

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML-49144	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 checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: The Houston Exploration Company			9. WELL NAME and NUMBER: Gusher 3-2-6-19 627	
3. ADDRESS OF OPERATOR: 1100 Louisiana, Suite 200 CITY Houston STATE TX ZIP 77002			PHONE NUMBER: (713) 830-6800	10. FIELD AND POOL, OR WILDCAT: Undesignated Moffat Canal
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 522' FNL & 1,924' FWL AT PROPOSED PRODUCING ZONE: Same as above.			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 2 T6S 19E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 17.9 miles south of Vernal, UT			12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 522'	16. NUMBER OF ACRES IN LEASE: 600	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 800'	19. PROPOSED DEPTH: 9,300	20. BOND DESCRIPTION: 104155044		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,303' GR	22. APPROXIMATE DATE WORK WILL START: 3/1/2006	23. ESTIMATED DURATION: 30 Days		

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	250 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#	9,300	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:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> 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 12-19-05

(This space for State use only)

API NUMBER ASSIGNED: 43-047-37568

**Approved by the
Utah Division of
Oil, Gas and Mining**
APPROVAL:
Date: 12-23-05
By: *[Signature]*
Instructions on Reverse Side

RECEIVED
DEC 21 2005

DIV. OF OIL, GAS & MINING

T6S, R19E, S.L.B.&M.

THE HOUSTON EXPLORATION COMPANY

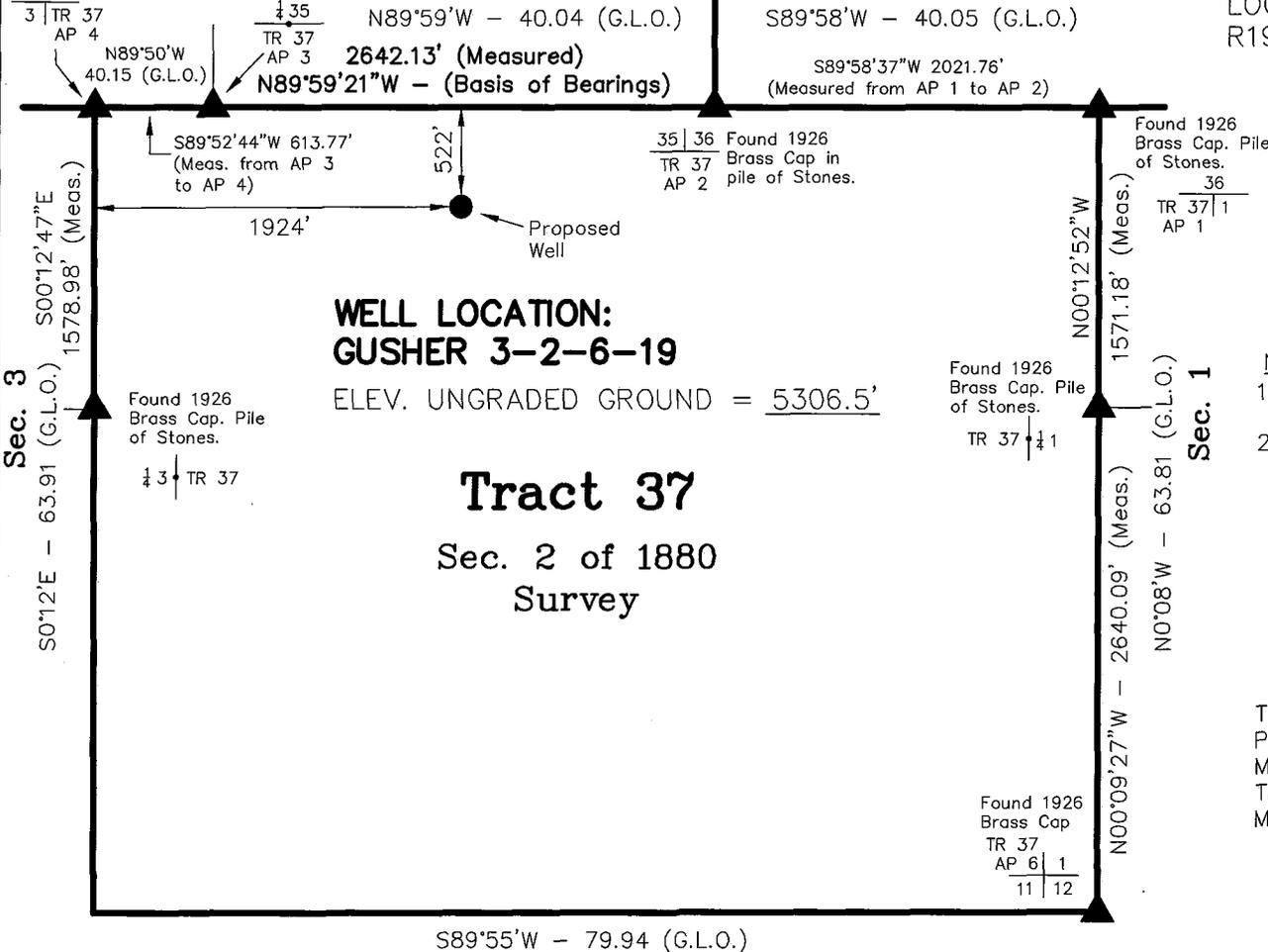
Found 1926
Brass Cap in
pile of Stones.

Found 1926
Brass Cap.

Sec. 35

Sec. 36

WELL LOCATION, GUSHER 3-2-6-19,
LOCATED AS SHOWN IN TRACT 37, T6S,
R19E, S.L.B.&M. UINTAH COUNTY, UTAH.



NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.



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.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 362251
STATE OF UTAH
KOLBY R. KAY

▲ = SECTION CORNERS LOCATED
BASIS OF ELEVATION IS BENCH MARK CANAL LOCATED IN THE NE 1/4 OF SECTION 11, T6S, R19E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE VERNAL SW 7.5 MIN. QUADRANGLE AS BEING 5312'.

GUSHER 3-2-6-19
(Proposed Well Head)
NAD 83 Autonomous
LATITUDE = 40° 19' 47.90"
LONGITUDE = 109° 45' 10.77"

TIMBERLINE LAND SURVEYING, INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078
(435) 789-1365

DATE SURVEYED: 11-15-05	SURVEYED BY: K.R.K.	SHEET 2 OF 8
DATE DRAWN: 11-16-05	DRAWN BY: J.R.S.	
SCALE: 1" = 1000'	Date Last Revised:	

Ten Point Plan

The Houston Exploration Company

Gusher 3-2-6-19

Surface Location NE ¼ NW ¼, Section 2, T. 6S., R. 19E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+5,303' G.L.
Uteland Butte Limestone	3,654	+1,649'
Wasatch	3,769	+1,534'
Mesaverda	6,169	-866'
Buck Tounge	8,369	-3,066'
TD	9,300	-3,997'

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:

Gusher #1-2-6-19

Gusher #6-2

Abandoned Well:

Federal #44x-35

Monada Govt. #3 (3-35E 19E)

Triumph Federal #1

Monada State #1

Globe-Monada Govt. #4

Monada State #2

Ouray Federal #1

Abandoned Location:

Barson-Silver Empire #1

West Gusher ST #1-36U

4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/FT</u>	<u>Grade</u>	<u>Coupling & Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
11	9 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:	9 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	250 sks. +/-	3.38ft ³ /sk	11.0 ppg
Tail:	9 5/8	Class "G" 2% Calcium Chloride .25#/sk Cello Flake	329 sks. +/-	1.2ft ³ /sk	15.6 ppg
Top Job:	9 5/8	4% Calcium Chloride .25#/sk Cello Flake	200 sks. +/-	1.10ft ³ /sk	15.6 ppg

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

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead: 4 1/2	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	200 sks +/-	3.3ft ³ /sk	11.0 ppg
Tail: 4 1/2	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	400 sks +/-	1.56ft ³ /sk	14.3 ppg

