

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: <b>ML-47970</b>	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: <b>The Houston Exploration Company</b>			9. WELL NAME and NUMBER: <b>North Walker Hollow 13-36-6-23</b>	
3. ADDRESS OF OPERATOR: <b>1100 Louisiana Suit 200</b> CITY <b>Houston</b> STATE <b>TX</b> ZIP <b>77002</b>		PHONE NUMBER: <b>(713) 830-6800</b>	10. FIELD AND POOL, OR WILDCAT: <b>Undesignated</b>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>469' FSL &amp; 606' FWL</b> AT PROPOSED PRODUCING ZONE: <b>Same as above.</b>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 36 T6S 23E</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>32.1 miles south of Vernal, UT</b>			12. COUNTY: <b>Uintah</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>469'</b>	16. NUMBER OF ACRES IN LEASE: <b>1,280</b>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>40</b>		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>1,900'</b>	19. PROPOSED DEPTH: <b>9,000</b>	20. BOND DESCRIPTION: <b>104155044</b>		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>5,101' GR</b>	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION: <b>30 Days</b>		

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
11"	9 5/8 J-55 36#	2,000	Premium Lite II	270 sks	3.38 CF	11.0 PPG
			CLASS "G"	329 SKS	1.2 CF	15.6 PPG
			Calcium Chloride	200 SKS	1.10 CF	15.6 PPG
7 7/8	4 1/2 N-80 11.6#	9,000	Premium Lite II	200 SKS	3.3 CF	11.0 PPG
			CLASS "G"	400 SKS	1.56 CF	14.3 PPG

**ATTACHMENTS**

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

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- COMPLETE DRILLING PLAN
- FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

**CONFIDENTIAL**

NAME (PLEASE PRINT) William A Ryan TITLE Agent  
SIGNATURE *William A Ryan* DATE 12-5-15

(This space for State use only)

API NUMBER ASSIGNED: 43-047-37463

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

APPROVAL:  
Date: 12-3-06  
By: *[Signature]*  
(See Instructions on Reverse Side)

**RECEIVED**

**DEC 07 2005**

DIV. OF OIL, GAS & MINING

T6S, R23E, S.L.B.&M.

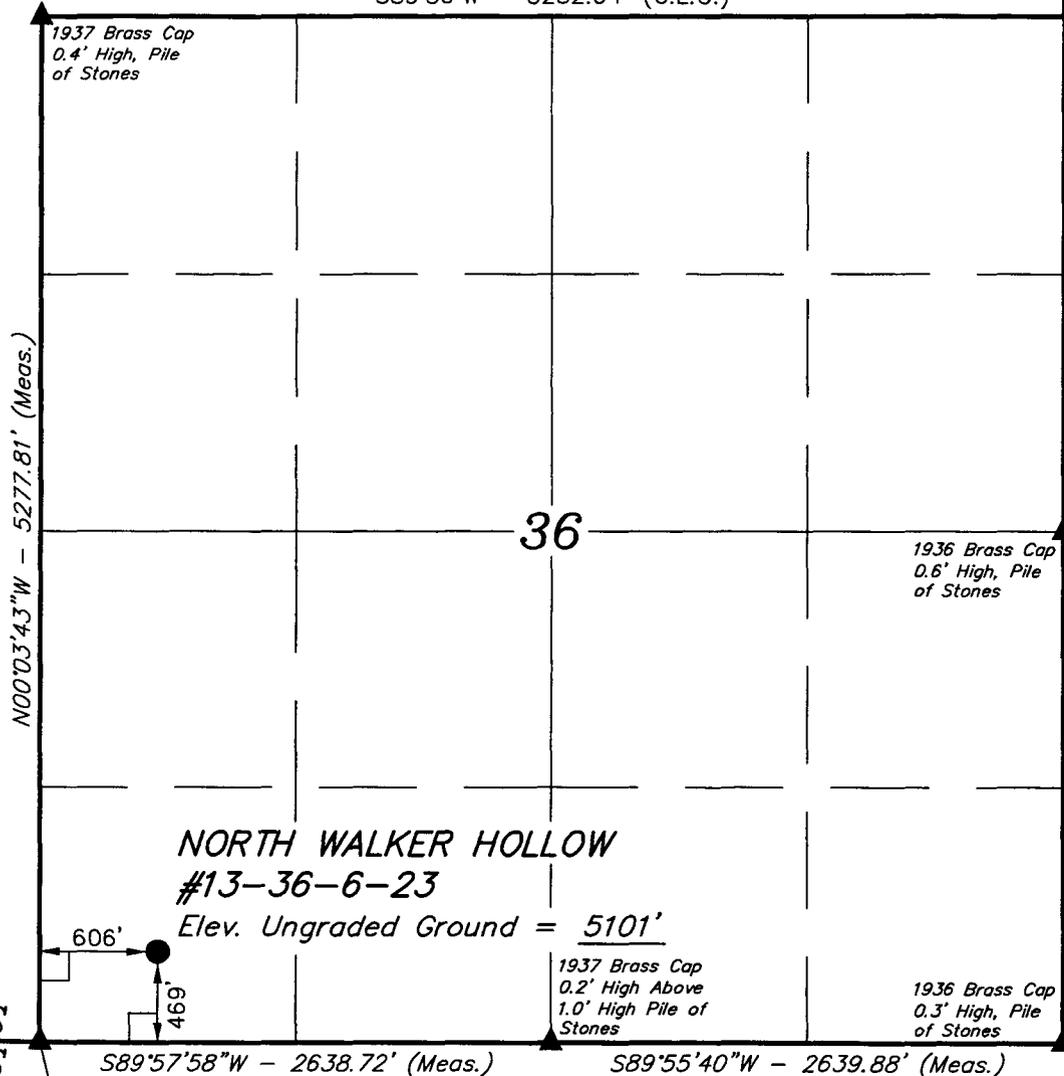
R  
23  
E

R  
24  
E

THE HOUSTON EXPLORATION COMPANY

Well location, NORTH WALKER HOLLOW  
#13-36-6-23, located as shown in the SW 1/4  
SW 1/4 of Section 36, T6S, R23E, S.L.B.&M.  
Uintah County, Utah.

S89°56'W - 5282.64' (G.L.O.)



NORTH - 2640.00' (G.L.O.)

N00°02'47"W - 2641.52' (Meas.)

N00°03'43"W - 5277.81' (Meas.)

36

NORTH WALKER HOLLOW  
#13-36-6-23

Elev. Ungraded Ground = 5101'

T6S  
T7S

1937 Brass Cap  
0.2' High, Pile  
of Stones

1937 Brass Cap  
0.2' High Above  
1.0' High Pile of  
Stones

1936 Brass Cap  
0.3' High, Pile  
of Stones

S89°57'58"W - 2638.72' (Meas.)

S89°55'40"W - 2639.88' (Meas.)

**BASIS OF BEARINGS**

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

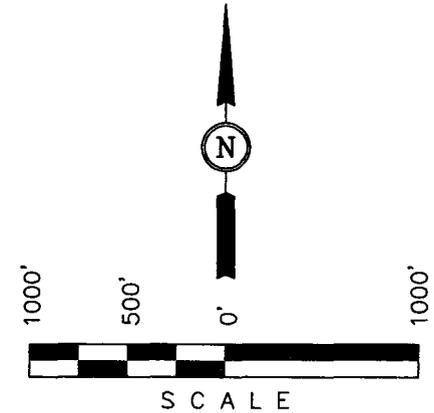
(AUTONOMOUS NAD 83)  
LATITUDE = 40°15'09.15" (40.252542)  
LONGITUDE = 109°17'09.96" (109.286100)  
(AUTONOMOUS NAD 27)  
LATITUDE = 40°15'09.28" (40.252578)  
LONGITUDE = 109°17'07.51" (109.285419)

**LEGEND:**

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

**BASIS OF ELEVATION**

SPOT ELEVATION AT THE SOUTHEAST CORNER OF SECTION  
32, T6S, R23E, S.L.B.&M. TAKEN FROM THE JENSEN  
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 4959 FEET.



**CERTIFICATE**

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

*Robert Hay*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

**UINTAH ENGINEERING & LAND SURVEYING**

85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 09-06-05	DATE DRAWN: 09-16-05
PARTY N.H. D.S. P.M.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE THE HOUSTON EXPLORATION COMPANY	

**Ten Point Plan**

**The Houston Exploration Company**

**North Walker Hollow #13-36-6-23**

Surface Location SW ¼ SW ¼, Section 36, T. 6S., R. 23E.

**1. Surface Formation**

Green River

**2. Estimated Formation Tops and Datum:**

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
GR	Surface	5,101'
KB	+12'	5,113'
Green River	3,139'	+1,962'
Wasatch	6,139'	-1,038'
Mesaverda	9,000'	-3,899'TD

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

**3. Producing Formation Depth:**

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

Off set well information

Permitted/Drilled:

North Walker Hollow #11-36-6-23

North Walker Hollow #15-36-6-23

Abandoned Wells:

KU #1

WHU #79

WHU #78

Producing Wells:

WHU #76

WHU #86

WHU #63

WHU #87

WHU #47

**4. Proposed Casing:**

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/FT</u>	<u>Grade</u>	<u>Coupling &amp; Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
11	8 5/8	36#	J-55	STC	2000	NEW
7 7/8	4 1/2	11.6#	N-80	LTC	T.D.	NEW

**Cement Program:**

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

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	8 5/8	Premium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride	270 sks. +/-	3.38ft <sup>3</sup> /sk	11.0 ppg
Tail:	8 5/8	Class "G" 2% Calcium Chloride .25#/sk Cello Flake	329 sks. +/-	1.2ft <sup>3</sup> /sk	15.6 ppg
Top Job:	8 5/8	4% Calcium Chloride .25#/sk Cello Flake	200 sks. +/-	1.10ft <sup>3</sup> /sk	15.6 ppg

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

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	4 1/2	Premium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate	<del>200</del> <sup>357</sup> sks +/-	3.3ft <sup>3</sup> /sk	11.0 ppg
Tail:	4 1/2	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	<del>400</del> <sup>526</sup> sks +/-  <i>See E-mail 1/18/2006</i>	1.56ft <sup>3</sup> /sk	14.3 ppg

**5. BOP and Pressure Containment Data:**

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

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

## 6. Mud Program:

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

## 7. Auxiliary Equipment

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

## 8. Testing, Coring, Sampling and Logging:

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

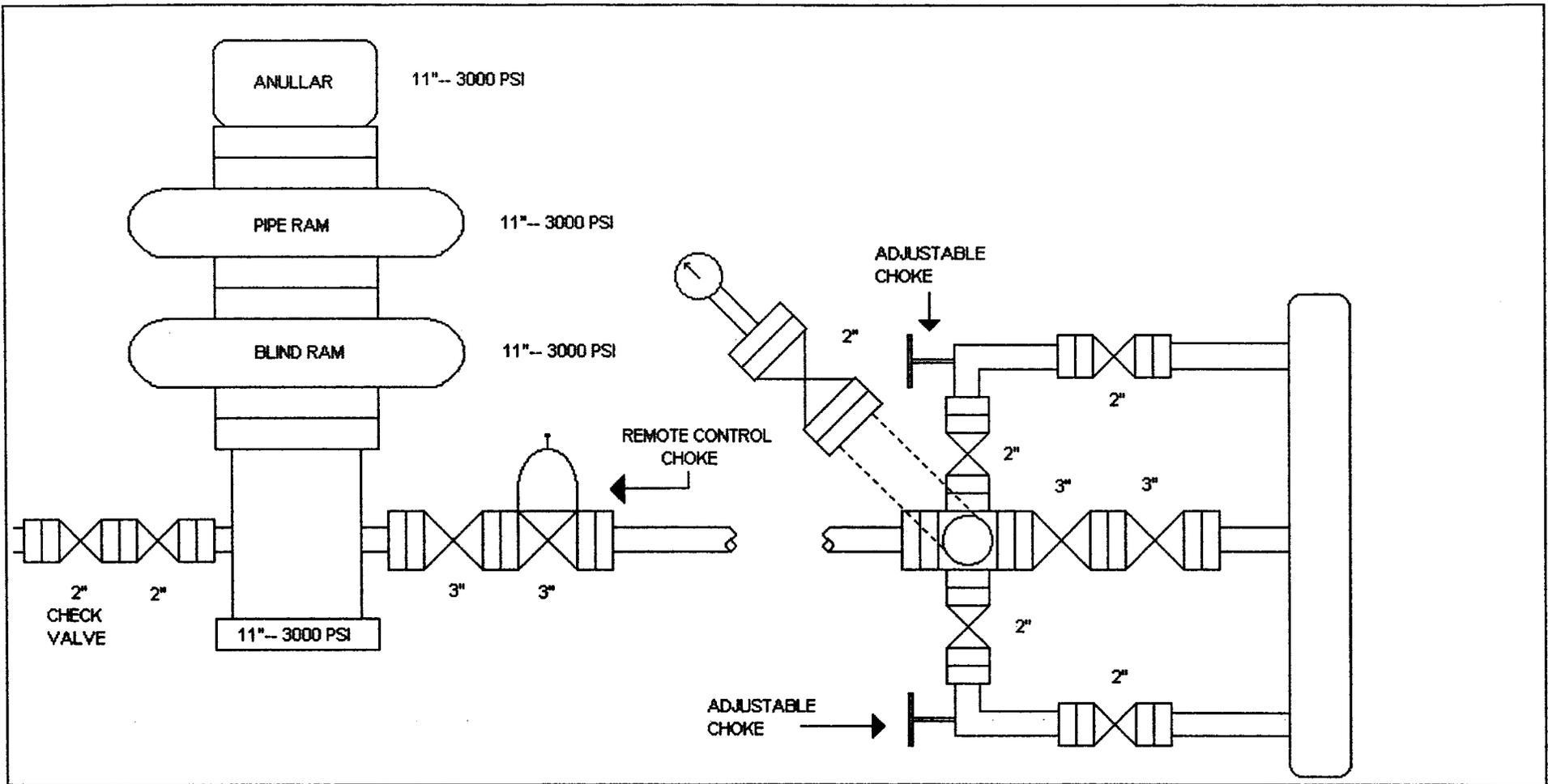
Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

