

RECEIVED
MAY 1 / 2005
DIV. OF OIL, GAS & MINING

001

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

FORM 3

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN		5. MINERAL LEASE NO: ML-47046	6. SURFACE: STATE
B. TYPE OF WELL <input type="checkbox"/> OIL <input checked="" type="checkbox"/> GAS OTHER _____ <input checked="" type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE		7. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A	
2. NAME OF OPERATOR: QEP UINTA BASIN, INC.		8. UNIT OF CA AGREEMENT NAME: N/A	
3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078		9. WELL NAME and NUMBER: WK 1ML-2-9-24	
PHONE NUMBER: (435) 781-4331		10. FIELD AND POOL, OR WILDCAT:	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: NENE, 462' FNL 847' FEL, (LOT 1) SECTION 2, T9S, R24E 655684x 40.070499 (NAD 83) LAT 40.070561 LON 109.175081 (NAD 27) LAT 40.070594 LON 109.174408 4436969Y AT PROPOSED PRODUCING ZONE: SAME -109.174366		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 2 9S 24E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 37+/- MILES SOUTHEAST OF VERNAL, UTAH		12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE(FEET) 462' +/-	16. NUMBER OF ACRES IN LEASE: 586.47	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	19. PROPOSED DEPTH 7100'	20. BOND DESCRIPTION: 04127294	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5206.5' GR	22. APPROXIMATE DATE WORK WILL START: ASAP	23. ESTIMATED DURATION: 10 DAYS	

24 PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4"	9 5/8"	J-55	36	2700'	SEE ATTACHED 8-POINT DRILLING
7 7/8"	4 1/2"	M-80	11.6	TD	

25 ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERATION GENERAL RULES:

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- COMPLETE DRILLING PLAN
- EVIDNECE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OW

NAME (PLEASE PRINT) Jan Nelson TITLE Regulatory Affairs Analyst
SIGNATURE *Jan Nelson* DATE 13-May-05

(This space for State use only)

API NUMBER ASSIGNED: 43-047-36722 APPROVAL: _____

(11/2001)

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 07-11-05
By: *[Signature]*

(See Instruction on Reverse Side)

CONFIDENTIAL

NOTICE OF INTENT TO COMPLETE INTO MULTIPLE POOLS

WK 1ML-2-9-24

In compliance with the stated objectives of section R649-3-22 of the Utah Administrative Code and the Utah Oil and Gas Conservation Act, Questar Exploration and Production Company hereby requests the commingling of production between intervals in the WK 1ML-2-9-24. Questar considers this commingling to be in the public interest in that it promotes maximum ultimate economic recovery, prevents waste, provides for orderly and efficient production of oil and gas and presents no detrimental effects from commingling the two gas streams.

Questar requests approval for the commingling between the Mesa Verde and Wasatch intervals. As the well is not in a Unit PA and the ownership is the same between formations, production will be reported as combined Mesa Verde / Wasatch production.

This well will be completed using multiple stage hydraulic fracturing. Bridge plugs will be used to isolate completion intervals during fracturing operations and will be drilled up prior to putting the well on production. Mesa Verde and Wasatch intervals will be fractured separately, except where they occur too close together to make isolation unfeasible.

A plat of all contiguous owners will follow along with an affidavit stating that all contiguous owners have been notified and given a 15 day objection period.

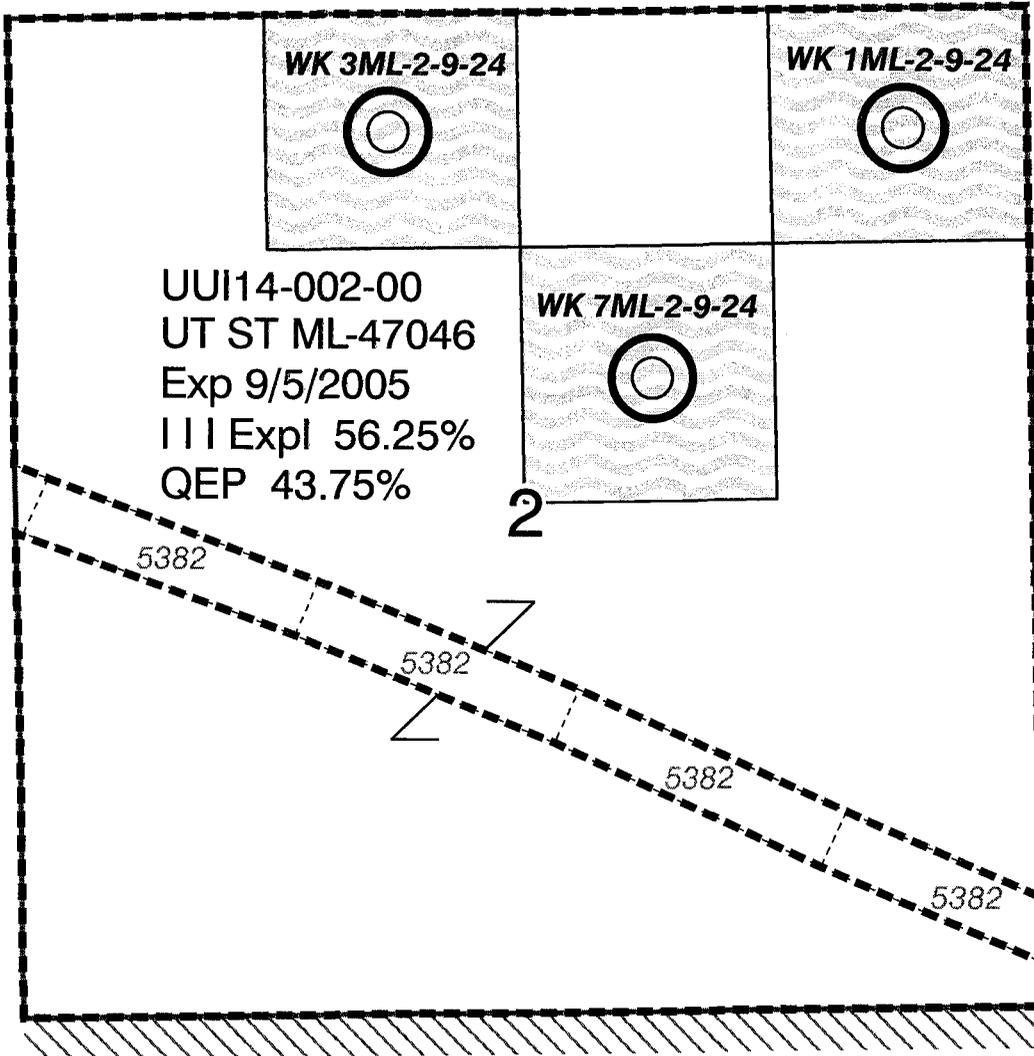
I hereby certify that the foregoing is true and correct

Mike Stahl

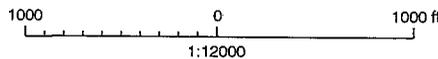
5/31/05

Mike Stahl
Completion Engineer
Questar Exploration & Production

RECEIVED
JUN 1 / 2005
DIV. OF OIL, GAS & MINING



Sec 2, T9S-R24E



-  40-acre pool
-  Commingled well
-  North Bonanza Unit
-  Lease line

Tw / Kmv
COMMINGLED PRODUCTION
 Uinta Basin—Uintah County, Utah

Wells: WK 1ML-2-9-24
WK 3ML-2-9-24
WK 7ML-2-9-24
Lease: UT ST ML-47046

QUESTAR Exploration and Production <small>1020 17th St., # 300 Denver, CO 80265</small>	Geologist: JD Herman	Landman: Angele Page
	Engineer:	Technician:
Date: May 16, 2005	D5722Maps\Utah maps\Comm 2005\2924.cdr	

AFFIDAVIT OF NOTICE

STATE OF COLORADO)
COUNTY OF DENVER) ss:

Angela Page, being duly sworn, deposes and says:

- 1. That I am employed by Questar Market Resources in the capacity as a Landman. My business address is Independence Plaza
1050 17th Street, Suite 500
Denver, CO 80265
- 2. In my capacity as a Landman, pursuant to the provisions of Utah Administrative Rule 615-3-22 I have provided a copy of Questar Market Resource's application for completion of the WK 1ML-2-9-24 well into two or more pools, in the form of Utah Division of Oil, Gas and Mining's Form 9 Sundry Notice, to owners of all contiguous oil and gas leases or drilling units overlying the pools which are the subject of that application.
- 3. In my capacity as a Landman I am authorized to provide such notice of Questar Market Resource's application to contiguous owners and to make this affidavit on this 19th day of May, 2005.

