

NOTICE OF INTENT TO COMPLETE INTO MULTIPLE POOLS

NBE 1ML-10-9-23

In compliance with the stated objectives of section R649-3-22 of the Utah Administrative Code and the Utah Oil and Gas Conservation Act, Questar Exploration and Production Company hereby requests the commingling of production between intervals in the NBE 1ML-10-9-23. Questar considers this commingling to be in the public interest in that it promotes maximum ultimate economic recovery, prevents waste, provides for orderly and efficient production of oil and gas and presents no detrimental effects from commingling the two gas streams.

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

I hereby certify that the foregoing is true and correct

 5/31/05

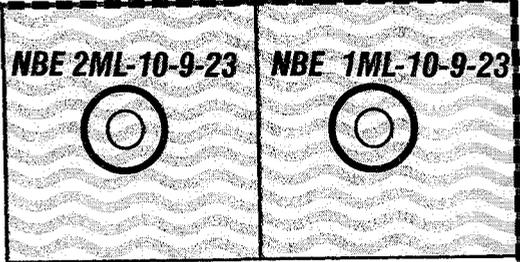
Mike Stahl
Completion Engineer
Questar Exploration & Production

RECEIVED

JUN 1 / 2005

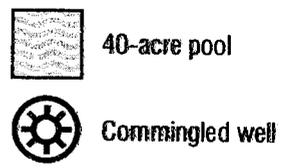
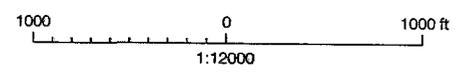
DIV. OF OIL, GAS & MINING

UU113-001-00
UTU-72634
NP
III Expl 56.25%
QEP 43.75%



10

Sec 10, T9S-R23E



----- Lease line

| | | |
|--|---|--|
| Tw/Kmv COMMINGLED PRODUCTION Uinta Basin—Uintah County, Utah | | |
| Wells: NBE 1ML-10-9-23 NBE 2ML-10-9-23 Lease: UTU-72634 | | |
| QUESTAR Exploration and Production | Geologist: JD Herman Engineer: Date: May 15, 2005 | Landman: Angela Page Technician: 057221Maps\Utah maps\Comm 2005\102623.caf |

January 9, 2006

Ms. Diana Whitney
State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Ut 84114-5801

Re: Directional Drilling R649-3-11

NBE 1ML-10-9-23
SURFACE: 861' FNL 2012' FEL, NWNE, SECTION 10, T9S, R23E
BOTTOM HOLE: 660' FNL 660' FEL, NENE, SECTION 10, T9S, R23E

Pursuant to the filing of NBE 1ML-10-9-23 Application for Permit to Drill regarding the above referenced well on January 9, 2006, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the location and drilling of a directional well.

NBE 1ML-10-9-23 is located in T9S, R23E, and Section 10 of the NWNE.

Questar Exploration & Production Company 11002 East 17500 South, Vernal, Utah 84078, is permitting this well as a directional well due to flood plain reasons. Locating the well at the surface location and directionally drilling from this location. Questar will be able to utilize the existing roads and pipelines in the area.

There are no other lease owners within 460' of all points along the intended directional wellbore as shown on the attached plat. Therefore, based on the above stated information, Questar Exploration & Production Company requests the permit be granted pursuant to R649-3-11.

Respectfully,



Jan Nelson
Regulatory Affairs

RECEIVED

JAN 12 2006

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

Form 3160-3
(July 1992)

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

SUBMIT IN TRIPLICATE*

FORM APPROVED
OMB NO. 1040-0136
Expires: February 28, 1995

| | | | |
|--|----------|---|--|
| APPLICATION FOR PERMIT TO DRILL OR DEEPEN | | | 5. LEASE DESIGNATION AND SERIAL NO. UTU-72634 |
| TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> | | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A |
| TYPE OF WELL <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE | | | 7. UNIT AGREEMENT NAME N/A |
| OIL WELL | GAS WELL | OTHER | 8. FARM OR LEASE NAME, WELL NO. NBE 1ML-10-9-23 |
| 2. NAME OF OPERATOR QUESTAR EXPLORATION & PRODUCTION, CO. | | Contact: Jan Nelson E-Mail: jan.nelson@questar.com | 9. API NUMBER: 43-047-37618 |
| 3. ADDRESS 11002 E. 17500 S. Vernal, Ut 84078 | | Telephone number Phone 435-781-4331 Fax 435-781-4323 | 10. FIELD AND POOL, OR WILDCAT NATURAL BUTTES |
| 4. LOCATION OF WELL (Report location clearly and in accordance with and State requirements*) At Surface 861' FNL 2012' FEL, NWNE, SECTION 10, T9S, R23E At proposed production zone 660' FNL 660' FEL, NENE, SECTION 10, T9S, R23E | | | 11. SEC., T, R, M, OR BLK & SURVEY OR AREA SEC. 10 T9S R23E Mer SLB |
| 14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE* 25+ / - EAST OF OURAY, UTAH | | | 12. COUNTY OR PARISH Uintah |
| 15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (also to nearest drig, unit line if any) 861' +/- | | | 13. STATE UT |
| 18. DISTANCE FROM PROPOSED location to nearest well, drilling, completed, applied for, on this lease, ft 1500' +/- | | 16. NO. OF ACRES IN LEASE 1760.00 | 17. NO. OF ACRES ASSIGNED TO THIS WELL 40 |
| 21. ELEVATIONS (Show whether DF, RT, GR, ect.) 4964.6' GR | | 19. PROPOSED DEPTH 9252' MD | 20. BLM/BIA Bond No. on file ESB000024 |
| 24. Attachments | | 22. DATE WORK WILL START ASAP | 23. Estimated duration 10 days |

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

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan
- 3. A surface Use Plan (if location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
Surf 644138 X 40.055409
4435065 Y - 109.310119
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be required by the authorized officer.
BHL 644549 X 40.055961
4435134 Y - 109.305292

SIGNED Jan Nelson Name (printed/typed) Jan Nelson DATE January 9, 2006
TITLE Regulatory Affairs

(This space for Federal or State office use)

PERMIT NO. 43-047-37618 APPROVAL DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Bradley G. Hill TITLE BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III DATE 01-23-06

*See Instructions On Reverse Side

The 18 U.S.C Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

Federal Approval of this
Action is Necessary

RECEIVED
JAN 12 2006

DIV. OF OIL, GAS & MINING

AFFIDAVIT OF NOTICE

STATE OF COLORADO)
COUNTY OF DENVER) ss:

Angela Page, being duly sworn, deposes and says:

1. That I am employed by Questar Market Resources in the capacity as a Landman. My business address is Independence Plaza
1050 17th Street, Suite 500
Denver, CO 80265
2. In my capacity as a Landman, pursuant to the provisions of Utah Administrative Rule 615-3-22 I have provided a copy of Questar Market Resource's application for completion of the NBE 1ML-10-9-23 well into two or more pools, in the form of Utah Division of Oil, Gas and Mining's Form 9 Sundry Notice, to owners of all contiguous oil and gas leases or drilling units overlying the pools which are the subject of that application.
3. In my capacity as a Landman I am authorized to provide such notice of Questar Market Resource's application to contiguous owners and to make this affidavit on this 19th day of May, 2005.

Angela Page
Printed Name: Angela Page

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

Heather Lang
Notary Public
My Commission Expires 07/08/2008



T9S, R23E, S.L.B.&M.

QUESTAR EXPLR. & PROD.

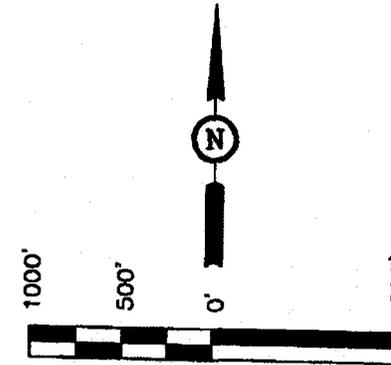
Well location, NBE #1ML-10-9-23, located as shown in the NW 1/4 NE 1/4 of Section 10, T9S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (57 EAM) LOCATED IN THE NE 1/4 NE 1/4 OF SECTION 29, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE, 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 5192 FEET.

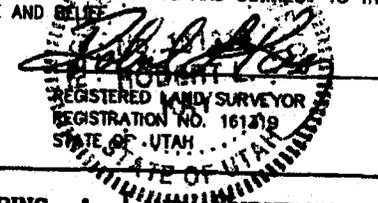
BASIS OF BEARINGS

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



SCALE
CERTIFICATE

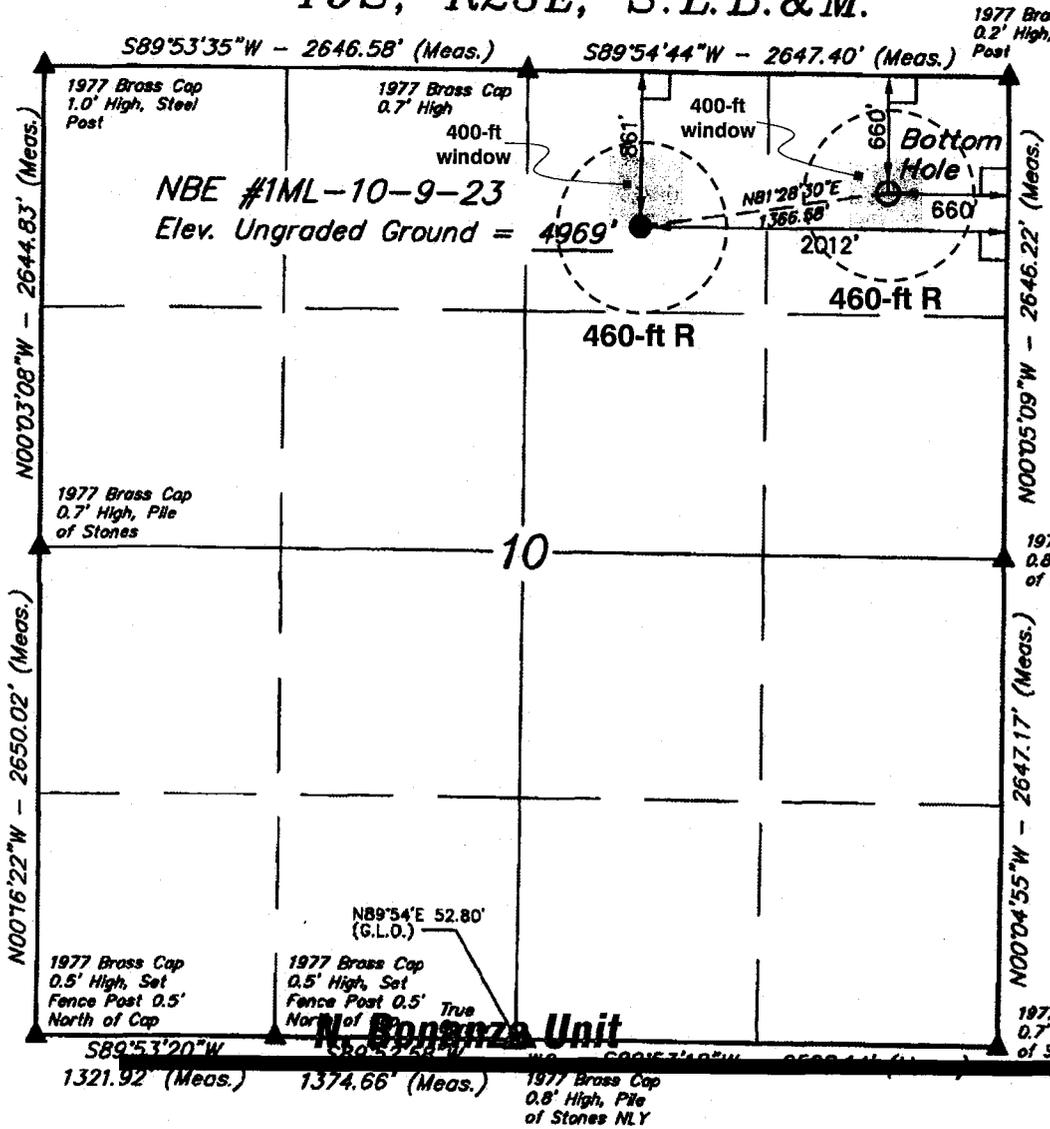
THIS IS TO CERTIFY THAT THE ABOVE PLAN WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



Revised: 4-22-05

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

| | | |
|-------------------------|--------------------------------|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 12-23-04 | DATE DRAWN: 12-28-04 |
| PARTY D.A. T.C. K.G. | REFERENCES G.L.O. PLAT | |
| WEATHER COLD | FILE QUESTAR EXPLR. & PROD. | |



N00°03'08"W - 2644.83' (Meas.)