## 9. Abnormalities (including sour gas):

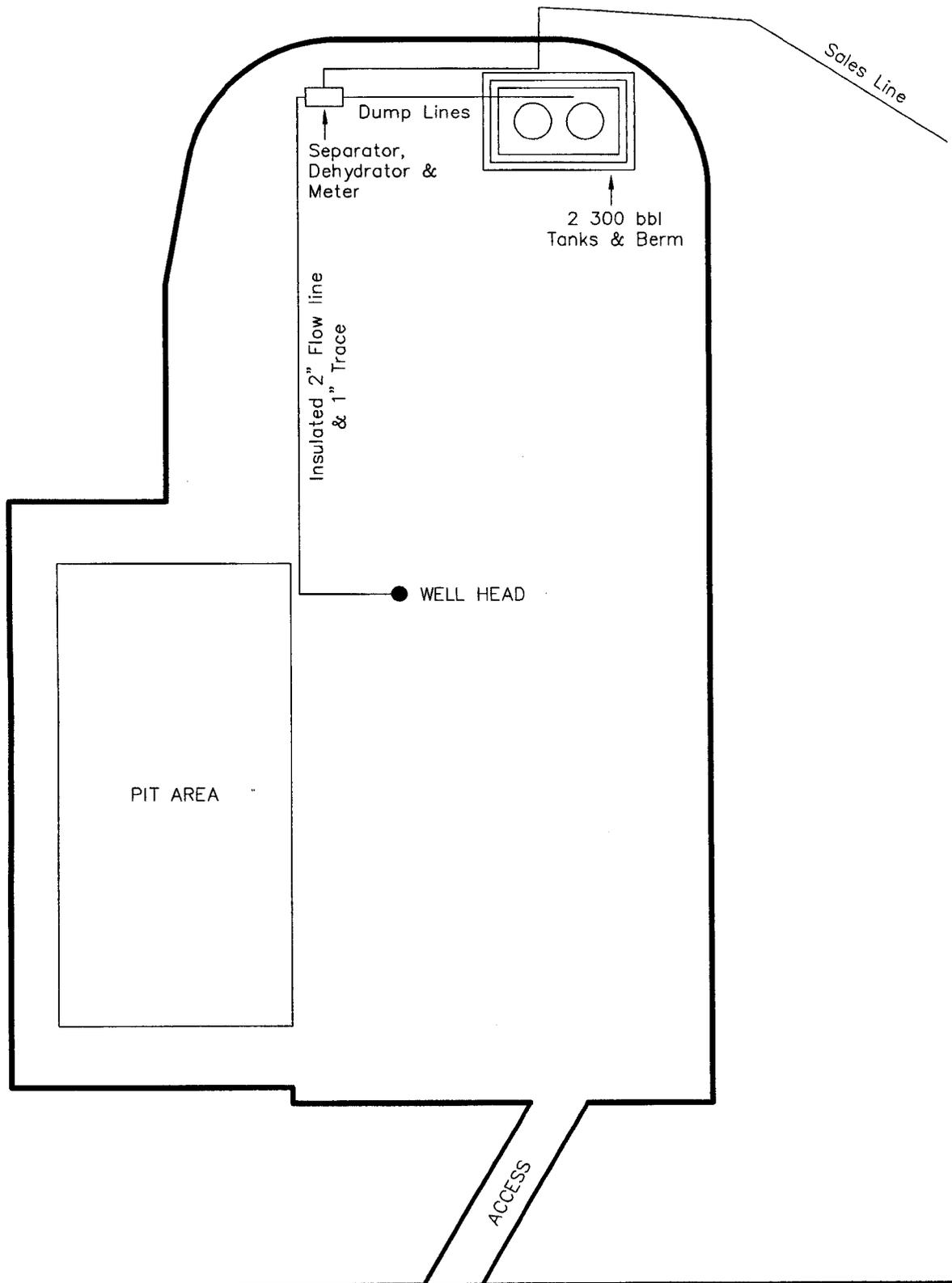
No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H<sub>2</sub>S.

## 10. Drilling Schedule:

The anticipated starting date is 3/01/2006. Duration of operations is expected to be 30 days.



# TYPICAL PRODUCTION LAYOUT



**THE HOUSTON EXPLORATION COMPANY**

**13 POINT SURFACE USE PLAN**

**FOR WELL**

**NORTH WALKER HOLLOW 13-36-6-23**

**LOCATED IN SW  $\frac{1}{4}$  SW  $\frac{1}{4}$**

**SECTION 36, T.6S, R23E, S.L.B.&M.**

**UINTAH COUNTY, UTAH**

**LEASE NUMBER: ML-47970**

**SURFACE OWNERSHIP: STATE**

1. Existing Roads:

To reach The Houston Exploration Co. well North Walker Hollow 13-36-6-23 in Section 36, T6S, R 23E, starting in Vernal, Utah:

Proceed in an easterly direction from Vernal, Utah along U.S. Highway 40 approximately 3.9 miles to the junction of State Highway 45; turn right and proceed in a southerly, then southeasterly direction approximately 17.1 miles to the junction of this road and an existing road to the east; turn left and proceed in an easterly direction approximately 2.6 miles to the junction of this road and an existing road to the east; turn left and proceed in an easterly direction approximately 0.6 miles to the junction of this road and an existing road to the northeast; turn left and proceed in a northeasterly direction approximately 1.6 miles to the junction of this road and an existing road to the northeast' turn left and proceed in a northeasterly direction approximately 1.5 miles to the junction of this road and an existing road to the northwest; turn left and proceed in a northwesterly, then northerly, then northwesterly direction approximately 3.3 miles to the beginning of the proposed access road to the northwest; follow road flags in a northwesterly then, southwesterly, then northwesterly, then southeasterly direction approximately 1.5 miles to the proposed location.

**Total distance from Vernal, Utah to the proposed well location is approximately 32.1 miles.**

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

2. Planned access road

The proposed access road will be approximately 5,920' of new construction on lease and approximately 2,000' of new construction off lease. The road will be graded once per year minimum and maintained.

A) Approximate length	7920 ft
B) Right of Way width	30 ft
C) Running surface	18 ft
D) Surface material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road Flagged	Yes
K) Access road surface ownership	State and Federal
L) All new construction on lease	No
M) Pipe line crossing	None

Please see the attached location plat for additional details.

An off lease right-of-way will be required for approximately 2000' of new construction off lease.

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

3. Location of existing wells

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

- A) **Producing well**
  - WHU #47
  - WHU #87
  - WHU #63
  - WHU #86
  - WHU # 76
- B) **Water well** None
- C) **Abandoned well**
  - WHU #79
  - WHU #78
  - KU #1
- D) **Temp. abandoned well** None
- E) **Disposal well** None
- F) **Drilling /Permitted well**
  - North Walker Hollow 15-36-6-23
  - North Walker Hollow 11-36-6-23
- G) **Shut in wells** None
- H) **Injection well** None
- I) **Monitoring or observation well** None

Please see the attached map for additional details.

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

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

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

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

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

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

**Approximately 25,981' +/- of 3" steel surface gas gathering line would be constructed on State Lands. The line will tie into the existing pipeline in Section 17, T7S, R24E. The pipeline would be strung and boomed to the southeast of the location and follow the access road. The pipeline may be buried as determined by the Authorized Officer at the onsite.**

**An off lease right-of-way will be required for approximately 20,000'.**

**Please see the attached location diagrams for pipeline location.**

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be submitted to the State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

**Water for drilling and cementing will come from The Green River in Permit # T-76073.**

6. Source of construction materials

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

7. Methods for handling waste disposal

A) Pit construction and liners:

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

The reserve pit will be lined.

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

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer. **Evaporation may be used instead of trucking to facilitate closing and reclamation of the reserve pit. A pumping system would be used for evaporation.**



distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

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

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

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

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

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep

seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

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

A) Seeding dates:

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

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

B) Seed Mix

**To be determined by the Authorized Officer.**

11. Surface ownership:

<b>Access road</b>	<b>State and Federal</b>
<b>Location</b>	<b>State</b>
<b>Pipeline</b>	<b>State and Federal</b>

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the

existing vegetation consists of non-native species. Rabbit brush, bitter brush, and Indian Rice grass and Sagebrush are also found on the location.

B) Dwellings:

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

C) Archeology:

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

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

D) Water:

**The nearest water is the Green River located 11 miles to the West.**

E) Chemicals:

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

F) Notification:

- a) Location Construction  
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion  
Prior to moving on the drilling rig.
- c) Spud notice  
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing  
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests  
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice  
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

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

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan  
Rocky Mountain Consulting  
290 S 800 E  
Vernal, UT 84078

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

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

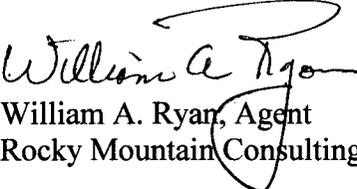
This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true

and correct, and that the work associated with the operation proposed herein will be performed by The Houston Exploration Company and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date 12-5-05

  
William A. Ryan, Agent  
Rocky Mountain Consulting

**Onsite Dates:**

### **Statement of use of Hazardous Materials**

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

If you require additional information please contact:

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

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

**THE HOUSTON EXPLORATION COMPANY**  
**NORTH WALKER HOLLOW #13-36-6-23**  
 LOCATED IN UINTAH COUNTY, UTAH  
 SECTION 36, T6S, R23E, S.L.B.&M.

