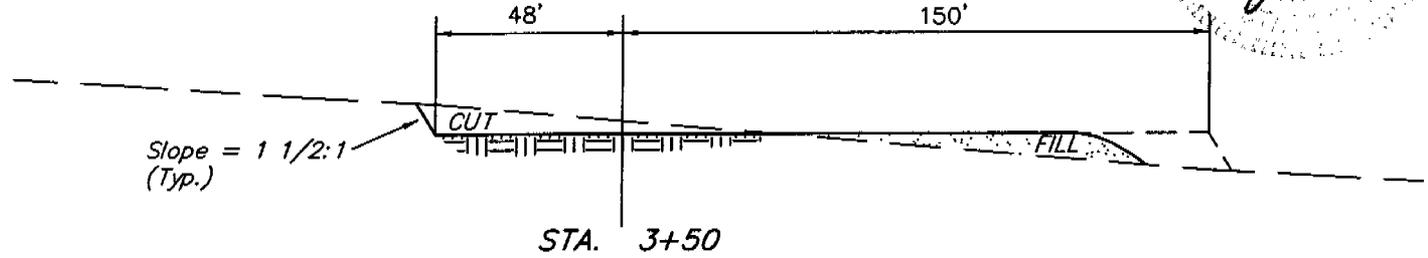
QUESTAR EXPLR. & PROD.

FIGURE #2

TYPICAL CROSS SECTIONS FOR  
 RWS #11ML-1-9-24  
 SECTION 1, T9S, R24E, S.L.B.&M.  
 2000' FSL 2173' FWL

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

DATE: 02-09-05  
 Drawn By: D.R.B.



\* NOTE:  
 FILL QUANTITY INCLUDES  
 5% FOR COMPACTION

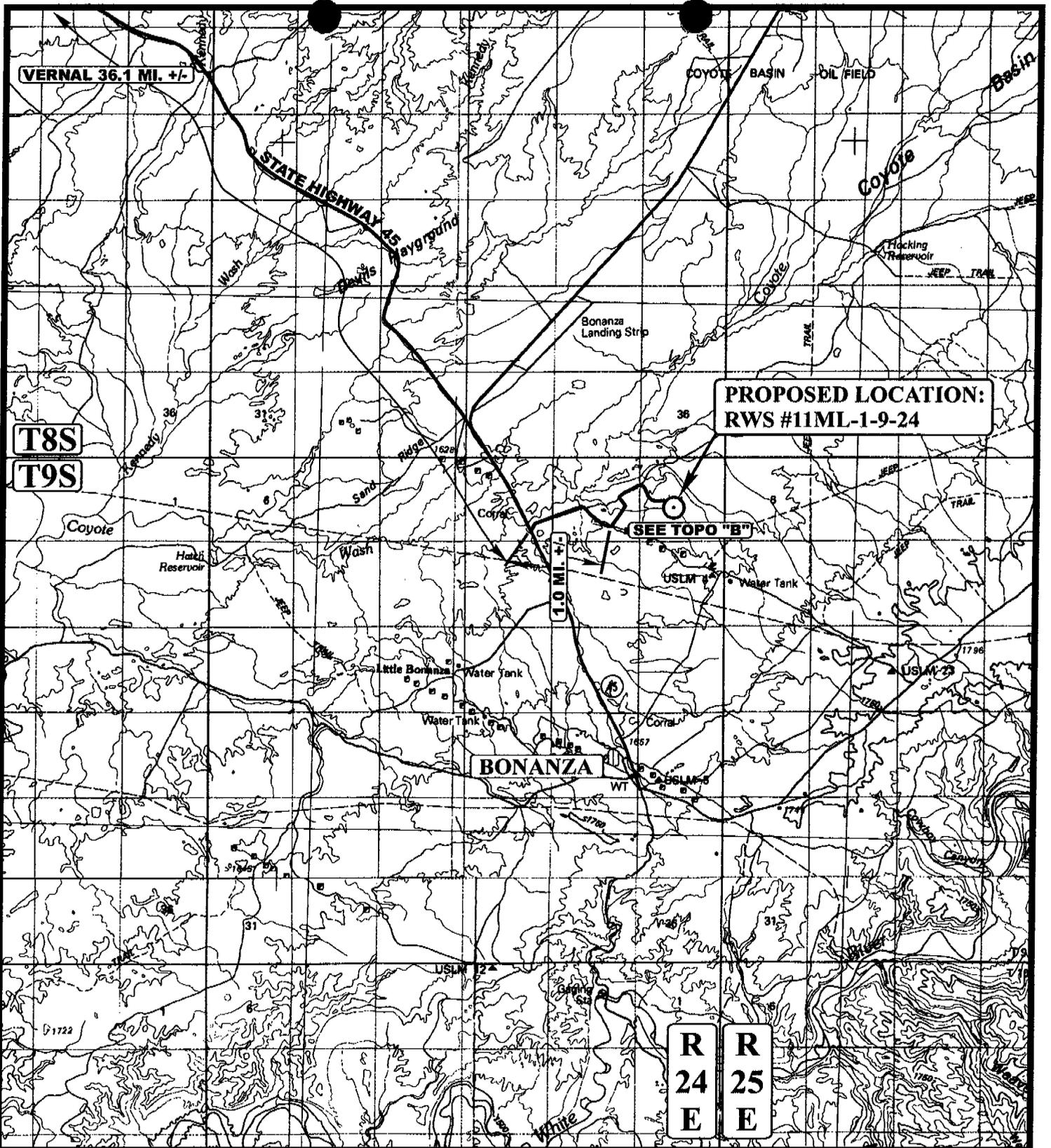
APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,690 Cu. Yds.
Remaining Location	= 5,580 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 7,270 CU.YDS.</b>
<b>FILL</b>	<b>= 4,140 CU.YDS.</b>