5. BOP and Pressure Containment Data:

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

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 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

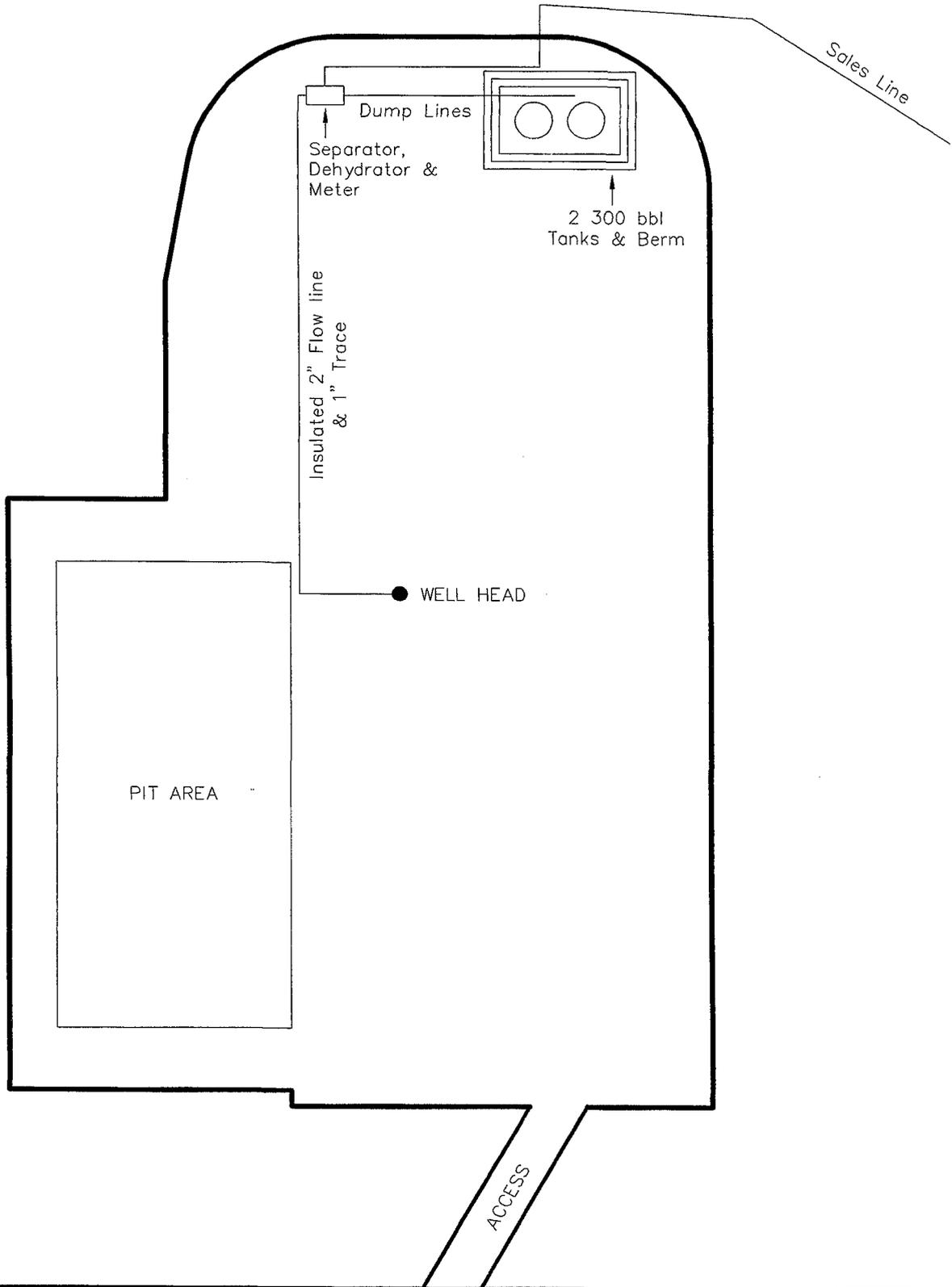
9. Abnormalities (including sour gas):

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 H₂S.

10. Drilling Schedule:

The anticipated starting date is 03/01/2006. Duration of operations is expected to be 30 days.

TYPICAL PRODUCTION LAYOUT



THE HOUSTON EXPLORATION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

GUSHER 3-2-6-19

LOCATED IN NE $\frac{1}{4}$ NW $\frac{1}{4}$

SECTION 2, T.6S, R19E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: ML-49144

SURFACE OWNERSHIP: STATE

1. Existing Roads:

To reach The Houston Exploration Co. well Gusher 3-2-6-19 in Section 2, T6S, R 19E, Starting in Vernal, Utah.

Proceed in a westerly direction from Vernal, UT along US highway 40 approximately 16.4 miles to the junction of a class D county road; exit right and proceed in a northwesterly direction along the county D road approximately 1.2 miles to the proposed access road for the Gusher 6-2 well; follow road flags in a westerly direction approximately 585 feet to the proposed access road; follow road flags in a northwesterly direction approximately 790' to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 17.9 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 790' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

- A) Approximate length 790 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
- L) All new construction on lease
 Yes
- M) Pipe line crossing None

Please see the attached location plat for additional details.

An off lease right-of-way will not be required.

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

3. Location of existing wells:

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

- A) Producing well None
- B) Water well None
- C) Abandoned well
 - Monada State 1
 - Monada State 2
 - Ouray Federal 1
 - Triumph Federal 1
 - Triumph Federal 2
 - Globe Monada Govt 4
 - Monada Govt. 3
 - Federal 44x-35
- D) Temp. abandoned well None
- E) Disposal well None
- F) Drilling /Permitted well
 - Gusher 2-2-6-19
 - Gusher 16-2-6-19

Gusher 1-2-6-19

Gusher 6-2

- G) Shut in wells** **None**
- H) Injection well** **None**
- I) Monitoring or observation well** **None**

Please see the attached map for additional details.

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

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

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

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

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.

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 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.**

C) Garbage:

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

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

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

8. Ancillary facilities

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

9. Well-site layout:

Location dimensions are as follows:

A) Pad length	345 ft.
B) Pad width	260 ft.
C) Pit depth	12 ft.
D) Pit length	150 ft.
E) Pit width	75 ft.
F) Max cut	18.7 ft.
G) Max fill	3.4 ft.
H) Total cut yds.	6,700 cu yds
I) Pit location	South end
J) Top soil location	North end
K) Access road location	East end
L) Flare Pit	corner C

Please see the attached location diagram for additional details.

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

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately **1,500** cubic yards of material. Topsoil will be stockpiled in one

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

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

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

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

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

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

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

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeded, 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:

Access road	State
Location	State
Pipeline	None

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 dwellings 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 Gusher Canal located 350' 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.

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.

G) Flare pit:

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

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

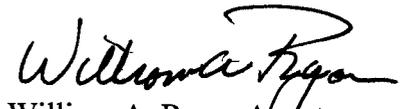
13. Lessees or Operator's representative and certification

A) Representative

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

under which it is approved.

Date 12/19/06


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



PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: WESTERLY

THE HOUSTON EXPLORATION COMPANY

Gusher 3-2-6-19
SECTION 2, T6S, R19E, S.L.B.&M.
522' FNL & 1924' FWL

LOCATION PHOTOS

TAKEN BY: K.R.K.

DRAWN BY: B.J.Z.

