

January 29, 2006

Division of Oil, Gas & Mining
1594 W. N. Temple STE 1210
Salt Lake City, UT 84114-5801

To Whom It May Concern:

In reference to the State Oil and Gas Conservation rule R649-3-3 QEP Uinta Basin, Inc. SG 12MU-11-8-22 is an exception to this rule due to topography.

There are no additional lease owners with 460' of the proposed location. If you have any question please contact Jan Nelson @ (435) 781-4331.

Thank you,



Jan Nelson
Regulatory Affairs

RECEIVED
JAN 31 2006
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

**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		
TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. UTU-73687
TYPE OF WELL <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		7. UNIT AGREEMENT NAME N/A
2. NAME OF OPERATOR QUESTAR EXPLORATION & PRODUCTION COMPANY		8. FARM OR LEASE NAME, WELL NO. SG 12MU-11-8-22
3. ADDRESS 11002 E. 17500 S. Vernal, Ut 84078		9. API WELL NO. 43-047-37661
Contact: Jan Nelson E-Mail: jan.nelson@questar.com		10. FIELD AND POOL, OR WILDCAT KENNEDY WASH '18
Telephone number Phone 435-781-4331 Fax 435-781-4323		11. SEC., T, R, M, OR BLK & SURVEY OR AREA SEC.11, T8S, R22E, Mer SLB
4. LOCATION OF WELL (Report location clearly and in accordance with and State requirements*) At Surface 635188x 2251' FSL 788' FWL, NWSW, SECTION 11, T8S, R22E At proposed production zone SAME 4443868x 40.136178 -109.413172		12. COUNTY OR PARISH Uintah
14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE* 32 MILES +/- FROM VERNAL, UT		13. STATE UT
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (also to nearest drig, unit line if any) 788' +/-	16. NO. OF ACRES IN LEASE 1595.48	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 2000' +/-	19. PROPOSED DEPTH 9250'	20. BLM/BIA Bond No. on file ESB000024
21. ELEVATIONS (Show whether DF, RT, GR, ect.) 4939.9' 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:

- | | |
|--|--|
| <ul style="list-style-type: none"> 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). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an exisiting 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 1-29-06
TITLE Regulatory Affairs

(This space for Federal or State office use)

PERMIT NO. 43-047-37661 APPROVAL DATE _____

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

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Bradley G. Hill TITLE BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III DATE 02-06-06

*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 mater within its jurisdiction

*Federal Approval of this
Action is Necessary*

RECEIVED
JAN 31 2006
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T8S, R22E, S.L.B.&M.

QUESTAR EXPLR. & PROD.

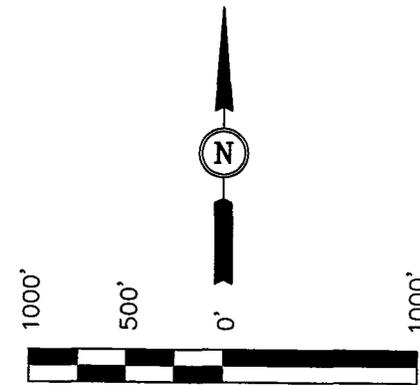
Well location, SG #12MU-11-8-22, located as shown in the NW 1/4 SW 1/4 of Section 11, T8S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY 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 4697 FEET.

BASIS OF BEARINGS

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



SCALE

CERTIFICATE

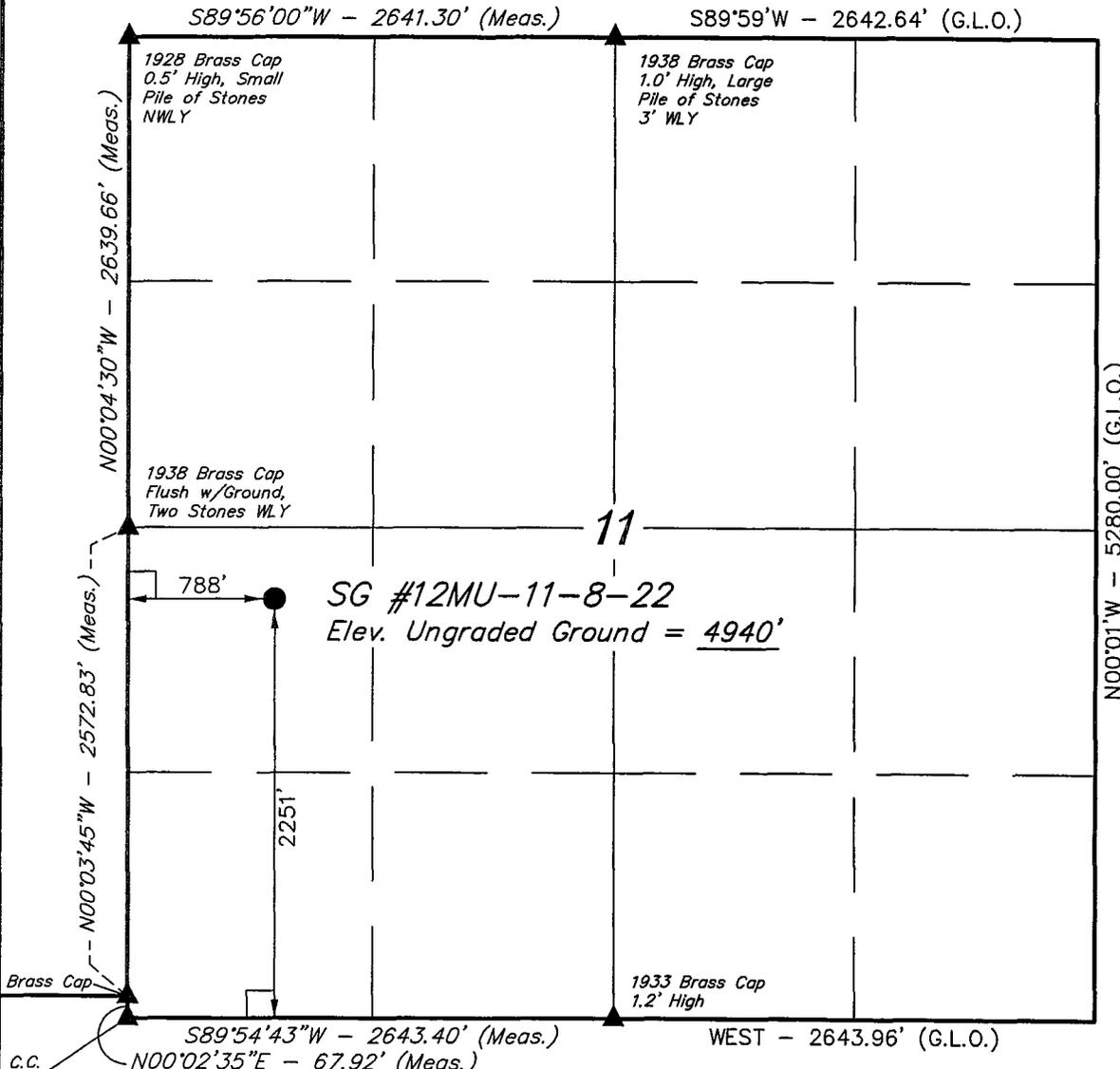
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert L. Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 151319
 STATE OF UTAH

Revised: 03-14-05 D.R.B.