EXCESS MATERIAL	= 3,130 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,130 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

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

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**PROPOSED LOCATION:  
RWS #11ML-1-9-24**

**SEE TOPO "B"**

**BONANZA**

**R 24 E  
R 25 E**

**LEGEND:**  
○ PROPOSED LOCATION



**QUESTAR EXPLR. & PROD.**

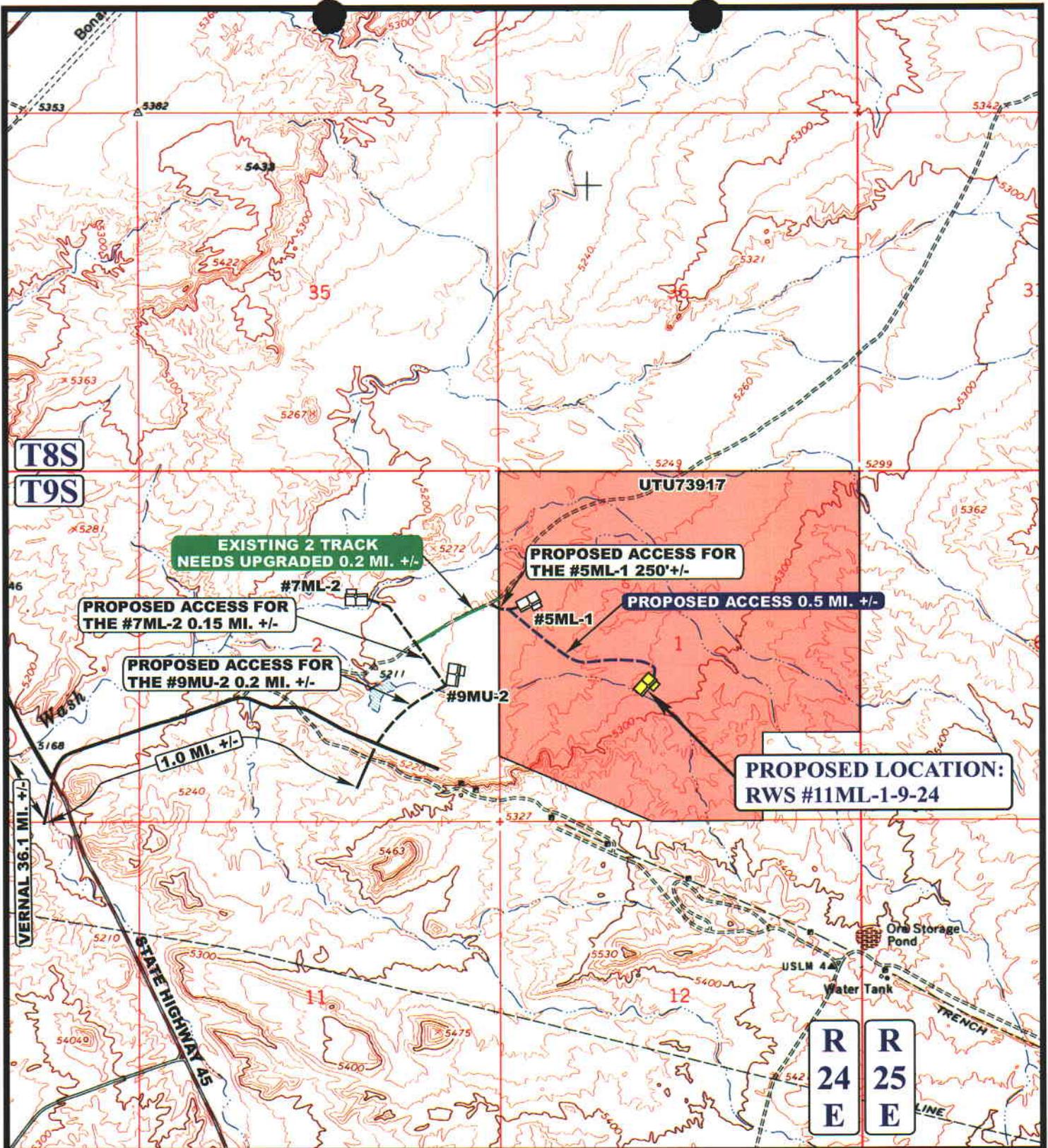
**RWS #11ML-1-9-24  
SECTION 1, T9S, R24E, S.L.B.&M.  
2000' FSL 2173' FWL**