Angela Page
Printed Name: Angela Page

The foregoing instrument was sworn to and subscribed before me this 19th day of May, 2005, by Angela Page

Heather Lang
Notary Public

My Commission Expires 07/08/2008



Additional Operator Remarks

QEP, Uinta Basin Inc. proposes to drill a well to 7100' to test the Buck Tongue. 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 Notice of intent to complete into multiple pools attached.

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

Bond coverage for this well is provided by Bond No.04127294. The principal is QEP, Uinta Basin Inc. via surety as consent as provided for the 43 CFR 3104.2.

NOTICE OF INTENT TO COMPLETE INTO MULTIPLE POOLS

WK 1ML-2-9-24

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I hereby certify that the foregoing is true and correct



5/13/05

Mike Stahl
Completion Engineer
Questar Exploration & Production

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	1320'	
Wasatch	3545'	Gas
Mesa Verde	4555'	
Buck Tongue	6875'	
TD	7100'	

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	7100'

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	7100'	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
If drilling with air the following will be used:
- F. The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').

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 & 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-838sx* Tail-917sx*	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 4055' ($\pm 500'$ 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.

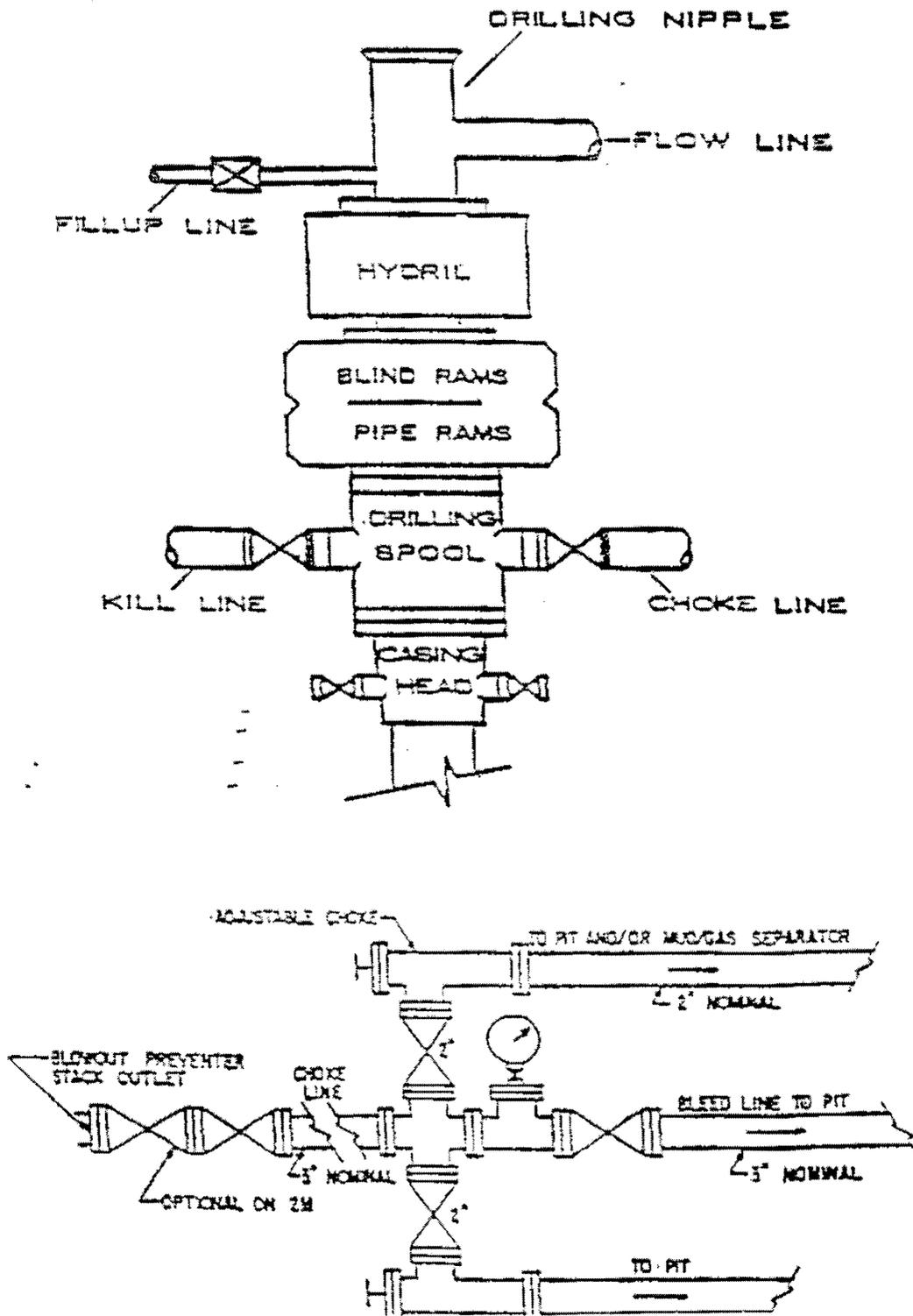
*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

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 3079.0 psi. Maximum anticipated bottom hole temperature is 140° F.

DRILLING PROGRAM

SCHEMATIC DIAGRAM OF 3,000 PSI BOP STACK



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

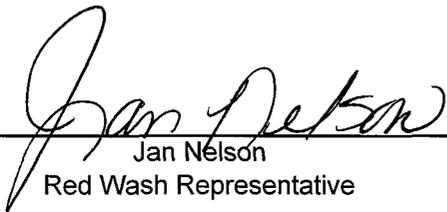
Certification:

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

13-May-05

Date

QUESTAR EXPLR. & PROD.

WK #1ML-2-9-24

LOCATED IN UINTAH COUNTY, UTAH
SECTION 1, T9S, R24E, S.L.B.&M.
2



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS	02	18	05	PHOTO
TAKEN BY: D.A.	MONTH	DAY	YEAR	
DRAWN BY: L.K.	REVISED: 00-00-00			

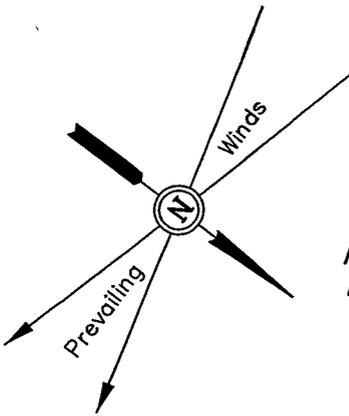
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QUESTAR EXPLR. & PROD.