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

SCALE 1" = 1000'	DATE SURVEYED: 02-05-03	DATE DRAWN: 02-06-03
PARTY S.H. T.H. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUESTAR EXPLR. & PROD.	



C.C.
 1938 Brass Cap
 0.5' High, Large
 Pile of Stones

LEGEND:

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

(NAD 83)
 LATITUDE = 40°08'09.92" (40.136089)
 LONGITUDE = 109°24'50.08" (109.413911)
 (NAD 27)
 LATITUDE = 40°08'10.05" (40.136125)
 LONGITUDE = 109°24'47.62" (109.413228)

T8S, R22E, S.L.B.&M.

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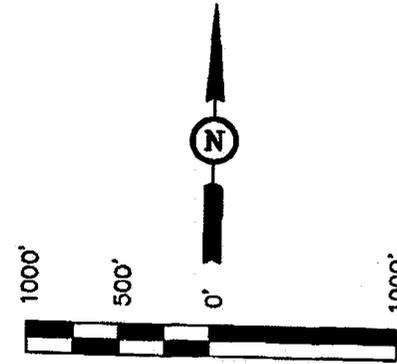
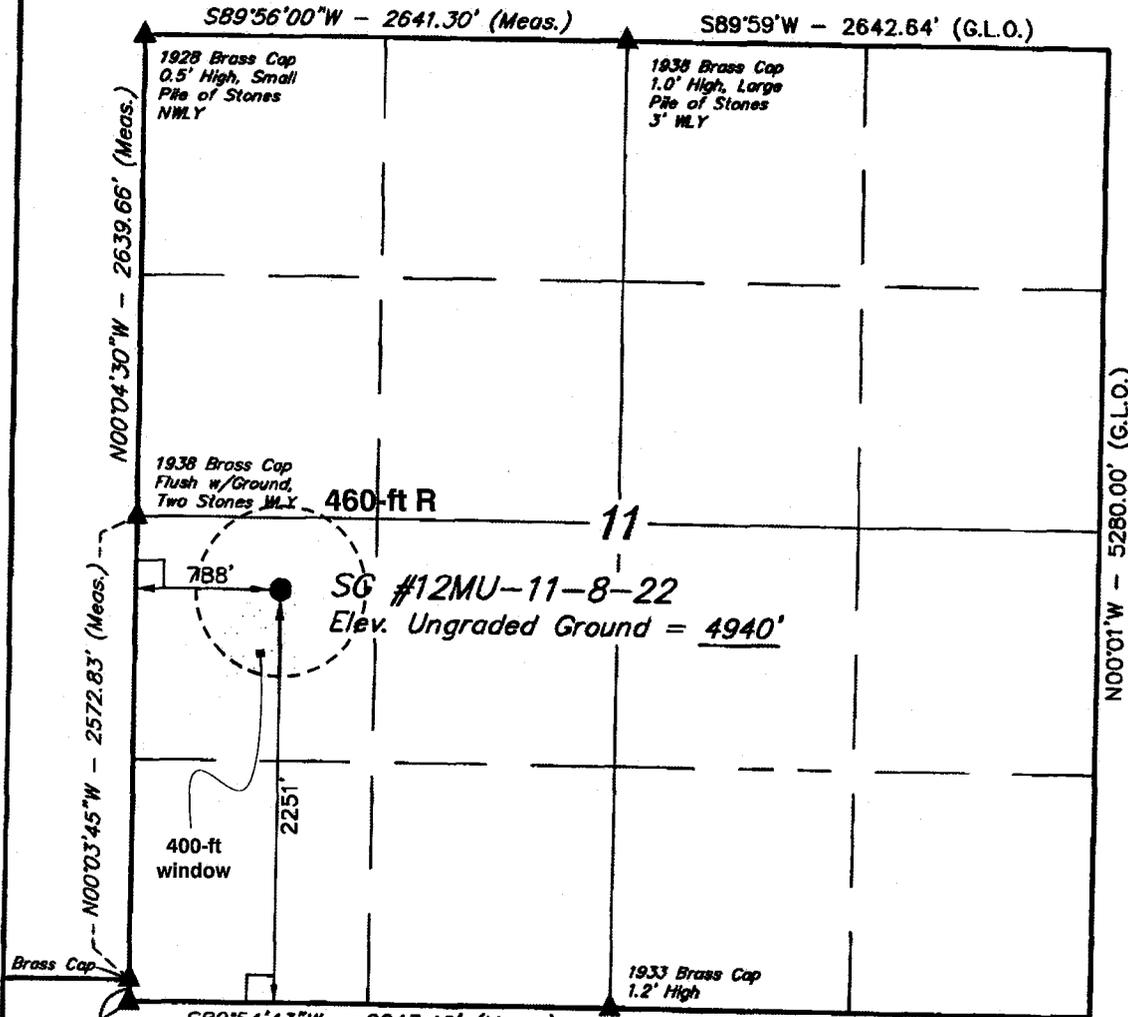
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UNTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

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PARTY S.H. T.H. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUESTAR EXPLR. & PROD.	

Additional Operator Remarks

QEP Uinta Basin, Inc. proposes to drill a well to 9250' 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 Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, 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.

See attached Onshore No. 1

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

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

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:

Formation	Depth
Uinta	Surface
Green River	3095'
Wasatch	6055'
Mesa Verde	8645'
TD	9250'

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:

Substance	Formation	Depth
Oil/Gas	Mese Verde	9250'

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

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. Anticipated Bottom Hole Pressures

Maximum anticipated bottom hole pressure equals approximately 4012.0 psi.

QEP UINTA BASIN, INC.
SG 12MU-11-8-22
2251' FSL 788' FWL
NWSW, SECTION 11, T8S, R22E
UINTAH COUNTY, UTAH
LEASE # UTU-73687

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the SG 12MU-11-8-22 on November 28, 2005. Weather conditions were cold and clear 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 32 miles from Vernal, Utah.

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

There will be no improvements made to existing road.

2. Planned Access Roads:

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, 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 dated October 18, 2005, 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 will tie into our existing 8" Lateral 2 East Pipeline ROW # UTU-80311.