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

**TOPOGRAPHIC MAP**  
SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 00-00-00

**02 14 05**  
MONTH DAY YEAR  
**A**  
**TOPO**

**! CONFIDENTIAL**



**LEGEND:**

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

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



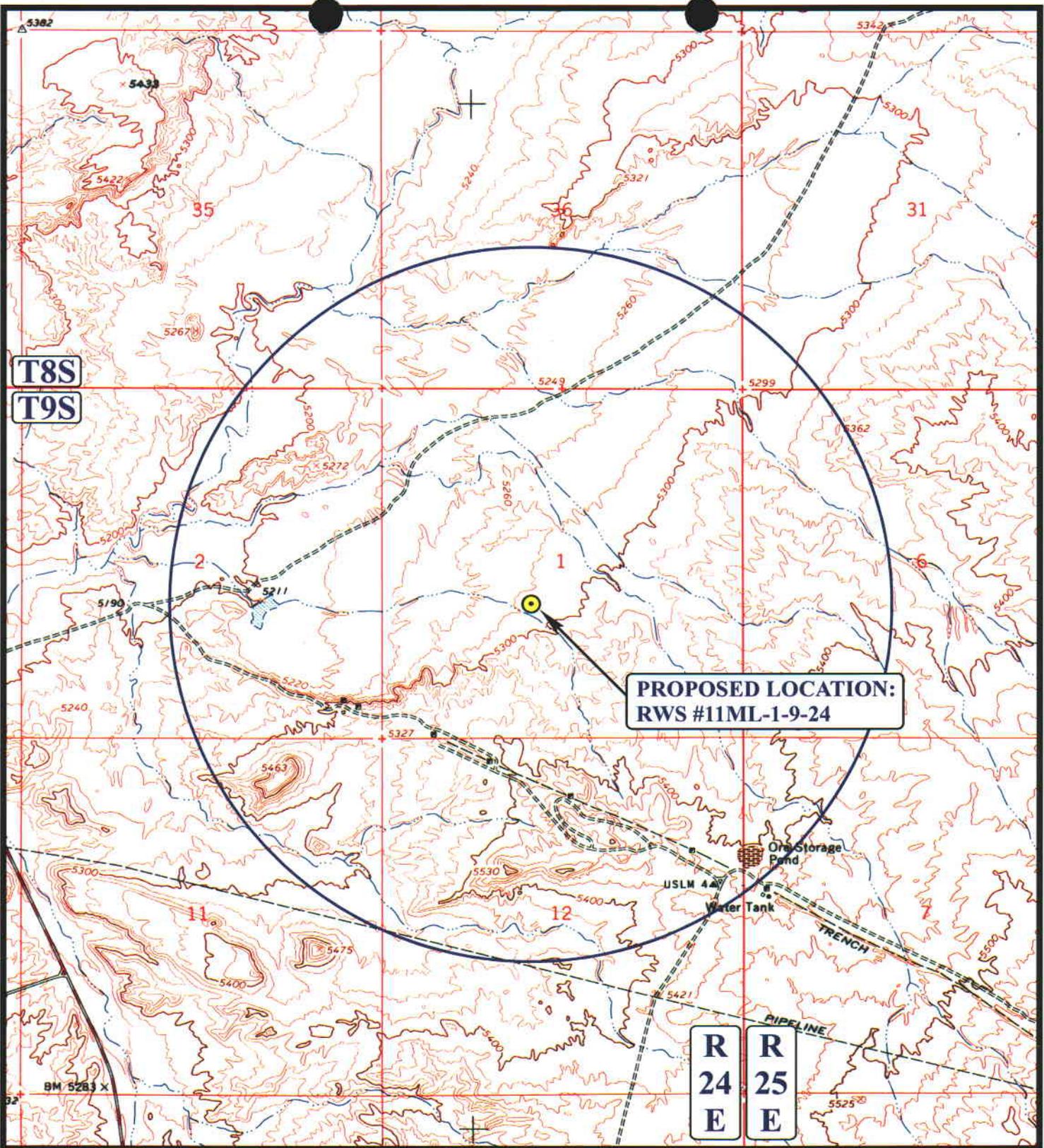
**QUESTAR EXPLR. & PROD.**

**RWS #11ML-1-9-24**  
**SECTION 1, T9S, R24E, S.L.B.&M.**  
**2000' FSL 2173' FWL**

**TOPOGRAPHIC MAP** **02 14 05**  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00

**B**  
**TOPO**

**CONFIDENTIAL**



**PROPOSED LOCATION:  
RWS #11ML-1-9-24**

**R  
24  
E**

**R  
25  
E**

**LEGEND:**

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



**QUESTAR EXPLR. & PROD.**  
**RWS #11ML-1-9-24**  
**SECTION 1, T9S, R24E, S.L.B.&M.**  
**2000' FSL 2173' FWL**



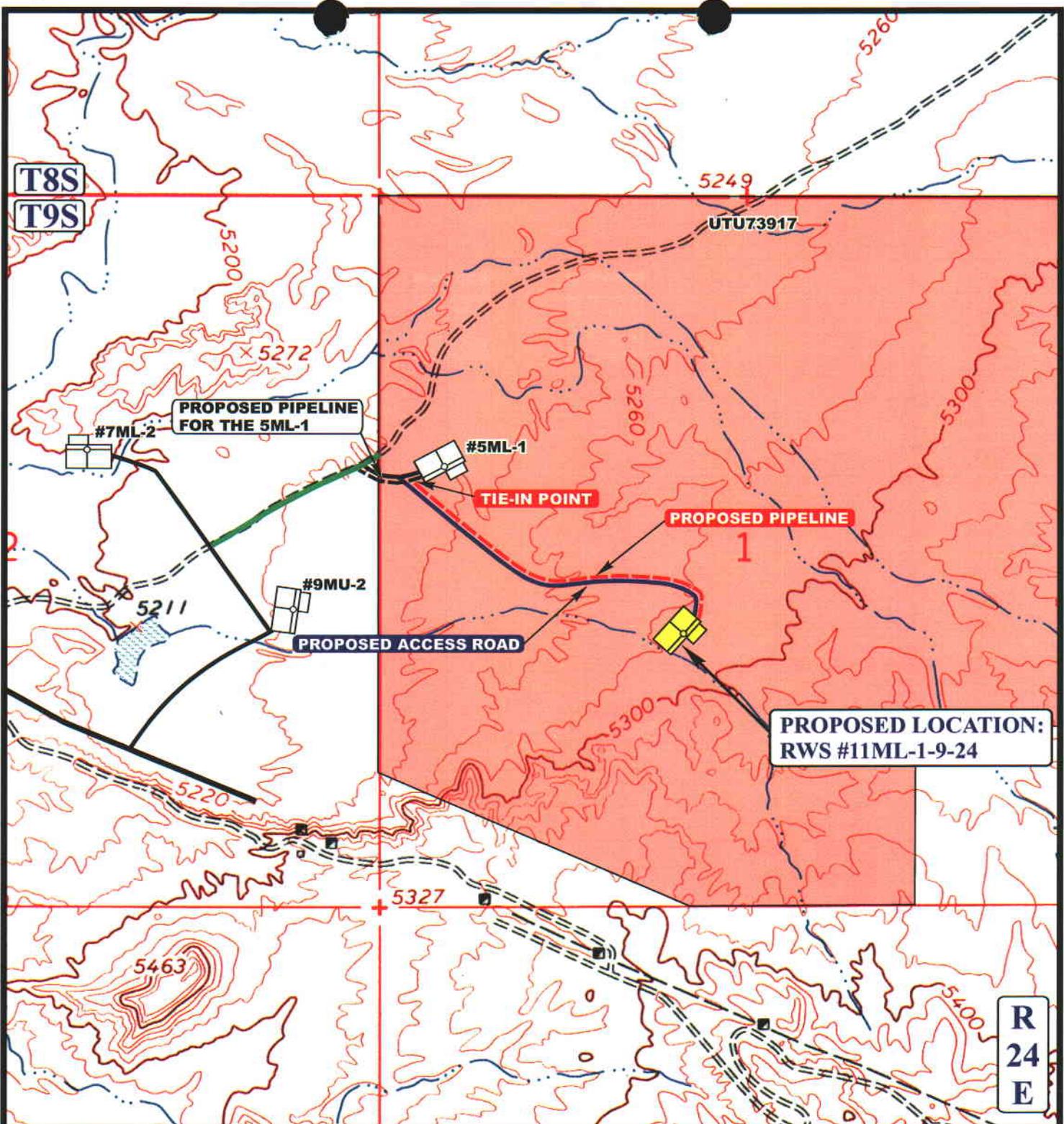
**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**02 14 05**  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00



**CONFIDENTIAL**



**APPROXIMATE TOTAL PIPELINE DISTANCE = 2552' +/-**

**LEGEND:**

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



**QUESTAR EXPLR. & PROD.**

**RWS #11ML-1-9-24**  
**SECTION 1, T9S, R24E, S.L.B.&M.**  
**2000' FSL 2173' FWL**



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

**TOPOGRAPHIC**  
**MAP**

**02 14 05**  
 MONTH DAY YEAR

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

**D**  
**TOPO**

**CONFIDENTIAL**

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/06/2005

API NO. ASSIGNED: 43-047-36520

WELL NAME: RWS 11ML-1-9-24

OPERATOR: QEP UINTA BASIN, INC. ( N2460 )

CONTACT: JAN NELSON

PHONE NUMBER: 435-781-4331

PROPOSED LOCATION:

NESW 01 090S 240E  
SURFACE: 2000 FSL 2173 FWL  
BOTTOM: 2000 FSL 2173 FWL  
UINTAH  
WILDCAT ( 1 )

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

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-73917

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

LATITUDE: 40.06305

LONGITUDE: -109.1636

RECEIVED AND/OR REVIEWED:

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

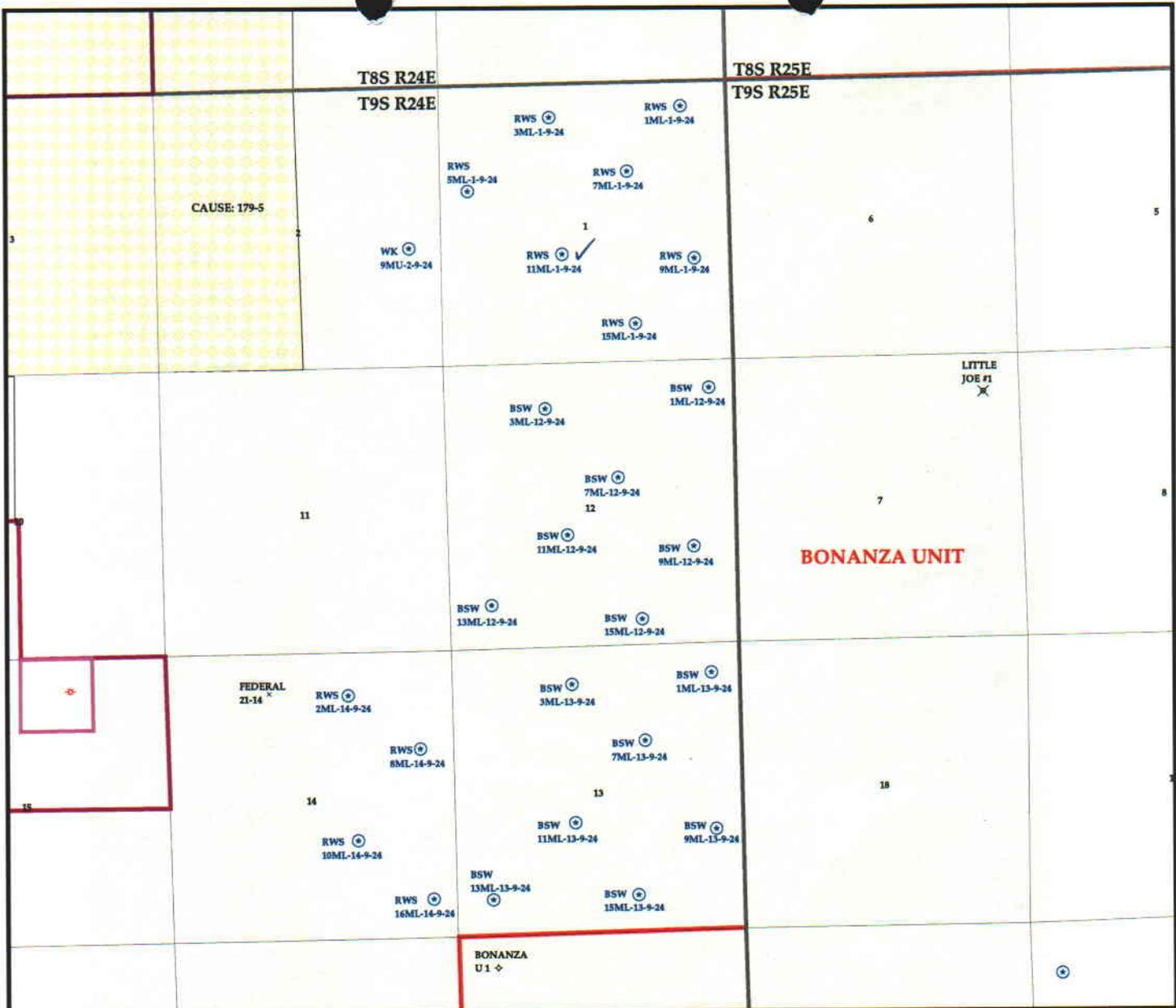
LOCATION AND SITING:

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

COMMENTS:

STIPULATIONS:

1- Federal Approval  
2- Spacing Strip



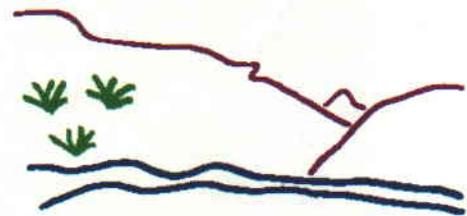
OPERATOR- QEP UINTA BASIN INC (N2460)

SEC. 1 T.9S R.24E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



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: 08-APRIL-2005

**State of Utah****Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

MARY ANN WRIGHT  
*Acting Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

April 11, 2005

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

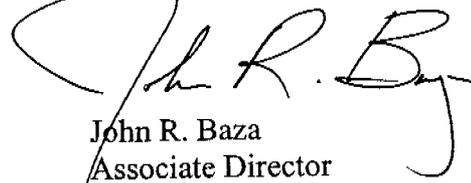
Re: RWS 11ML-1-9-24 Well, 2000' FSL, 2173' FWL, NE SW, Sec. 1, T. 9 South,  
R. 24 East, Uintah County, Utah

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 43-047-36520.

Sincerely,



John R. Baza  
Associate Director

pab  
Enclosures

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

Operator: QEP Uinta Basin, Inc.

Well Name & Number RWS 11ML-1-9-24

API Number: 43-047-36520

Lease: UTU-73917

Location: NE SW                      Sec. 1                      T. 9 South                      R. 24 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.