FIGURE #1

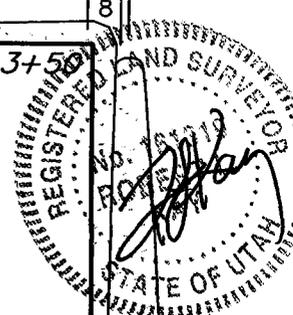
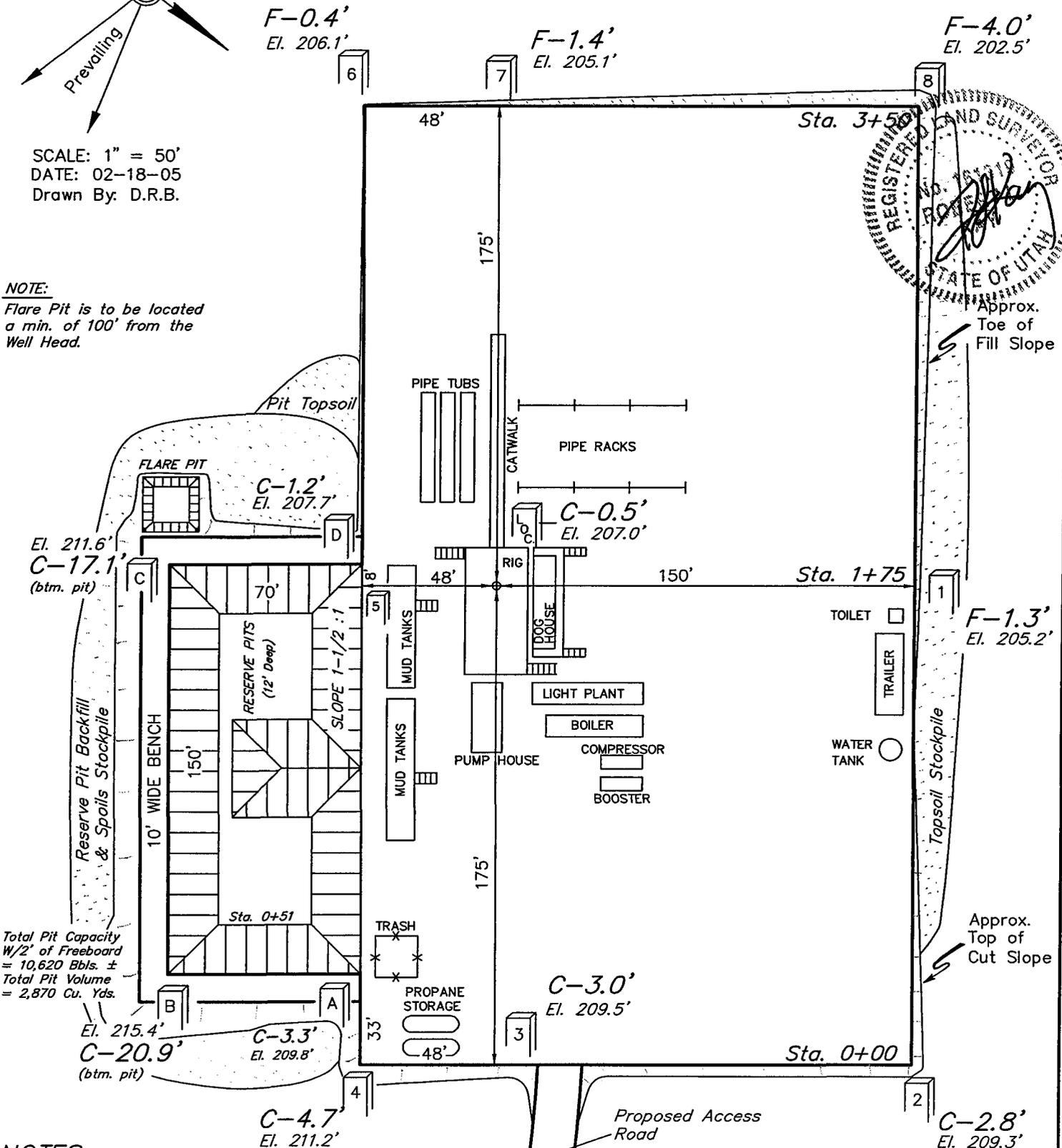
LOCATION LAYOUT FOR

WK #1ML-2-9-24
SECTION 2, T9S, R24E, S.L.B.&M.
462' FNL 847' FEL



SCALE: 1" = 50'
DATE: 02-18-05
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 = 5207.0'
FINISHED GRADE ELEV. AT LOC. STAKE = 5206.5'

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

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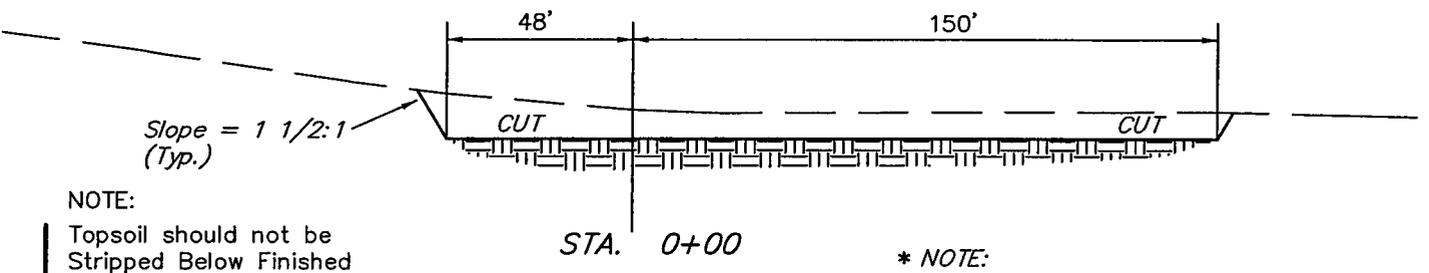
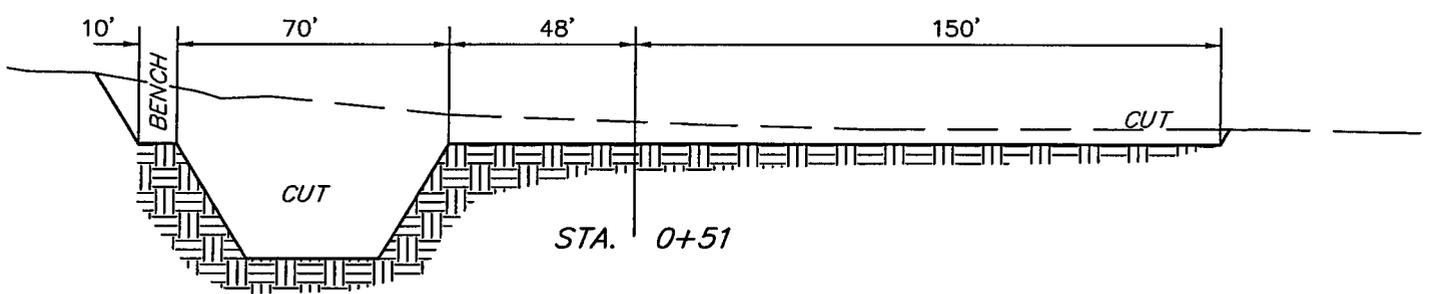
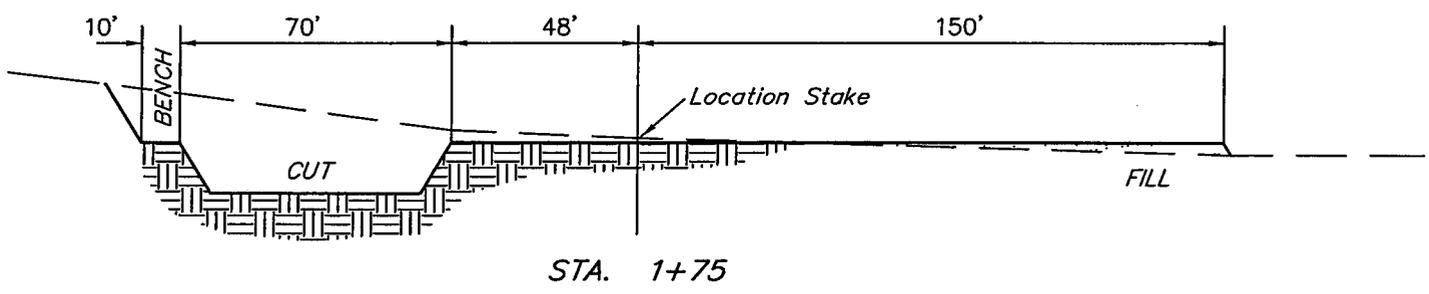
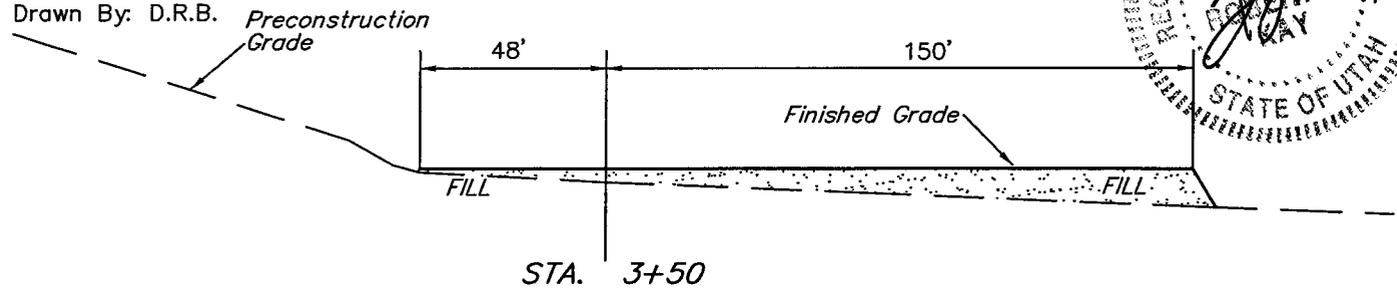
QUESTAR EXPLR. & PROD.