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 dated October 18, 2005, 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 dated October 18, 2005, 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 dated October 18, 2005, 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 dated October 18, 2005, 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 dated October 18, 2005, 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:

9 lbs Hycrest Crested Wheatgrass

3lbs Forage Kochia

Final Reclamation:

Seed Mix # 5 4 lbs Gardner Saltbush, 4 lbs Shadscale, 4 lb Hycrest Crested Wheat.

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. However, if vertebrate fossil(s) are found during construction a paleontologist should be immediately notified. QEP will provide paleo monitor if needed.

QEP Uinta Basin, Inc.
Request for Exception to Buried Pipeline
for
SG 12MU-11-8-22

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.
QEP Uinta Basin Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4331

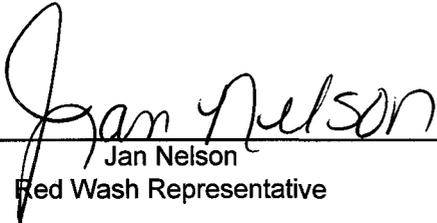
Certification:

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

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

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

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



Jan Nelson
Red Wash Representative

29-Jan-06

Date

QUESTAR EXPLR. & PROD.
SG #12MU-11-8-22 & #11MU-11-8-22
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 11, T8S, R22E, S.L.B.&M.

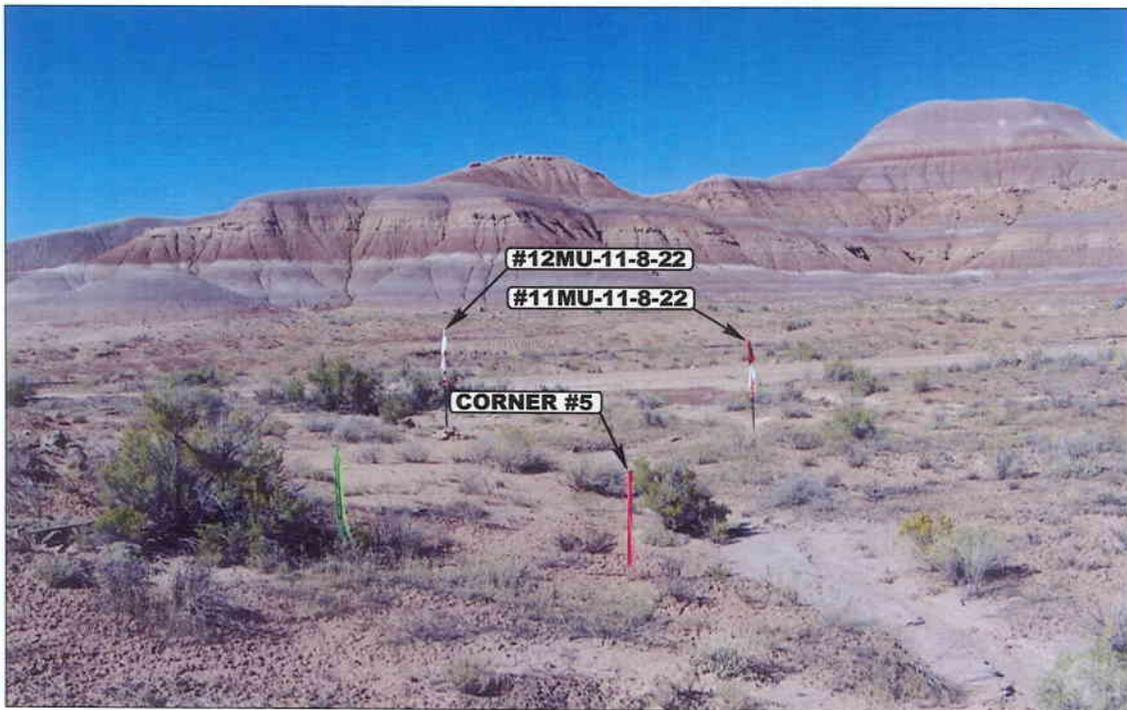


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: EASTERLY



- Since 1964 -

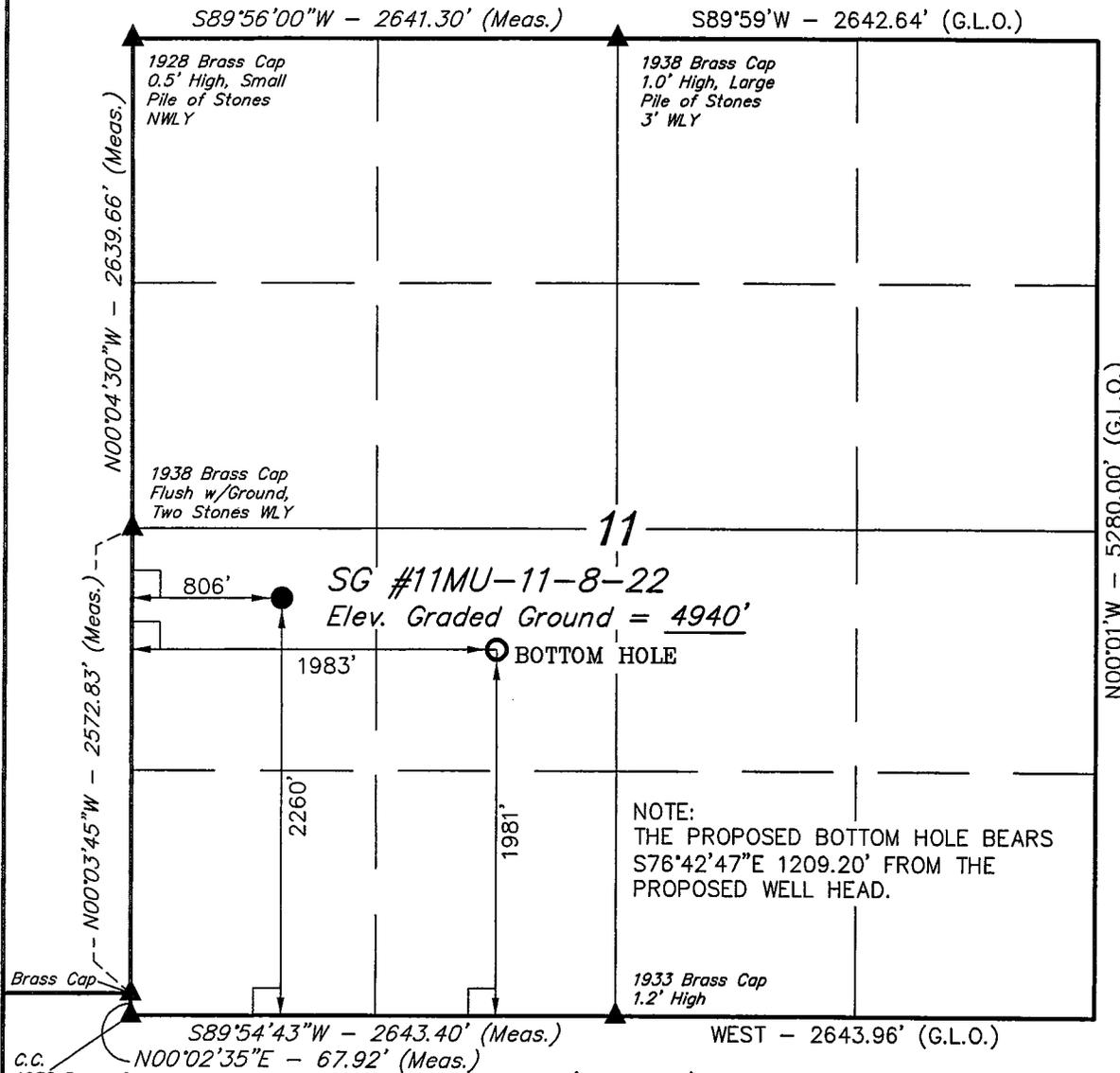
UELS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	2	6	03	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: S.H.	DRAWN BY: J.L.G.	REV: 10-25-05 S.L.		