DATE TAKEN: 11-15-05

DATE DRAWN: 11-16-05

REVISED:

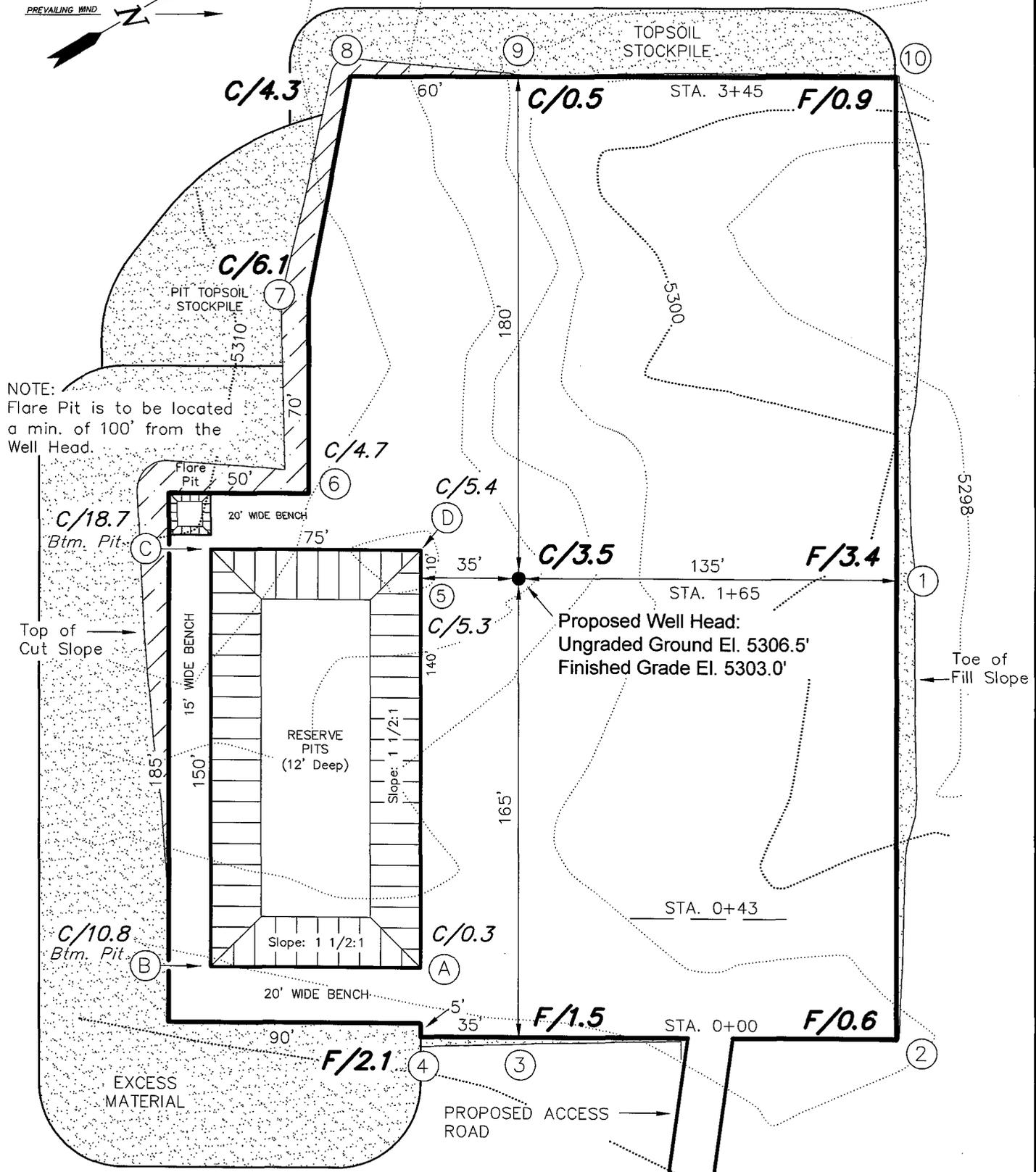
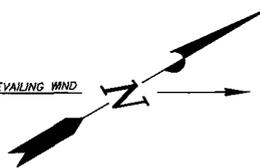
Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
1
OF 8

THE HOUSTON EXPLORATION COMPANY

CUT SHEET GUSHER 3-2-6-19

PREVAILING WIND

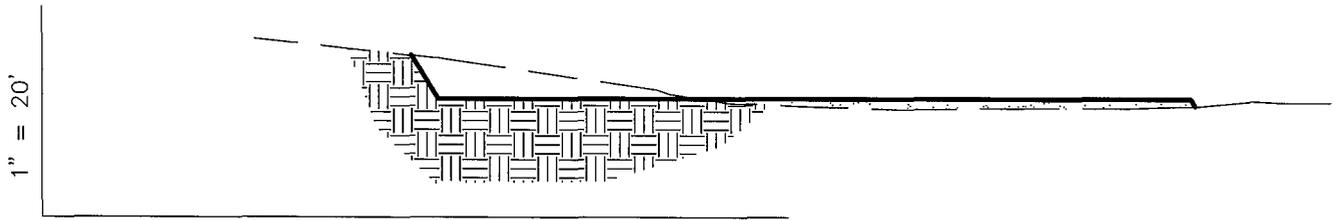


CONTOUR INTERVAL = 2'

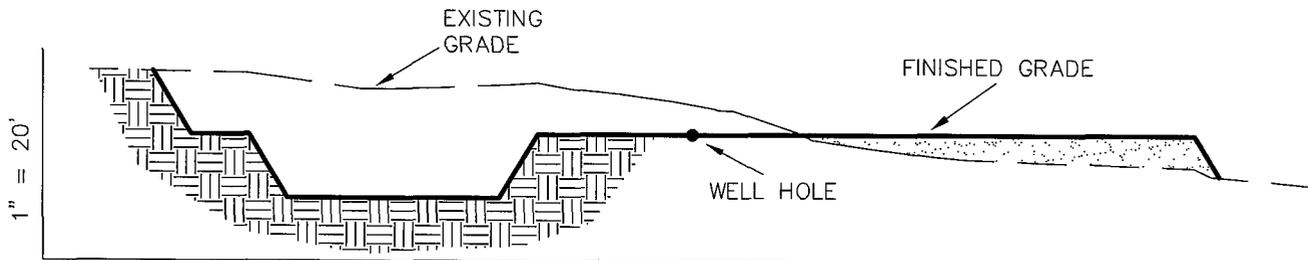
SECTION 2, T6S, R19E, S.L.B.&M.		Qtr/Qtr Location: NE NW	Footage Location: 522' FNL & 1924' FWL
Date Surveyed: 11-15-05	Date Drawn: 11-16-05	Date Last Revision:	Timberline (435) 789-1365 Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: J.R.S.	Scale: 1" = 50'	
			SHEET 3 OF 8

THE HOUSTON EXPLORATION COMPANY

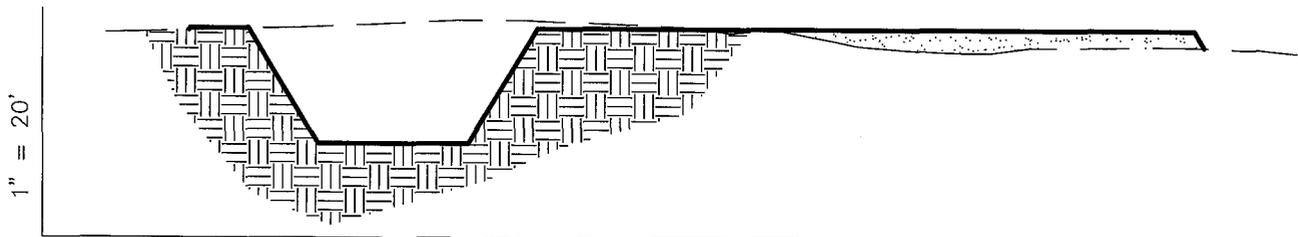
CROSS SECTIONS GUSHER 3-2-6-19



1" = 50' STA. 3+45

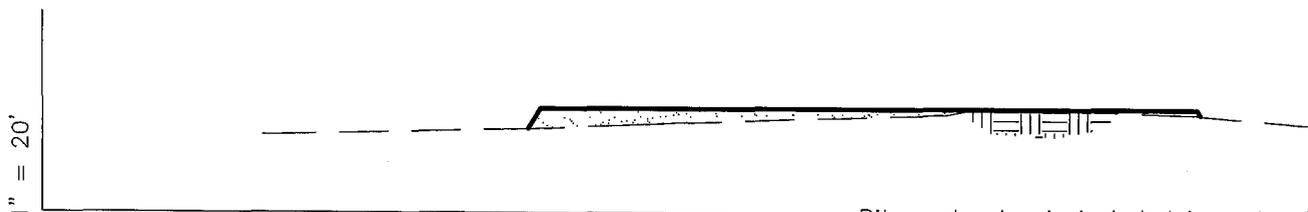


1" = 50' STA. 1+65



1" = 50' STA. 0+43

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



1" = 50' STA. 0+00

Pit overburden is included in pad cut.