N00°16'22"W - 2650.02' (Meas.)

N00°05'09"W - 2646.22' (Meas.)

N00°04'55"W - 2647.17' (Meas.)

S89°53'35"W - 2646.58' (Meas.)

S89°54'44"W - 2647.40' (Meas.)

1977 Brass Cap
1.0' High, Steel
Post

1977 Brass Cap
0.7' High

1977 Brass Cap,
0.2' High, Steel
Post

NBE #1ML-10-9-23
Elev. Ungraded Ground = 4969'

460-ft R

460-ft R

1977 Brass Cap
0.7' High, Pile
of Stones

1977 Brass Cap
0.8' High, Mound
of Stones

N89°54'E 52.80'
(G.L.O.)

1977 Brass Cap
0.5' High, Set
Fence Post 0.5'
North of Cap

1977 Brass Cap
0.5' High, Set
Fence Post 0.5'
North of Cap

1977 Brass Cap
0.7' High, Mound
of Stones

S89°53'20"W
1321.92' (Meas.)

S89°52'58"W
1374.66' (Meas.)

1977 Brass Cap
0.8' High, Pile
of Stones NLY

LEGEND:

- ┌ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED (Not Set on Ground)

(AUTONOMOUS NAD 83)
LATITUDE = 40°03'19.38" (40.055383)
LONGITUDE = 109°18'39.11" (109.310864)
(AUTONOMOUS NAD 27)
LATITUDE = 40°03'19.50" (40.055417)
LONGITUDE = 109°18'36.67" (109.310186)

Additional Operator Remarks

Questar Exploration & Production Co. proposes to directional drill a well to 9252' MD to test the MesaVerde. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements"

Please see QEP Standard Operating Practices for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07,08 and 09 South, Ranges 21 and 25 East.

See attached Onshore No. 1

See Notice of intent to complete into multiple pools attached.

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

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

NOTICE OF INTENT TO COMPLETE INTO MULTIPLE POOLS

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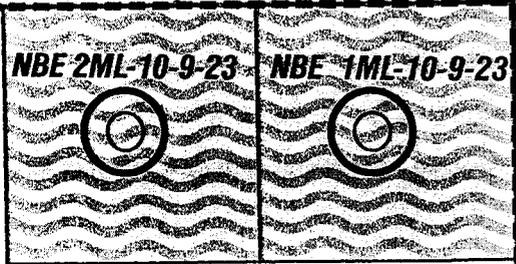
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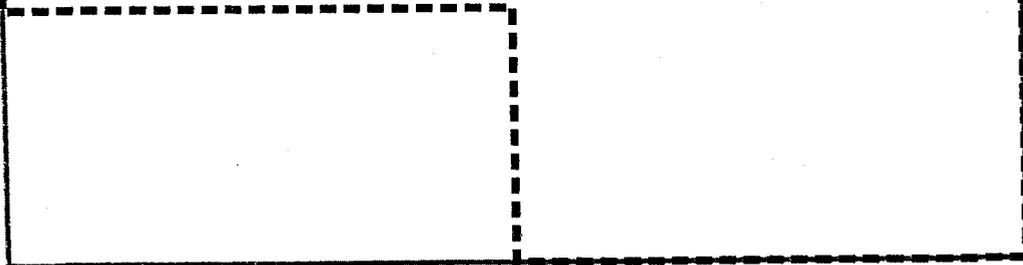
 5/31/05

Mike Stahl
Completion Engineer
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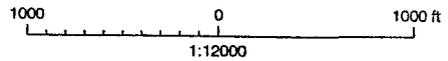
UUI13-001-00
 UTU-72634
 NP
 III Expl 56.25%
 QEP 43.75%



10



Sec 10, T9S-R23E



40-acre pool



Commingled well



Lease line

**Tw/Kmv
COMMINGLED PRODUCTION**

Uinta Basin—Uintah County, Utah

Wells: NBE 1ML-10-9-23
NBE 2ML-10-9-23
Lease: UTU-72634

QUESTAR
Exploration and
Production

1928 17th St., # 500 Denver, CO 80202

Geologist: JD Herman

Engineer:

Date: May 15, 2005

Landman: Angela Page

Technician:

05722\maps\Utah maps\Conwa 2005\16263.cdr

AFFIDAVIT OF NOTICE

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COUNTY OF DENVER) ss:

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Angela Page
Printed Name: Angela Page

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

Heather Lang
Notary Public
My Commission Expires 07/08/2008



DRILLING PROGRAM

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

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

1. **Formation Tops**

The estimated tops of important geologic markers are as follows:

| <u>Formation</u> | <u>Depth, TVD</u> |
|-------------------------|--------------------------|
| Uinta | Surface |
| Green River | 2,206' |
| Mahogany | 3,161' |
| Wasatch | 4,696' |
| Mesa Verde | 6,634' |
| Buck Tongue | 8,742' |
| TD | 9,050' |

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

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth, TVD</u> |
|-------------------------|-------------------------|--------------------------|
| Oil/Gas | Wasatch | 4,696' |
| Oil/Gas | Mesaverde | 6,634' |

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

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of the State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right #36125 or Red Wash water right # 49-2153 to supply fresh water for drilling purposes.

All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7s, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

DRILLING PROGRAM

3. **Operator's Specification for Pressure Control Equipment:**

- A. 3,000 psi W.P. Double Gate BOP or Single Gate BOP, 3,000 psi annular (schematic attached)
- B. Functional test daily
- C. All casing strings shall be pressure tested (0.22 psi/foot or 1500 psi, (or 70% of burst whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- 5
- D. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 3M system and individual components shall be operable as designed.

4. **Casing Program**

| Hole Size | Csg. Size | Top (MD) | Bottom (MD) | Wt. | Grade | Thread | Cond. |
|-----------|-----------|----------|-------------|-------|-------|--------|-------|
| 20" | 14" | sfc | 40' | Steel | Cond. | None | Used |
| 12-1/4" | 9-5/8" | sfc | 450' | 36.0 | J-55 | STC | New |
| 8-3/4" | 7" | sfc | 5,802' | 26.0 | J-55 | LTC | New |
| 6-1/8" | 4-1/2" | sfc | 9,252' | 11.6 | P-110 | LTC | New |

| Casing Strengths: | | | | Collapse | Burst | Tensile (minimum) |
|-------------------|----------|-------|-----|-----------|------------|-------------------|
| 9-5/8" | 36.0 lb. | J-55 | STC | 2,020 psi | 3,520 psi | 394,000 lb. |
| 7" | 26.0 lb. | J-55 | LTC | 4,320 psi | 4,980 psi | 367,000 lb. |
| 4-1/2" | 11.6 lb. | P-110 | LTC | 7,580 psi | 10,690 psi | 279,000 lb. |

DRILLING PROGRAM

5. Auxiliary Equipment

- A. Kelly Cock – yes
- B. Float at the bit – no
- C. Monitoring equipment on the mud system – visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor – yes
- E. Rotating Head – yes
- F. If drilling with air the following will be used:
- G. The blooie line shall be at least 6” in diameter and extend at least 100’ from the well bore into the reserve/blooie pit.
- H. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500’).
- I. Compressor shall be tied directly to the blooie line through a manifold.
- J. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 10.5 ppg.

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

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

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

DRILLING PROGRAM

6. **Testing, logging and coring program**

- A. Cores – none anticipated
- B. DST – none anticipated
- C. Logging – Mud Logging – 4500' to TD
GR-SP-Induction
Neutron Density
MRI
- D. Formation and Completion Interval: Wasatch/Mesaverde interval, final determination of completion will be made by analysis of logs.
Stimulation: Stimulation will be designed for the particular area of interest as encountered.

7. **Cementing Program**

14" Conductor:

Cement to surface with construction cement.

9-5/8" Surface Casing: sfc - 450' (MD)

Lead/Tail Slurry: 0' – 450'. 260 sks (305 cu ft) Premium AG cement + 2% CaCl₂ + 0.25 lb/sk celloflake. Slurry wt: 15.8 ppg, Slurry yield: 1.17 ft³/sk, Slurry volume: 12-1/4" hole + 100% excess.

7" Intermediate Casing: sfc - 5,802' (MD)

Lead Slurry: 0' – 5,000'. 290 sks (1120 cu ft) Halliburton Hi-Fill cement. Slurry wt: 11.0 ppg, Slurry yield: 3.86 ft³/sk, Slurry volume: 8-3/4" hole + 50% excess in open hole section.

Tail Slurry: 5,000' – 5,802'. 155 sks (192 cu ft) of 50/50 Poz Premium AG + 2.0% Bentonite + 0.6% Halad (R)-322 fluid loss + 2.0% Microbond M expander + 5% salt + 0.25 lb/sk Flocele. Slurry wt: 14.35 ppg, Slurry yield: 1.24 ft³/sk, Slurry volume: 8-3/4" hole + 50% excess.

4-1/2" Production Casing: sfc - 9,252' (MD)

Lead Slurry: surf - 5,500'. 150 sks (576 cu ft) Halliburton Hi-Fill cement + 16% Bentonite + 0.75% Econolite + 3% salt + 0.8% HR-7 retarder. Slurry wt: 11.0 ppg, Slurry yield: 3.84 ft³/sk, Slurry volume: 4½" casing inside 7", 26 lb/ft casing.