APR 05 2005

FORM APPROVED  
OMB NO. 1040-0138  
Expires: February 28, 1995

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. UTU-73917
TYPE OF WELL <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
2. NAME OF OPERATOR QEP UINTA BASIN, INC.		7. UNIT AGREEMENT NAME N/A
3. ADDRESS 11002 E. 17500 S. Vernal, Ut 84078		8. FARM OR LEASE NAME, WELL NO. RWS 11ML-1-9-24
Contact: Jan Nelson E-Mail: jan.nelson@questar.com		9. API WELL NO. 43-047-36520
Telephone number Phone 435-781-4331 Fax 435-781-4323		10. FIELD AND POOL, OR WILDCAT UNDESIGNATED
4. LOCATION OF WELL (Report location clearly and in accordance with and State requirements*) At Surface NESW, 2000' FSL 2173' FWL SECTION 1, T9S, R24E At proposed production zone		11. SEC., T, R, M, OR BLK & SURVEY OR AREA SEC.1, T9S, R24E, Mer SLB
14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE* 37 +/- MILES SOUTHEAST OF VERNAL, UT.		12. COUNTY OR PARISH Uintah
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (also to nearest drig, unit line if any) 2000' +/-		13. STATE UT
16. NO. OF ACRES IN LEASE 1098		17. NO. OF ACRES ASSIGNED TO THIS WELL 40
18. DISTANCE FROM PROPOSED location to nearest well, drilling, completed, applied for, on this lease, ft		20. BLM/BIA Bond No. on file ESB000024
19. PROPOSED DEPTH 6975'		23. Estimated duration 10 days
21. ELEVATIONS (Show whether DF, RT, GR, ect.) 5282' GR		22. DATE WORK WILL START ASAP
24. Attachments		

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

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

SIGNED

Name (printed/typed) Jan Nelson

DATE 4/2/05

TITLE Regulatory Affairs Analyst

(This space for Federal or State office use)

RECEIVED

OCT 1 / 2005

PERMIT NO.

APPROVAL DATE

DIV. OF OIL, GAS & MINING

Application approval does not warrant or certify the applicant holds any legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

Assistant Field Manager  
Mineral Resources

DATE

SEP 28 2005

\*See Instructions On Reverse Side

Title 18 U.S.C Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

U006M



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: QEP Uinta Basin Inc  
Well No: RWS 11ML-1-9-24

Location: NESW Sec 1, T9S, R24W  
Lease No: UTU-73917

Petroleum Engineer: Matt Baker  
Petroleum Engineer: Michael Lee  
Supervisory Petroleum Technician:  
Jamie Sparger

Office: 435-781-4490 Cell: 435-828-4470  
Office: 435-781-4432 Cell: 435-828-7875  
Office: 435-781-4502 Cell: 435-828-3913

**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.

## *Downhole Conditions of Approval*

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

### **SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL**

1. Surface casing shoe integrity test required.

### **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 and 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 and 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 and 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 should 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, Worland Field Office.

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 and 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 and 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 and 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 and 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 should 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.

Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt. During the Interim Management the seed mix would be 6 lbs of Hycrest crested wheatgrass and 6 lbs of needle and thread grass.

As a Best Management Practice (BMP), the pipeline would be buried within the identified construction width of an access corridor that contains the access road and pipelines. Exceptions to this BMP may be granted where laterally extensive, hard indurated bedrock, such as sandstone, is at or within 2 feet of the surface; and, soil types with a poor history of successful rehabilitation).

Prior to abandonment of a buried pipeline, the operator will obtain authorization from the appropriate regulatory agency. BLM will determine whether the pipeline and all above ground pipeline facilities shall be removed and unsalvageable materials disposed of at approved sites or abandoned in place. Reshaping and revegetation of disturbed land areas will be completed where necessary.

RECEIVED

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

FORM 9

NOV 14 2005

SUNDRY NOTICES AND REPORTS ON WELLS **BLM VERNAL, UTAH**

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.

5. LEASE DESIGNATION AND SERIAL NUMBER: \_\_\_\_\_

6. INDIAN, ALLOTTEE OR TRIBE NAME: \_\_\_\_\_

7. UNIT or CA AGREEMENT NAME: \_\_\_\_\_

8. WELL NAME and NUMBER: **See Attachment 4 wells**

9. API NUMBER: \_\_\_\_\_

10. FIELD AND POOL, OR WILDCAT: \_\_\_\_\_

1. TYPE OF WELL: OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR: **Questar Exploration and Production Company QEP Uinta Basin N2460**

3. ADDRESS OF OPERATOR: 1050 17th Street, Suite 500 CITY Denver STATE Co ZIP 80265 PHONE NUMBER: (303) 308-3056

4. LOCATION OF WELL: FOOTAGES AT SURFACE: **See Attachment** COUNTY: **Uintah** STATE: **UTAH**

QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: \_\_\_\_\_

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"/> 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 checked="" 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 type="checkbox"/> OTHER: _____
	<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.

Questar Exploration and Production Company has transferred operatorship to True Oil LLC for the locations on the attached list.

True Oil LLC  
PO Box 2360  
Casper, WY 82602  
Agreed to by: *Q. R. [Signature]* **N 2785**

BLM Statewide Bond # QLI-J91-417008-135 Liberty Mutual  
State Bond # QLI-J91-417008-145 Liberty Mutual

The Change of Operator shall be effective as of October 1, 2005.