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

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	3,360	5,030	Topsoil is not included in Pad Cut	-1,670
PIT	3,340	0		3,340
TOTALS	6,700	5,030	1,500	1,670

Excess Material after Pit Rehabilitation = 0 Cu. Yds.

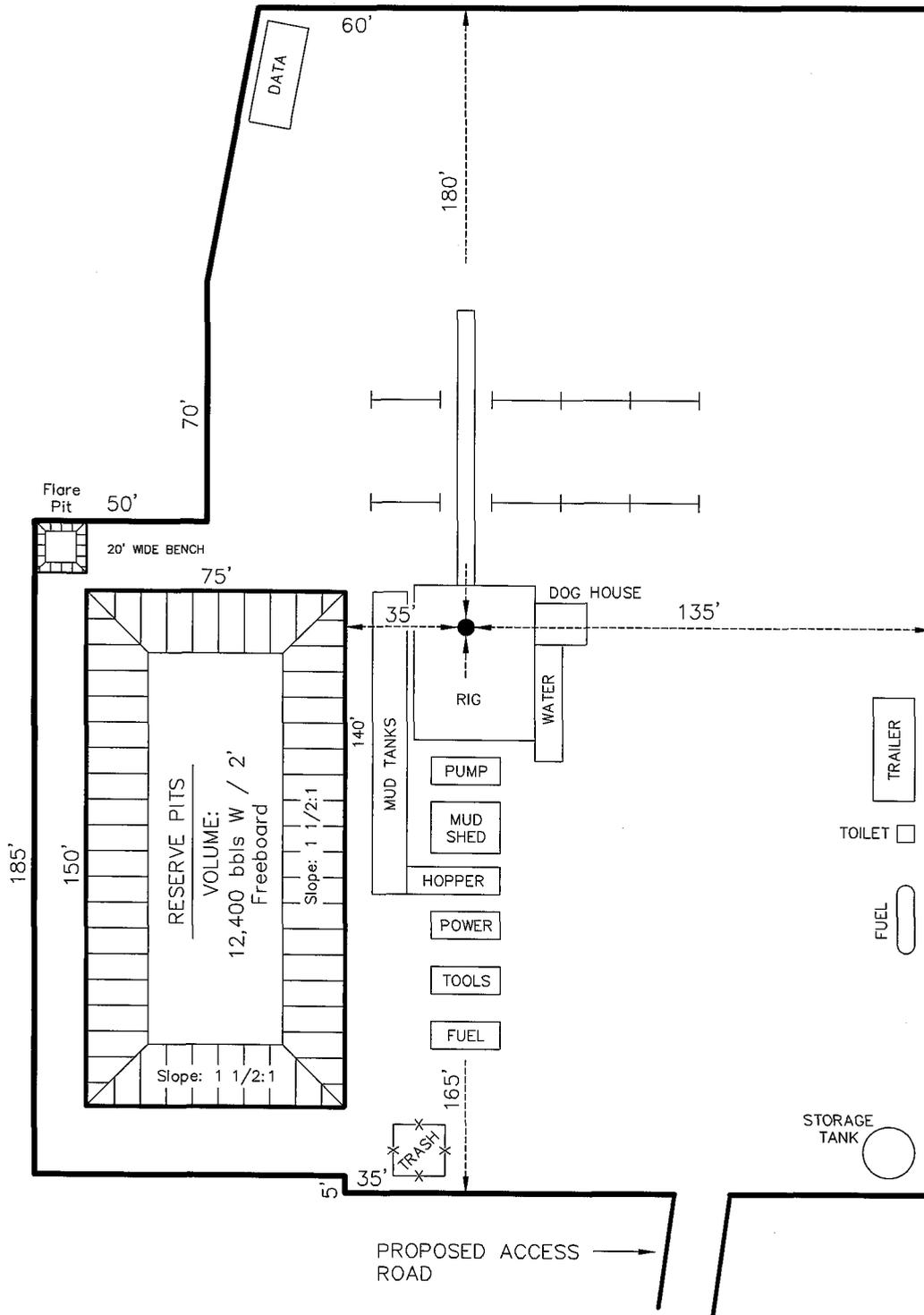
REFERENCE POINTS

- 185' NORTHEASTERLY = 5297.1'
- 235' NORTHEASTERLY = 5296.6'
- 230' NORTHWESTERLY = 5305.7'
- 280' NORTHWESTERLY = 5305.5'

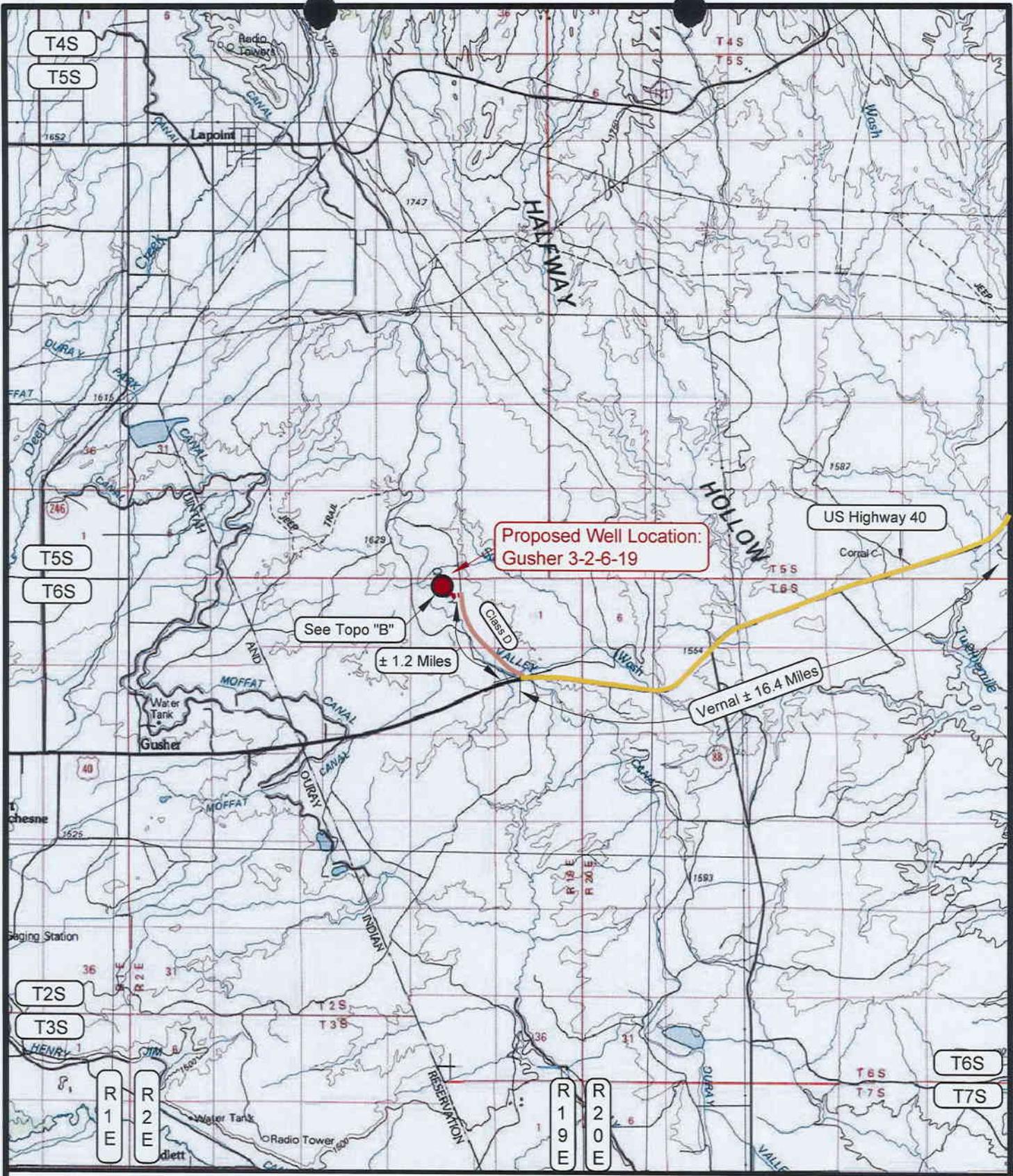
SECTION 2, T6S, R19E, S.L.B.&M.		Qtr/Qtr Location: NE NW	Footage Location: 522' FNL & 1924' FWL
Date Surveyed: 11-15-05	Date Drawn: 11-16-05	Date Last Revision:	Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: J.R.S.	Scale: 1" = 50'	