Tail Slurry: 5,500 – 9,252'. 360 sks (446 cu ft) of 50/50 Poz Premium AG + 2.0% Bentonite + 0.6% Halad (R)-322 fluid loss + 2.0% Microbond M expander + 5% salt +

ONSHORE OIL & GAS ORDER NO. 1
QUESTAR EXPLORATION & PRODUCTION CO.
NBE 1ML-10-9-23

DRILLING PROGRAM

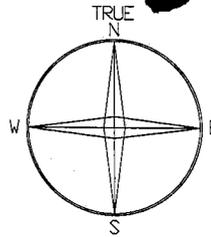
0.2% HR-5 retarder + 0.25 lb/sk Flocele. Slurry wt: 14.35 ppg, Slurry yield: 1.24 ft³/sk, Slurry volume: 6-1/8" hole + 25% excess in open hole section.

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

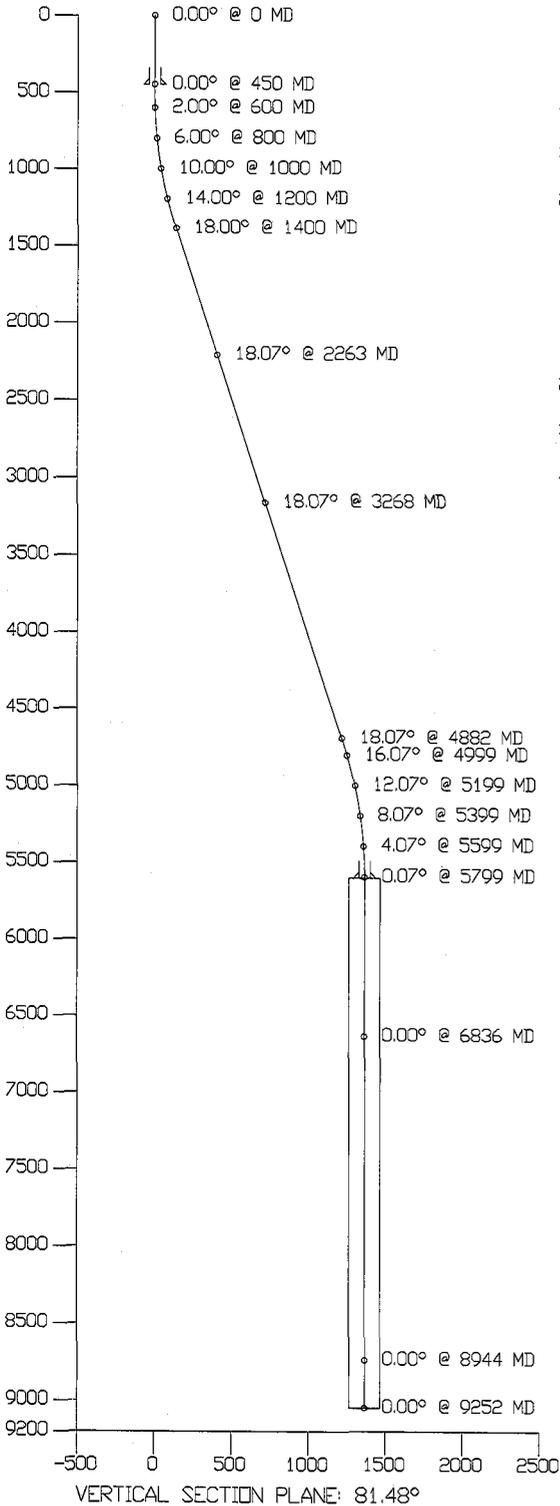
8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 4,950 psi. Maximum anticipated bottom hole temperature is 140° F.

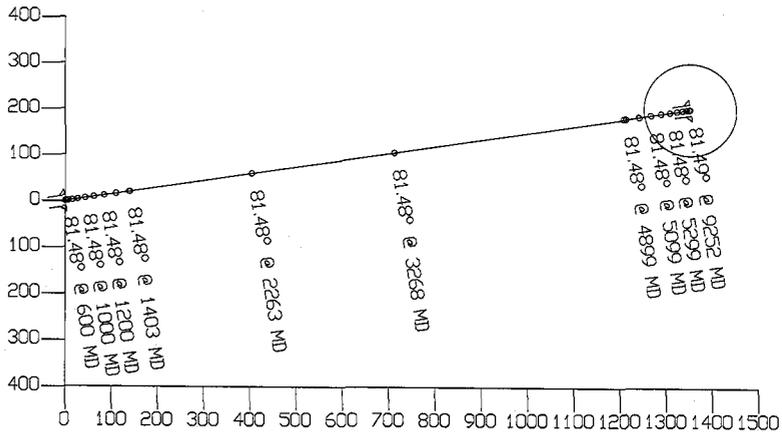
Questar Exploration & Production
 NBE #1ML-10-9-23
 Uintah Co., UT
 Sec.10,T9S,R23E
 WP-NBE #1ML-10-9-23



VERTICAL VIEW
 SCALE 500 ft. / DIVISION
 TVD REF: WELLHEAD
 VERTICAL SECTION REF: WELLHEAD



HORIZONTAL VIEW
 SCALE 100 ft. / DIVISION
 SURVEY REF: WELLHEAD



| CRITICAL POINT DATA | | | | | | |
|-------------------------------------|------|--------|--------|------|-----|------|
| | MD | Inc | Azi. | TVD | N/S | E/W |
| TIE IN | 0 | 0.00° | 81.48° | 0 | 0 | 0 |
| SURFACE CASING | 450 | 0.00° | 81.48° | 450 | 0 | 0 |
| KOP / START OF BUILD @ 2.00°/100 ft | 500 | 0.00° | 81.48° | 500 | 0 | 0 |
| END OF BUILD GRRV | 1403 | 18.07° | 81.48° | 1388 | 21 | 140 |
| MAHOGANY | 2263 | 18.07° | 81.48° | 2206 | 60 | 403 |
| WASATCH | 3268 | 18.07° | 81.48° | 3161 | 107 | 719 |
| START OF CURVE @ 2.00°/100 ft | 4882 | 18.07° | 81.48° | 4696 | 181 | 1207 |
| END OF DROP / INTER. CASING | 4899 | 18.07° | 81.48° | 4712 | 182 | 1212 |
| MESA VERDE | 5802 | 0.00° | 81.49° | 5600 | 202 | 1351 |
| BUCK TONGUE | 6836 | 0.00° | 81.49° | 6634 | 202 | 1351 |
| TD | 8944 | 0.00° | 81.49° | 8742 | 202 | 1351 |
| | 9252 | 0.00° | 81.49° | 9050 | 202 | 1351 |

Proposal Report

Date: 12/23/2005
 Time: 10:51 am
 Wellpath ID: WP-NBE #1ML-10-9-23
 Last Revision: 12/23/2005

*Calculated using the Minimum Curvature Method
 Computed using PDS VER2.2.6
 Vertical Section Plane: 81.48 deg.*

Survey Reference: WELLHEAD
 Vertical Section Reference: WELLHEAD
 Closure Reference: WELLHEAD
 TVD Reference: WELLHEAD

Questar Exploration & Production
 NBE #1ML-10-9-23
 Uintah Co., UT
 Sec. 10, T9S, R23E
 WP-NBE #1ML-10-9-23

| Measured Depth (ft) | Incl (deg.) | Drift Dir. (deg.) | TVD (ft) | Course Length (ft) | Vertical Section (ft) | TOTAL Rectangular Offsets | | Closure Dist. Dir. | | DLS (dg/100ft) |
|---|-------------|-------------------|----------|--------------------|-----------------------|---------------------------|-----------|--------------------|--------|----------------|
| | | | | | | (ft) | (ft) | (ft) | (deg.) | |
| TIE IN | | | | | | | | | | |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 N | 0.00 E | 0.00@ | 0.00 | 0.00 |
| SURFACE CASING | | | | | | | | | | |
| 450.00 | 0.00 | 0.00 | 450.00 | 450.00 | 0.00 | 0.00 N | 0.00 E | 0.00@ | 0.00 | 0.00 |
| KOP / START OF BUILD @ 2.00 deg/100 ft | | | | | | | | | | |
| 500.00 | 0.00 | 0.00 | 500.00 | 50.00 | 0.00 | 0.00 N | 0.00 E | 0.00@ | 0.00 | 0.00 |
| 600.00 | 2.00 | 81.48 | 599.98 | 100.00 | 1.75 | 0.26 N | 1.73 E | 1.75@ | 81.48 | 2.00 |
| 700.00 | 4.00 | 81.48 | 699.84 | 100.00 | 6.98 | 1.03 N | 6.90 E | 6.98@ | 81.48 | 2.00 |
| 800.00 | 6.00 | 81.48 | 799.45 | 100.00 | 15.69 | 2.33 N | 15.52 E | 15.69@ | 81.48 | 2.00 |
| 900.00 | 8.00 | 81.48 | 898.70 | 100.00 | 27.88 | 4.13 N | 27.57 E | 27.88@ | 81.48 | 2.00 |
| 1000.00 | 10.00 | 81.48 | 997.47 | 100.00 | 43.52 | 6.45 N | 43.04 E | 43.52@ | 81.48 | 2.00 |
| 1100.00 | 12.00 | 81.48 | 1095.62 | 100.00 | 62.60 | 9.27 N | 61.91 E | 62.60@ | 81.48 | 2.00 |
| 1200.00 | 14.00 | 81.48 | 1193.06 | 100.00 | 85.10 | 12.61 N | 84.16 E | 85.10@ | 81.48 | 2.00 |
| 1300.00 | 16.00 | 81.48 | 1289.64 | 100.00 | 110.98 | 16.44 N | 109.75 E | 110.98@ | 81.48 | 2.00 |
| 1400.00 | 18.00 | 81.48 | 1385.27 | 100.00 | 140.21 | 20.77 N | 138.67 E | 140.21@ | 81.48 | 2.00 |
| END OF BUILD | | | | | | | | | | |
| 1403.38 | 18.07 | 81.48 | 1388.49 | 3.38 | 141.26 | 20.93 N | 139.70 E | 141.26@ | 81.48 | 2.00 |
| GRRV | | | | | | | | | | |
| 2263.30 | 18.07 | 81.48 | 2206.00 | 859.91 | 407.95 | 60.44 N | 403.45 E | 407.95@ | 81.48 | 0.00 |
| MAHOGANY | | | | | | | | | | |
| 3267.83 | 18.07 | 81.48 | 3161.00 | 1004.53 | 719.50 | 106.60 N | 711.56 E | 719.50@ | 81.48 | 0.00 |
| WASATCH | | | | | | | | | | |
| 4882.45 | 18.07 | 81.48 | 4696.00 | 1614.62 | 1220.26 | 180.79 N | 1206.79 E | 1220.26@ | 81.48 | 0.00 |
| START OF CURVE @ 2.00 deg/100 ft | | | | | | | | | | |
| 4898.77 | 18.07 | 81.48 | 4711.51 | 16.32 | 1225.32 | 181.54 N | 1211.80 E | 1225.32@ | 81.48 | 0.00 |
| 4998.77 | 16.07 | 81.48 | 4807.10 | 100.00 | 1254.67 | 185.88 N | 1240.82 E | 1254.67@ | 81.48 | 2.00 |
| 5098.77 | 14.07 | 81.48 | 4903.66 | 100.00 | 1280.66 | 189.74 N | 1266.53 E | 1280.66@ | 81.48 | 2.00 |
| 5198.77 | 12.07 | 81.48 | 5001.07 | 100.00 | 1303.27 | 193.09 N | 1288.89 E | 1303.27@ | 81.48 | 2.00 |
| 5298.77 | 10.07 | 81.48 | 5099.20 | 100.00 | 1322.47 | 195.93 N | 1307.87 E | 1322.47@ | 81.48 | 2.00 |
| 5398.77 | 8.07 | 81.48 | 5197.95 | 100.00 | 1338.23 | 198.26 N | 1323.46 E | 1338.23@ | 81.48 | 2.00 |
| 5498.77 | 6.07 | 81.48 | 5297.18 | 100.00 | 1350.53 | 200.09 N | 1335.63 E | 1350.53@ | 81.48 | 2.00 |
| 5598.77 | 4.07 | 81.48 | 5396.79 | 100.00 | 1359.36 | 201.40 N | 1344.36 E | 1359.36@ | 81.48 | 2.00 |
| 5698.77 | 2.07 | 81.48 | 5496.64 | 100.00 | 1364.71 | 202.19 N | 1349.65 E | 1364.71@ | 81.48 | 2.00 |
| 5798.77 | 0.07 | 81.49 | 5596.62 | 100.00 | 1366.58 | 202.46 N | 1351.50 E | 1366.58@ | 81.48 | 2.00 |
| END OF DROP / INTER. CASING | | | | | | | | | | |
| 5802.15 | 0.00 | 0.00 | 5600.00 | 3.38 | 1366.58 | 202.47 N | 1351.50 E | 1366.58@ | 81.48 | 2.00 |