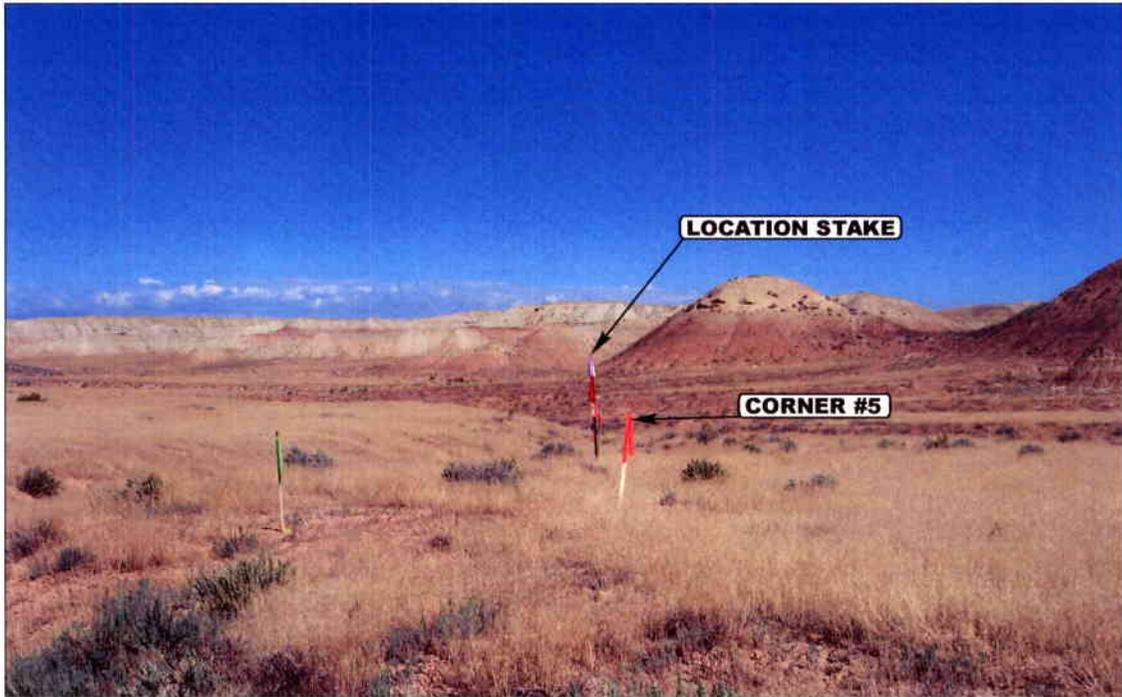


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

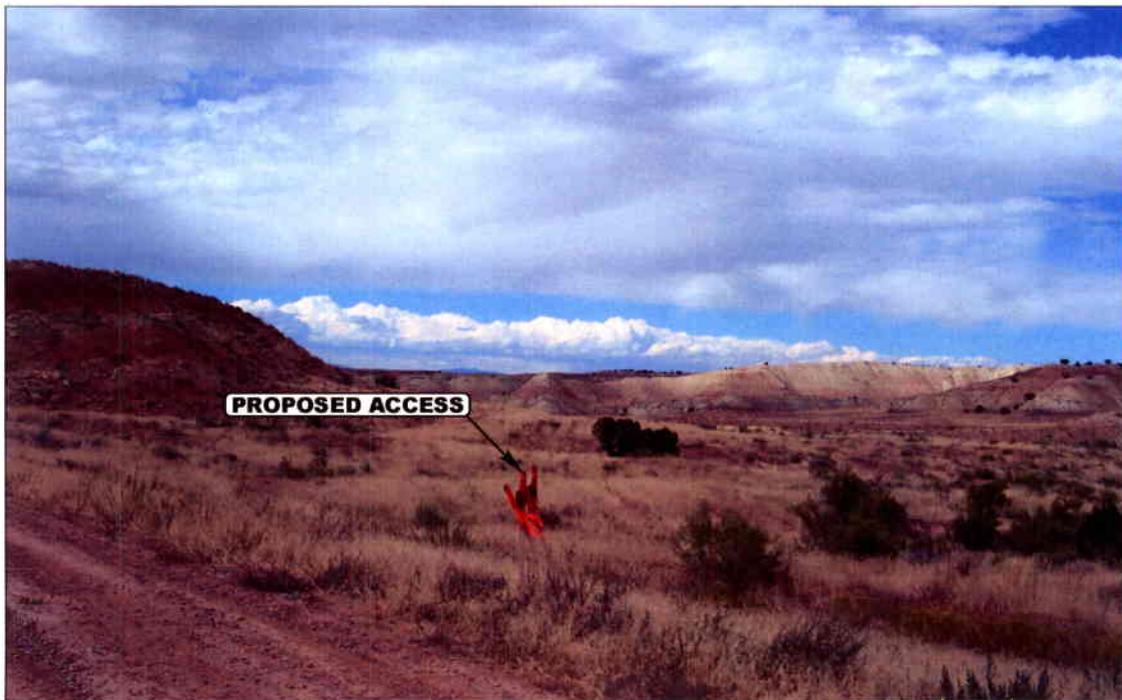


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

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

<b>LOCATION PHOTOS</b>			<b>09</b>	<b>07</b>	<b>05</b>	<b>PHOTO</b>
			MONTH	DAY	YEAR	
TAKEN BY: N.H.	DRAWN BY: C.H.	REVISED: 00-00-00				

THE HOUSTON EXPLORATION COMPANY

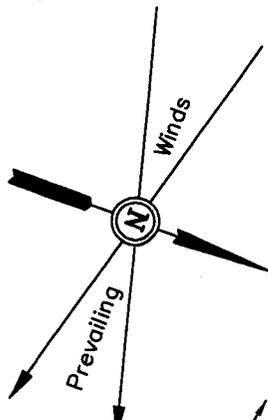
FIGURE #1

LOCATION LAYOUT FOR  
 NORTH WALKER HOLLOW #13-36-6-23  
 SECTION 36, T6S, R23E, S.L.B.&M.  
 469' FSL 606' FWL

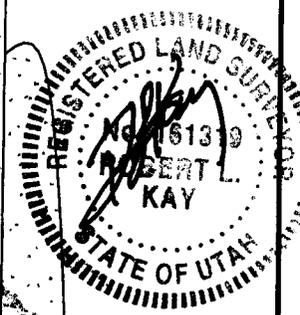
Approx. Toe of Fill Slope

F-4.0'  
 El. 5096.6'

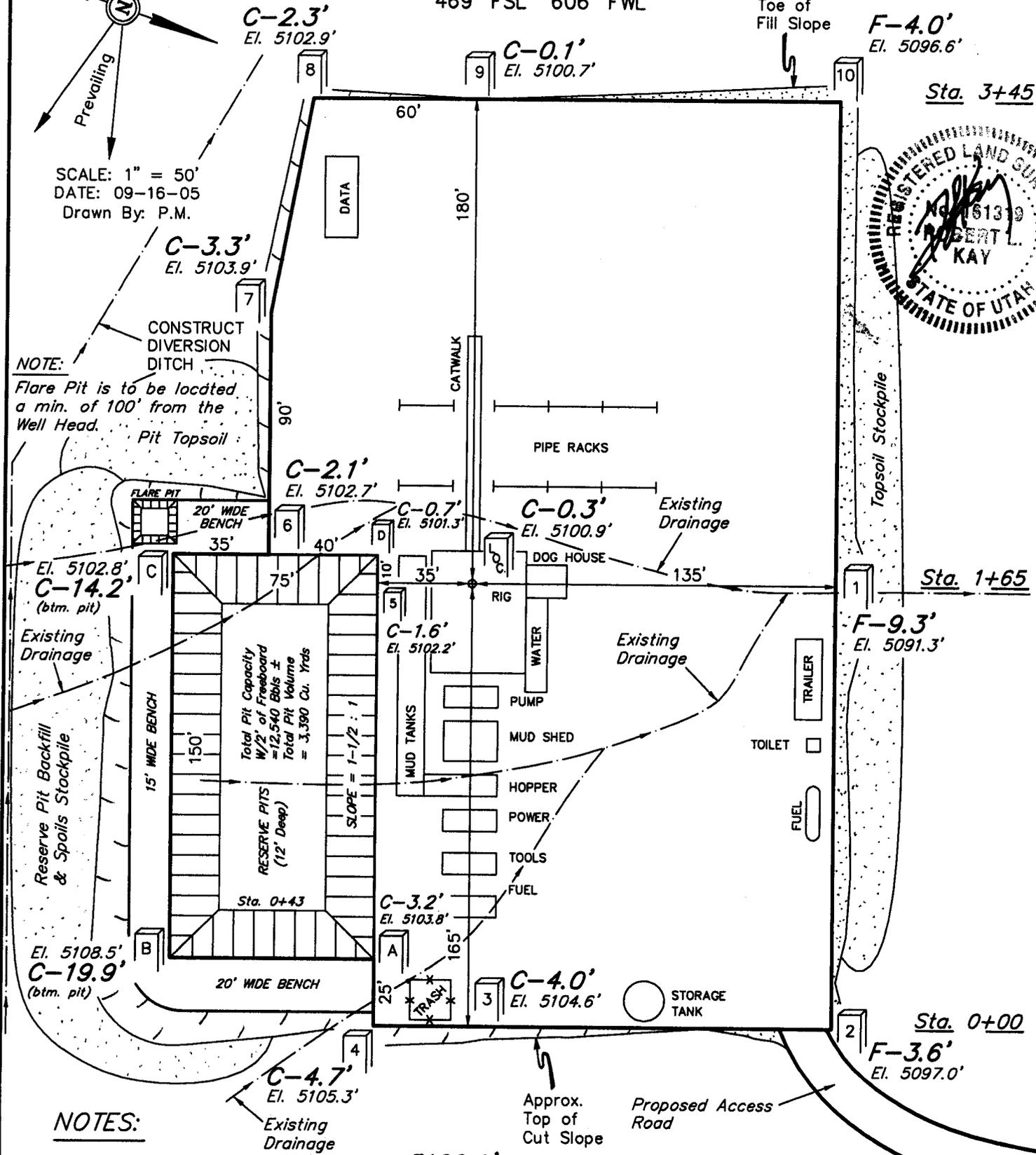
Sta. 3+45



SCALE: 1" = 50'  
 DATE: 09-16-05  
 Drawn By: P.M.



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



NOTES:

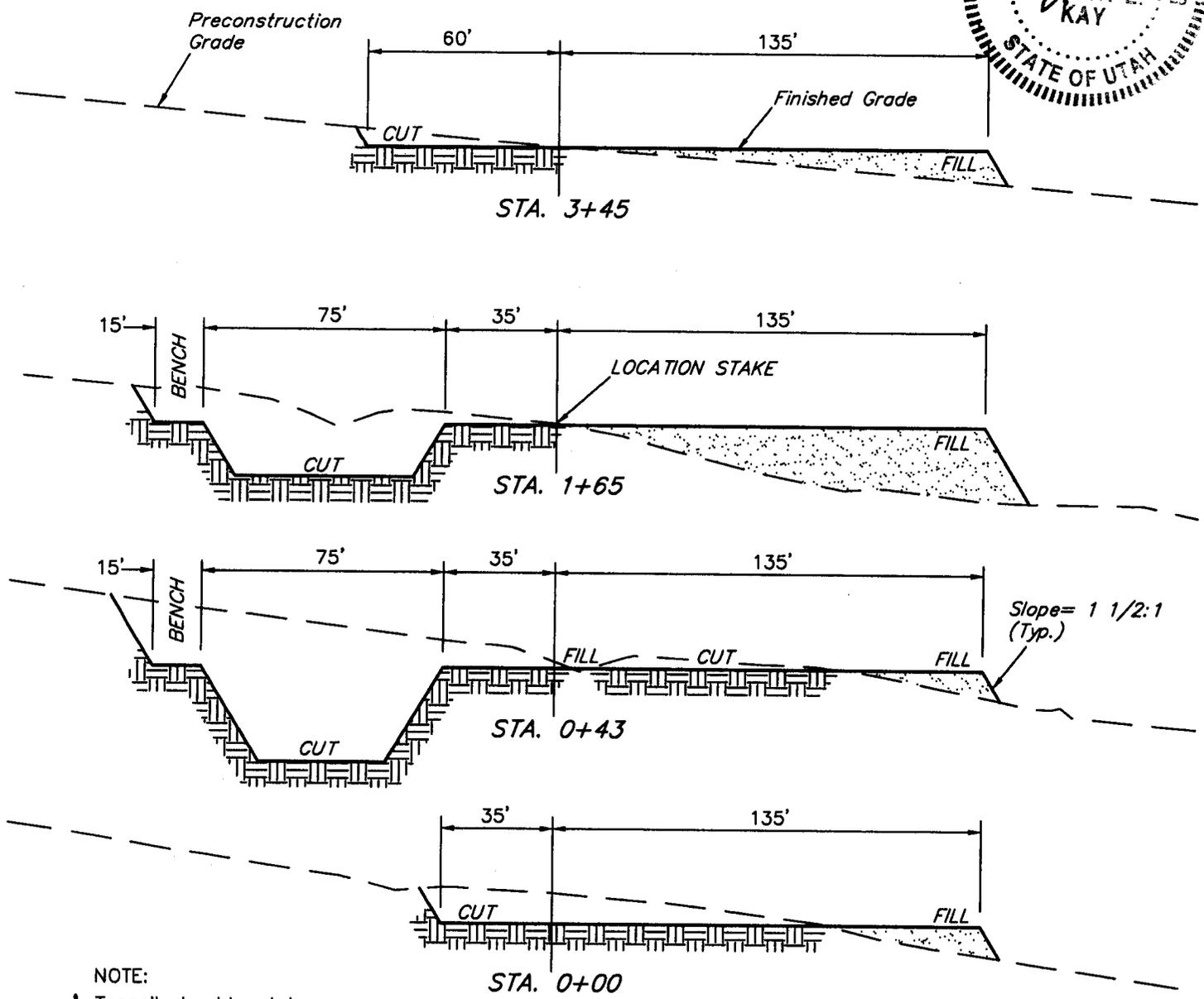
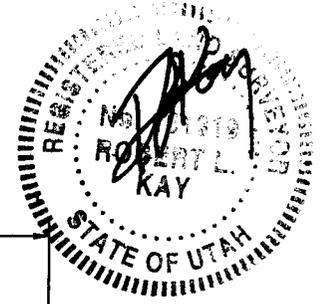
Elev. Ungraded Ground At Loc. Stake = 5100.9'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 5100.6'

# THE HOUSTON EXPLORATION COMPANY

**FIGURE #2**

## TYPICAL CROSS SECTIONS FOR NORTH WALKER HOLLOW #13-36-6-23 SECTION 36, T6S, R23E, S.L.B.&M. 469' FSL 606' FWL

X-Section Scale  
1" = 20'  
1" = 50'  
DATE: 09-16-05  
Drawn By: P.M.