THE HOUSTON EXPLORATION COMPANY

TYPICAL RIG LAYOUT GUSHER 3-2-6-19



SECTION 2, T6S, R19E, S.L.B.&M.		Qtr/Qtr Location: NE NW	Footage Location: 522' FNL & 1924' FWL
Date Surveyed: 11-15-05	Date Drawn: 11-16-05	Date Last Revision:	Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: J.R.S.	Scale: 1" = 50'	
			SHEET 5 OF 8



Proposed Well Location:
Gusher 3-2-6-19

See Topo "B"
± 1.2 Miles

Vernal ± 16.4 Miles

LEGEND

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- = PROPOSED ACCESS ROAD
- B-5460 = COUNTY ROAD CLASS & NUMBER

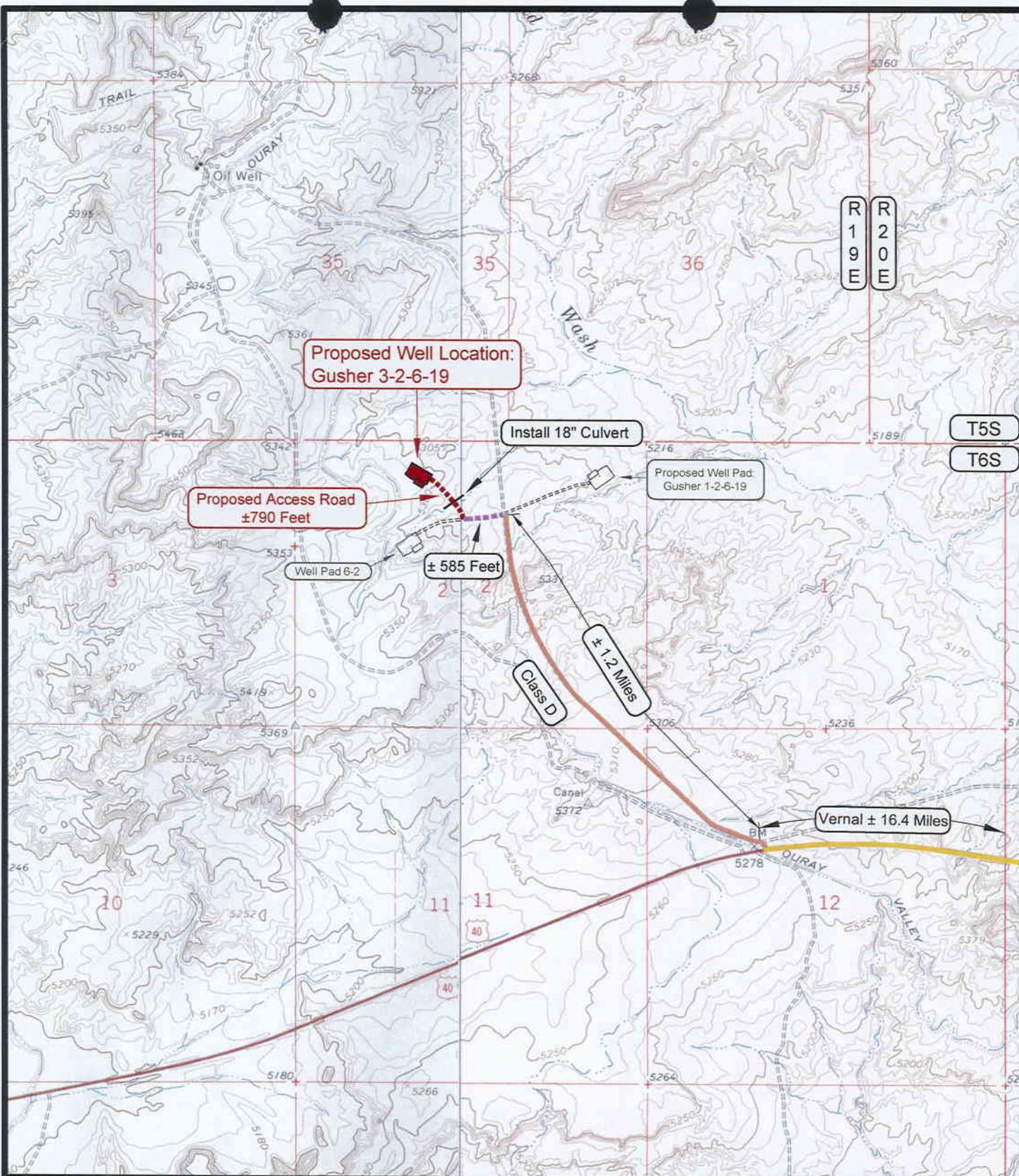
THE HOUSTON EXPLORATION COMPANY

Gusher 3-2-6-19
SECTION 2, T6S, R19E, S.L.B.&M.
522' FNL & 1924' FWL

TOPOGRAPHIC MAP "A"		DATE SURVEYED: 11-15-05
SCALE: 1:100,000	DRAWN BY: B.J.Z.	DATE DRAWN: 11-16-05
		REVISED:

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
6
 OF 8



LEGEND

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = SHARED ACCESS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER
- = LEASE LINE AND / OR PROPERTY LINE

THE HOUSTON EXPLORATION COMPANY

Gusher 3-2-6-19
SECTION 2, T6S, R19E, S.L.B.&M.
522' FNL & 1924' FWL

TOPOGRAPHIC MAP "B"