NAME (PLEASE PRINT) Frank Nielsen TITLE Regional Land Manager

SIGNATURE *Frank Nielsen* DATE 11/2/2005

(This space for State use only)

**APPROVED** 12/28/05

*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

*fat* RECEIVED  
NOV 17 2005  
DIV. OF OIL, GAS & MINING

~~RECEIVED~~  
~~NOV 21 2005~~  
~~DIV. OF OIL, GAS & MINING~~

Well Name

API #

Location

UTU-73917

- ~~1) RWS 1ML-1-9-24 API # 43-047-36517 9S 24E Section 1: NENE~~
- ~~2) RWS 3ML-1-9-24 API # 43-047-36518 9S 24E Section 1: NENW~~
- ~~3) RWS 5ML-1-9-24 API # 43-047-36452 9S 24E Section 1: SWNW~~
- ~~4) RWS 7ML-1-9-24 API # 43-047-36451 9S 24E Section 1: SWNE~~
- ~~5) RWS 9ML-1-9-24 API # 43-047-36519 9S 24E Section 1: NESE~~
- ① 6) RWS 11ML-1-9-24 API # 43-047-36520 9S 24E Section 1: NESW
- ~~7) RWS 15ML-1-9-24 API # 43-047-36521 9S 24E Section 1: SWSE~~
- ~~8) RWS 2ML-14-9-24 API # 43-047-36450 9S 24E Section 14: NWNE~~
- ~~9) RWS 10ML-14-9-24 API # 43-047-36449 9S 24E Section 14: NWSE~~
- ~~10) RWS 12ML-14-9-24 API # 43-047-36738 9S 24E Section 14: NWSW~~
- ~~11) RWS 13ML-14-9-24 API # 43-047-36737 9S 24E Section 14: SWSW~~
- ~~12) RWS 16ML-14-9-24 API # 43-047-36448 9S 24E Section 14: SESE~~

UTU-73700

- ~~13) BSW 1ML-12-9-24 API # 43-047-36522 9S 24E Section 12: NENE~~
- ~~14) BSW 3ML-12-9-24 API # 43-047-36463 9S 24E Section 12: NENW~~
- ~~15) BSW 7ML-12-9-24 API # 43-047-36462 9S 24E Section 12: SWNE~~
- ② 16) BSW 9ML-12-9-24 API # 43-047-36461 9S 24E Section 12: NESE *OK*
- ~~17) BSW 13ML-12-9-24 API # 43-047-36460 9S 24E Section 12: SWSW~~
- ~~18) BSW 15ML-12-9-24 API # 43-047-36459 9S 24E Section 12: SWSE~~
- ③ 19) BSW 1ML-13-9-24 API # 43-047-36458 9S 24E Section 13: NENE
- ~~20) BSW 3ML-13-9-24 API # 43-047-36457 9S 24E Section 13: NENW~~
- ~~21) BSW 7ML-13-9-24 API # 43-047-36456 9S 24E Section 13: SWNE~~
- ~~22) BSW 9ML-13-9-24 API # 43-047-36455 9S 24E Section 13: NESE~~
- ~~23) BSW 11ML-13-9-24 API # 43-047-36523 9S 24E Section 13: NESW~~
- ~~24) BSW 13ML-13-9-24 API # 43-047-36454 9S 24E Section 13: SWSW~~
- ~~25) BSW 15ML-13-9-24 API # 43-047-36453 9S 24E Section 13: SWSE~~

UT ST ML-47046

- ④ 26) WK 1ML-2-9-24 API # 43-047-36722 9S 24E Section 2: NENE
- ~~27) WK 3ML-2-9-24 API # 43-047-36723 9S 24E Section 2: NENW~~
- ~~28) WK 7ML-2-9-24 API # 43-047-36724 9S 24E Section 2: SWNE~~
- \* 29) WK 9MU-2-9-24 API # 43-047-35695 *Separate* 9S 24E Section 2: NESE \*

*\* already processed - EP*

# TRUE OIL LLC

455 NORTH POPLAR STREET  
CASPER, WYOMING 82601

MAILING ADDRESS:  
P.O. DRAWER 2360  
CASPER, WY 82602  
(307) 237-9301  
FAX: (307) 266-0325

December 19, 2005

Utah Division of Oil, Gas and Mining  
P. O. Box 145801  
Salt Lake City, UT 84114-5801  
Attn: Earlene Russell

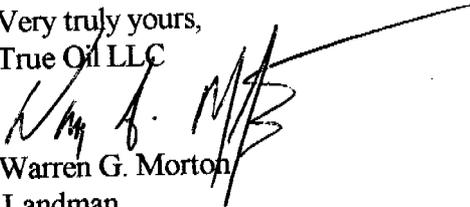
Re: Transfer of operations

Dear Mrs. Russell:

Per your request, enclosed please find the four Requests to Transfer Applications forms for the four additional wells True Oil LLC will be operating. As we discussed, in the near future there may be additional wells that True will acquire operations from QEP Uinta Basin Inc., however these four wells are it for now.

Should you have any questions concerning this matter, please advise.

Very truly yours,  
True Oil LLC

  
Warren G. Morton  
Landman

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DEC 22 2005

DIV. OF OIL, GAS & MINING

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:	RWS IIML-1-9-24
API number:	43-047-36520
Location:	Qtr-Qtr NESW Section: 1 Township: 9S Range: 24E
Company that filed original application:	QEP UINTA BASIN INC.
Date original permit was issued:	SEPTEMBER 28, 2005
Company that permit was issued to:	QEP UINTA BASIN INC.