T8S, R22E, S.L.B.&M.

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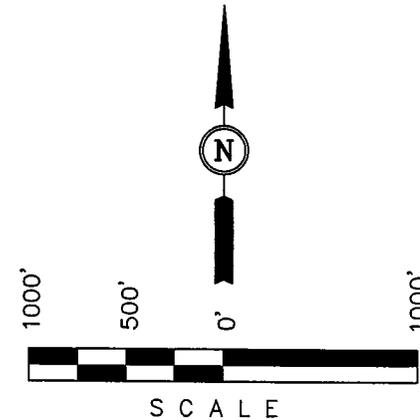


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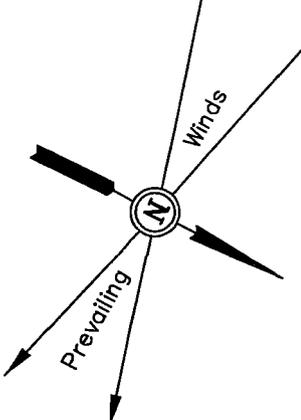
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SCALE 1" = 1000'	DATE SURVEYED: 09-30-05	DATE DRAWN: 11-07-05
PARTY D.A. C.R. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE QUESTAR EXPLR. & PROD.	

QUESTAR EXPLR. & PROD.

FIGURE #1

LOCATION LAYOUT FOR

SG #12MU-11-8-22 & SG #11MU-11-8-22
SECTION 11, T8S, R22E, S.L.B.&M.
NW 1/4 SW 1/4



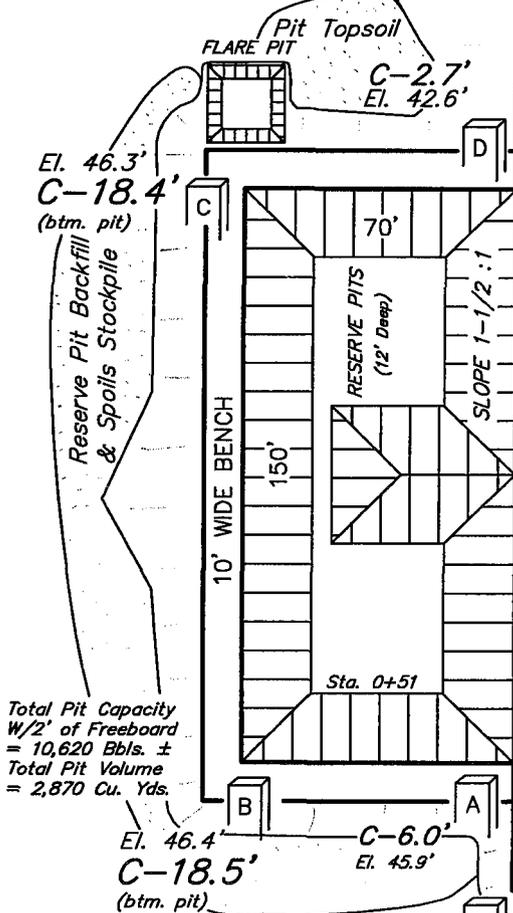
SCALE: 1" = 50'
DATE: 03-14-05
Drawn By: D.R.B.

Revised: 11-07-05 D.R.B.
Revised: 11-29-05 D.R.B.

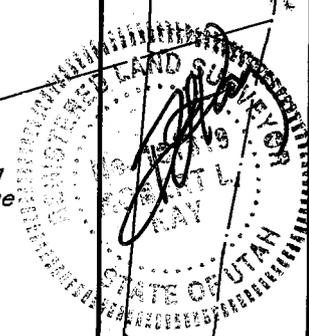
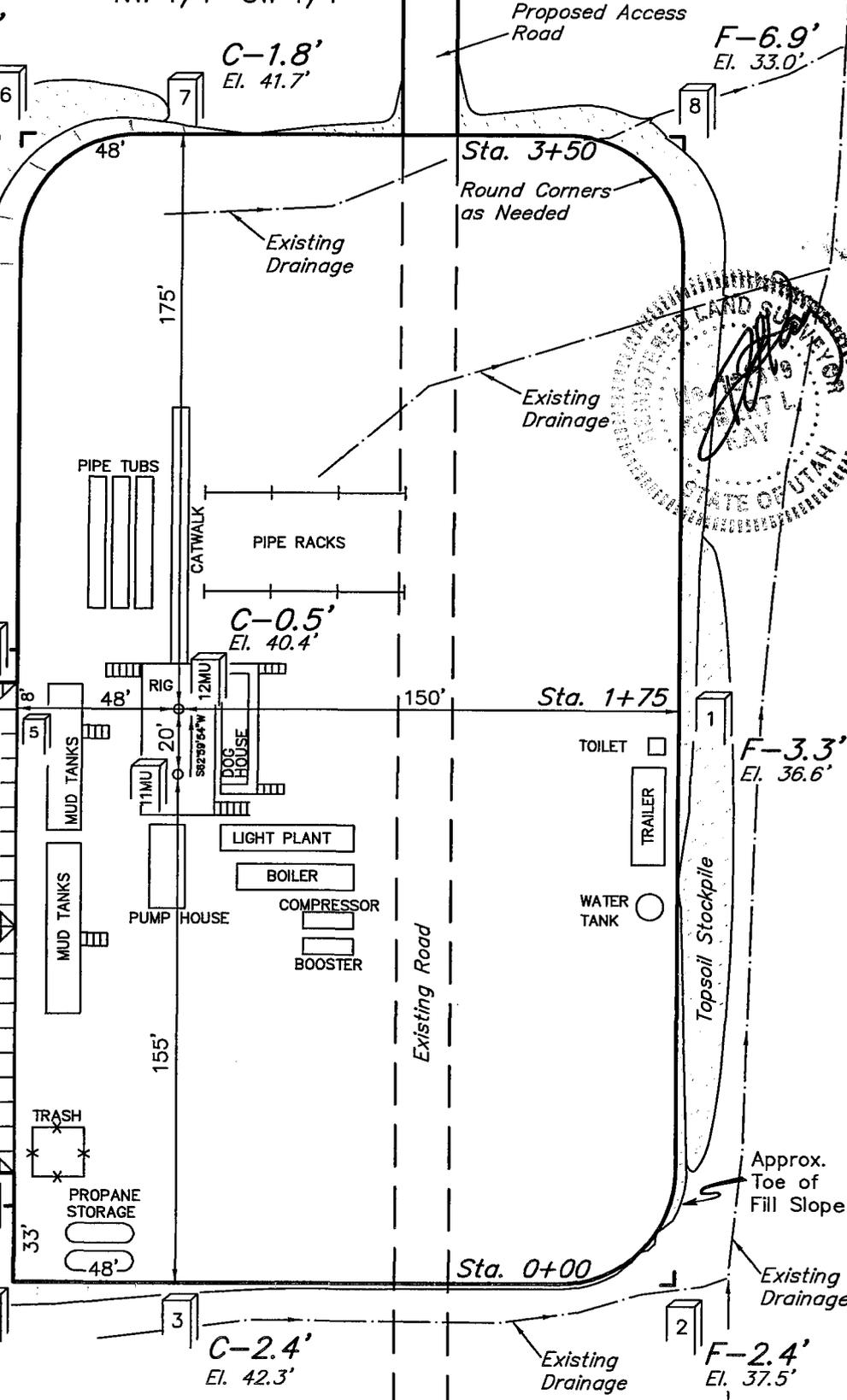
NOTE:

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

Approx. Top of Cut Slope



Total Pit Capacity W/2' of Freeboard = 10,620 Bbls. ±
Total Pit Volume = 2,870 Cu. Yds.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 4940.4'
FINISHED GRADE ELEV. AT LOC. STAKE = 4939.9'

QUESTAR EXPLR. & PROD.

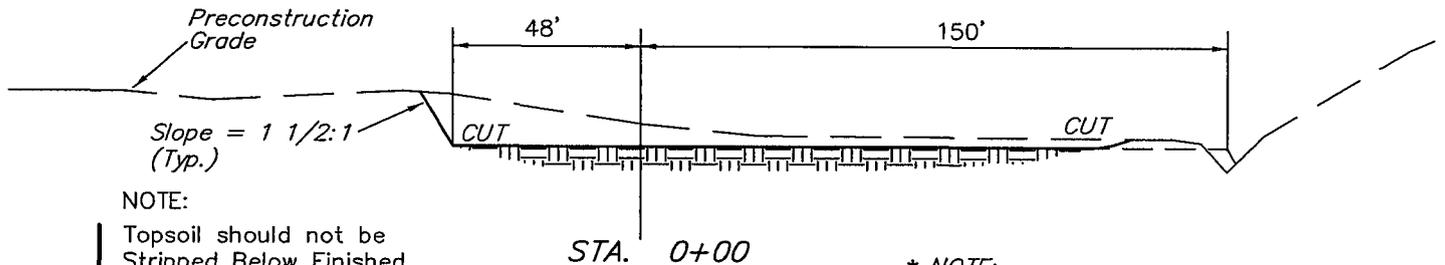
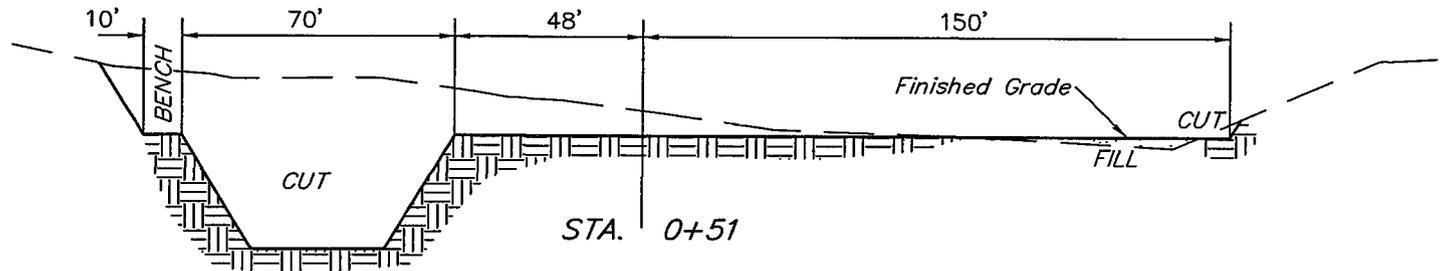
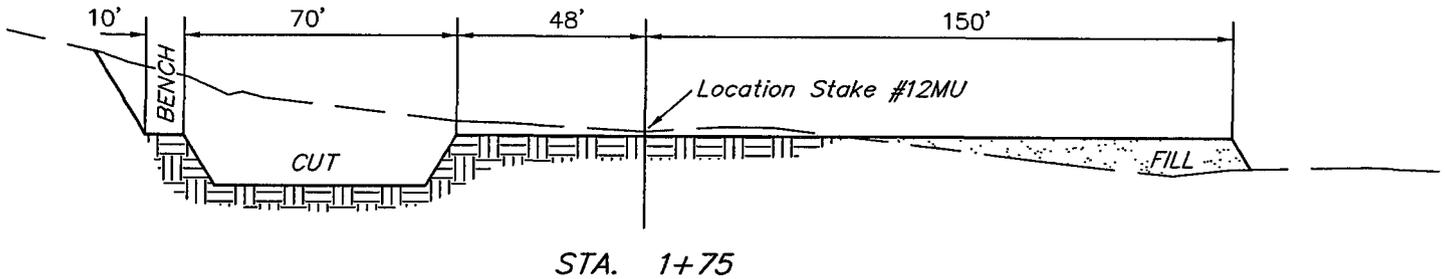
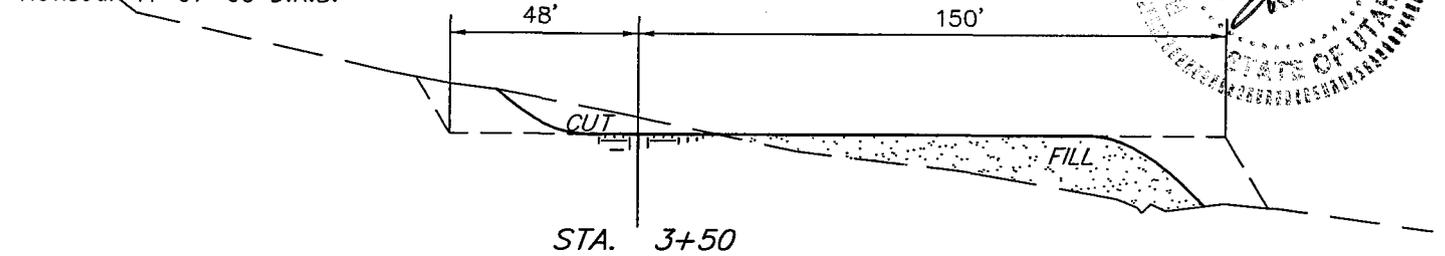
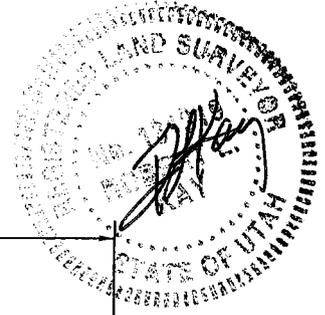
FIGURE #2