FIGURE #2

TYPICAL CROSS SECTIONS FOR
 WK #1ML-2-9-24
 SECTION 2, T9S, R24E, S.L.B.&M.
 462' FNL 847' FEL

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

DATE: 02-18-05
 Drawn By: D.R.B.



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

* NOTE:
 FILL QUANTITY INCLUDES 5% FOR COMPACTION

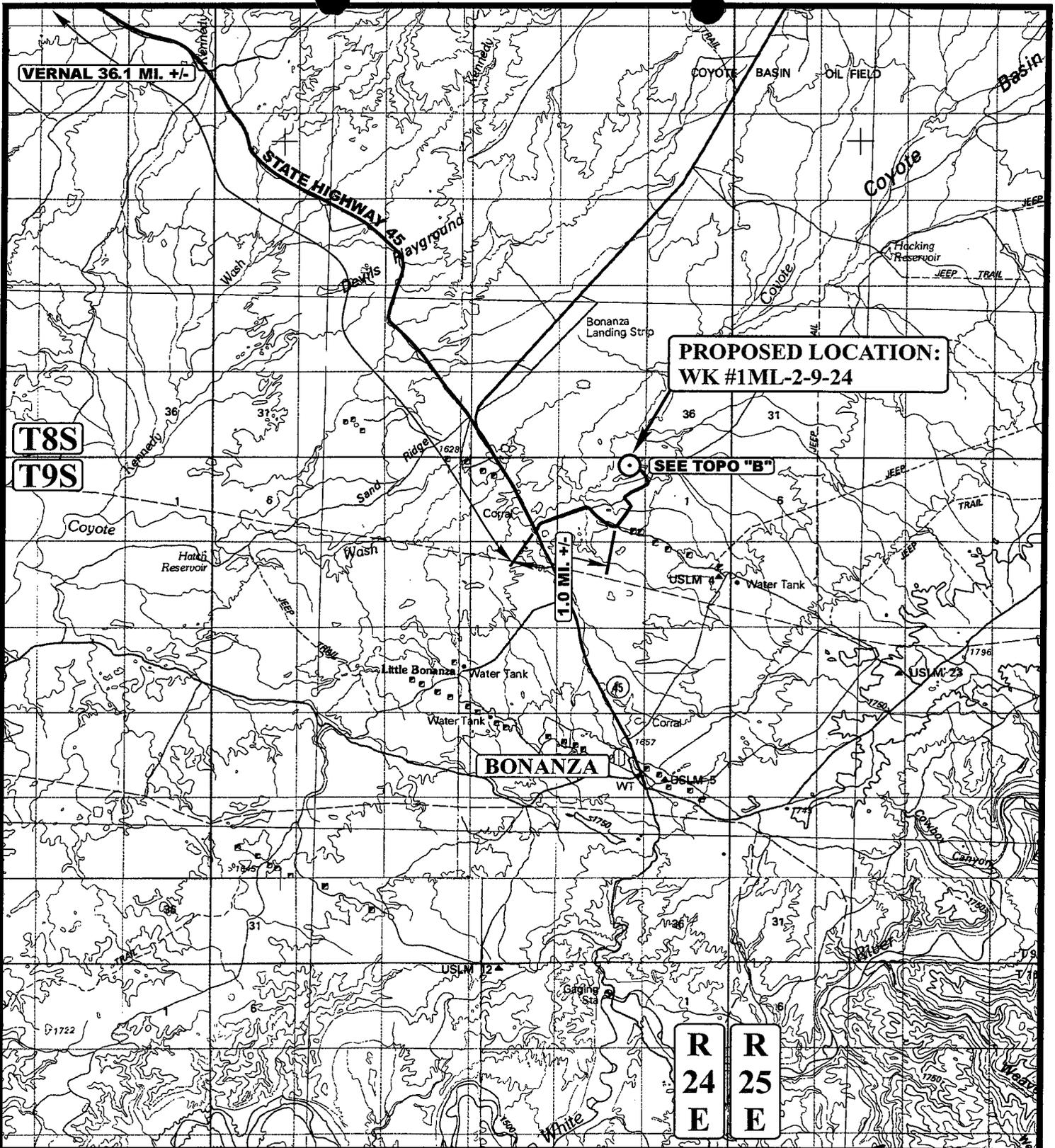
APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,690 Cu. Yds.
Remaining Location	= 6,310 Cu. Yds.
TOTAL CUT	= 8,000 CU.YDS.
FILL	= 2,570 CU.YDS.

EXCESS MATERIAL	= 5,430 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,130 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 2,300 Cu. Yds.

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

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LEGEND:

⊙ PROPOSED LOCATION



QUESTAR EXPLR. & PROD.