MESA VERDE

PathFinder Energy Services

Proposal Report

Page 2

Date: 12/23/2005

Wellpath ID: WP-NBE #1ML-10-9-23

| Measured Depth (ft) | Incl (deg.) | Drift Dir. (deg.) | TVD (ft) | Course Length (ft) | Vertical Section (ft) | TOTAL | | Closure | | DLS (dg/100ft) |
|---------------------------|----------------|-------------------------|-------------|--------------------------|-----------------------------|---------------------|-----------------|---------------|----------------|-------------------|
| | | | | | | Rectangular (ft) | Offsets (ft) | Dist. (ft) | Dir. (deg.) | |
| 6836.15 | 0.00 | 0.00 | 6634.00 | 1034.00 | 1366.58 | 202.47 N | 1351.50 E | 1366.58@ | 81.48 | 0.00 |
| BUCK TONGUE | | | | | | | | | | |
| 8944.15 | 0.00 | 0.00 | 8742.00 | 2108.00 | 1366.58 | 202.47 N | 1351.50 E | 1366.58@ | 81.48 | 0.00 |
| TD | | | | | | | | | | |
| 9252.15 | 0.00 | 0.00 | 9050.00 | 308.00 | 1366.58 | 202.47 N | 1351.50 E | 1366.58@ | 81.48 | 0.00 |

EXHIBIT A
SCHEMATIC DIAGRAM OF 3,000 PSI BOP STACK

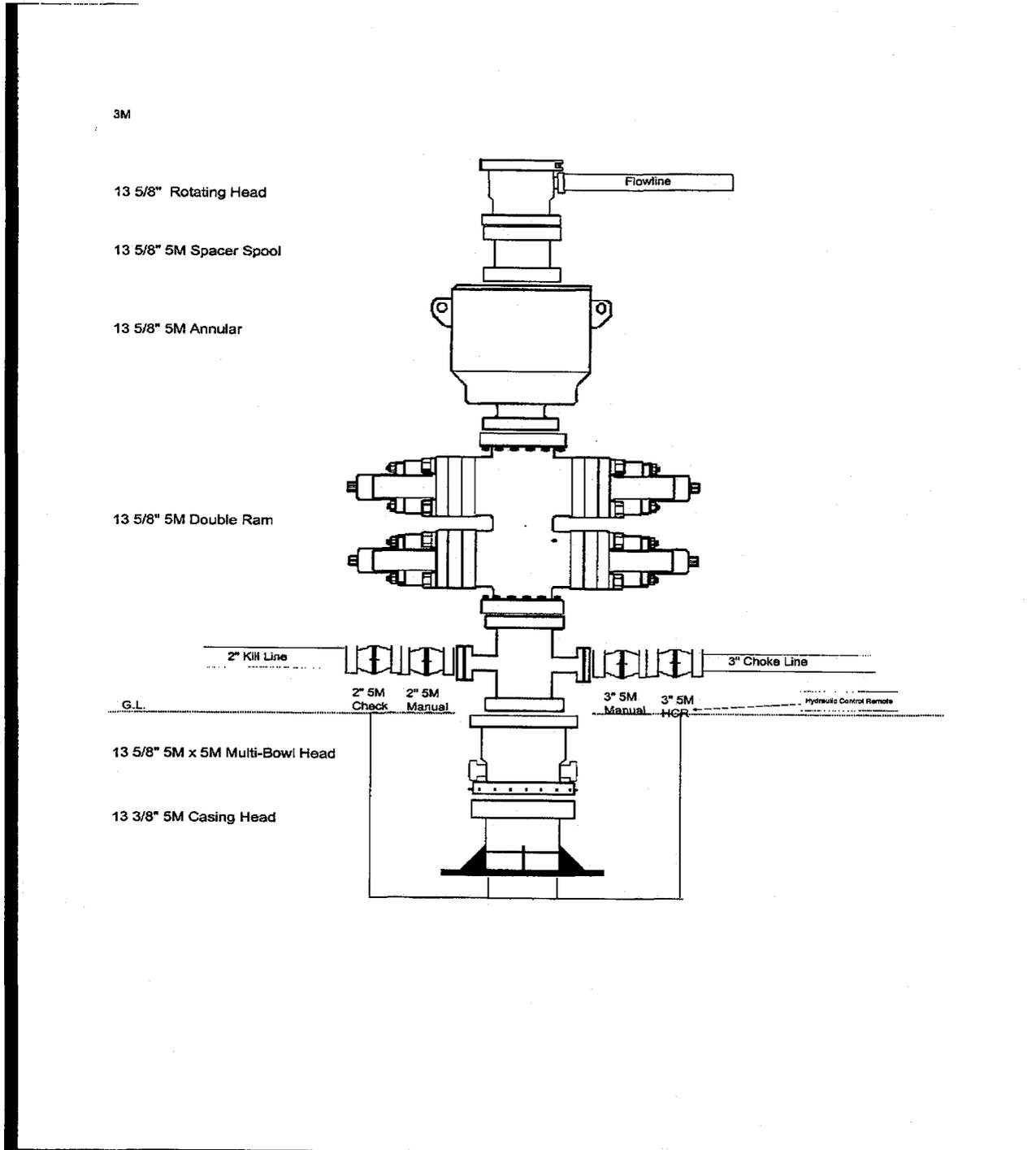
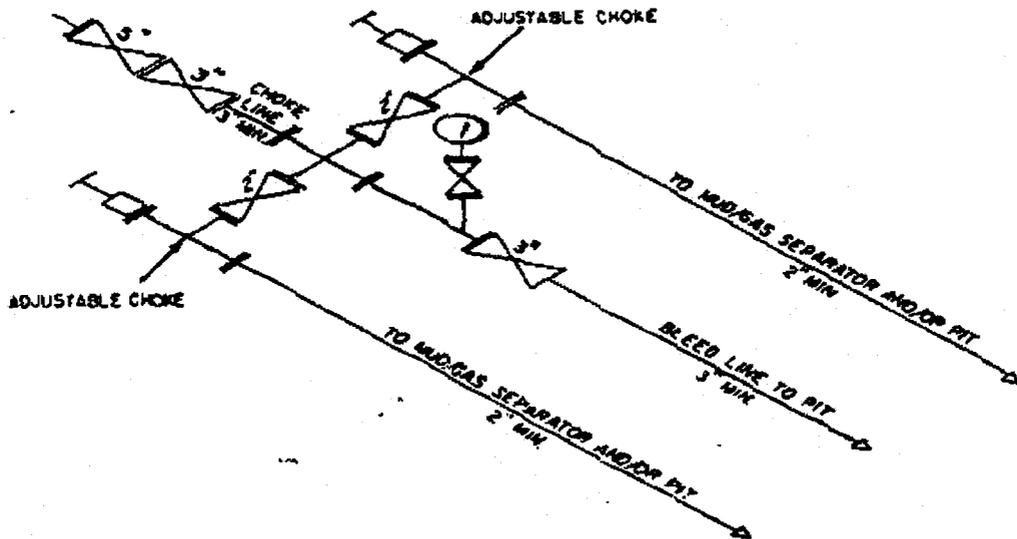


EXHIBIT A CONTINUED

46012 Federal Register / Vol. 53, No. 223 / Friday, November 15, 1988 / Rules and Regulations



① 3M CHOKE MANIFOLD EQUIPMENT -- CONFIGURATION OF CHOKES MAY VARY

QUESTAR EXPLORATION & PRODUCTION. CO.
NBE 1ML-10-9-23
861' FNL 2012' FEL, NWNE, SECTION 10, T9S, R23E (SURFACE LOCATION)
660' FNL 660' FEL, NENE, SECTION 10, T9S, R23E (BOTTOM HOLE)
UINTAH COUNTY, UTAH
LEASE # UTU-72634

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the NBE 1ML-10-9-23 on February 18, 2005. Weather conditions were cold and windy at the time of the onsite. In attendance at the inspection were the following individuals:

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

1. **Existing Roads:**

The proposed well site is approximately 25 miles east of Ouray, Utah.

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

No improvements will be made to existing acces road.

2. **Planned Access Roads:**

Please see QEP Uinta Basin, Inc. Standard Operating Practices for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

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

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

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities:**

Please see QEP Uinta Basin, Inc. Standard Operating Practices for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

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

QEP requests a surface pipeline based on the following justification included in the attached "Request for Exception".

5. **Location and Type of Water Supply:**

Please see QEP Uinta Basin, Inc. Standard Operating Practices for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

6. **Source of Construction Materials:**

Please see QEP Uinta Basin, Inc. Standard Operating Practices for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

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

Please see QEP Uinta Basin, Inc. Standard Operating Practices for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

8. **Ancillary Facilities:**

Please see QEP Uinta Basin, Inc. Standard Operating Practices for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

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

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

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

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

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

Please see QEP Uinta Basin, Inc. Standard Operating Practices for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

Interim Reclamation

Please see attached Interim Reclamation plan.

Once the well is put onto production, QEP will reclaim as much of the well pad as possible that will allow for operations to continue in a safe and reasonable manner. Reseeding will be done in the spring or fall of every year to allow winter precipitation to aid in the success of reclamation.