TYPICAL CROSS SECTIONS FOR

SG #12MU-11-8-22 & SG #11MU-11-8-22
SECTION 11, T8S, R22E, S.L.B.&M.
NW 1/4 SW 1/4

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

DATE: 03-14-05
Drawn By: D.R.B.
Revised: 11-07-05 D.R.B.



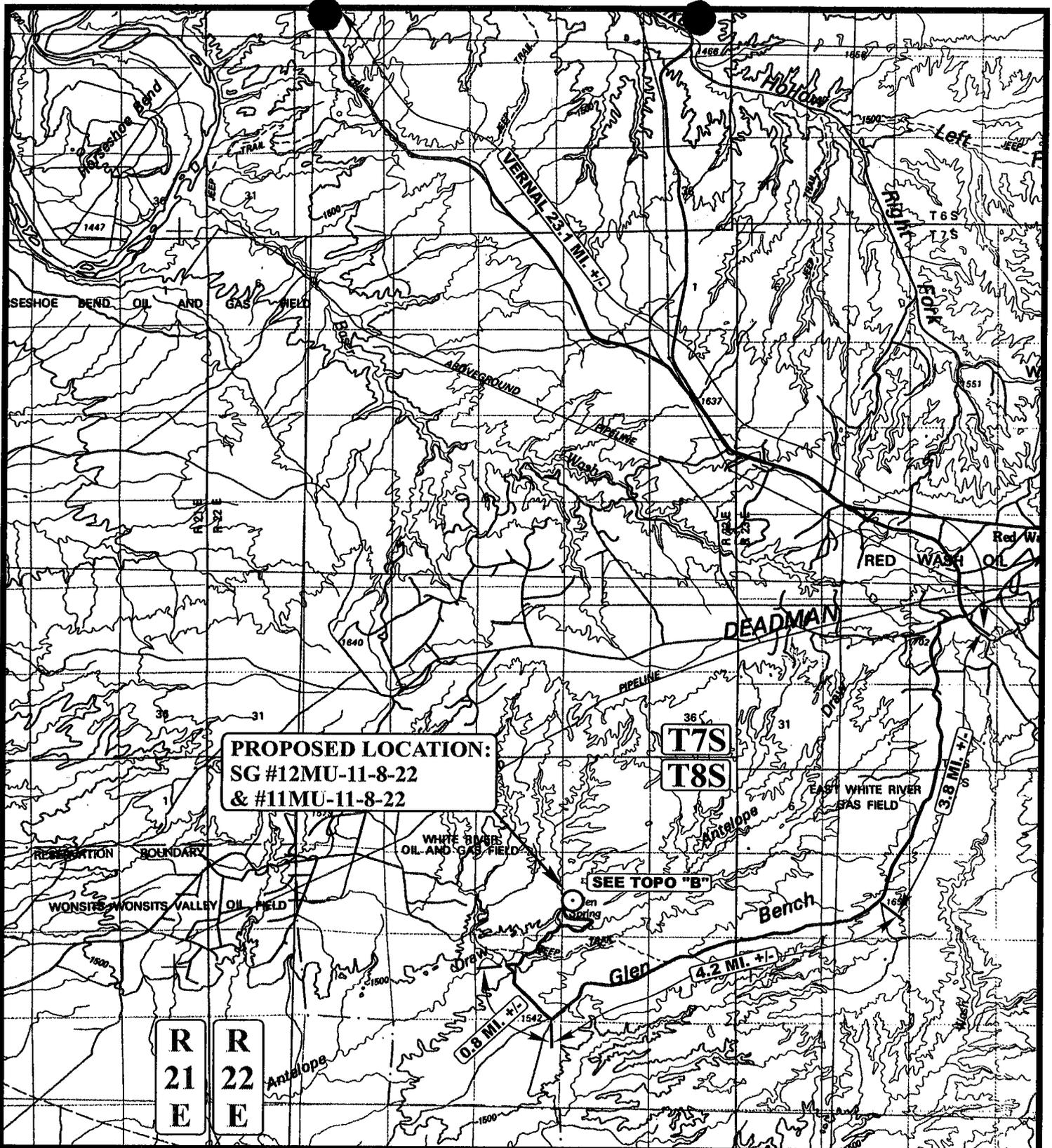
NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,800 Cu. Yds.
Remaining Location	≅ 11,370 Cu. Yds.
TOTAL CUT	= 13,170 CU.YDS.
FILL	= 4,580 CU.YDS.

EXCESS MATERIAL	= 8,590 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,240 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 5,350 Cu. Yds.



PROPOSED LOCATION:
 SG #12MU-11-8-22
 & #11MU-11-8-22

SEE TOPO "B"

LEGEND:

○ PROPOSED LOCATION

N

QUESTAR EXPLR. & PROD.