WK #1ML-2-9-24
SECTION 2, T9S, R24E, S.L.B.&M.
462' FNL 847' FEL



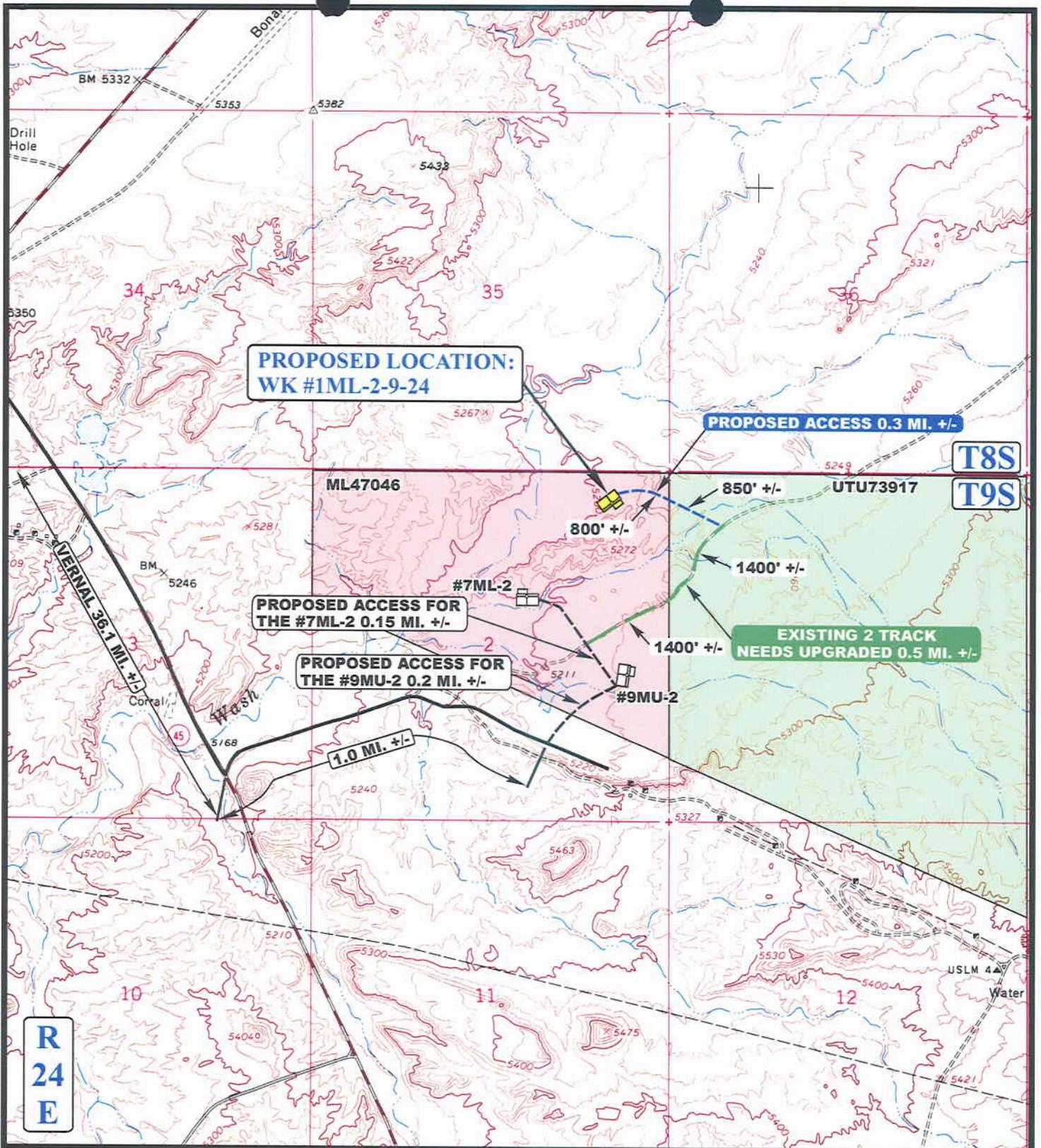
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

02 18 05
MONTH DAY YEAR

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





**PROPOSED LOCATION:
WK #1ML-2-9-24**

PROPOSED ACCESS 0.3 MI. +/-

**T8S
T9S**

ML47046

850' +/-

UTU73917

800' +/-

1400' +/-

**PROPOSED ACCESS FOR
THE #7ML-2 0.15 MI. +/-**

#7ML-2

1400' +/-

**EXISTING 2 TRACK
NEEDS UPGRADED 0.5 MI. +/-**

**PROPOSED ACCESS FOR
THE #9MU-2 0.2 MI. +/-**

#9MU-2

1.0 MI. +/-

**R
24
E**

LEGEND:

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

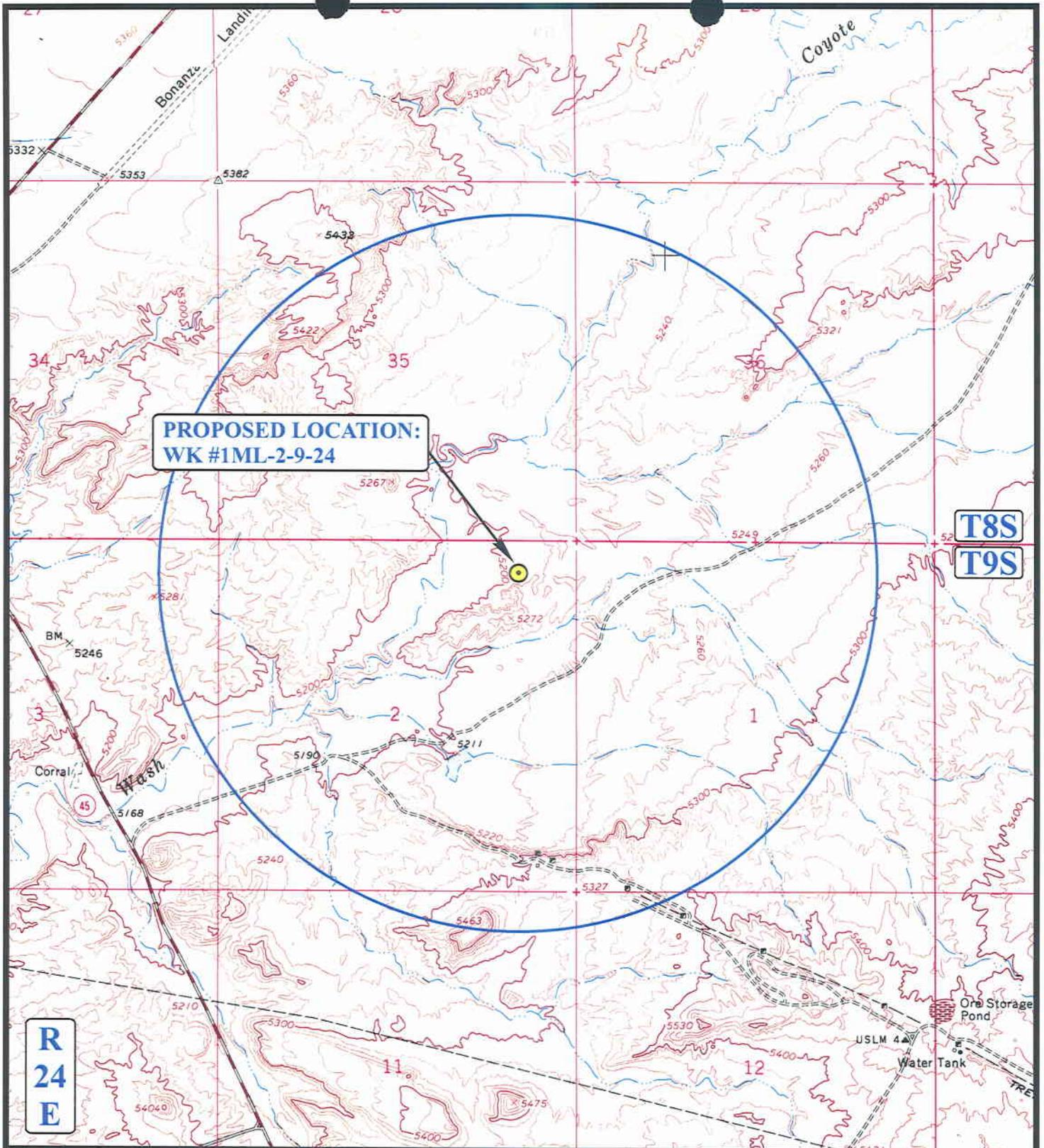
QUESTAR EXPLR. & PROD.

**WK #1ML-2-9-24
SECTION 2, T9S, R24E, S.L.B.&M.
462' FNL 847' FEL**

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



TOPOGRAPHIC MAP **02 18 05**
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00 **B TOPO**



**PROPOSED LOCATION:
WK #1ML-2-9-24**

**T8S
T9S**

**R
24
E**

LEGEND:

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



QUESTAR EXPLR. & PROD.