DATE SURVEYED: 11-15-05

DATE DRAWN: 11-16-05

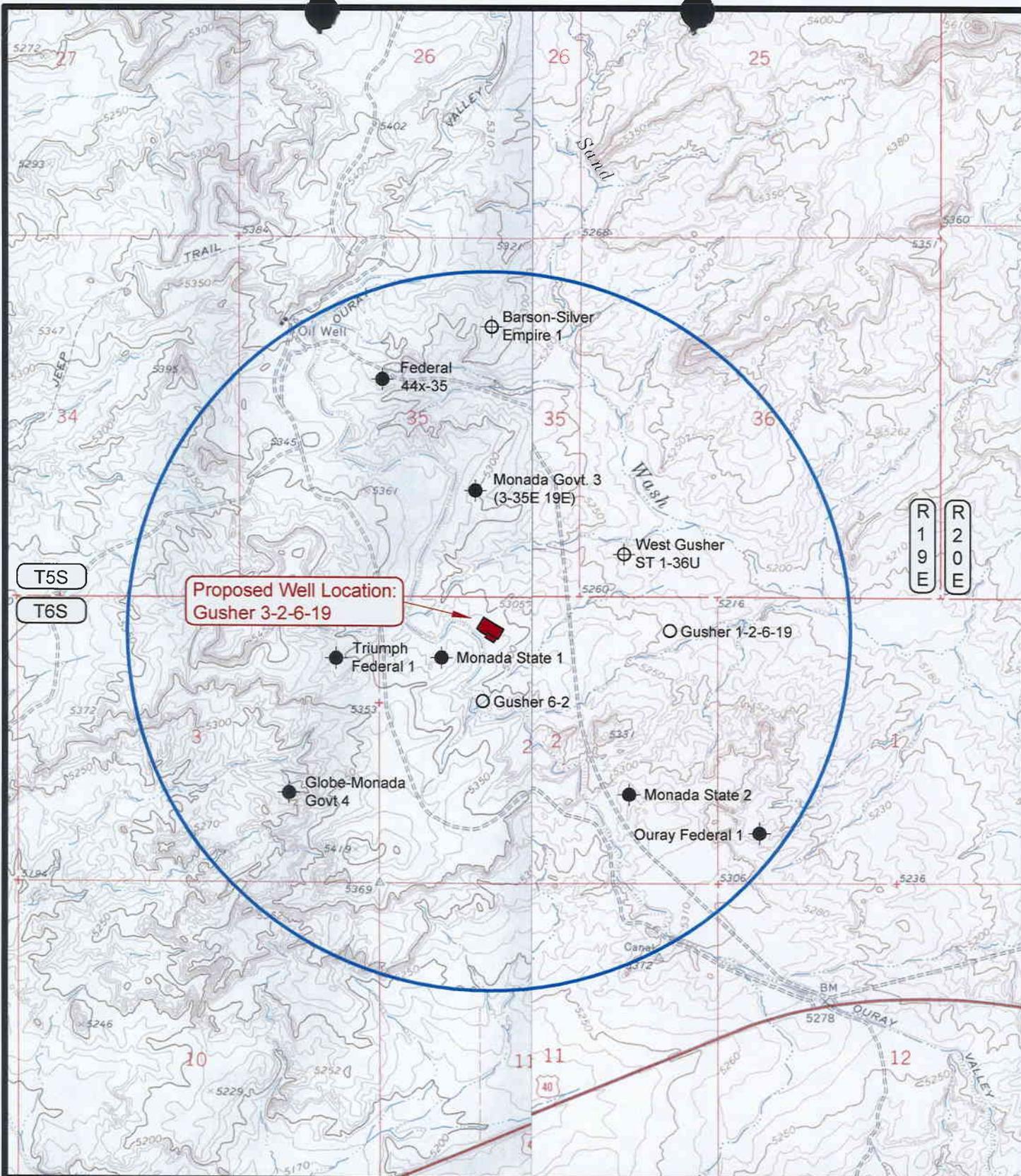
SCALE: 1" = 2000'

DRAWN BY: B.J.Z.

REVISED:

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
7
OF 8



**Proposed Well Location:
Gusher 3-2-6-19**

LEGEND

- ⊗ = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- = PROPOSED WELL
- ⊗ = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL
- ⊕ = ABANDONED LOCATION

TOPOGRAPHIC MAP "C"		DATE SURVEYED: 11-15-05
		DATE DRAWN: 11-16-05
SCALE: 1" = 2000'	DRAWN BY: B.J.Z.	REVISED:

THE HOUSTON EXPLORATION COMPANY

Gusher 3-2-6-19
SECTION 2, T6S, R19E, S.L.B.&M.
522' FNL & 1924' FWL

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
8
OF 8

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/21/2005

API NO. ASSIGNED: 43-047-37568

WELL NAME: GUSHER 3-2-6-19
 OPERATOR: HOUSTON EXPLORATION CO, (N2525)
 CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

NENW 02 060S 190E
 SURFACE: 0522 FNL 1924 FWL
 BOTTOM: 0522 FNL 1924 FWL
 UINTAH
 MOFFAT CANAL (627)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DWR	1/20/06
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-49144
 SURFACE OWNER: 3 - State
 PROPOSED FORMATION: MVRD
 COALBED METHANE WELL? NO

LATITUDE: 40.32995
 LONGITUDE: -109.7523

RECEIVED AND/OR REVIEWED:

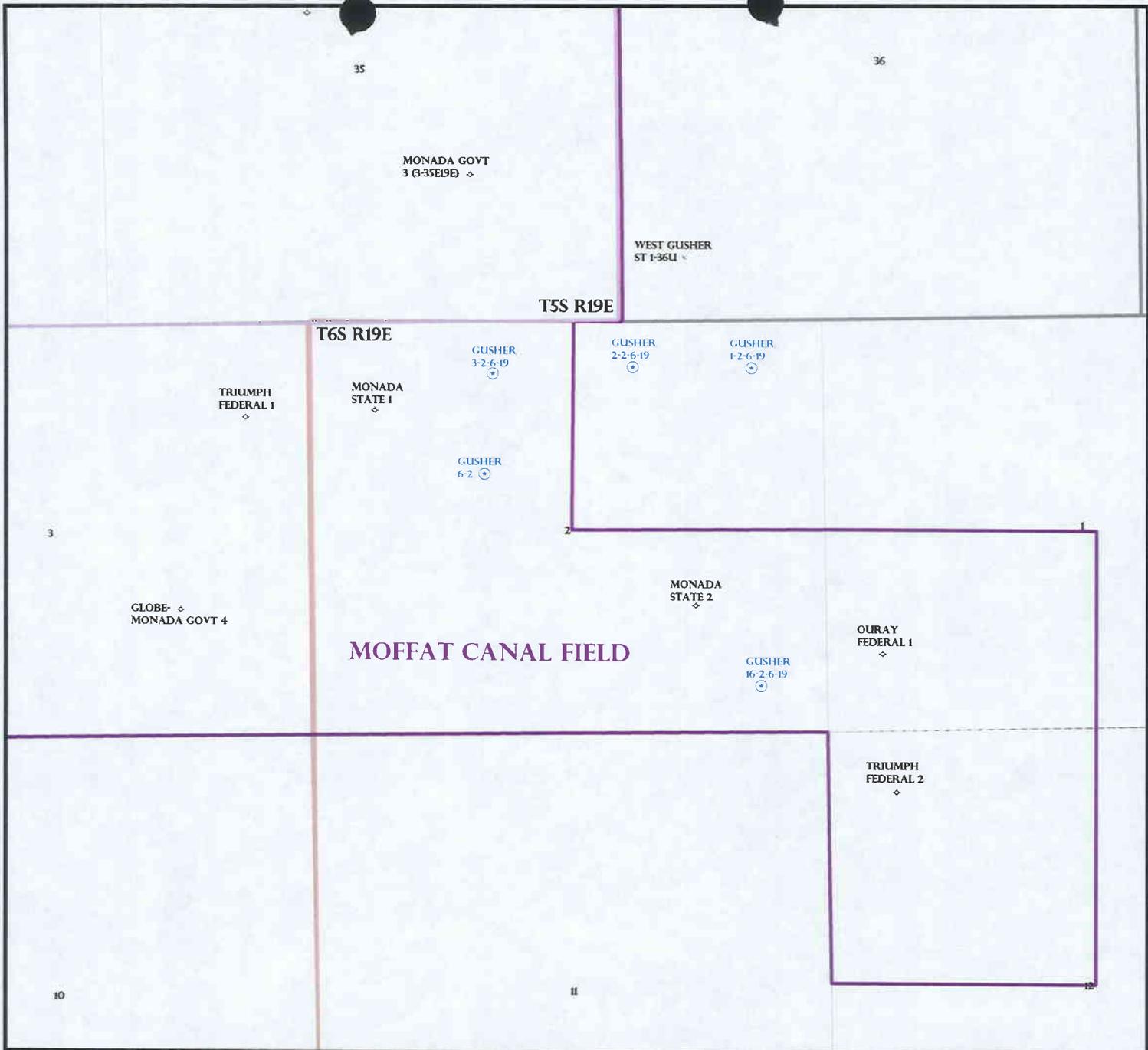
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 104155044)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. T-76073)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

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 Presit (01-10-06)