SG #12MU-11-8-22 & #11MU-11-8-22
 SECTION 11, T8S, R22E, S.L.B.&M.
 NW1/4 SW 1/4



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

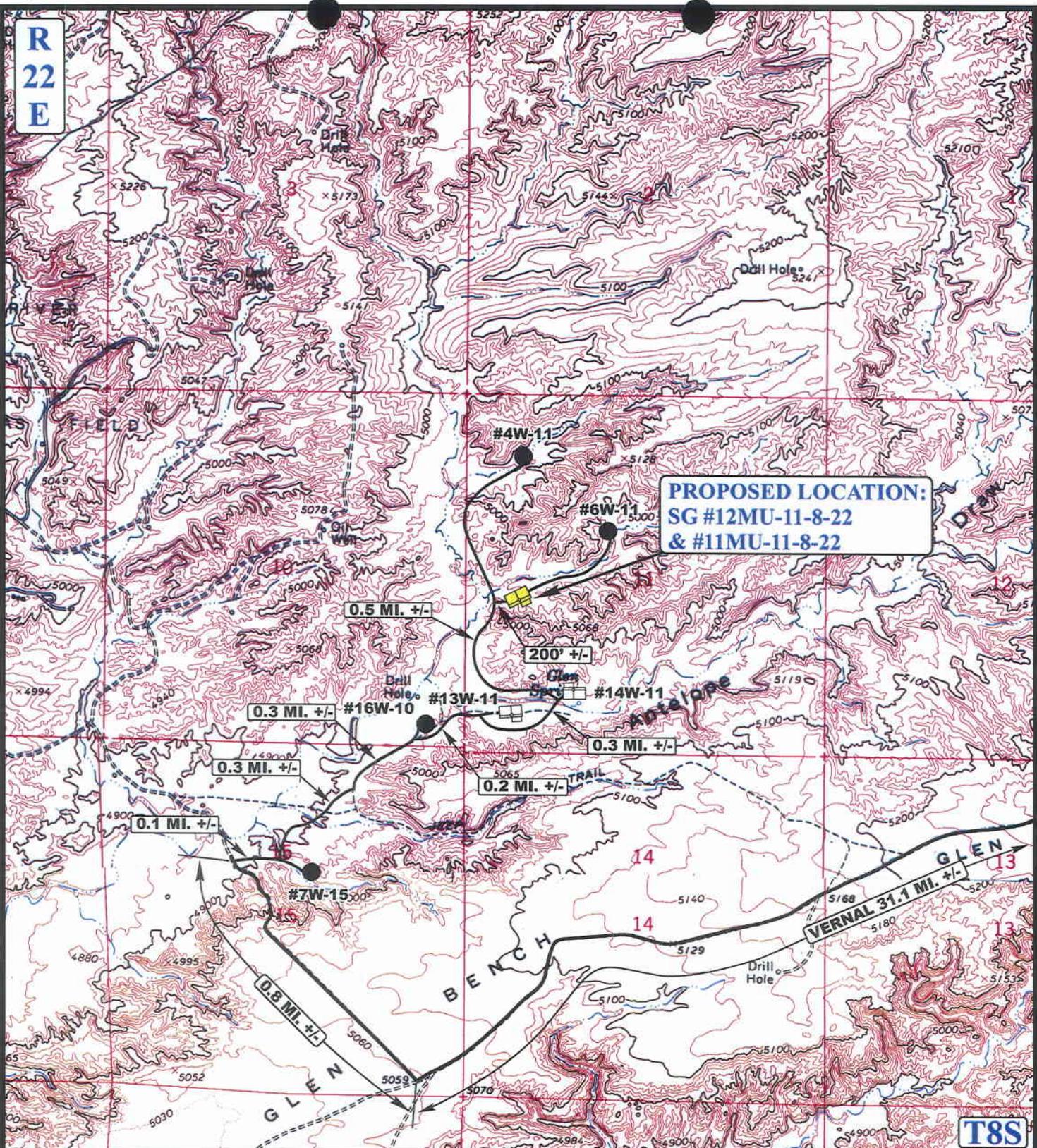
TOPOGRAPHIC
 MAP

2	6	03
MONTH	DAY	YEAR

SCALE: 1:100,000 | DRAWN BY: J.L.G. | REV: 10-25-05 S.L.

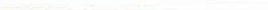


R
22
E



PROPOSED LOCATION:
SG #12MU-11-8-22
& #11MU-11-8-22

LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

QUESTAR EXPLR. & PROD.

SG #12MU-11-8-22 & #11MU-11-8-22
SECTION 11, T8S, R22E, S.L.B.&M.
NW1/4 SW 1/4



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



**TOPOGRAPHIC
MAP**

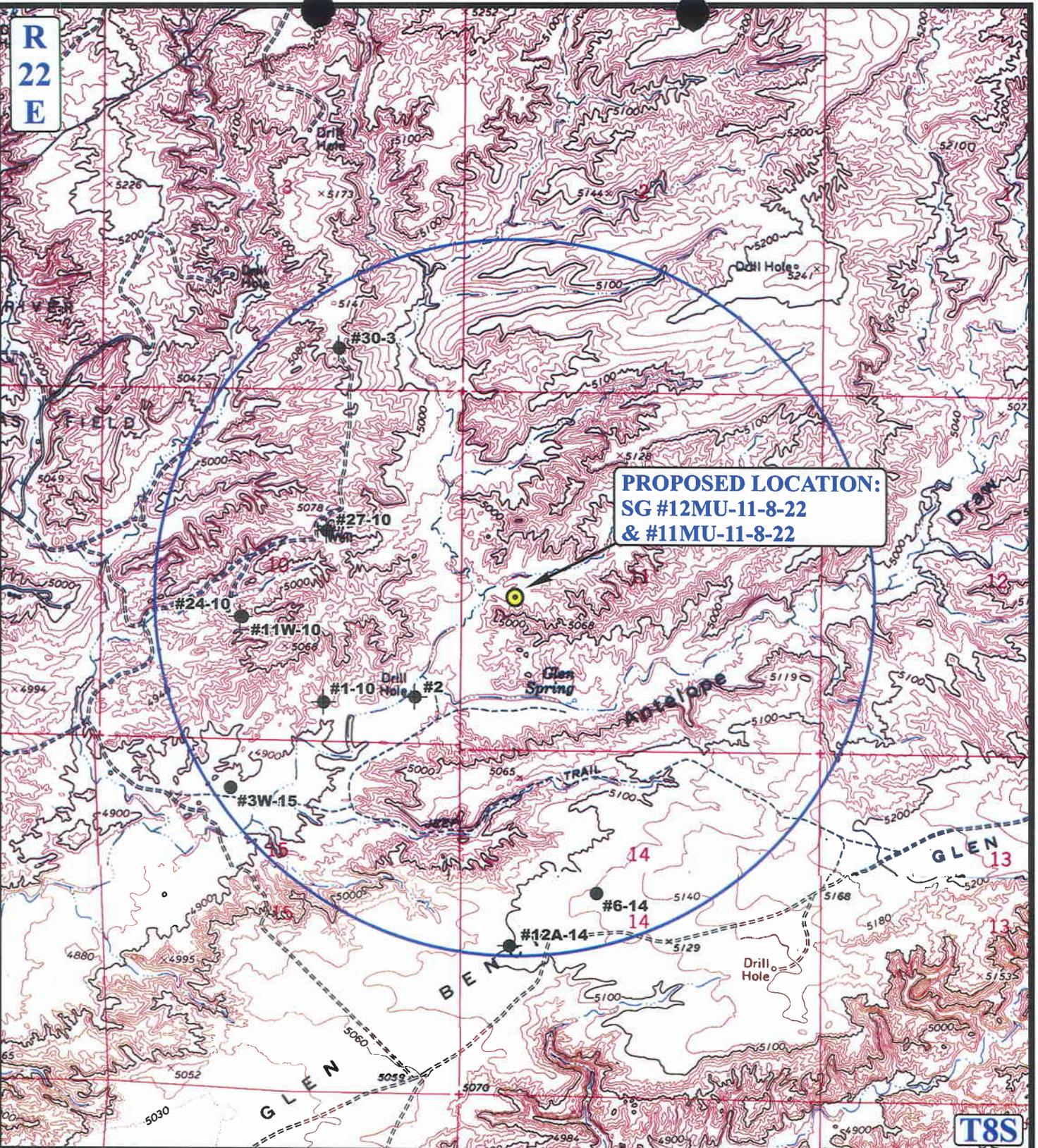
2 6 03
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 1-30-06