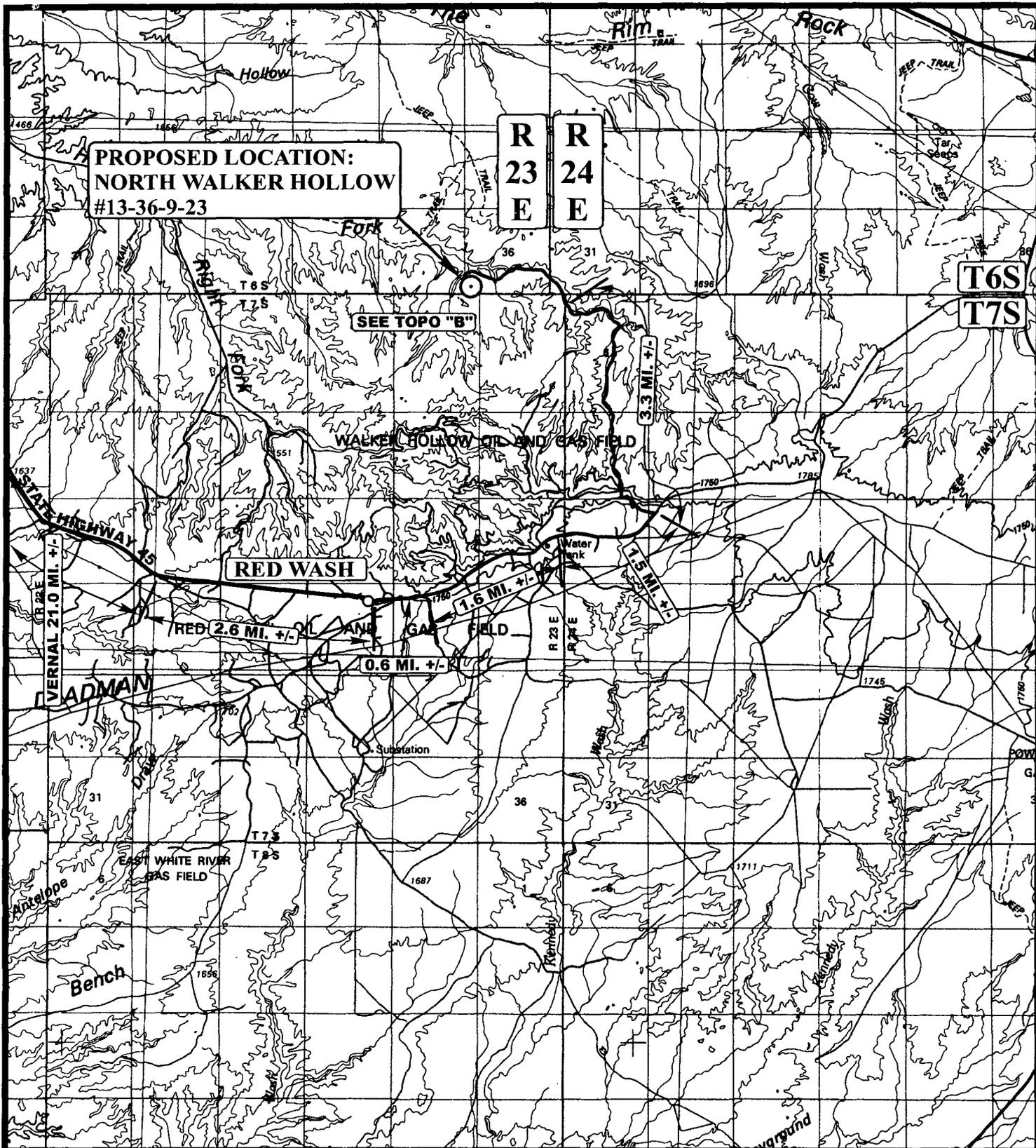
**NOTE:**  
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

**\* NOTE:**  
FILL QUANTITY INCLUDES 5% FOR COMPACTION

### APPROXIMATE YARDAGES

<b>CUT</b>	
(6") Topsoil Stripping	= 1,690 Cu. Yds.
Remaining Location	= 6,880 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 8,570 CU.YDS.</b>
<b>FILL</b>	<b>= 5,180 CU.YDS.</b>

EXCESS MATERIAL	= 3,390 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,390 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.



**PROPOSED LOCATION:  
NORTH WALKER HOLLOW  
#13-36-9-23**

**R 23 E  
R 24 E**

**T 6 S  
T 7 S**

**SEE TOPO "B"**

**WALKER HOLLOW OIL AND GAS FIELD**

**RED WASH**

**RED 2.6 MI. +/-**

**1.6 MI. +/-**

**0.6 MI. +/-**

**3.3 MI. +/-**

**VERNAL 2.0 MI. +/-**

**ADMAN**

**EAST WHITE RIVER  
GAS FIELD**

**Bench**

**LEGEND:**

⊙ PROPOSED LOCATION



**THE HOUSTON EXPLORATION COMPANY**

**NORTH WALKER HOLLOW #13-36-6-23  
SECTION 36, T6S, R23E, S.L.B.&M.  
469' FSL 606' FWL**



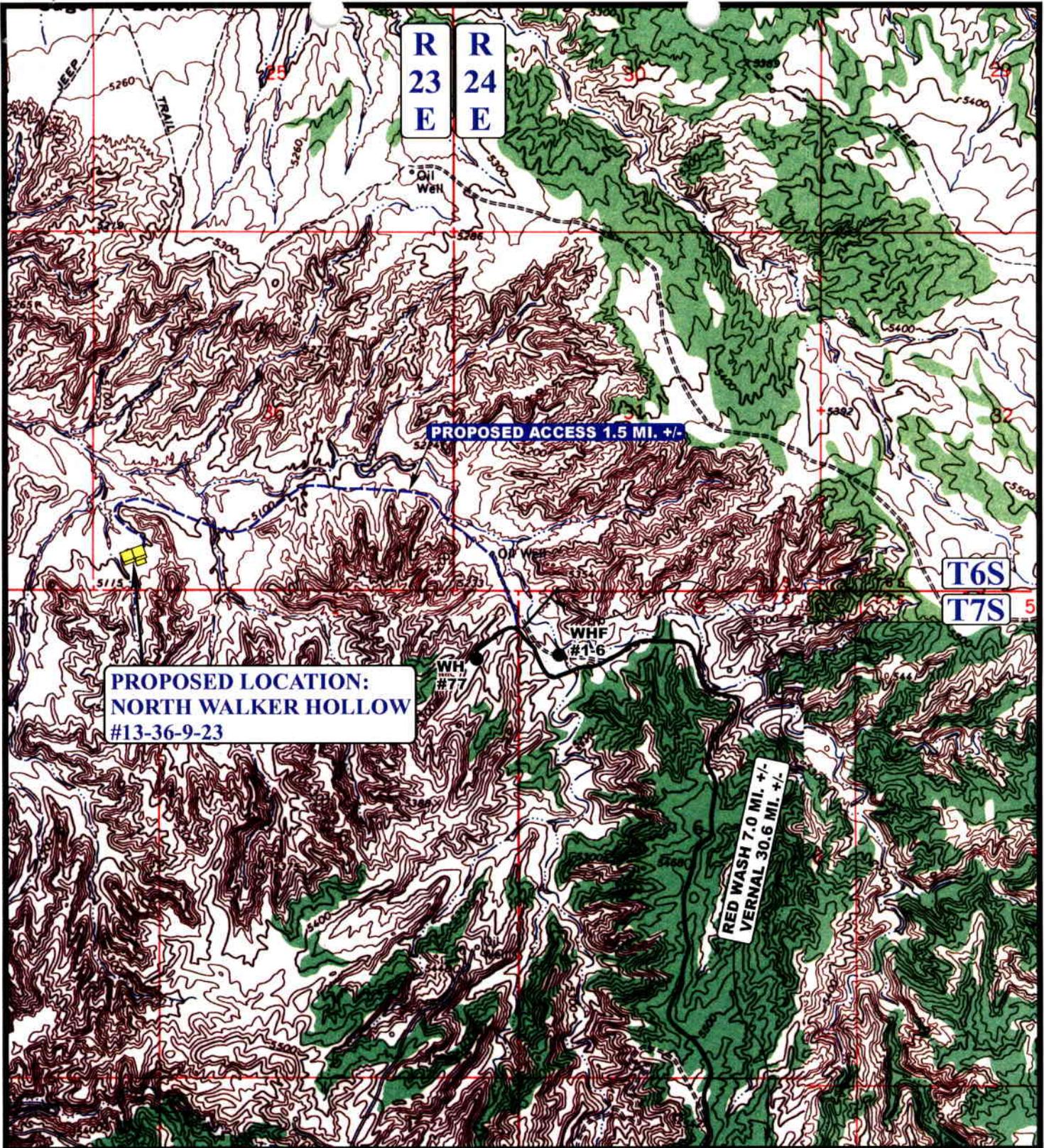
**Utah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813**

**TOPOGRAPHIC  
MAP**

**09 07 05  
MONTH DAY YEAR**

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





**LEGEND:**

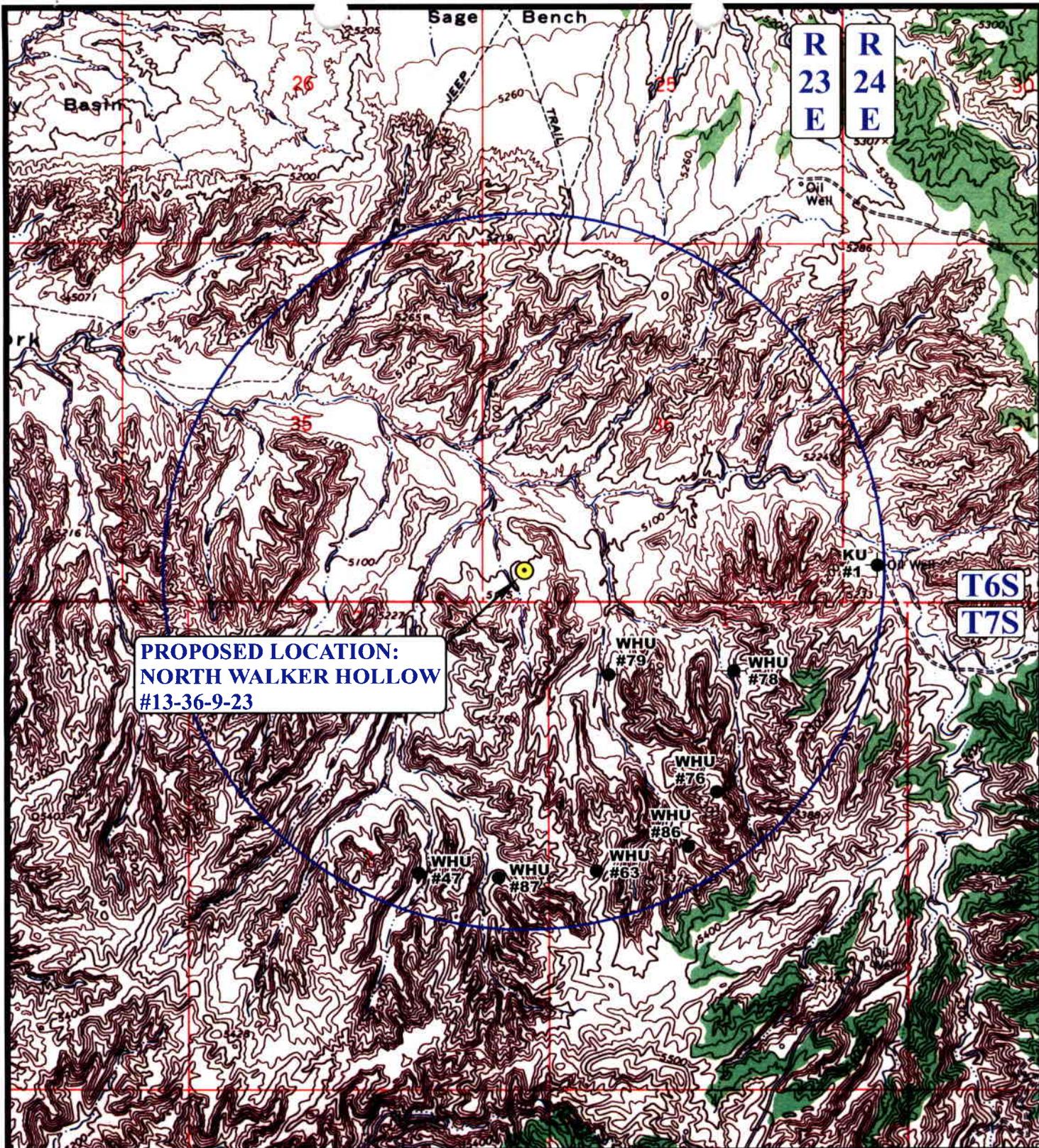
- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



**THE HOUSTON EXPLORATION COMPANY**  
**NORTH WALKER HOLLOW #13-36-6-23**  
**SECTION 36, T6S, R23E, S.L.B.&M.**  
**469' FSL 606' FWL**

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

**TOPOGRAPHIC MAP** **09 07 05**  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: C.H. REVISED: 00-00-00 **B**  
 TOPO