STIPULATIONS: 1- Spacing Strip
2- STATEMENT OF BASIS



OPERATOR: THE HOUSTON EXPL CO (N2525)
 SEC: 2 T. 6S R. 19E
 FIELD: MOFFAT CANAL (627)
 COUNTY: UINTAH
 SPACING: R649-3-2 / GENERAL SITING

Field Status	Unit Status
ABANDONED	EXPLORATORY
ACTIVE	GAS STORAGE
COMBINED	NF PP OIL
INACTIVE	NF SECONDARY
PROPOSED	PENDING
STORAGE	PI OIL
TERMINATED	PP GAS
	PP GEOTHERML
	PP OIL
	SECONDARY
	TERMINATED

Wells Status

⊗	GAS INJECTION
⊗	GAS STORAGE
⊗	LOCATION ABANDONED
⊗	NEW LOCATION
⊗	PLUGGED & ABANDONED
⊗	PRODUCING GAS
⊗	PRODUCING OIL
⊗	SHUT-IN GAS
⊗	SHUT-IN OIL
⊗	TEMP. ABANDONED
⊗	TEST WELL
⊗	WATER INJECTION
⊗	WATER SUPPLY
⊗	WATER DISPOSAL
⊗	DRILLING



PREPARED BY: DIANA WHITNEY
 DATE: 27-DECEMBER-2005

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

OPERATOR: THE HOUSTON EXPLORATION COMPANY
WELL NAME & NUMBER: GUSHER 3-2-6-19
API NUMBER: 43-047-37568
LOCATION: NW CORNER OF TRACT 37, SEC: 2 TWP: 6S RNG: 19E, 522 FNL 1924 FWL

Geology/Ground Water:

Houston proposes to set 2,000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 4,800 feet. A search of Division of Water Rights records shows 1 water well within a 10,000 foot radius of the center of Section 2. The well is 318 feet in depth and its listed use is for oilfield drilling. 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:** 01/17/06

Surface:

The predrill investigation of the surface was performed on 1/10/2006. Ben Williams with UDWR and Jim Davis with SITLA were invited to this investigation by email on 12/14/05. Mr. Williams sent notification that the UDWR would be represented by Chris Wood. Both Mr. Wood and Mr. Davis were in attendance. Mr. Bill Ryan a Consultant for Houston Exploration represented the operator.

Mr. Ryan committed to replacing the existing dilapidated cattleguard along the fence line crossed by the Uintah County road and adding fill and a culvert on a wet section below the Ouray Park Canal. Two swales crossed by the proposed access road west of the County road also should have culverts installed.

Chris Wood representing the UDWR stated the area is classified as high value yearlong habitat for antelope, limited value yearlong habitat for deer and poor quality sage grouse brooding grounds.. He did not recommend any restrictions to the Operator or SITLA. He stated no other wildlife species are expected to be significantly affected. Mr. Wood also gave Mr. Ryan and Mr. Davis, a UDWR recommended seed mix to be used when the reserve pit and location are reclaimed.

This site is on State surface, with State minerals, and appears to be the best site for a location in the immediate area.

Reviewer: Floyd Bartlett **Date:** 1/11/2006

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils 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: GUSHER 3-2-6-19

API NUMBER: 43-047-37568

LEASE: ML-49144 **FIELD/UNIT:** Undesignated

LOCATION: NW CORNER OF TRACT 37, **SEC:** 2 **TWP:** 6S **RNG:** 19E, 522 FNL 1924
FWL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): 606977 E 4464916 N **SURFACE OWNER:** STATE OF UTAH (SITLA)

PARTICIPANTS

Floyd Bartlett (DOGM), Bill Ryan (Consultant for Houston Exploration),
Chris Wood (UDWR) Gary Gerber (Stubbs & Stubbs Construction),

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Section 2 is approximately 12 air miles southwest of Vernal Utah. It is
accessed by Utah State Hwy. 40 a distance of 16.4 miles then north on
Uintah County Class D road 1.2 miles. The location is west of this road
and will require construction of approximately 1379 feet of new access
road. 585 feet of this road will also serve the nearby 6-2 proposed
well. Spot betterment will be needed on short sections of the Uintah
County road. Section 2 is owned by SITLA but surrounded on 3 sides by
land administered by the BLM. A SITLA section borders the section on
the northeast corner. The only water in the area is in the Ouray Valley
Canal, which is near the west line of the section. This canal does seep
and moist soil can be found in a few swales below the canal. The
topography in the area is generally flat but intersected by some gentle
knolls, swales and washes.

The proposed Gusher 2-2-6-19 well lies on a flat, which slopes slightly
to the north on the northern portion of the location. Riparian type
vegetation is found in the swales near the canal. Some ice flows were
evident in the swales. Two of these should have culverts and/or fill so
as not to cause a muddy bottom when crossed.

SURFACE USE PLAN

CURRENT SURFACE USE: Cattle grazing, limited hunting and 4-wheeling. A
cellular phone transmission tower is approximately 3/4 mile south of the
proposed location

PROPOSED SURFACE DISTURBANCE: Construct 1379 feet of low standard road,
install 2 culverts and construct a well location 345'x 210' plus reserve
pit and soil stockpile storage outside the described area.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: See Topographic Map
"C", prepared from the current GIS data base.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production
facilities will be on location and added after drilling the well.

Pipeline will follow the access road and south along the Uintah County Road to a tie-in point.

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. Oilfield activity is common in general area.

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. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved land fill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None. The swales exhibiting seepage from the Ouray Park canal will not be affected if culverts or fill are used at the crossings.

FLORA/FAUNA: Proposed location has a fair desert type vegetation, which includes big sagebrush, needle and thread grass, yellow rabbit brush, broom snakeweed, spiny hopsage, tansy mustard weed, curly mesquite and cheatgrass.

Dominant fauna is pronghorn, rodents, songbirds, raptors, deer, bobcat, coyote, and small mammals.

SOIL TYPE AND CHARACTERISTICS: Shallow reddish brown sandy loam interspersed between frequent sandstone bedrock outcrops.

EROSION/SEDIMENTATION/STABILITY: No stability problems are anticipated with the construction and operation of the location.

PALEONTOLOGICAL POTENTIAL: none observed.

RESERVE PIT

CHARACTERISTICS: 150' by 75' and 12' deep. The reserve pit is planned in an area of cut on the south east side of the location. No stabilization problems are expected.

LINER REQUIREMENTS (Site Ranking Form attached): Stability Level I. A liner is required. The operator routinely installs a 16 mil liner to conserve water. Bill Ryan stated this would be the case on this well.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: Completed by Sagebrush Consultants on 11-29-2005. A report will be submitted to SITLA and the file.

OTHER OBSERVATIONS/COMMENTS

Chris Wood representing the UDWR stated the area is classified as high value yearlong habitat for antelope, limited value yearlong habitat for deer and poor quality sage grouse brooding grounds. He did not recommend any restrictions to the Operator or SITLA.

Bill Ryan representing the operator committed to replacing the existing dilapidated cattleguard along the fence line crossed by the Uintah County road and adding fill and a culvert on a wet section below the Ouray Park Canal. Also culverts will be installed in the swales exhibiting canal leakage.

ATTACHMENTS

Photos of site have been taken and placed on file. The picture looking from south to north was not taken.