Seed Mix:

Interim Reclamation:

6 lbs Hycrest Crested Wheatgrass

6 lbs Needle & Thread Grass

Final Reclamation:

Seed Mix # 6 4 lbs. Wyoming Big Sage Bush, 4 lbs. Shadscale, 3 lbs. Indian Rice Grass and 1lb. Crested Wheat Grass

11. Surface Ownership:

Bureau of Land Management

170 South 500 East

Vernal, Utah 84078

(435) 781-4400

12. Other Information

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

A class III paleontological survey was conducted by Intermountain Paleo Consulting. A copy of this report was submitted directly to the appropriate agencies by Stephen D. Sandau. The inspection resulted in the location of no fossil resources. However, if vertebrate fossil(s) are found during construction a paleontologist should be immediately notified. QEP will provide paleo monitor if needed.

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

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

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

QUESTAR EXPLORATION & PRODUCTION, CO.
Request for Exception to Buried Pipeline
for
NBE 1ML-10-9-23

QEP respectfully requests an exception to burying this pipeline. We understand the standard Condition of Approval (COA) that may be included in the approved Application for Permit to Drill (APD) is: *“As a Best Management Practice (BMP), the pipeline would be buried within the identified construction width of an access corridor that contains the access road and pipelines. The construction width for the access corridor would increase from 30 feet, by an additional 20 feet, to a total of 50 feet. Exceptions to this BMP may be granted where laterally extensive, hard indurated bedrock, such as sandstone, is at or within 2 feet of the surface; and, soil types with a poor history of successful rehabilitation.”* QEP will install the pipeline within the access corridor and will avoid cross-country installation when possible. Our reason for requesting a surface line is based on the following justification:

Class IV VRM

- ◆ This area's designated Visual Resource Management is classified as Class IV. The Class IV objective is to provide for management activities that require major modification to the existing character of the landscape. The level of change to the landscape can be high. The management activities may dominate the view and may be the major focus of the viewer attention. However, every attempt should be made to minimize the impact of these activities through careful location, minimal disturbance, and repetition of the basic visual elements of form, line, color, and texture.
- ◆ QEP feels that surface pipe will comply with this classification more so than buried pipe due to the amount of surface disturbance that will be required to bury it. We believe surface installation within the access corridor will minimize the disturbance so that the pipeline does not dominate the view.

Environmental and Safety Concerns

- ◆ Buried pipe will greatly increase surface disturbance and habitat fragmentation. The soil in this area has a poor history of successful rehabilitation. Buried pipe will have an increased corrosion rate and would need to be dug up for repairs or replacement; the constant surface disturbance will not allow time for successful reclamation.
- ◆ Increasing surface disturbance will greatly increase noxious and invasive weed infestation.

- ◆ With the increased corrosion rate, buried pipe may have undetectable leaks that could go unnoticed for months. Small leaks may turn into large plumes of underground hazards because they are not easily monitored and not seen right away. An undetected leak also increases the potential for explosive incidents. Once detected, the surface will need to be disturbed, once again, to dig up the line and replace or repair it.
- ◆ Accidents associated with pipe breaks during construction activities could increase substantially as the number of buried lines increases.
- ◆ The additional surface disturbance will increase the risk of disturbing paleontological sites.

Operational and Mechanical Concerns for Gas Lines

- ◆ Cathodic protection will be required for buried pipe. Cathodic protection requires anode beds that must be maintained. This will add substantial costs in labor and material. Additional power lines will need to be installed to the anode beds. The additional costs for equipment and labor will be approximately \$50,000.00 per section.
- ◆ Pipeline markers need to be used with buried pipe. This will add costs in labor and material.
- ◆ Every tie in requires a valve. The average distance between valves is approximately ¼ mile. Valves will have to be placed in “freeze boxes” or “valve boxes”. Valve boxes will be considered confined space which increases the manpower needed to repair or replace valves. Every valve box will also require bright yellow guard rails.
- ◆ Additional equipment required for buried pipe can include blades/dozers, trenchers (cutting or blasting in hard rock), side booms, etc. which increases installation costs.
- ◆ Buried pipe must have fusion bonded epoxy (FBE) coating. FBE pipe will cost an additional \$2.00 per foot compared to bare pipe.
- ◆ This pipeline has the potential for being upgraded/upsized to a larger pipe diameter depending on production volumes. If upsizing is required, the pipe will need to be dug up which will cause additional surface disturbance and will not allow adequate time for successful reclamation.
- ◆ Surface lines are sometimes relocated to accommodate new locations; this is done in an effort to minimize the amount of pipe needed and the amount of surface disturbed. If this pipe is buried, this will no longer be an option.

Lessee's or Operator's Representative:

Jan Nelson
Red Wash Rep.
Questar Exploration & Production, Co.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4331

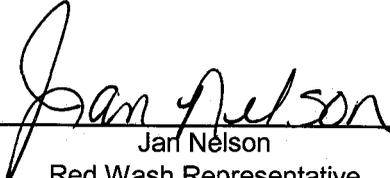
Certification:

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

QEP will be fully responsible for the actions of their subcontractors.

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

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



Jan Nelson
Red Wash Representative

09-Jan-06

Date

QUESTAR EXPLR. & PROD.
NBE #2ML-10-9-23 & #1ML-10-9-23
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 10, T9S, R23E, S.L.B.&M.

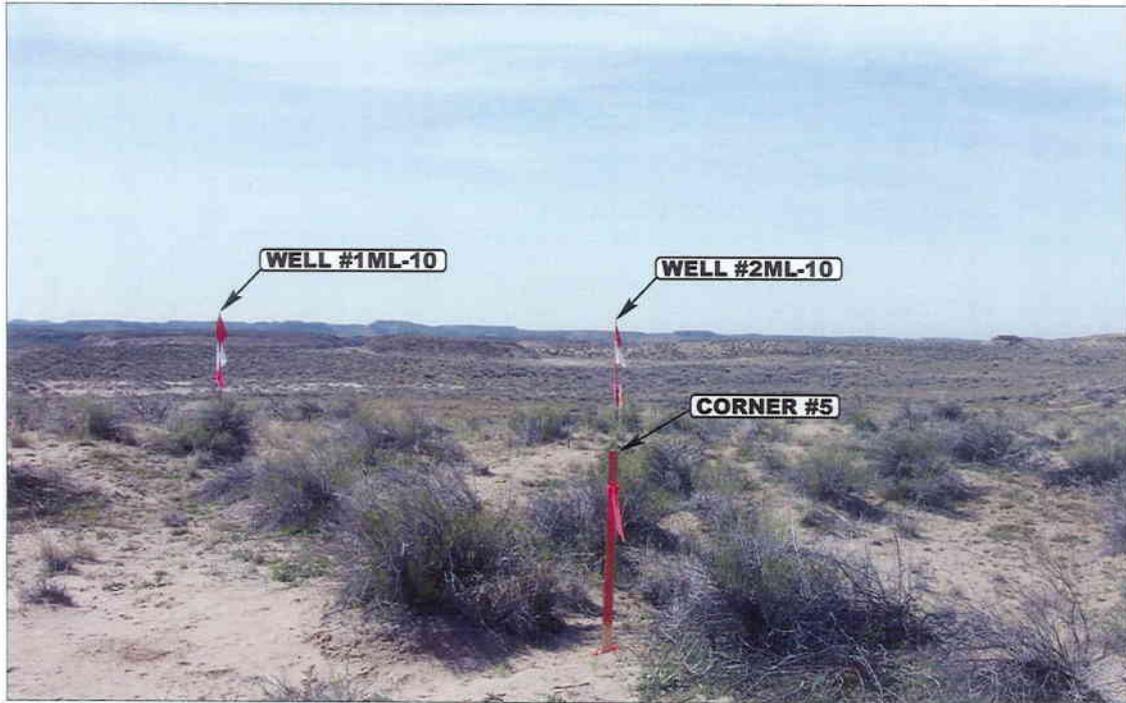


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



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

- Since 1964 -

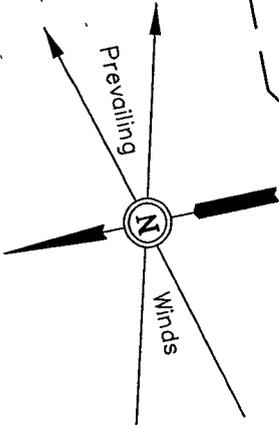
| | | | | |
|-----------------|----------------|-----|--------------------|-------|
| LOCATION PHOTOS | 11 | 18 | 04 | PHOTO |
| | MONTH | DAY | YEAR | |
| TAKEN BY: D.A. | DRAWN BY: L.K. | | REV: 04-15-05 L.K. | |

QUESTAR EXPLORATION & PRODUCTION

FIGURE #1

LOCATION LAYOUT FOR

NBE #2ML-10-9-23 & #1ML-10-9-23
SECTION 10, T9S, R23E, S.L.B.&M.
NW 1/4 NE 1/4



Proposed Access Road

SCALE: 1" = 50'
DATE: 4-22-05
Drawn By: K.G.

ARCH. SITE BOUNDARY

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

El. 59.1'
C-6.5'
(btm. pit)

El. 69.2'
C-4.6'
Pit Topsoil

Reserve Pit Backfill & Spoils Stockpile

10' WIDE BENCH/DIKE

Total Pit Capacity
W/2' of Freeboard
= 15,380 Bbls. ±
Total Pit Volume
= 4,130 Cu. Yds.

SLOPE 1-1/2 : 1

El. 69.7'
C-17.1'
(btm. pit)

El. 68.4'
C-3.8'