**PROPOSED LOCATION:  
NORTH WALKER HOLLOW  
#13-36-9-23**

**LEGEND:**

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



**THE HOUSTON EXPLORATION COMPANY**

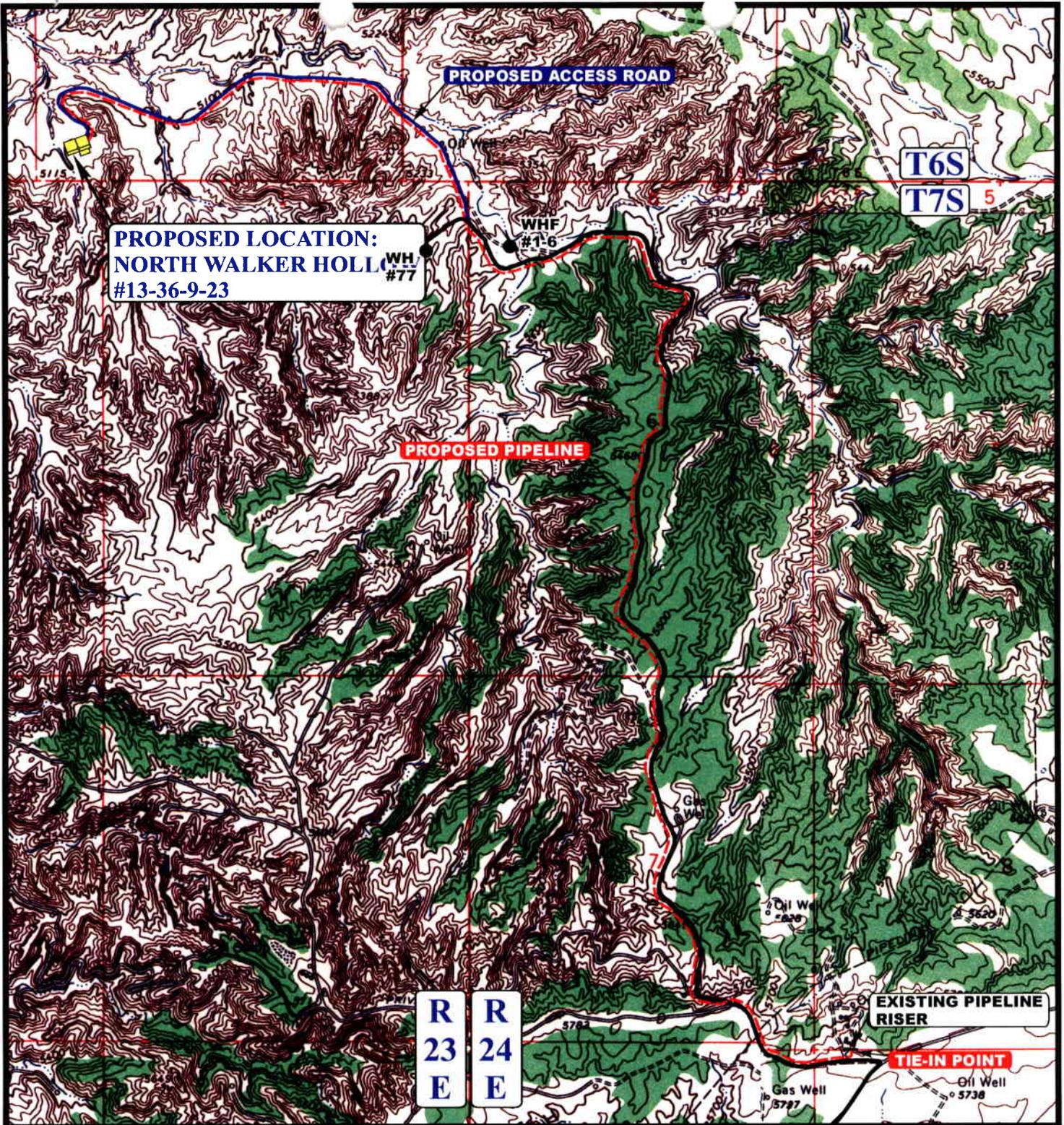
**NORTH WALKER HOLLOW #13-36-6-23  
SECTION 36, T6S, R23E, S.L.B.&M.  
469' FSL 606' FWL**



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

**TOPOGRAPHIC MAP** 09 07 05  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: C.H. REVISED: 00-00-00





**PROPOSED LOCATION:  
NORTH WALKER HOLLOW  
#13-36-9-23**

**PROPOSED ACCESS ROAD**

**PROPOSED PIPELINE**

**T6S  
T7S 5**

**R  
23  
E**   **R  
24  
E**

**EXISTING PIPELINE  
RISER**

**TIE-IN POINT**

**APPROXIMATE TOTAL PIPELINE DISTANCE = 25,981' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE

**THE HOUSTON EXPLORATION COMPANY**

**NORTH WALKER HOLLOW #13-36-6-23  
SECTION 36, T6S, R23E, S.L.B.&M.  
469' FSL 606' FWL**



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



**TOPOGRAPHIC MAP**   **09 07 05**  
MONTH   DAY   YEAR  
SCALE: 1" = 1000'   DRAWN BY: C.H.   REVISED: 00-00-00



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/07/2005

API NO. ASSIGNED: 43-047-37463

WELL NAME: N WALKER HOLLOW 13-36-6-23  
 OPERATOR: HOUSTON EXPLORATION CO, ( N2525 )  
 CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

SWSW 36 060S 230E  
 SURFACE: 0469 FSL 0606 FWL  
 BOTTOM: 0469 FSL 0606 FWL  
 UINTAH  
 UNDESIGNATED ( 2 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DWR	1/22/06
Geology		
Surface		

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-47970  
 SURFACE OWNER: 3 - State  
 PROPOSED FORMATION: MVRD  
 COALBED METHANE WELL? NO

LATITUDE: 40.25252  
 LONGITUDE: -109.2854

RECEIVED AND/OR REVIEWED:

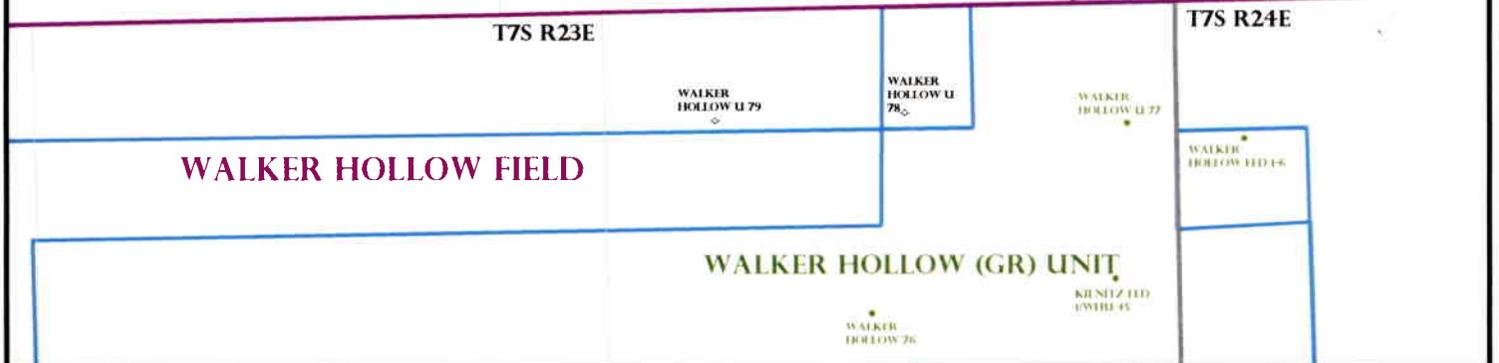
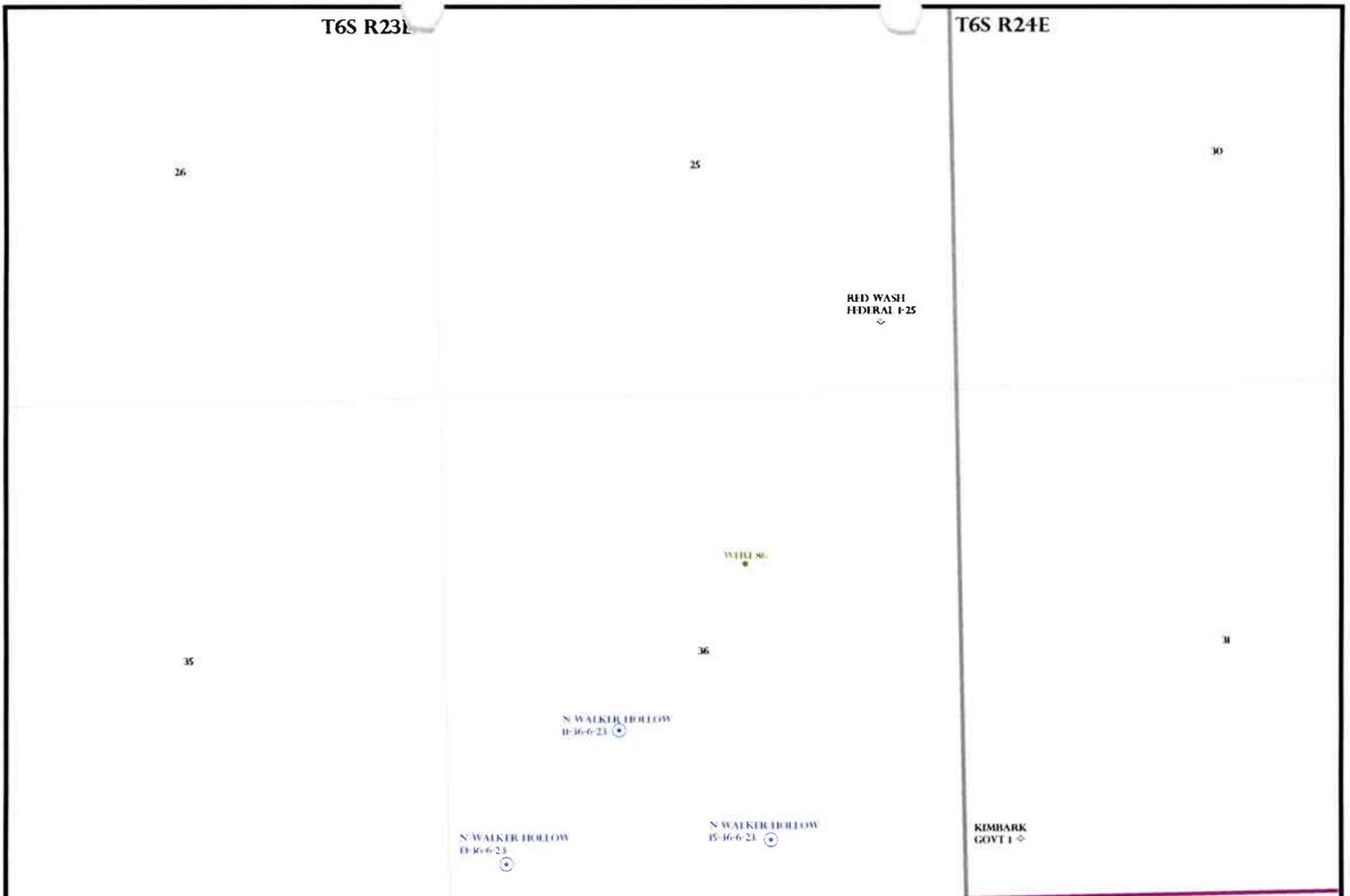
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 104155044 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. T-76073 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

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 (12-19-05)

STIPULATIONS: 1- Spacing Slip  
2- STATEMENT OF BASIS



OPERATOR: THE HOUSTON EXPL CO (N2525)

SEC: 36 T. 6S R. 23E

FIELD: UNDESIGNATED (002)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

- Field Status**
- ABANDONED
  - ACTIVE
  - COMBINED
  - INACTIVE
  - PROPOSED
  - STORAGE
  - TERMINATED

- Unit Status**
- EXPLORATORY
  - GAS STORAGE
  - NF PP OIL
  - NF SECONDARY
  - PENDING
  - PI OIL
  - PP GAS
  - PP GEOTHERML
  - PP OIL
  - SECONDARY
  - TERMINATED

- Wells Status**
- \* GAS INJECTION
  - \* GAS STORAGE
  - x LOCATION ABANDONED
  - o NEW LOCATION
  - o PLUGGED & ABANDONED
  - \* PRODUCING GAS
  - \* PRODUCING OIL
  - \* SHUT-IN GAS
  - \* SHUT-IN OIL
  - x TEMP. ABANDONED
  - o TEST WELL
  - \* WATER INJECTION
  - \* WATER SUPPLY
  - \* WATER DISPOSAL
  - \* DRILLING



PREPARED BY: DIANA WHITNEY  
DATE: 12-DECEMBER-2005

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

**OPERATOR:** THE HOUSTON EXPLORATION COMPANY  
**WELL NAME & NUMBER:** NORTH WALKER HOLLOW 13-36-6-23  
**API NUMBER:** 43-047-37463  
**LOCATION:** 1/4,1/4 SWSW Sec: 36 TWP: 6S RNG: 23E 469' FSL 606' FWL

**Geology/Ground Water:**

The Houston Ex. Co. proposes to set 2000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 5,100 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 36. 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 surface casing should adequately protect any near surface aquifers.

**Reviewer:** Brad Hill **Date:** 12-22-05

**Surface:**

The pre-site investigation of the surface was performed on 12/19/05. This site is on state surface, with state minerals. Jim Davis of SITLA requested that cattle guards be placed at any fence crossings and adequate low water crossings or culverts be constructed as needed to cross drainages. Ben Williams of DWR stated that this site is high value pronghorn habitat, and is in a Prairie Dog colony, but made no requests.

**Reviewer:** Richard Powell **Date:** 12/19/2005

**Conditions of Approval/Application for Permit to Drill:**

1. A synthetic liner with a minimum thickness of 16 mils and a felt subliner shall be properly installed and maintained in the reserve pit.

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

OPERATOR: THE HOUSTON EXPLORATION COMPANY  
WELL NAME & NUMBER: NORTH WALKER HOLLOW 13-36-6-23  
API NUMBER: 43-047-37463  
LEASE: ML-47970 FIELD/UNIT: UNDESIGNATED  
LOCATION: 1/4,1/4 SW/SW Sec: 36 TWP: 6S RNG: 23E 469' FSL 606' FWL  
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.  
GPS COORD (UTM): 4456985 645821 SURFACE OWNER: STATE.