Floyd Bartlett
DOGM REPRESENTATIVE

1/10/2005 2:30 PM
DATE/TIME

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

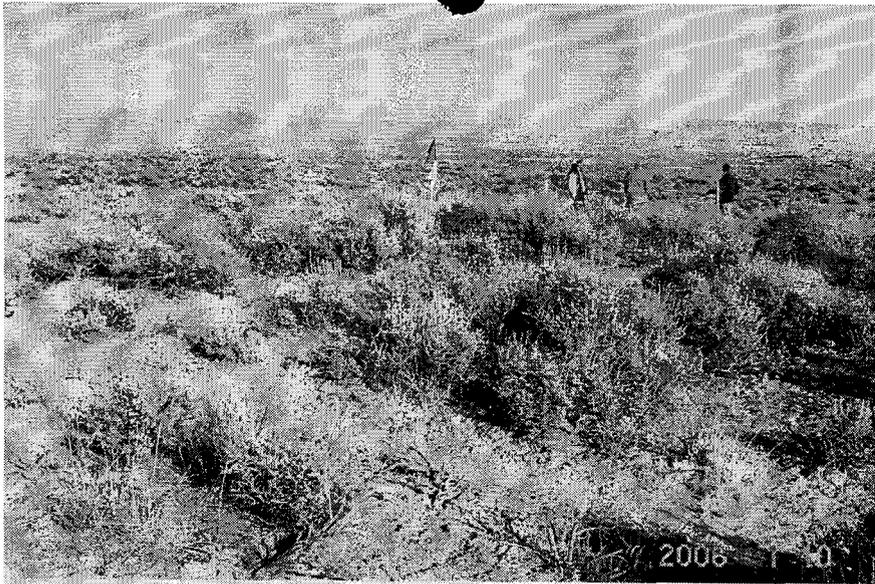
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	<u>0</u>
<25 or recharge area	20	
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>5</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 20 (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.



01-06 Houston Gusher 3-2-019

Casing Schematic

Green River

Surface

TOC @ 0.

1045 TOC Tail ✓ w/118% Washout

Surface 2000. MD

✓ Propose TOC ± 2500'

TOC @ 2939.

3769 Wasatch

4438 TOC Tail

4800 Bmsw

6169 Mesaverde ✓ w/15% Washout
TOC 2472' w/ 12% Washout

4-1/2" MW 10.

Production 9300. MD

9-5/8" MW 8.4 Frac 19.3

BHP
 $(6.052)(10)(9300) = 4836$
 Anticipate < 3,000

G_{ao}
 $(.12)(9300) = 1116$
 MASP = 3720

Fluid
 $(.22)(9300) = 2046$
 MASP = 2790

BOPE - 3,000 ✓

Surf csg - 3520
 76% = 2464

Max pressure @ Surf csg - shoe = 3230
 Test to 2400# ✓

✓ Adequate DKO
 1/20/06

Well name:	01-06 Houston Gusher 3-2-6-19	
Operator:	Houston Exploration Company	
String type:	Surface	Project ID: 43-047-37568
Location:	Uintah County	

Design parameters:

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

Burst
Max anticipated surface pressure: 1,760 psi
Internal gradient: 0.120 psi/ft
Calculated BHP: 2,000 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 buoyed weight.
Neutral point: 1,751 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 93 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:
Next setting depth: 9,300 ft
Next mud weight: 10.000 ppg
Next setting BHP: 4,831 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 (ft³)
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 & Mining

Phone: 801-538-5280
FAX: 810-359-3940

Date: January 19, 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 & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	01-06 Houston Gusher 3-2-6-19		
Operator:	Houston Exploration Company		
String type:	Production	Project ID:	43-047-37568
Location:	Uintah County		

Design parameters:

Collapse
Mud weight: 10.000 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 3,715 psi
Internal gradient: 0.120 psi/ft
Calculated BHP: 4,831 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 buoyed weight.
Neutral point: 7,910 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 195 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 2,940 ft

Non-directional string.

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	9300	4.5	11.60	N-80	LT&C	9300	9300	3.875	215.6
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	4831	6350	1.314	4831	7780	1.61	92	223	2.43 J

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

Phone: 801-538-5280
FAX: 810-359-3940

Date: January 19, 2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 9300 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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	TAIL
		sks	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

From: Ed Bonner
To: Whitney, Diana
Date: 2/2/2006 10:25:58 AM
Subject: Well Clearance

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

Enduring Resources, LLC
Rock House 3-36-10-22
Rock House 7-36-10-22

Gasco Production Company
Uteland State 23-2-10-18

The Houston Exploration Company
Gusher 1-2-6-19
Gusher 2-2-6-19
Gusher 3-2-6-19
Gusher16-2-6-19

Wolverine Operating Company of Utah, LLC
Wolverine State Cedar Ridge 7-1

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

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



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 2, 2006

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

Re: Gusher 3-2-6-19 Well, 522' FNL, 1924' FWL, NE NW, Sec. 2, T. 6 South,
R. 19 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 43-047-37568.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Houston Exploration Company
Well Name & Number Gusher 3-2-6-19
API Number: 43-047-37568
Lease: ML-49144

Location: NE NW Sec. 2 T. 6 South R. 19 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
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-49144

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:
Gusher 3-2-6-19

2. NAME OF OPERATOR:
The Houston Exploration Company

9. API NUMBER:
4304737568

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

PHONE NUMBER:
(713) 830-6800

10. FIELD AND POOL, OR WLD CAT:
Undesignated

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **522' FNL & 1,924 FWL**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENW 2 6S 19E**

COUNTY: **Uintah**
STATE: **UTAH**

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

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

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

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

Approved by the
Utah Division of
Oil, Gas and Mining

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

COPIES SENT TO OPERATOR
DATE: 3-1-07
BY: RM

NAME (PLEASE PRINT) Ginger Stringham

TITLE Regulatory Agent

SIGNATURE [Signature]

DATE 2/2/2007

(This space for State use only)

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

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

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

API: 4304737568
Well Name: Gusher 3-2-6-19
Location: Section 2, Township 6 South, Range 19 East NENW
Company Permit Issued to: The Houston Exploration Company
Date Original Permit Issued: 2/2/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No


Signature

2/26/2007

Date

Title: Regulatory Agent

Representing: The Houston Exploration Company

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

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

Change of Operator (Well Sold)

X - Operator Merger

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

6/1/2007

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

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
- 4a. Is the new operator registered in the State of Utah: Business Number: 571171-0143
- 4b. If **NO**, the operator was contacted on: _____
- 5a. (R649-9-2) Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: _____
- 5c. Reports current for Production/Disposition & Sundries on: YES
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 7/31/2007 BIA
- 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: 8/27/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 8/27/2007
- Bond information entered in RBDMS on: 8/27/2007
- Fee/State wells attached to bond in RBDMS on: 8/27/2007
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 7/30/2007

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: See Attached List
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: See Attached List	
2. NAME OF OPERATOR: Forest Oil Corporation <i>N6965</i>	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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <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.

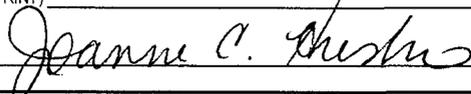
Forest Oil Corporation meets the State of Utah bonding requirements under Safeco bond #6218963.

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

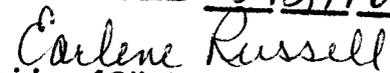
Forest Oil Corporation, 707 17th Street, Suite #3600, Denver, CO 80202


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

7-5-07
Date

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

(This space for State use only)

APPROVED 8/27/07

 (5/2000) **Earlene Russell**
 Division of Oil, Gas and Mining
 Earlene Russell, Engineering Technician

All wells with APD or New status

(See Instructions on Reverse Side)

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

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

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

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

Request to Transfer Application or Permit to Drill

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

Well name:	Gusher 3-2-6-19
API number:	4304737568
Location:	Qtr-Qtr: NENW Section: 2 Township: 6S Range: 19E
Company that filed original application:	The Houston Exploration Company
Date original permit was issued:	02/02/2006
Company that permit was issued to:	The Houston Exploration Company

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>6218963</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

Name (please print) Tami Hofmann Title Regulatory Specialist
 Signature *Tami Hofmann* Date 08/03/2007
 Representing (company name) Forest Oil Corporation

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



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 29, 2008

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

Re: APD Rescinded – Gusher 3-2-6-19 Sec. 2, T. 6S, R. 19E
Uintah County, Utah API No. 43-047-37568

Dear Ms. Bowden:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (the Division) on February 2, 2006. On February 28, 2007, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill this well is hereby rescinded, effective April 29, 2008.

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

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

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