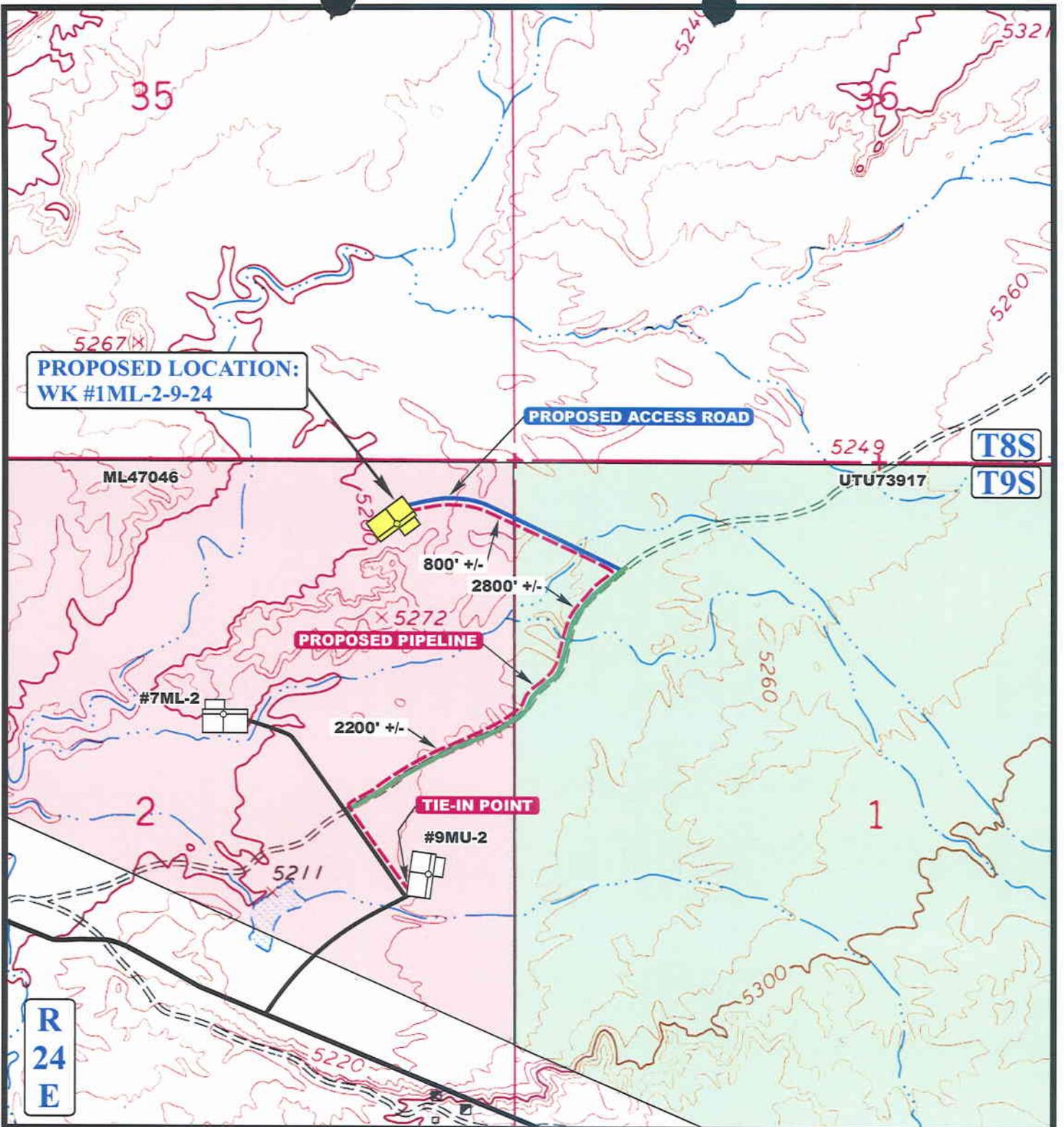
**WK #1ML-2-9-24
SECTION 2, T9S, R24E, S.L.B.&M.
462' FNL 847' FEL**

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

TOPOGRAPHIC **02 18 05**
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00



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APPROXIMATE TOTAL PIPELINE DISTANCE = 5800' +/-

LEGEND:

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

QUESTAR EXPLR. & PROD.

WK #1ML-2-9-24
SECTION 2, T9S, R24E, S.L.B.&M.
462' FNL 847' FEL



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



TOPOGRAPHIC MAP **02 18 05**
 MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: L.K. REV: 04-25-05 L.K.



CONFIDENTIAL

From: Ed Bonner
To: Whitney, Diana
Date: 6/13/2005 1:48:02 PM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

ConocoPhillips
Utah 24-902
Utah 28-903
Utah 18-904

Westport Oil & Gas Company
NBU 921-25D
NBU 921-33N
NBU 922-36B
North Bench State 42-16
North Bench State 44-16

QEP Uinta Basin, Inc
RW 14-36AMU
WK 1ML-2-9-24
WK 3ML-2-9-24
WK 7ML-2-9-24
WK 13ML-2-9-24
WK 15ML-2-9-24

If you have any questions regarding this matter please give me a call.

CC: Garrison, LaVonne; Hill, Brad; Hunt, Gil

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/17/2005

API NO. ASSIGNED: 43-047-36722

WELL NAME: WK 1ML-2-9-24
OPERATOR: QEP UINTA BASIN, INC. (N2460)
CONTACT: JAN NELSON

PHONE NUMBER: 435-781-4331

PROPOSED LOCATION:

NENE 02 090S 240E
SURFACE: 0462 FNL 0847 FEL
BOTTOM: 0462 FNL 0847 FEL
UINTAH
UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DRD	7/6/05
Geology		
Surface		

LEASE TYPE: 3 - State
LEASE NUMBER: ML-47046
SURFACE OWNER: 3 - State
PROPOSED FORMATION: WSTC
COALBED METHANE WELL? NO

LATITUDE: 40.07050
LONGITUDE: -109.1744

RECEIVED AND/OR REVIEWED:

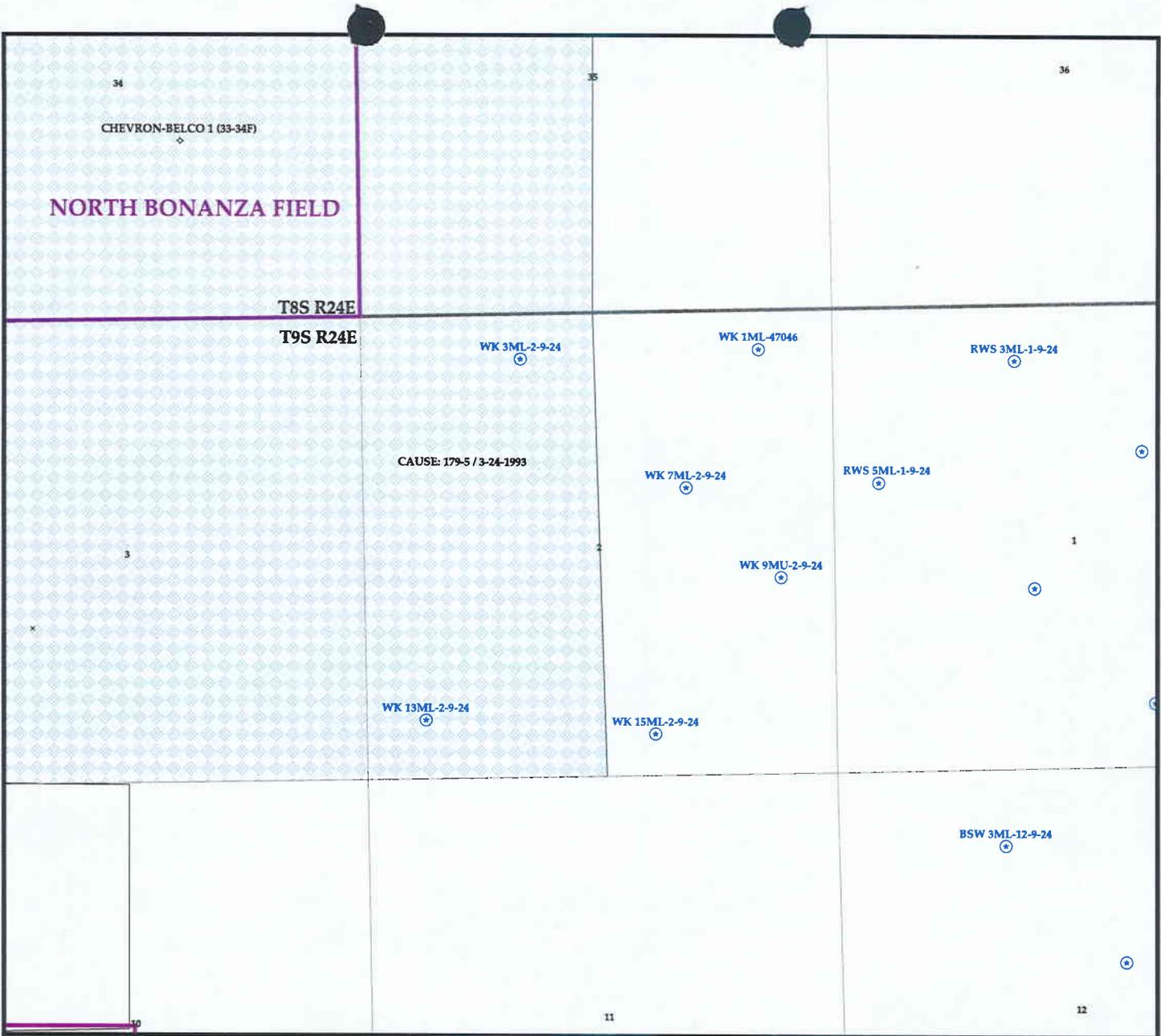
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 965003033)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-2153)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