**PARTICIPANTS**

Richard Powell (DOGM), Jim Davis (SITLA), Ben Williams (DWR), Ginger Stringham (Houston Exploration), Cory Stubbs (Dirt Contractor).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Location is set in a relatively flat area on the south side of Walker Hollow. Walker Hollow is an east-west running draw bordered by steep hillsides and small canyons. Vernal, UT is approximately 30 miles to the northwest.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Livestock and Wildlife Grazing.

PROPOSED SURFACE DISTURBANCE: Location will be 345' by 245'. Proposed new access road to be approximately 1.5 miles.

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 construction material will be borrowed from site during construction of location.

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 reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Portable toilets, sewage holding tanks, and onsite sewage treatment equipment will be handled by commercial contractors and regulated by the appropriate health authority. Trash will be contained in trash baskets and disposed of at an approved landfill.

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: none

FLORA/FAUNA: Sagebrush, Rabbit Brush, Shad scale, Prickly Pear, and Cheat grass / Deer, Elk, Rodents, Raptors, Coyote, Rabbit, Bobcat, Pronghorn, Prairie Dog.

SOIL TYPE AND CHARACTERISTICS: Light brown silty 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: 150' BY 75' and twelve feet deep.

LINER REQUIREMENTS (Site Ranking Form attached): A liner and felt sub-liner will be required for reserve pit. Site ranking score is 30.

**SURFACE RESTORATION/RECLAMATION PLAN:**

Will be per SITLA.

SURFACE AGREEMENT: As per SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: Center stake was marked by "Sagebrush" 11/04/05.

**OTHER OBSERVATIONS/COMMENTS**

**ATTACHMENTS**

Photos of this site were taken and placed on file.

RICHARD POWELL  
DOGM REPRESENTATIVE

12/19/05 12:10 AM  
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>5</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>20</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**            30            (Level I 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.





0-06 Houston N Walker Hollow 13-36-6-23

Casing Schematic

Ucater

Surface

TOC @ 0.

1045 TOC Tail ✓ w/ 18% Washout

Surface 2000. MD

9-5/8" MW 8.4 Frac 19.3

✓ Propose TOC ± 250'

TOC @ 3067.

3139 Green River

5700 Bmsw

6139 Wasatch

6564 TOC Tail

w/ 15% Washout  
✓ TOC 2475' w/ 11% Washout

Production 9000. MD

— Mesaverde

4-1/2" MW 9.

BHP

$$(0.052)(9,000)(9) = 4212$$

Anticipate < 3,000

Gas

$$(0.12)(9,000) = 1080$$

MASP = 3132

Fluid

$$(0.22)(9,000) = 1980$$

MASP = 2232

BOPC - 3,000 ✓

Surf esg - ~~3520~~ 3520

70% = 2464

Max pressure @ Surf Shoe = 2672

Test to 2400 ✓

✓ Adequate JCS 4/20/06

Well name:

**01-06 Houston N Walker Hollow 13-36-6-23**Operator: **Houston Exploration Company**String type: **Surface**

Project ID:

43-047-37463

Location: **Uintah County****Design parameters:****Collapse**Mud weight: 8.400 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: 93 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 250 ftCement top: **Surface****Burst**Max anticipated surface  
pressure: 1,760 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 2,000 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)Tension is based on buoyed weight.  
Neutral point: 1,751 ft

Non-directional string.

**Re subsequent strings:**Next setting depth: 9,000 ft  
Next mud weight: 9.000 ppg  
Next setting BHP: 4,208 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 2,000 ft  
Injection pressure 2,000 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 (ft <sup>3</sup> )
1	2000	9.625	36.00	J-55	ST&C	2000	2000	8.796	142.4
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	873	2020	2.315	2000	3520	1.76	63	394	6.25 J

Prepared by: Clinton Dworshak  
Utah Div. of Oil & MiningPhone: 801-538-5280  
FAX: 810-359-3940Date: January 18, 2006  
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop &amp; 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.*

Well name:

**01-06 Houston N Walker Hollow 13-36-6-23**Operator: **Houston Exploration Company**

String type: Production

Project ID:

43-047-37463

Location: Uintah County

**Design parameters:****Collapse**Mud weight: 9.000 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: 191 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 3,067 ft

**Burst**Max anticipated surface  
pressure: 3,128 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 4,208 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 buoyed weight.

Neutral point: 7,789 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 (ft <sup>3</sup> )
1	9000	4.5	11.60	N-80	LT&C	9000	9000	3.875	208.6
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	4208	6350	1.509	4208	7780	1.85	90	223	2.47 J

Prepared by: Clinton Dworshak  
Utah Div. of Oil & MiningPhone: 801-538-5280  
FAX: 810-359-3940Date: January 18, 2006  
Salt Lake City, Utah

## Remarks:

Collapse is based on a vertical depth of 9000 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop &amp; 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.*

**APPLICATION FOR TRANSPORTATION AND  
UTILITY SYSTEMS AND FACILITIES  
ON FEDERAL LANDS**

FORM APPROVED  
OMB NO. 1004-0060  
Expires: December 31, 2001

**FOR AGENCY USE ONLY**

**NOTE:** Before completing and file application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with help of the representative, the application can be completed at the application meeting.

Application Number

Date Filed

1 Name and address of the applicant (include Zip code)

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

2 Name, title, and address of authorized agent if different from item 1 (include zip code)

**William A Ryan  
290 S 800 E  
Vernal, UT 84078**

3 TELEPHONE (area code)

Applicant

713-830-6800

Authorized Agent

435-789-0968

4

- a  Individual  
b  Corporation\*  
c  Partnership/Association\*  
d  State Government/State Agency  
e  Local Government  
f  Federal Agency

\* If checked complete supplemental page

6 If an individual, or partnership are you a citizen(s) of the United States?

7 Project description (describe in detail): (a) Type of system or facility, e.g., canal, pipeline, road);(b) related structures and facilities; (c) physical specifications (lenth, width, grade, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of production to be transported; (g) duration and time of construction; and (h) temporary work area needed for construction (Attach additional sheets, if additional space is needed.)

- a. Application for access road for North Walker Hollow 13-36-6-23.  
b. No related structures or facilities will be required on Federal Lands.  
c. Access road will be approximately 1900 ft, 30 ft. width and 18 ft running surface.  
d. 20 years or the production life of the well.  
e. Year round.  
f. Oil and gas related traffic.  
g. Two days.  
h. None**

8 Attach a map covering area and show location of proposal

9 State or Local government approval  Attached  Applied for  Not Required

10 Nonreturnable application fee:  Attached  Not Required

11 Does Project cross international or affect international waterways?  Yes  No

12 Give statement of your technical and financial capability to conduct, operate, maintain, and terminate system for which aauthorization id being requested

**The Houston Exploration Company has conducted operations on Federal Lands for more than ten years.  
The Houston Exploration Company has constructed, operated and maintained numerous access roads with BLM,  
Vernal Field Office. The Houston Exploration Company has the financial capbability to construct, operate,  
maintain and terminate the proposed access road.**

RECEIVED

DEC 12 2005

13 a Describe other reasonable alternative routes and alternatives considered.

**Due to topographic restraints, the proposed access road was the only route possible.**

b Why were these alternatives not selected

**NA**

c Give explanation as to why it is necessary to cross Federal Lands.

**It is necessary to cross Federal Lands to access the subject well, North Walker Hololow 13-36-6-23 on State Lands.**

14 List authorization and pending application filed for similar projects which may provide information to authorizing agency. (specify number, date, code, or name)

**An Application for Permit to Drill has been filed with the State of Utah Division of Oil, Gas and Mining.**

15 Provide statement of need for project, including the economic feasibility and items as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

- a. \$1,000 per mile.**
- b. \$5,000 per mile for crown and ditch.**
- c. Decrease dependency on foreign oil and gas and increased local jobs.**

16 Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

**There will be no significant impacts on the areas population, social or economic aspects or the rural lifestyle from the proposed project.**

17 Describe likely environmental effects project will have on: (a) air quality; (b) visual impacts; (c) surface and ground water quality and Quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land including vegetation, permafrost, soil, and soil stability.

- a. minimal**
- b. minimal**
- c. minimal**
- d. no change**
- e. minimal**
- f. slight disturbance when access road is constructed.**

18 Describe the probable effects that the proposed project will have on (a) populations of fish, plantlife, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

**a. There will be little or no impacts on fish, plantlife, wildlife, and threated and endangered species.**

19 State whether any hazardous material, as defined in this paragraph, will be used, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous Material" means any substance, pollutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substances under CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), ass amended, 42 U.S.C. 6901 et seq., and its regulations. The term hazardous material also includes any nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or described as a hazardous substance, under CERCLA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.

**None forseen at this time.**

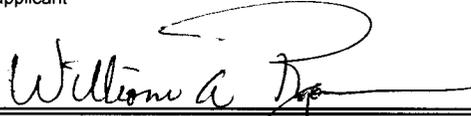
20 Name all the Department(s)/Agency(ies) where this application is being filed.

**Bureau of Land Management, Vernal Field Office. Vernal, UT**

**Cc: Utah Division of Oil, Gas and Mining.**

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained the information contained in the application and believe that the formation submitted in correct to the best of my knowledge.

Signature of applicant



Date

**12/1/2005**

Titl 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 Utah States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

**RECEIVED**

**DEC 1 2 2005**

DIV. OF OIL, GAS & MINING

## Right-Of- Way Plan of Development

The Houston Exploration Company

North Walker Hollow 13-36-6-23

Section 36, T6S, R23E

The Houston Exploration Company proposes the construction of an access road, on BLM administered land. The following information is supplemental to the attached SF-299.

### Access Road

#### **A. Description of the Facility**

##### 1. Purpose and need for the Right-Of-Way Facility

a. Whether the proposal involves a new road, a reconstructed road, or an existing road:

The proposed right-of-way would involve the construction of approximately 1,900 feet of new road for access to the North Walker Hollow 13-36-6-23 well location.

b. Whether the use is temporary or permanent:

Duration of road use will depend primarily upon the results of the drilling operation. Construction, drilling and completion operations will require approximately thirty days per well from start to finish. Should the well prove non-productive, the right-of-way will be required for a period of approximately eighteen months until such time as final abandonment and reclamation have been achieved. In the event commercial production is established from the proposed well in Section 36, this right-of-way would be utilized for a period of approximately thirty years, or until such time as the well should become commercially non-productive.

c. The type and volume of traffic anticipated:

The type of traffic anticipated on this right-of-way includes heavy industrial truck traffic related to oil & gas exploration and development activities. The proposed access road right-of-way would provide access to State well North Walker Hollow 13-36-6-23.

- d. The relationship to the Bureau transportation plan.

To our knowledge, this proposed right-of-way has no relationship to any existing or proposed Vernal Field Office Transportation Management Plan.

- e. The relationship to State & Local Transportation Plans.

The proposed right-of-way has no know relationship to any existing or proposed State of Utah or Uintah County Transportation Management Plan.

- f. The origin and destination of the road.

The proposed road right-of-way originates in the NE  $\frac{1}{4}$  NE  $\frac{1}{4}$  of Section 6, Township 7 South, Range 23 East and proceeds in a northerly direction approximately 600' to Section 31, Township 6S, Range 24 East and then proceeds in a northwesterly direction approximately 1,300' to the lease boundary for the proposed location in the SW  $\frac{1}{4}$  of the SW  $\frac{1}{4}$  in Section 36, Township 6 South, Range 23 East.

## 2. Facility Design Factors.

- a. Construction of a standard road.

The 1,900 feet of proposed construction will be constructed in accordance with road guidelines established for oil and gas exploration and development activities as referenced in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.

Approximately six inches of topsoil will be stripped from the access road route prior to performing any further construction activities thereon.

If soils along the access road route are dry during road construction, water will be applied to the road surface to facilitate soil compaction and minimize soil loss as a result of wind erosion.

- b. The Maximum grade and pitch on the road.

The maximum grade and/or pitch along the proposed right-of-way is five percent or less.

- c. Requirements and location of drainage ditches, culverts, bridges, and low-water crossings.

Drainage ditches on/along the proposed access road will be bladed and shaped in accordance with the lines, grades, dimensions, and typical cross sections. Culverts will be installed along the access road route as necessary or required by the Authorized Officer, Bureau of Land Management in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.

- d. Easements from adjacent landowners.

The well location and portions of the proposed access road located in Section 36 of Township 6 South, Range 23 East are situated on a surface estate which is owned by the State of Utah and administered in trust on behalf of the Utah Public School System by:

State of Utah  
School and Institutional Trust Lands Administration  
675 East 500 South, Suite 500  
Salt Lake City, UT 84102  
(801) 538-5100

Those portions of the proposed access road route located in Section 31 of Township 6 South, Range 24 East and Section 6 of Township 7 South, Range 23 East are situated on a surface estate, which is owned by the United States of America and administered in trust by:

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

3. Additional Components of the Right-Of-Way.

- a. Connection to existing road systems.

The proposed access road connects to a County D road in the NE ¼ of NE ¼ of Section 6, Township 7 South, Range 23 East.

- b. Location of equipment storage areas.

No equipment storage areas will be required on federal lands.

- c. Requirements for road maintenance with other individuals.

There are no known right-of-way grants on or along the proposed access route. The Houston Exploration Company hereby agrees to enter into a joint maintenance agreement with any future right-of-way grantees on or along the proposed access road right-of-way as necessary or required by the Authorized Officer.