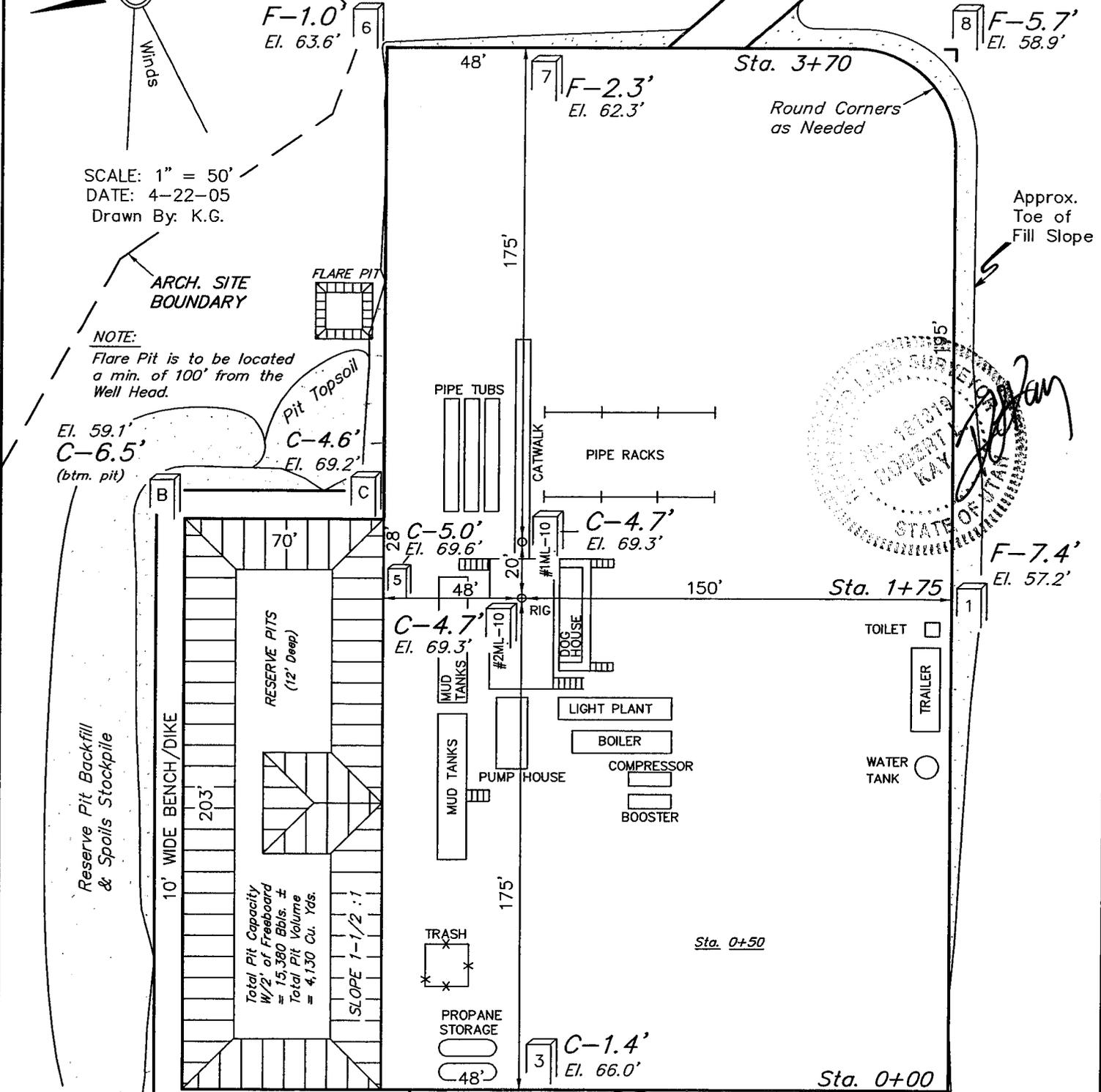
Approx. Top of Cut Slope

El. 64.0'
F-0.6'

NOTES:

Elev. Ungraded Ground At Loc. Stake = 4969.3'
FINISHED GRADE ELEV. AT LOC. STAKE = 4964.6'

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

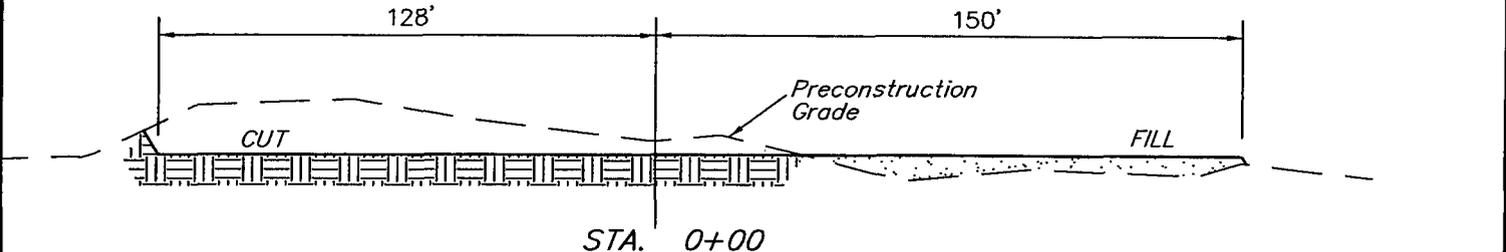
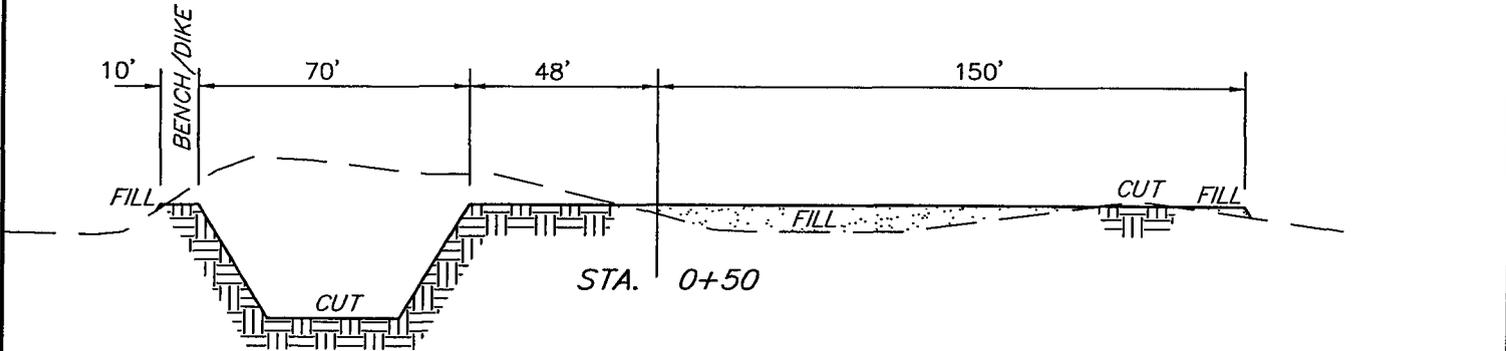
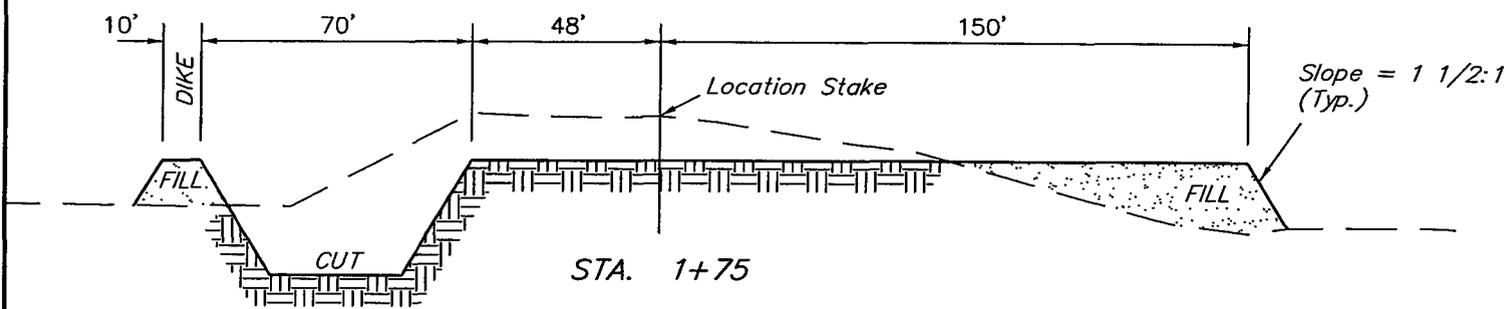
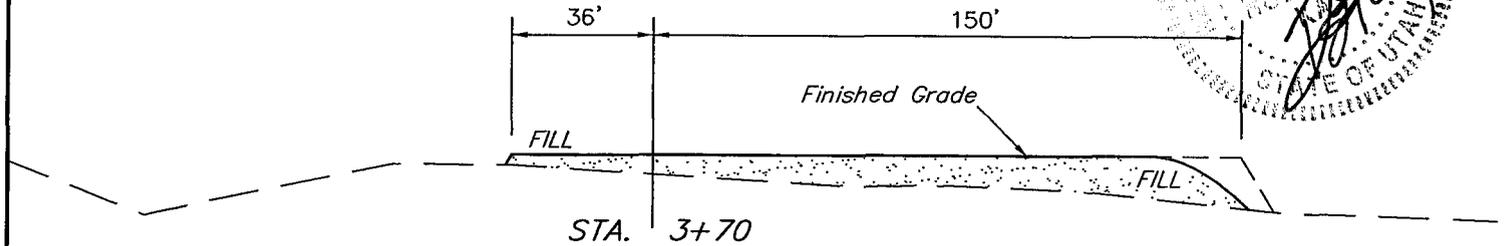


QUESTAR EXPLORATION & PRODUCTION

FIGURE #2

TYPICAL CROSS SECTIONS FOR
 NBE #2ML-10-9-23 & #1ML-10-9-23
 SECTION 10, T9S, R23E, S.L.B.&M.
 NW 1/4 NE 1/4

1" = 20'
 X-Section Scale
 1" = 50'
 DATE: 4-22-05
 Drawn By: K.G.

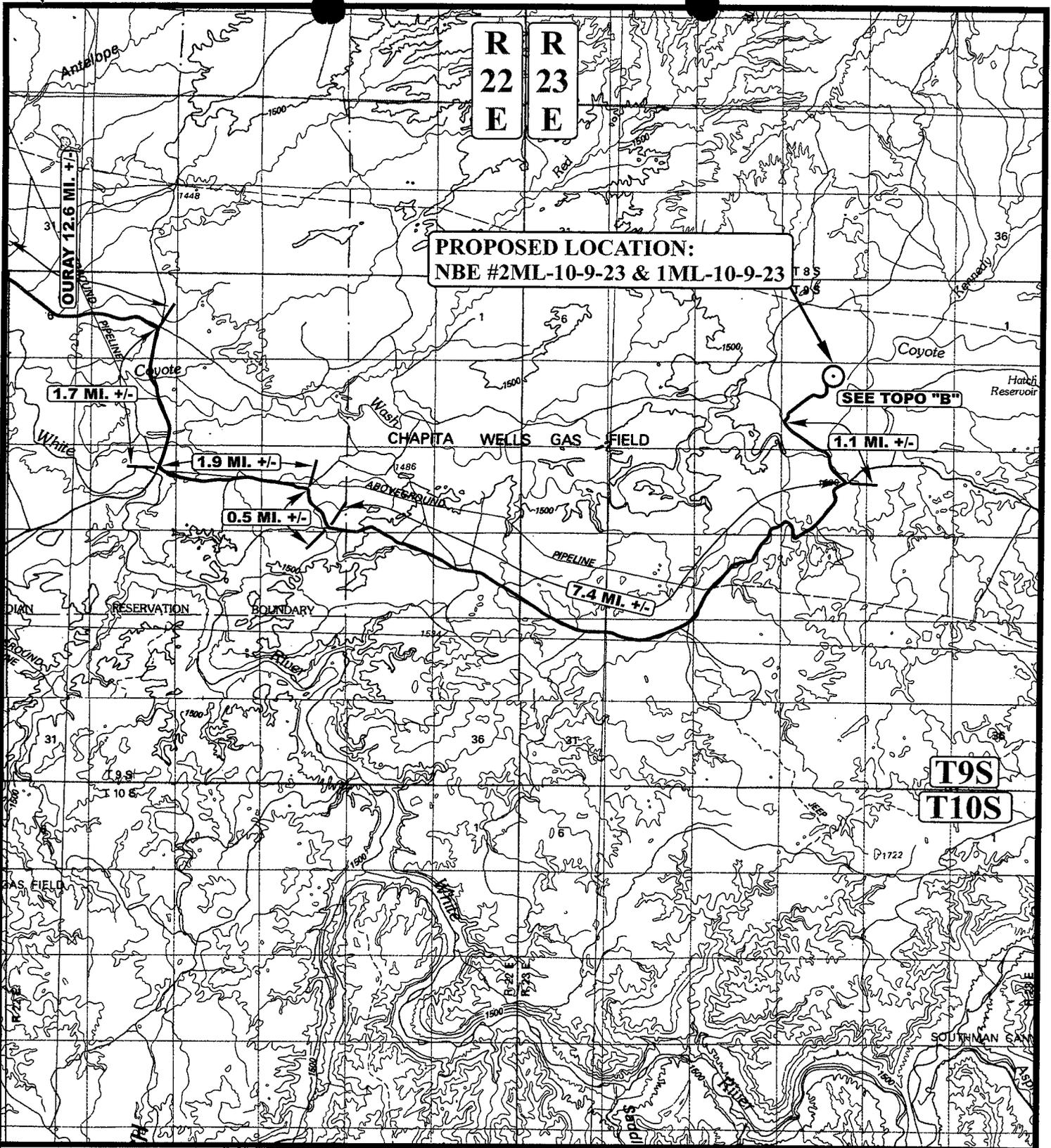


APPROXIMATE YARDAGES

| | |
|------------------------|------------------------|
| CUT | |
| (6") Topsoil Stripping | = 1,880 Cu. Yds. |
| Remaining Location | = 7,530 Cu. Yds. |
| TOTAL CUT | = 9,410 CU.YDS. |
| FILL | = 5,460 CU.YDS. |