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: Needs Permit (05-24-05)

STIPULATIONS: 1- Spaling Slip
2- STATEMENT OF BASIS
3- Community Approval (Wstch-MN)



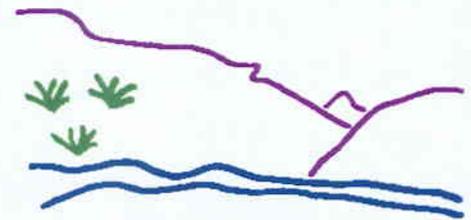
OPERATOR: QEP UINTA BASIN INC (N2460)

SEC: 2 T. 9S R. 24E

FIELD: UNDESIGNATED (002)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 18-MAY-2005

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		

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: Q.E.P. UINTA BASIN, INC.
WELL NAME & NUMBER: WK 1ML-2-9-24
API NUMBER: 43-047-36722
LOCATION: 1/4,1/4 NE/NE Sec: 2 TWP: 9S RNG: 24E 847' FEL 462' FNL

Geology/Ground Water:

QEP proposes to set 2,700 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 3,000 feet. A search of Division of Water Rights records shows 2 water wells within a 10,000 foot radius of the proposed location. One well is over 1 mile from the proposed location and the other is approximately .3 miles away both are 100 feet or less in depth. One is listed for domestic use and the other for stock watering. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed well is approximately .6 miles from an active gilsonite mine. Verbal and written correspondence from Clay Taylor at American Gilsonite indicate that they are presently mining at a depth of about 1,100 feet. For both mine safety reasons and protection of the mineral resource surface casing should be extended to below the active mine workings and cemented to surface. The surface hole should also be drilled with air or mist if possible. A surface casing at this depth should adequately protect any useable ground water in this area.

Reviewer: Brad Hill **Date:** 06-07-05

Surface:

The predrill investigation of the surface was performed on 5/24/2005. Floyd Bartlett with DWR and Ed Bonner with SITLA were invited to this investigation on 5/19/2005. Mr. Bartlett was present. He had no concerns regarding the construction of this location or the drilling of this well. This site is on State surface with State minerals and appears to be the best site for a location in the immediate area. There are gilsonite mines 0.6 miles southwest of this site, and it will be necessary to notify these mines if it becomes necessary to blast while constructing this location or reserve pit. Ms. Nelson agreed to this. Mr. Bartlett presented Ms. Nelson with a DWR approved seed mix to be used when reserve pit is reclaimed.

Reviewer: David W. Hackford **Date:** 05/31/2005

Conditions of Approval/Application for Permit to Drill:

None.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Q.E.P. UINTA BASIN, INC.

WELL NAME & NUMBER: WK 1ML-2-9-24

API NUMBER: 43-047-36722

LEASE: ML-47046 FIELD/UNIT: UNDESIGNATED

LOCATION: 1/4,1/4 NE/NE sec: 2 TWP: 9S RNG: 24E 847' FEL 462' FNL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.
GPS COORD (UTM): 4436982N 655682E SURFACE OWNER: STATE OF UTAH

PARTICIPANTS

DAVID W. HACKFORD (DOGM), JAN NELSON, (Q.E.P.), FLOYD BARTLETT (DWR).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS IN A RELATIVELY FLAT AND LEVEL AREA WITH A ROCKY KNOLL 300' TO THE
SOUTHWEST. VERY SHALLOW DRAWS DRAIN TO THE WEST TO COYOTE WASH 0.25 MILES
AWAY. COYOTE WASH DRAINS TO THE SOUTHWEST AND EVENTUALLY REACHES THE WHITE
RIVER. BONANZA, UTAH IS 3.25 MILES TO THE SOUTH, AND VERNAL, UTAH IS 36.75
MILES TO THE NORTHWEST.

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 350' BY 268'. ACCESS
ROAD WILL BE 0.3 MILES AND 0.5 MILES OF TWO-TRACK TO BE UPGRADED.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM
GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION
FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE
WILL FOLLOW ACCESS ROAD.

SOURCE OF CONSTRUCTION MATERIAL: ALL MATERIAL WILL BE BORROWED FROM SITE
DURING CONSTRUCTION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS?
(EXPLAIN): UNLIKELY.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO THE RESERVE PIT. LIQUIDS FROM PIT
WILL BE ALLOWED TO EVAPORATE OR TRUCKED FROM LOCATION. FORMATION WATER
WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND
DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE
CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: CHEATGRASS, SAGE, RUSSIAN THISTLE, MUSTARD, GREASEWOOD,
PRICKLY PEAR: PRONGHORN, COYOTES, SONGBIRDS, RAPTORS, RODENTS, RABBITS.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION.
SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION
SHOULDN'T CAUSE AN INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED

RESERVE PIT

CHARACTERISTICS: RESERVE PIT WILL BE 150' BY 70' AND 12' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER WILL NOT BE
REQUIRED FOR THE RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE HAS BEEN INSPECTED BY MOAC ARCHAEOLOGY.
A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

OTHER OBSERVATIONS/COMMENTS

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A WARM SUNNY DAY WITH NO
SNOW COVER. GILSONITE MINES ARE LOCATED IN THIS SECTION, 0.6 MILES TO
THE SOUTHWEST.

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

5/24/05, 1:30 PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 15 (Level II Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.