4. Governmental Agency Involvement.

- a. Corps of Engineers Section 404 permits.

Not required for this proposed access road right-of-way.

- b. State or local permits, easements, or dedications.

None required for this proposed access road right-of-way.

- c. Road maintenance agreements with local or State governmental agencies.

None required for this proposed access road right-of-way.

5. Right-Of-Way Location.

In addition to the maps required to locate the right-of-way in the field and those needed for notation of Bureau records, plans of development may require:

- a. Road cross-sections and plans and profiles.

Please refer to Attachments.

- b. Section corner ties.

Not required at this time.

- c. Acreage calculations of the right-of-way by land status.

Center line: Please see attached map.

Cross Section: NA

Area map: Please see attached map.

Legal description of centerline:

Section 6, Township 7 South, Range 23 East

Section 31, Township 6 South, Range 24 East

Section 36, Township 6 South, Range 23 East

BLM	Sec 6	600' X 30'= 18,000 sq. ft
BLM	Sec 31	1,300' X 30'= 39,000 sq. ft
State	Sec 36	6,020' X 30'= 180,600 sq. ft

Total BLM acres    57,000' sq.ft./ 43,560 ft.= 1.31 acres

6. Resource Values and Environmental Concerns

- a. An archeological survey has been conducted.

7. Construction of the Facility.

Access to the proposed right-of-way.

County Roads

- a. Submission of detailed engineering plans and specifications for major construction projects may be required for:

(1) Earthwork.

Detailed engineering plans have not been prepared in conjunction with this access road right-of-way application. Please refer to Attachment "A" for general information in this regard.

(2) Major culverts.

Culverts will be installed on/along the proposed access road right-of-way as necessary or required by the Authorized Officer, Bureau of Land Management. Any culverts required will be installed in accordance with roading guidelines contained in the joint BLM/USFS publication: *Surface*

*Operating Standards for Oil and Gas Exploration and Development*, Third Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. Attachment "B" presents a typical design for culvert installation on permanent roads to be constructed across public domain lands.

(3) Bridges.

No bridges will be required on/along the proposed access road right-of-way.

(4) Retaining walls.

No retaining walls will be required on/along the proposed access road right-of-way.

b. Methods of construction and types of equipment to be used on the road right-of-way.

The Houston Exploration Company will contact the Authorized Officer or his/her representative at least three (3) days prior to the anticipated start of construction on the North Walker Hollow 13-36-6-23 well location. The Houston Exploration Company will provide the name, address, and phone number of their representative in charge of construction and provide a maintenance schedule before starting any routine maintenance activities associated with this right-of-way, if required by the Authorized Officer, Bureau of Land Management.

c. Methods of construction and types of equipment to be used on the road right-of-way.

The total road right-of-way width will be thirty feet, fifteen feet to either side of centerline.

During construction of the access road, topsoil will be windrowed to each side of centerline and placed in the "borrow ditch" areas upon completion of construction operations for future reclamation of the road right-of-way. Equipment anticipated for use in the construction of the proposed road right-of-way would primarily include both tracked bulldozers and road graders. Approximately three (3) days will be required for the construction of the 7,920' of new access road prior to the commencement of drilling operations on the subject well location.

The Houston Exploration Company will be responsible for informing all persons associated with this project that they will be subject to prosecution for damaging, altering, excavating or removing any archaeological, historical, or vertebrate fossil objects or site(s). If archaeological, historical or vertebrate fossil materials are discovered, The Houston Exploration Company will suspend all operations that further disturb such materials and immediately contact the Authorized Officer. Operations will not resume until written

authorization to proceed is issued by the Authorized Officer.

Within five working days the Authorized Officer will evaluate the discovery and inform The Houston Exploration Company of actions that will be necessary to prevent loss of significant cultural or scientific values.

The Houston Exploration Company will be responsible for the cost of any mitigation required by the Authorized Officer. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, The Houston Exploration Company will be allowed to resume operations.

d. Seasonal restriction on various construction activities.

No construction or maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment. If such equipment creates ruts in excess of six or eight inches in depth, the soil shall be deemed to be too wet to adequately support construction equipment.

e. The Houston Exploration Company will conduct all activities associated with the construction, operation, and termination of this right-of-way within the authorized limits of the right-of-way.

f. The Houston Exploration Company will protect all survey monuments found within the right-of-way. Survey monuments include, but are not limited to, General Land Office and Bureau of Land Management Cadastral Survey Corners, reference corners, witness points, U.S. Coastal and Geodetic benchmarks and triangulation stations, military control monuments, and recognizable civil (both public and private) survey monuments. In the event of obliteration or disturbance of any of the above, The Houston Exploration Company will immediately report the incident, in writing, to the Authorized Officer and the respective installing authority, if known.

Where General Land Office or Bureau of Land Management right-of-way monuments or references are obliterated during operations, The Houston Exploration Company will secure the services of a registered land surveyor or a Bureau cadastral surveyor to restore the disturbed monuments and references using surveying procedures found in the *Manual of Surveying Instructions for the Survey of Public Lands of the United States*, latest edition. The Houston Exploration Company shall record such survey in the appropriate county and send a copy to the Authorized Officer. If the Bureau cadastral surveyors or other Federal surveyors are used to restore the disturbed survey monument, The Houston Exploration Company will be responsible for the survey cost.

8. Stabilization and Rehabilitation.

a. Soil replacement and stabilization.

Upon reclamation of the disturbed areas on or along the access road right-of-way, windrowed topsoil will be distributed evenly in the "borrow ditch" areas and seeded in place for future reclamation upon termination of the access road right-of-way.

b. Re-contouring of the disturbed right-of-way

To be performed upon termination and final abandonment of the access road and right-of-way, as determined necessary by the Authorized Officer, Bureau of Land Management.

c. Placement of water bars and/or other water control structures.

Water turnouts will be constructed along the access road right-of-way as necessary or required in order to provide for proper drainage on or along the primary access road right-of-way.

d. Disposal of trees, stumps and brush cut on or along the right-of-way.

There will not be any trees, stumps and or brush cut along the proposed access road right-of-way.

e. Seed mixture and rate of application.

Prior to commencement of seeding operations, the seedbed will be prepared by disking on the contour to a depth of four to six inches. The entire disturbed area will be uniformly covered with depressions constructed perpendicular to the natural flow of water to facilitate the capture of moisture and subsequent promotion of re-vegetation success. All disturbed surfaces will be reseeded using a seed mixture recommended by the Authorized Officer, Bureau of Land Management.

f. Method of seed application.

Seed will be drilled on the contour with a seed drill equipped with a depth regulator in order to ensure even depths of planting not to exceed one-half inch. Utilize the outside bins of the seed drill for shrub seeds.

Fall seeding will be completed after September 1<sup>st</sup> and prior to ground frost. If applicable, spring seeding will be completed after the frost has left the ground and prior to May 1<sup>st</sup>.

The seeding will be repeated until a satisfactory stand, as determined by the Authorized Officer is achieved. The Bureau of Land Management will

evaluate reseeding success after completion of the first full growing season after reseeding has been performed.

- g. Use of fertilizer.

Not required on this particular access road right-of-way

- h. Limiting access to the right-of-way.

We do not anticipate the need to limit access to the right-of-way at this time.

9. Operation and Maintenance of the Facility.

- a. Minimum maintenance requirements and maintenance schedules.

The Houston Exploration Company will be responsible for preventative and corrective road maintenance from the beginning of completion of operations under this grant. This may include, but is not limited to, balding of the roadway, cleaning ditches and drainage facilities, dust abatement, or other requirements as directed by the Authorized Officer.

- b. Joint maintenance responsibilities and agreements.

The Houston Exploration Company agrees to enter into a joint maintenance agreement with any future right-of-way grant holders on or along the proposed access road route to share maintenance costs in dollars, equipment, materials, and manpower proportionate to each holder's use.

- c. Placement of control, warning, and directional traffic signs.

The Houston Exploration Company does not anticipate the need for any control, warning and/or directional traffic signs along any portion of the right-of-way at this point in time.

- d. Maintenance of "*Special Needs*" such as snow removal, seasonal closures, and controlled access.

The Houston Exploration Company will conduct all snow removal and snow berm construction within the authorized limits of the right-of-way grant. Snow removal and/or snow berm construction operations required on re-vegetated areas or areas outside of the authorized right-of-way, will be conducted in a manner that will not disturb the surface of the ground. To prevent any surface disturbance, all equipment used for snow removal operations shall be equipped with shoes to keep the blade six (6) inches

off the ground. The Houston Exploration Company will take special precautions where the surface of the ground is uneven and at all drainage crossings to ensure that equipment blades do not touch the ground surface.

The Houston Exploration Company will do everything reasonably within its' power and shall require its' employees, contractors, and employees of contractors to do everything reasonably within their power, both independently and upon request of the Bureau of Land Management to prevent and suppress fires on or near the lands to be occupied under this grant.

Use of pesticides shall comply with the applicable federal and state laws. Pesticides shall be used only in accordance with their registered uses and within limitations imposed by the Secretary of the Interior. Prior to the use of pesticides, The Houston Exploration Company will obtain from the Authorized Officer written approval of a plan showing the type and quantity of material(s) to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers, and any other information deemed necessary by the Authorized Officer.

Emergency use of pesticides shall be approved in writing by the Authorized Officer, Bureau of Land Management prior to such use. The Houston Exploration Company will be responsible for weed control on disturbed areas within the limits of this right-of-way. The Houston Exploration Company will be responsible for consultation with the Authorized Officer and/or local authorities for acceptable weed control measures (within the limits described above).

The Houston Exploration Company will comply with all applicable federal laws and regulations existing or hereinafter enacted or promulgated. In any event, The Houston Exploration Company shall comply with the *Toxic Substances Control Act of 1976*, as amended (15 U.S.C. 2601, *et seq.*) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant (see 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 76 1.1-761.193). Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the *Comprehensive Environmental Response, Compensation and Liability Act of 1980* (CERCLA), Section 102b. A copy of any report required or requested by any federal agency or state government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved federal agency or state government.

The Houston Exploration Company will promptly remove and dispose of all waste caused by their activities. The term "**waste**" as used herein means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, oil drums, petroleum products, ashes, and equipment. Wastes shall be disposed of in a sanitary landfill.

The Houston Exploration Company will not use dirt roads as access routes when such use would cause severe rutting or erosion, as determined by the Authorized Officer.

Construction activity shall be suspended on public lands if soil conditions warrant, as determined by the Authorized Officer.

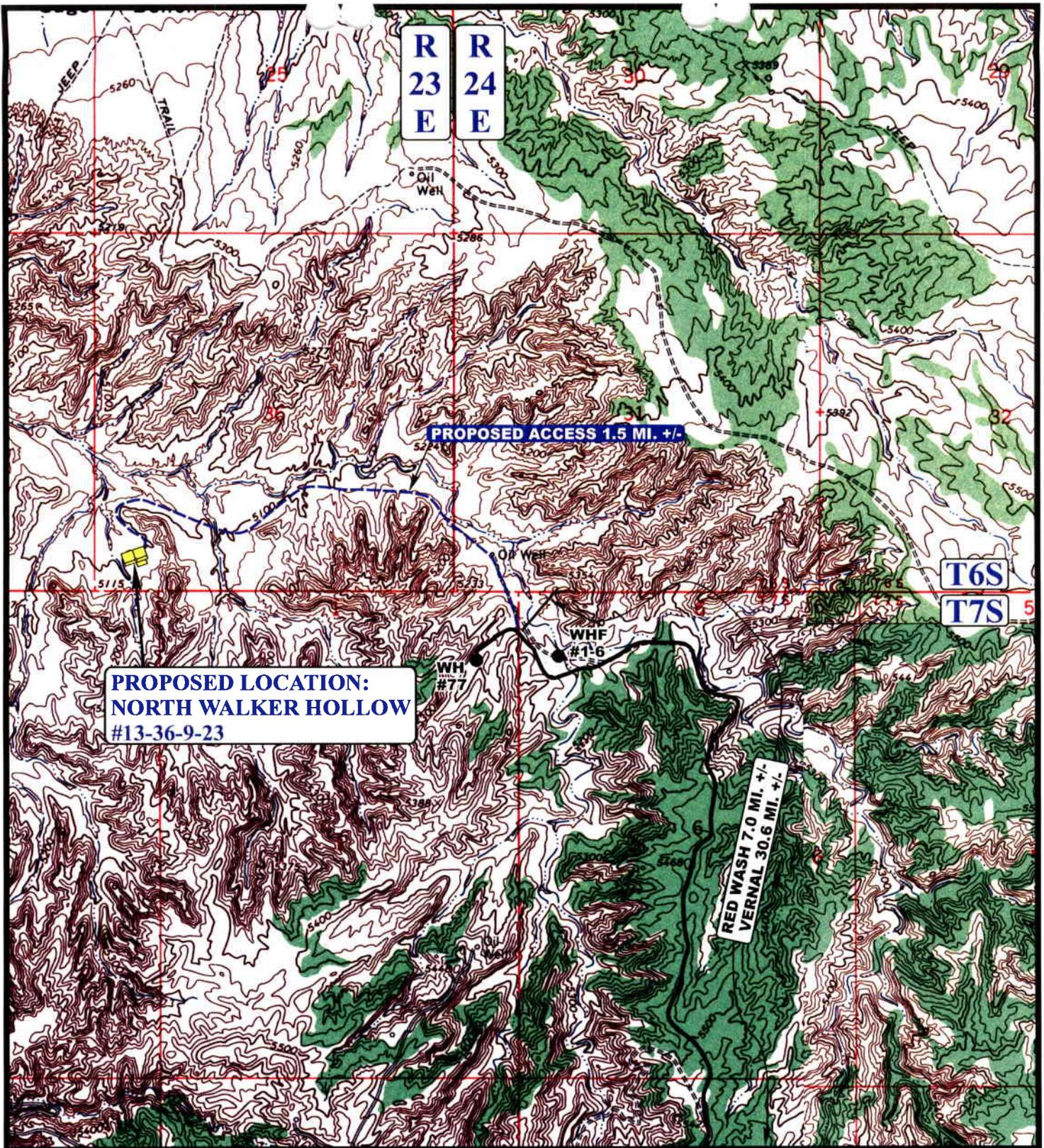
#### 10. Termination and Restoration.