* NOTE:
 FILL QUANTITY INCLUDES
 5% FOR COMPACTION
 Excess Material = 3,950 Cu. Yds.
 Topsoil & Pit Backfill = 3,950 Cu. Yds.
 (1/2 Pit Vol.)
 EXCESS UNBALANCE = 0 Cu. Yds.
 (After Rehabilitation)

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



**PROPOSED LOCATION:
NBE #2ML-10-9-23 & 1ML-10-9-23**

SEE TOPO "B"

LEGEND:

○ PROPOSED LOCATION



QUESTAR EXPLR. & PROD.

**NBE #2ML-10-9-23 & 1ML-10-9-23
SECTION 10, T9S, R23E, S.L.B.&M.
NE 1/4 NE 1/4**

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

TOPOGRAPHIC 11 18 04
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: L.K. REV: 04-15-05 L.K. **TOPO**

T9S

**PROPOSED LOCATION:
NBE #2ML-10-9-23 & 1ML-10-9-23**

PROPOSED ACCESS

#6ML-10

2247' +/-

0.4 MI. +/-

7.7 MI. +/-

OURAY 24.1 MI. +/-

Coyote

Wash

R
23
E

LEGEND:

- EXISTING ROAD
- - - PROPOSED ACCESS ROAD

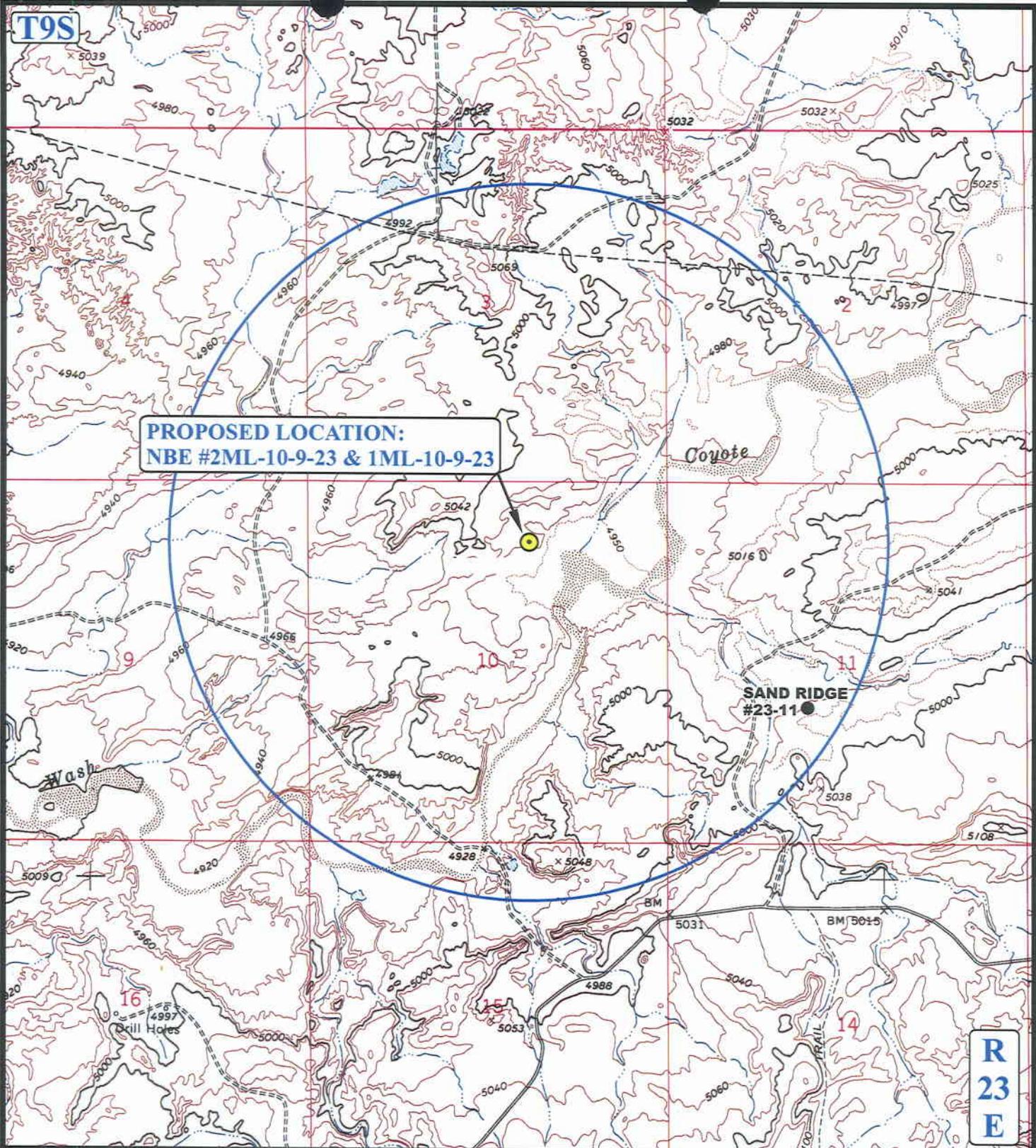


QUESTAR EXPLR. & PROD.

**NBE #2ML-10-9-23 & 1ML-10-9-23
SECTION 10, T9S, R23E, S.L.B.&M.
NE 1/4 NE 1/4**

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

TOPOGRAPHIC MAP **11 18 04**
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: L.K. REV: 04-15-05 L.K. **B TOPO**



LEGEND:

- | | |
|-------------------|-------------------------|
| ⊘ DISPOSAL WELLS | ⊘ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |



QUESTAR EXPLR. & PROD.

**NBE #2ML-10-9-23 & 1ML-10-9-23
SECTION 10, T9S, R23E, S.L.B.&M.
NE 1/4 NE 1/4**



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

TOPOGRAPHIC MAP

11 18 04
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REV: 04-15-05 L.K.



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/12/2006

API NO. ASSIGNED: 43-047-37618

WELL NAME: NBE 1ML-10-9-23
 OPERATOR: QUESTAR EXPL & PROD CO (N5085)
 CONTACT: JAN NELSON

PHONE NUMBER: 435-781-4331

PROPOSED LOCATION:

NENE

NWNE 10 090S 230E
 SURFACE: 0861 FNL 2012 FEL
 BOTTOM: 0660 FNL 0660 FEL
 COUNTY: UINTAH
 LATITUDE: 40.05541 LONGITUDE: -109.3101
 UTM SURF EASTINGS: 644138 NORTHINGS: 4435065
 FIELD NAME: NATURAL BUTTES (630)

| INSPECT LOCATN BY: / / | | |
|------------------------|----------|---------|
| Tech Review | Initials | Date |
| Engineering | DKD | 1/23/06 |
| Geology | | |
| Surface | | |

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-72634
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. ESB000024)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)
(*Wasatch, Mesquite*)

LOCATION AND SITING:

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

COMMENTS: _____

STIPULATIONS: 1-Federal Approval

2-Spacing Strip

3-Commingle

T9S R23E

NBE 4ML-10-9-23

NBE 3ML-10-9-23

NBE 2ML-10-9-23
NBE 1ML-10-9-23

BHL 1ML-10-9-23

BONANZA 4-II

NBE 5ML-10-9-23

NBE 6ML-10-9-23

NBE 7ML-10-9-23

NBE 8ML-10-9-23

BONANZA 5-II-9-23

10

NBE 10ML-10-9-23

NBE 12ML-10-9-23

NBE 11ML-10-9-23

NBE 9ML-10-9-23

BONANZA 12-II

NBE 15ML-10-9-23

NBE 16ML-10-9-23

BONANZA 13-II-9-23

NATURAL BUTTES FIELD

CHAPITA FED 15-6

OPERATOR: QUESTAR EXPL & PROD (N5085)

SEC: 10 T. 9S R. 23E

FIELD: NATURAL BUTTES (630)

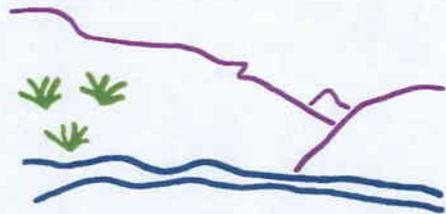
COUNTY: UINTAH

SPACING: R649-3-11 / DIRECTIONAL DRILLING

| 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 |
| | 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 |



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 17-JANUARY-2006



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

Questar Exploration & Production Company
11002 E 17500 S
Vernal, UT 84078

Re: NBE 1ML-10-9-23 Well, Surface Location 861' FNL, 2012' FEL, NW NE,
Sec. 10, T. 9 South, R. 23 East, Bottom Location 660' FNL, 660' FEL, NE NE,
Sec. 10, T. 9 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.

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37618.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Questar Exploration & Production Company
Well Name & Number NBE 1ML-10-9-23
API Number: 43-047-37618
Lease: UTU-72634

Surface Location: NW NE **Sec.** 10 **T.** 9 South **R.** 23 East
Bottom Location: NE NE **Sec.** 10 **T.** 9 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

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

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

Page 2
43-047-37618
January 23, 2006

6. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

CONFIDENTIAL RECEIVED

FORM APPROVED
OMB NO. 1040-0136
Expires: February 28, 1995

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

SUBMIT IN TRIPLICATE 2006

BLM VERNAL, UTAH

5. LEASE DESIGNATION AND SERIAL NO.
UTU-72634

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

TYPE OF WORK

DRILL

DEEPEN

7. UNIT AGREEMENT NAME
N/A

TYPE OF WELL

SINGLE ZONE

MULTIPLE ZONE

JAN 09 2006

8. FARM OR LEASE NAME, WELL NO.
NBE 1ML-10-9-23

2. NAME OF OPERATOR

QUESTAR EXPLORATION & PRODUCTION, CO.