State Online Services

Agency List

Business.utah.gov

Search Utah.gov

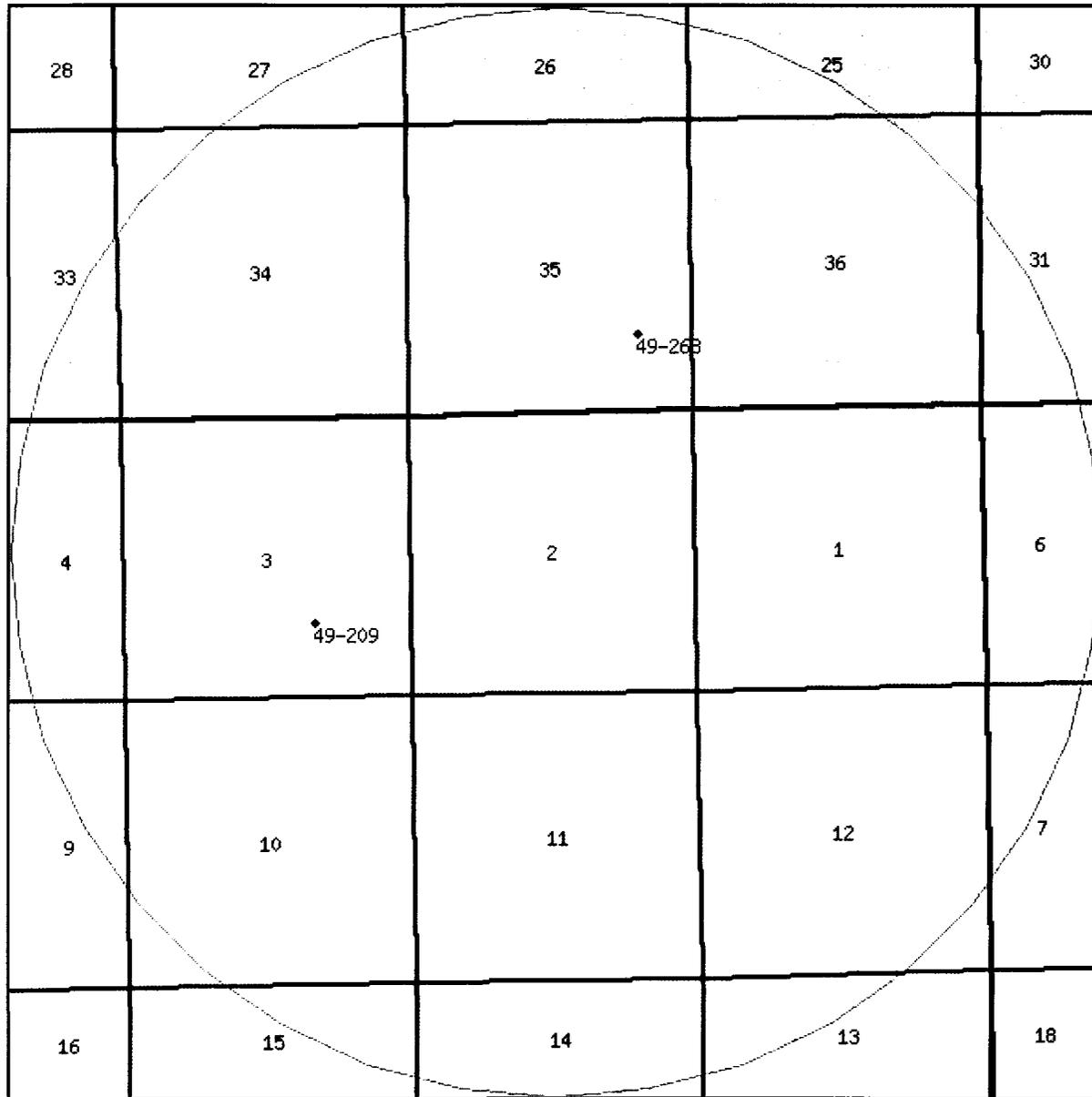
GO

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 06/07/2005 09:05 AM

Radius search of 10000 feet from a point N2640 E2640 from the SW corner, section 02, Township 9S, Range 24E, SL b&m
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



0 1300 2600 3900 5200 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>49-209</u>	Underground N1350 W1800 SE 03 9S 24E SL	<u>well info</u>	P	19551101	D	0.011	0.000	PARTNERSHIP G.S. ZIEGLER & COMPANY JENSEN UT 84035
<u>49-268</u>	Underground N1390 W1041 SE 35 8S 24E SL	<u>well info</u>	P	1928	S	0.009	0.000	JOSEPH P. HACKING VERNAL UT 84078

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

Casing Schematic

Uinta

Surface

9-5/8"
MW 8.4
Frac 19.3

Surface
2700. MD

4-1/2"
MW 9.5

Production
7100. MD

1320' Green River

✓ w/ 18% Washout

3,000' Bmsal

3452' Toc Tail

3545' Wasatch

4555' Mosalenda

✓ w/ 15% Washout

BHP
 $(6.052)(9.5)(7100) = 3507$
Anticipate = 3079

G_{ao}
 $(6.12)(7100) = 852$
MASP = 2655

BOPE = 3,000 ✓

Surf CSg = 3520
70% = 2464

Mat pressure @ shoe = 2111
Propose Test to 2400# ✓
Commngl @ request
Need plat & affidavit +
rec'd 6/17/05 ✓

✓ Adequate DCD 7/6/05

Well name:	06-05 WK 1ML-2-9-24	
Operator:	QEP Uinta Basin, Inc.	Project ID:
String type:	Surface	43-047-36722
Location:	Uintah County	

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 0 psi
Internal gradient: 0.494 psi/ft
Calculated BHP: 1,332 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor: 1.125

Burst:
Design factor: 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 2,364 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 103 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 450 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 7,100 ft
Next mud weight: 9.500 ppg
Next setting BHP: 3,504 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,700 ft
Injection pressure: 2,700 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2700	9.625	36.00	J-55	LT&C	2700	2700	8.796	192.2

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1178	2020	1.715	1332	3520	2.64	97	453	4.66 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 801-359-3940

Date: June 8, 2005
Salt Lake City, Utah

ENGINEERING STIPULATIONS:
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:

06-05 WK 1ML-2-9-24

Operator: QEP Uinta Basin, Inc.

String type: Production

Project ID:

43-047-36722

Location: Uintah County

Design parameters:

Collapse

Mud weight: 9.500 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 147 °F
Temperature gradient: 1.15 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.494 psi/ft
Calculated BHP 3,504 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.
Neutral point: 6,092 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	7100	4.5	11.60	M-80	LT&C	7100	7100	3.875	164.6
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3504	6350	1.812	3504	7780	2.22	82	267	3.24 B

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 801-359-3940

Date: June 8, 2005
Salt Lake City, Utah

ENGINEERING STIPULATIONS:

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 11, 2005

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

Re: WK 1ML-2-9-24 Well, 462' FNL, 847' FEL, NE NE, Sec. 2, 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.

Administrative approval for commingling the production from the Wasatch formation and the Mesaverde formation in this well is hereby granted. Appropriate information has been submitted to DOGM in accordance with R649-3-22. No written objections from owners were received by DOGM.

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 43-047-36722.

Sincerely,

Gil Hunt
Acting Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: QEP Uinta Basin, Inc.
Well Name & Number WK 1ML-2-9-24
API Number: 43-047-36722
Lease: ML-47046

Location: NE NE Sec. 2 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**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

Page 2

API #43-047-36722

July 11, 2005

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

RECEIVED

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

NOV 14 2005

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 GAS WELL OTHER _____

2. NAME OF OPERATOR: Questar Exploration and Production Company QEP Uinta Basin N2785

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

4. LOCATION OF WELL

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF 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:

FOOTAGES AT SURFACE: See Attachment

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input 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

N2785

[Signature]

Agreed to by:

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 *[Signature]* 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

(5/2000)

(See Instructions on Reverse Side)

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
- 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
- 16) BSW 9ML-12-9-24 API # 43-047-36461 9S 24E Section 12: NESE
- 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
- 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

- 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*

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:	WK 1ML -2-9-24
API number:	43-047-36722
Location:	Qtr-Qtr: NENE Section: 2 Township: 9S Range: 24E
Company that filed original application:	QEP UINTA BASIN INC.
Date original permit was issued:	JULY 11, 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 STATE LAND</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>QL2-J92-427005-245</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)

RECEIVED

DEC 22 2005

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

December 19, 2005

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

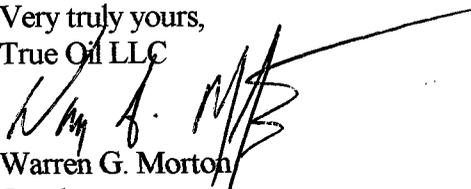
Re: Transfer of operations

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

RECEIVED

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**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 22, 2006

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

Re: APD Rescinded -WK 1ML-2-9-24 Sec. 2 T. 9S R. 24E
Uintah County, Utah API No. 43-047-36722

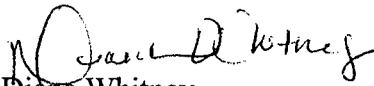
Dear Mr. Morton:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 11, 2005. On August 22, 2006, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective August 22, 2006.

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 Whitney
Engineering Technician

cc: Well File
SITLA, Ed Bonner