- a. In the event the well, North Walker Hollow 13-36-6-23 is a dry hole, The Houston Exploration Company will request in writing relinquishment of the right-of-way, or provide notification in writing justifying a continuing need for the right-of-way (or portions thereof) by the holder. If a continuing need is justified and approved by the Authorized Officer, all terms, conditions, and stipulations are subject to revision.
- b. Prior to abandonment of the facilities authorized by this grant, The Houston Exploration Company will contact the Authorized Officer to arrange a joint inspection of the right-of-way. The inspection will be held to agree on an acceptable abandonment and reclamation plan. The Authorized Officer must approve the plan in writing prior to The Houston Exploration Company commencing any abandonment and/or reclamation activities. The plan may include the removal of drainage structures or surface material(s); re-contouring; replacement of topsoil; seeding, mulching, etc.

#### 11. General Information.

Boundary adjustments in the federal oil and gas lease/unit will automatically amend this right-of-way to include that portion of the facility no longer contained within the above-described lease/unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate, will be recalculated based on conditions of this grant and the regulations in effect at the time of an automatic amendment.

The holder of this right-of-way grant or the holder's successor in interest shall comply with Title VI of the *Civil Rights Act* of 1964 (42 U.S.C. 200d *et seq*) and the regulations of the Secretary of the Interior issued pursuant thereto.



**LEGEND:**

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



**THE HOUSTON EXPLORATION COMPANY**

**NORTH WALKER HOLLOW #13-36-6-23**  
**SECTION 36, T6S, R23E, S.L.B.&M.**  
**469' FSL 606' FWL**



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

**TOPOGRAPHIC**  
**MAP**

**09 07 05**  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.H. REVISED: 00-00-00



**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 1/9/2006 8:31:10 AM  
**Subject:** Well Clearance

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

The Houston Exploration Company  
North Walker Hollow 11-36-6-23  
North Walker Hollow 13-36-6-23  
North Walker Hollow 15-36-6-23  
North Walker Hollow 14-32-6-23

Summit Operating, LLC  
State 2-2-14-22  
State 4-2-14-22  
State 6-2-14-22  
State 13-2-14-22

Westport Oil & Gas Company  
NBU 1021-16L

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

**CC:** Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

**Clinton Dworshak - cement sks changes**

---

**From:** eric bowedn <starman686@yahoo.com>  
**To:** <clintondworshak@utah.gov>  
**Date:** 1/18/2006 1:39 PM  
**Subject:** cement sks changes

---

here are the cement sks changes that you requested.

---

Yahoo! Photos – Showcase holiday pictures in hardcover  
Photo Books. You design it and we'll bind it!

# THE HOUSTON EXPLORATION COMPANY

WELL NAME	API	LEAD sks	TAIL sks
NH 9-16-6-21	43-047-37439	415	514
NH 3-16-6-21	43-047-37391	415	514
NH 13-16-6-21	43-047-37575	415	514
NH 15-2-6-21	43-047-37477	415	514
NH 13-2-6-21	43-047-37476	415	514
NH 11-16-6-21	43-047-37441	499	515
NH 7-16-6-21	43-047-37438	499	515
NH 1-16-6-21	43-047-37442	499	515
NH 15-16-6-21	43-047-37440	499	515
NH 12-7-6-22	43-047-37392	415	515
NH 16-9-6-22	43-047-37393	415	515
NH 14-10-6-22	43-047-37394	415	515
NH 4-15-6-22	43-047-37396	415	515
NH 2-15-6-22	43-047-37395	415	515
NWH 13-36-6-23	43-047-37463	357	526
NWH 15-36-6-23	43-047-37464	357	526
NWH 11-36-6-23	43-047-37462	357	526
NWH 14-32-6-23	43-047-37478	357	526
NWH 2-32-6-23	43-047-37399	357	526
NWH 8-32-6-23	43-047-37401	357	526
NWH 10-32-6-23	43-047-37400	357	526
NWH 12-32-6-23	43-047-37397	357	526
NWH 16-32-6-23	43-047-37398	357	526
G 2-2-6-19	43-047-37561	153	1,050
G 16-2-6-19	43-047-37562	153	1,050
G 1-2-6-19	43-047-37563	153	1,050
G 3-2-6-19	43-047-37568	153	1,050



**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*

January 23, 2006

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

Re: North Walker Hollow 13-36-6-23 Well, 469' FSL, 606' FWL, SW SW,  
Sec. 36, T. 6 South, R. 23 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 43-047-37463.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
SITLA

**Operator:** Houston Exploration Company  
**Well Name & Number** North Walker Hollow 13-36-6-23  
**API Number:** 43-047-37463  
**Lease:** ML-47970

**Location:** SW SW                      **Sec.** 36                      **T.** 6 South                      **R.** 23 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)

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.



**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*

February 26, 2007

Ginger Stringham  
The Houston Exploration Co.  
1100 Louisiana, Suite 2000  
Houston, TX 77002-6800

Re: APD Rescinded –N Walker Hollow 13-36-6-23 Sec. 36 T. 6 R. 23E  
Uintah County, Utah API No. 43-047-37463

Ms. Stringham:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 23, 2006. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 26, 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  
SITLA, Ed Bonner

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

**ROUTING**

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

Change of Operator (Well Sold)

**X - Operator Merger**

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

**6/1/2007**

<b>FROM:</b> (Old Operator): N2525 - The Houston Exploration Company 1100 Louisiana, Suite 2000 Houston, TX 77002 Phone: 1-(713) 830-6800	<b>TO:</b> ( New Operator): N6965-Forest Oil Corporation 707 17th St, Suite 3600 Denver, CO 80202 Phone: 1 (303) 812-1755
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**CA No.**

**Unit:**

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

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

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 7/31/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 7/31/2007
- Bond information entered in RBDMS on: 7/31/2007
- Fee/State wells attached to bond in RBDMS on: 7/31/2007
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: pending

**BOND VERIFICATION:**

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

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**See Attached List**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:

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

8. WELL NAME and NUMBER:  
**See Attached List**

2. NAME OF OPERATOR:  
Forest Oil Corporation *N6965*

9. API NUMBER:  
various

3. ADDRESS OF OPERATOR:  
707 17th Street, #3600 CITY Denver, STATE CO ZIP 80202 PHONE NUMBER: (303) 812-1755

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **See attached list**

COUNTY:

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"/> 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>Change of Operator</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. *N2525*

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

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

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

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

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

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

*7-5-07*  
Date

NAME (PLEASE PRINT) Joanne C. Hresko TITLE Vice President & General Mgr. - Northern Division  
SIGNATURE *Joanne C. Hresko* DATE 7-5-07

(This space for State use only)

**APPROVED** *7131107*  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

*No wells in APD status or  
at New status  
at this time*

**RECEIVED**  
JUL 30 2007

(5/2000)

(See Instructions on Reverse Side)

DIV OF OIL, GAS & MINING *WMP*

well_name	sec	twp	rng	api	entity	lease	well	stat	flag	unit	qtr_qtr	l_num	op no
FEDERAL 28-01	28	080S	250E	4304730098	10095	Federal	GW	S			SESE	UTU-016257	N2525
CONOCO STATE 32-2	32	080S	250E	4304730100	10096	State	GW	S			NENE	ML-11124	N2525
ROCK HOUSE 11-31	31	100S	230E	4304733312	13984	Federal	GW	P			NESW	UTU-76281	N2525
BONANZA 4B-12	12	090S	230E	4304733806	14593	Federal	D	PA			NWNW	UTU-74426	N2525
WALKER HOLLOW 13-31	31	060S	230E	4304735039		Federal	GW	LA			SESW	UTU-76280	N2525
ROCK HOUSE 6D-32	32	100S	230E	4304735409	14293	State	GW	S			SESW	ML-47063	N2525
BONANZA 2B-16	16	090S	240E	4304735694	14186	State	D	PA			NWNE	ML-46526	N2525
ROCK HOUSE 2D-36	36	100S	220E	4304735759	14357	State	GW	P			NWNE	ML-47061	N2525
ROCK HOUSE 2D-32	32	100S	230E	4304735760	14317	State	GW	S			NWNE	ML-47063	N2525
ROCK HOUSE 10D-32	32	100S	230E	4304735761	14318	State	GW	S			NWSE	ML-47063	N2525
ROCK HOUSE 12D-32	32	100S	230E	4304735762	14294	State	GW	P			NWSW	ML-47063	N2525
ROCK HOUSE 11-36	36	100S	220E	4304735900	14478	State	GW	P			NESW	ML-46907	N2525
ROCK HOUSE 4-36	36	100S	220E	4304735901	14449	State	GW	S			NWNW	ML42061	N2525
BONANZA 12A-22	22	090S	240E	4304735922	14520	Federal	D	PA			NWSW	UTU-78118	N2525
BONANZA 14-16	16	090S	240E	4304735941	14521	State	D	PA			SESW	ML-46526	N2525
ROCK HOUSE 11-2	02	110S	230E	4304736153	14695	State	GW	P	C		NESW	ML-47078	N2525
ROCK HOUSE 7-32-10-23	32	100S	230E	4304736306	14766	State	GW	S			SWNE	ML-47063	N2525
ROCK HOUSE 3-32-10-23	32	100S	230E	4304736307	14781	State	GW	P			NENW	ML-47063	N2525
ROCK HOUSE 5-32-10-23	32	100S	230E	4304736410	14727	State	GW	S			SWNW	ML-47063	N2525
GUSHER 6-2	02	060S	190E	4304736963		State	OW	LA			SESW	ML-49144	N2525
N HORSESHOE 3-16-6-21	16	060S	210E	4304737391	15716	State	GW	DRL	C		NENW	ML-49317	N2525
N HORSESHOE 12-7-6-22	07	060S	220E	4304737392		State	GW	LA			NWSW	ML-47969	N2525
N HORSESHOE 16-9-6-22	09	060S	220E	4304737393		State	GW	LA			SESE	ML-47969	N2525
N HORSESHOE 14-10-6-22	10	060S	220E	4304737394		State	GW	LA			SESW	ML-47969	N2525
N HORSESHOE 2-15-6-22	15	060S	220E	4304737395		State	GW	LA			NWNE	ML-47969	N2525
N HORSESHOE 4-15-6-22	15	060S	220E	4304737396		State	GW	LA			NWNW	ML-47969	N2525
N WALKER HOLLOW 12-32-6-23	32	060S	230E	4304737397		State	GW	LA			NWSW	ML-47777	N2525
N WALKER HOLLOW 16-32-6-23	32	060S	230E	4304737398		State	GW	LA			SESE	ML-47777	N2525
N WALKER HOLLOW 2-32-6-23	32	060S	230E	4304737399	15741	State	GW	DRL	C		NWNE	ML-47777	N2525
N WALKER HOLLOW 10-32-6-23	32	060S	230E	4304737400		State	GW	LA			NWSE	ML-47777	N2525
N WALKER HOLLOW 8-32-6-23	32	060S	230E	4304737401		State	GW	LA			SENE	ML-47777	N2525
N WALKER HOLLOW 11-36-6-23	36	060S	230E	4304737462		State	GW	LA			NESW	ML-47970	N2525
N WALKER HOLLOW 13-36-6-23	36	060S	230E	4304737463		State	GW	LA			SWSW	ML-47970	N2525
N WALKER HOLLOW 15-36-6-23	36	060S	230E	4304737464		State	GW	LA			SWSE	ML-47970	N2525
N WALKER HOLLOW 14-32-6-23	32	060S	230E	4304737478		State	GW	LA			SESW	ML-47777	N2525
HACKING RES 11-32-8-25	32	080S	250E	4304737479		State	GW	LA			NESW	ML-11124	N2525
HACKING RES 3-32-8-25	32	080S	250E	4304737480		State	GW	LA			NENW	ML-11124	N2525
HACKING RES 5-32-8-25	32	080S	250E	4304737481		State	GW	LA			SWNW	ML-11124	N2525
HACKING RES 15-32-8-25	32	080S	250E	4304737482		State	GW	LA			SWSE	ML-11124	N2525
HACKING RES 9-32-8-25	32	080S	250E	4304737483		State	GW	LA			NESE	ML-11124	N2525
HACKING RESERVOIR 7-32-8-25	32	080S	250E	4304737571	15885	State	GW	DRL	C		SWNE	ML-11124	N2525