Contact: Jan Nelson

E-Mail: jan.nelson@questar.com

9. API NUMBER:

43-047-37618

3. ADDRESS

11002 E. 17500 S. Vernal, Ut 84078

Telephone number

Phone 435-781-4331 Fax 435-781-4323

10. FIELD AND POOL, OR WILDCAT
NATURAL BUTTES

4. LOCATION OF WELL (Report location clearly and in accordance with and State requirements*)

At Surface

861' FNL 2012' FEL, NWNE, SECTION 10, T9S, R23E

At proposed production zone

660' FNL 660' FEL, NENE, SECTION 10, T9S, R23E

11. SEC., T, R, M, OR BLK & SURVEY OR AREA
SEC.10 T9S R23E Mer SLB

14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE*

25+ / - EAST OF OURAY, UTAH

12. COUNTY OR PARISH 13. STATE
Uintah UT

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

861' +/-

16. NO. OF ACRES IN LEASE

1760.00

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

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

1500' +/-

19. PROPOSED DEPTH

9252' MD

20. BLM/BIA Bond No. on file
ESB000024

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

4964.6' GR

22. DATE WORK WILL START

ASAP

23. Estimated duration

10 days

24. Attachments

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

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

SIGNED

Jan Nelson

Name (printed/typed) Jan Nelson

DATE January 9, 2006

TITLE Regulatory Affairs

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE

RECEIVED

CONDITIONS OF APPROVAL, IF ANY:

NOV 15 2006

APPROVED BY

Amy Kengler

TITLE Assistant Field Manager
Lands & Mineral Resources

DATE 10-27-2006

*See Instructions On Reverse Side

Title 18 U.S.C Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

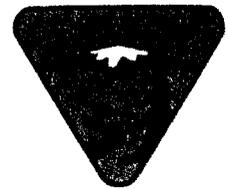
11006m
NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: QEP Uintah Basin, Inc. Location: NENE, Sec 10, T9S, R23E
Well No: NBE 1ML-10-9-23 Lease No: UTU-72634
API No: 43-047-37618 Agreement: N/A

| | | | |
|------------------------------------|---------------------|----------------------|--------------------|
| Petroleum Engineer: | Matt Baker | Office: 435-781-4490 | Cell: 435-828-4470 |
| Petroleum Engineer: | Michael Lee | Office: 435-781-4432 | Cell: 435-828-7875 |
| Supervisory Petroleum Technician: | Jamie Sparger | Office: 435-781-4502 | Cell: 435-828-3913 |
| Environmental Scientist: | Paul Buhler | Office: 435-781-4475 | Cell: 435-828-4029 |
| Environmental Scientist: | Karl Wright | Office: 435-781-4484 | |
| Natural Resource Specialist: | Holly Villa | Office: 435-781-4404 | |
| Natural Resource Specialist: | Melissa Hawk | Office: 435-781-4476 | |
| Natural Resource Specialist: | Scott Ackerman | Office: 435-781-4437 | |
| After Hours Contact Number: | 435-781-4513 | Fax: 435-781-4410 | |

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

- Location Construction (Notify Karl Wright) - Forty-Eight (48) hours prior to construction of location and access roads.
- Location Completion (Notify Karl Wright) - Prior to moving on the drilling rig.
- Spud Notice (Notify Petroleum Engineer) - Twenty-Four (24) hours prior to spudding the well.
- Casing String & Cementing (Notify Jamie Sparger) - Twenty-Four (24) hours prior to running casing and cementing all casing strings.
- BOP & Related Equipment Tests (Notify Jamie Sparger) - Twenty-Four (24) hours prior to initiating pressure tests.
- First Production Notice (Notify Petroleum Engineer) - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

1. The buried pipeline exception request has been received. It has been determined that the pipeline route has bedrock exposed at the surface. The exception is granted for a surface pipeline.

DOWNHOLE CONDITIONS OF APPROVAL

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

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

1. No oil shall be introduced into the fresh water mud system without prior approval from the Authorized Officer.
2. The production casing cement top shall be at a minimum of 200' above the intermediate casing shoe.
3. A Cement Bond Log shall be run from TD to the surface casing shoe and a field copy shall be submitted to the BLM Vernal Field Office.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
4. Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

5. All shows of fresh water and minerals shall be reported and protected. A sample shall be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
6. No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office shall be obtained and notification given before resumption of operations.
7. Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program shall be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) shall be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

A cement bond log (CBL) will be run from the production casing shoe to the surface casing shoe and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease shall have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

10. Oil and gas meters shall be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
11. A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
- a. Operator name, address, and telephone number.
 - b. Well name and number.
 - c. Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
 - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - g. Unit agreement and / or participating area name and number, if applicable.
 - h. Communitization agreement number, if applicable.

13. Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production
15. Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL: OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR: QEP UINTA BASIN, INC

3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078 PHONE NUMBER: (435) 781-4331

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 861' FNL 2012' FEL COUNTY: UINTAH QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 10 9S 23E STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-72634

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

7. UNIT or CA AGREEMENT NAME: N/A

8. WELL NAME and NUMBER: NBE 1ML-10-9-23

9. API NUMBER: 4304737618

10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES

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"/> 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: <u>APD 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.
 QEP Uinta Basin, Inc. hereby requests a 1 year extension on the NBE 1ML-10-9-23.

Approved by the
 Utah Division of
 Oil, Gas and Mining

Date: 01-22-07
 By: [Signature]

RECEIVED
 1-23-07
 PM

NAME (PLEASE PRINT) Laura Bills TITLE Regulatory Assistant

SIGNATURE [Signature] DATE 1/19/2007

(This space for State use only)

RECEIVED

JAN 22 2007

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

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

API: 43-047-37618
Well Name: NBE 1ML-10-9-23
Location: 861' FNL 2012'FEL, NENE, SEC. 10 T9S R23E.
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 1/23/2006

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

Laura Bills
Signature

1/19/2007
Date

Title: REGULATORY ASSISTANT

Representing: QEP UINTA BASIN, INC.

RECEIVED

JAN 22 2007

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.
UTU-72634

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
QUESTAR EXPLORATION & PRODUCTION CO. Contact: Jan Nelson

3a. Address 3b. Phone No. (include area code)
11002 East 17500 South, Vernal, UT 84078 435-781-4331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SURFACE: 861' FNL 2012' FEL, NWNE, SECTION 10, T9S, R23E
BOTTOM HOLE: 660' FNL 660' FEL, NENE, SECTION 10, T9S, R23E

7. If Unit or CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
NBE 1ML-10-9-23

9. API Well No.
43-047-37618

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon APD EXTENSION |
| | <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Questar Exploration & Production Co. hereby requests a 1 year extension on the APD for the NBE 1ML-10-9-23.

BLM APD approval date: 10/27/2006.

RECEIVED
VERNAL FIELD OFFICE
2007 AUG 20 PM 4: 3
DEPT. OF THE INTERIOR
BUREAU OF LAND MGMT

14. I hereby certify that the foregoing is true and correct

| | | |
|--|------------------------------------|---|
| Name (Printed/Typed) Laura Bills | Title Regulatory Affairs | RECEIVED AUG 31 2007 DIV. OF OIL, GAS & MINING |
| Signature <i>Laura Bills</i> | Date August 20, 2007 | |

THIS SPACE FOR FEDERAL OR STATE USE

| | | |
|---|------------------------------------|----------------------------|
| Approved by <i>[Signature]</i> | Title Petroleum Engineer | Date AUG 22 2007 |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | Office |

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)



CONDITIONS OF APPROVAL ATTACHED

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

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

API: 43-047-37618
Well Name: NBE 1ML-10-9-23
Location: 861' FNL 2012' FEL, NWNE, SEC. 10, T9S, R23E
Company Permit Issued to: Questar Exploration & Production Co.
Date Original Permit Issued: 10/27/2006

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

Auna Bills
Signature

8/20/2007
Date

Title: REGULATORY AFFAIRS

Representing: Questar Exploration & Production Co.

CONDITIONS OF APPROVAL

QEP Uintah Basin, Inc.

Notice of Intent APD Extension

Lease: UTU-72634
Well: NBE 1ML-10-9-23
Location: SHL: NENE Sec 10-T9S-R23E
BHL: NENE Sec 10-T9S-R23E

An extension for the referenced APD is granted with the following conditions:

1. The extension and APD shall expire on 10/27/08.
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Ryan Angus of this office at (435) 781-4430

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

FORM 9

CONFIDENTIAL

| | | |
|--|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-72634 |
| 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: N/A |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: N/A |
| 2. NAME OF OPERATOR: QUESTAR EXPLORATION & PRODUCTION CO. | | 8. WELL NAME and NUMBER: NBE 1ML-10-9-23 |
| 3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078 | | 9. API NUMBER: 4304737618 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 861' FNL 2012' FEL | | 10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 10 9S 23E | | COUNTY: UINTAH |
| | | STATE: UTAH |

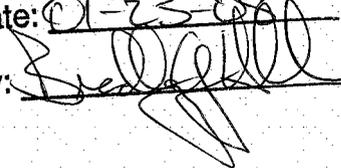
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| 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: APD EXTENSION |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

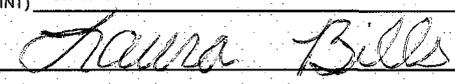
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Questar Exploration & Production Company hereby requests a 1 year extension on the NBE 1ML-10-9-23.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-23-08
By: 

COPY SENT TO OPERATOR
Date: 1-24-2008
Initials: LS

| | |
|---|---------------------------------|
| NAME (PLEASE PRINT) <u>Laura Bills</u> | TITLE <u>Regulatory Affairs</u> |
| SIGNATURE  | DATE <u>1/17/2008</u> |

(This space for State use only)

RECEIVED
JAN 22 2008

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

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

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

API: 43-047-37618
Well Name: NBE 1ML-10-9-23
Location: 861' FNL 2012' FEL, N¹/₂NE, SEC. 10, T9S, R24E
Company Permit Issued to: Questar Exploration & Production Co.
Date Original Permit Issued: 1/23/2006

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

Aarna Bills
Signature

1/17/2008

Date

Title: REGULATORY AFFAIRS

Representing: Questar Exploration & Production Co.

RECEIVED

JAN 22 2008

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 30, 2008

Laura Bills
QEP Uinta Basin Inc.
11002 East 17500 South
Vernal, Utah 84078

Re: APD Rescinded – NBE 1ML-10-9-23, Sec. 10, T. 9S, R. 23E
Uintah County, Utah API No. 43-047-37618

Dear Ms. Bills:

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. On January 22, 2007 and on January 23, 2008, the Division granted a one-year APD extension. On October 30, 2008, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 30, 2008.

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

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

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office
170 South 500 East
Vernal, UT 84078

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

<http://www.blm.gov/ut/st/en/fo/vernal/html>



IN REPLY REFER TO:

3160

LLUTG01100

December 31, 2008

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

43 047 37618
Re: Notice of Expiration
Well No. NBE 1ML-10-9-23
NWNE, Sec. 10, T9S, R23E
Uintah County, Utah
Lease No. UTU-72634

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on October 27, 2006. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until October 27, 2008. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

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

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

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

cc: UDOGM

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JAN 14 2009

DIV. OF OIL, GAS & MINING