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? <i>N/A LOCATION ON FEDERAL SURFACE</i>		X
If so, has the surface agreement been updated? <i>N/A</i>		X
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		X
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		X
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		X
Has the approved source of water for drilling changed?		X
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?		X
Is bonding still in place, which covers this proposed well? Bond No. <i>QL1-191-417008-235</i> <i>LIBERTY MUTUAL</i>	X	

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) WARREN G. MORTON Title LANDMAN  
 Signature *W.G. Morton* Date 12-15-05  
 Representing (company name) TRUE OIL LLC

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.

(3/2004)

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DEC 22 2005

DIV OF OIL, GAS & MINING



7. **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 not yet BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **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:**

1. Changes entered in the **Oil and Gas Database** on: 12/28/2005
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/28/2005
3. Bond information entered in RBDMS on: 12/28/2005
4. Fee/State wells attached to bond in RBDMS on: 12/28/2005
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 12/28/2005

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: QLIJ91417008135

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: QLIJ91417008145

**FEE & STATE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 38714

2. The **FORMER** operator has requested a release of liability from their bond on: n/a  
The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

3. (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: n/a

**COMMENTS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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 _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU - 73917
2. NAME OF OPERATOR: True Oil LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P. O. Box 2360, Casper STATE WY ZIP 82602		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE(2,000' FSL, 2,173' FWL) COUNTY: Uintah		8. WELL NAME and NUMBER: RWS 11ML-1-9-24
QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: T9S, R24E, Sec. 1: NE $\frac{1}{4}$ SW $\frac{1}{4}$		9. API NUMBER: 43-047-36520
STATE: UTAH		10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input 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 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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>Time 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.

True Oil LLC respectfully requests that the State of Utah grant True Oil LLC an extension of time on the term for the APD for the RWS 11ML-1-9-24. Said extension would allow True to further evaluate the field production and obtain a drilling rig.

Should you have any concerns regarding this matter, please advise.

Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 05-24-06  
By: *[Signature]*

7-21-06  
CHO

NAME (PLEASE PRINT) <u>W. G. Morton</u>	TITLE <u>Landman</u>
SIGNATURE <i>[Signature]</i>	DATE <u>5-17-06</u>

(This space for State use only)

RECEIVED  
MAY 22 2006



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

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

**API:** 43-047-36520  
**Well Name:** RWS 11ML-1-9-24  
**Location:** T9S, R24E, Sec. 1: NE $\frac{1}{4}$ SW $\frac{1}{4}$   
**Company Permit Issued to:** True Oil LLC  
**Date Original Permit Issued:** April 11, 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 W. G. Morton

\_\_\_\_\_  
 May 17, 2006  
 Date

Title: Landman  
 \_\_\_\_\_

Representing: True Oil LLC  
 \_\_\_\_\_

**RECEIVED**  
**MAY 22 2006**  
 DIV. OF OIL, GAS & MINING

# TRUE OIL LLC

---

455 NORTH POPLAR STREET  
CASPER, WYOMING 82601

MAILING ADDRESS:  
P.O. DRAWER 2360  
CASPER, WY 82602  
(307) 237-9301  
FAX: (307) 266-0325

May 18, 2006

Utah Division of Oil, Gas and Mining  
P. O. Box 145801  
Salt Lake City, UT 84114-5801  
Attn: Diana Whitney

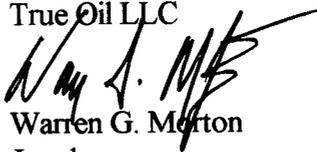
Re: Expired APD's

Dear Diana:

Per your request, please find enclosed the necessary paper work you requested to extend the permit terms for the BSW 1ML-13-9-24, BSW 9ML-12-9-24 and the RWS 11ML-1-9-24. True respectfully request that the State of Utah grant True a six month extension for said well permits.

Should you have any questions concerning this matter, please advise.

Very truly yours,  
True Oil LLC



Warren G. Morton  
Landman

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MAY 22 2006

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

July 13, 2007

True Oil LLC.  
P.O. Box 2360  
Casper, WY 82602

Re: APD Rescinded -RWS 11ML-1-9-24 Sec. 1, T. 9S R. 24E  
Uintah County, Utah API No. 43-047-36520

Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on April 11, 2005. On May 24, 2006, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 13, 2007.

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

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

Sincerely,

Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410



IN REPLY REFER TO:

3160

UT08300

February 11, 2008

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

43-047-36520

Re: Notice of Expiration  
Well No. RWS 11ML-1-9-24  
NESW, Sec. 1, T9S, R24E  
Uintah County, Utah  
Lease No. UTU-73917

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on September 28, 2005. No extension of the original APD was requested. In a phone call with you today, February 11, 2008, you requested that the APD approval be rescinded/expired. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

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

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

Sincerely,

*Cindy Severson*

Cindy Severson  
Land Law Examiner

cc: UDOGM – Diana Mason

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FEB 14 2008

DIV. OF OIL, GAS & MINING