**B
TOPO**

T8S

R
22
E



**PROPOSED LOCATION:
SG #12MU-11-8-22
& #11MU-11-8-22**

LEGEND:

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



QUESTAR EXPLR. & PROD.

**SG #12MU-11-8-22 & #11MU-11-8-22
SECTION 11, T8S, R22E, S.L.B.&M.
NW1/4 SW 1/4**



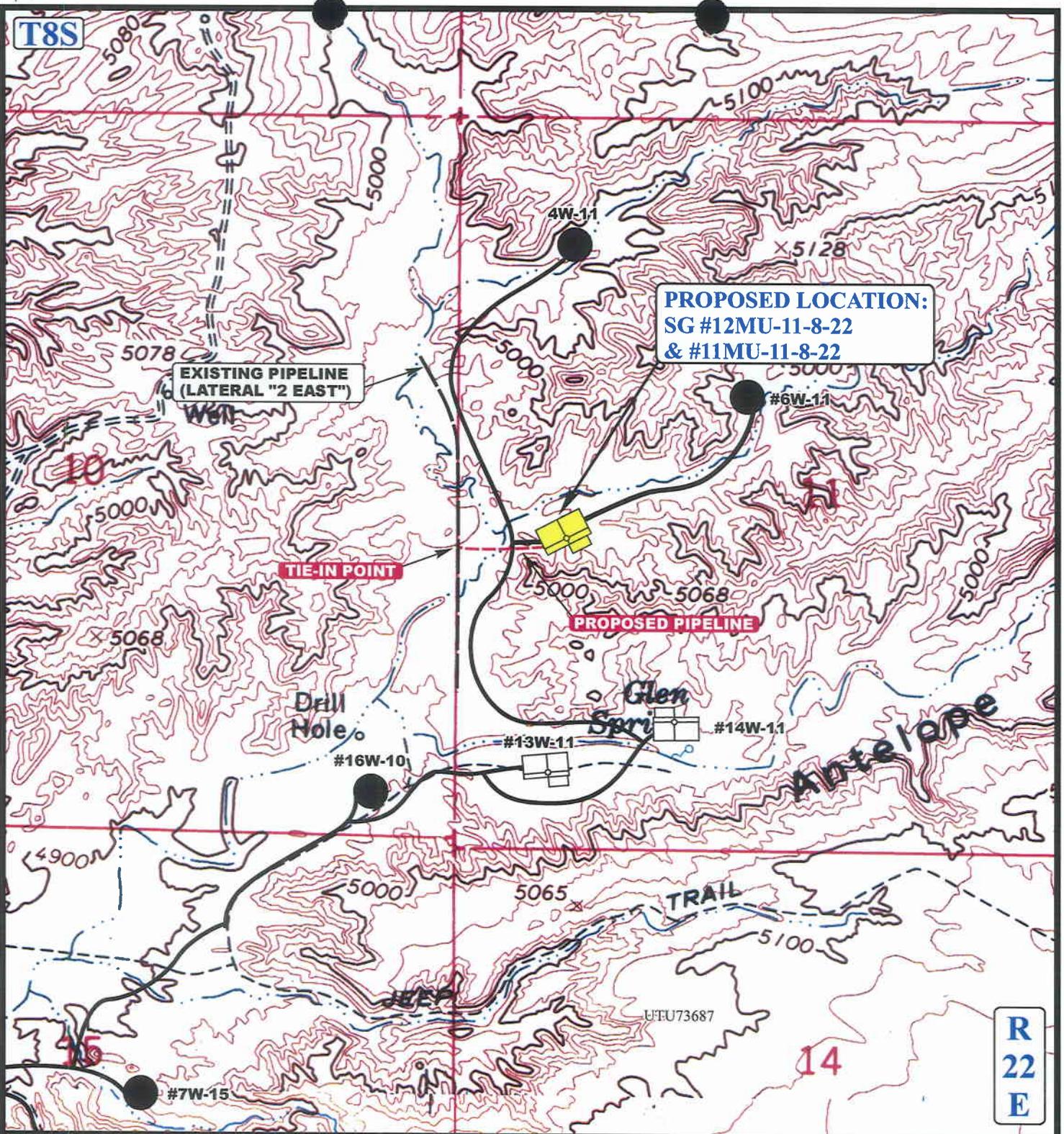
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

2 6 03
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REV: 10-25-05 S.L.





**PROPOSED LOCATION:
SG #12MU-11-8-22
& #11MU-11-8-22**

**EXISTING PIPELINE
(LATERAL "2 EAST")**

TIE-IN POINT

PROPOSED PIPELINE

Drill Hole

Glen Spr

Antelope

TRAIL

**R
22
E**

APPROXIMATE TOTAL PIPELINE DISTANCE = 650' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



QUESTAR EXPLR. & PROD.

**SG #12MU-11-8-22 & #11MU-11-8-22
SECTION 11, T8S, R22E, S.L.B.&M.
NW1/4 SW 1/4**



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

TOPOGRAPHIC MAP
2 6 03
MONTH DAY YEAR
SCALE: 1" = 1000' DRAWN BY: J.L.G. REVISED: 1-30-06



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/31/2006

API NO. ASSIGNED: 43-047-37661

WELL NAME: SG 12MU-11-8-22

OPERATOR: QUESTAR EXPL & PROD CO (N5085)

PHONE NUMBER: 435-781-4323

CONTACT: JAN NELSON

PROPOSED LOCATION:

NWSW 11 080S 220E
 SURFACE: 2251 FSL 0788 FWL
 BOTTOM: 2251 FSL 0788 FWL
 COUNTY: UINTAH
 LATITUDE: 40.13618 LONGITUDE: -109.4132
 UTM SURF EASTINGS: 635188 NORTHINGS: 4443868
 FIELD NAME: KENNEDY WASH (618)

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

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-73687

PROPOSED FORMATION: MVRD

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

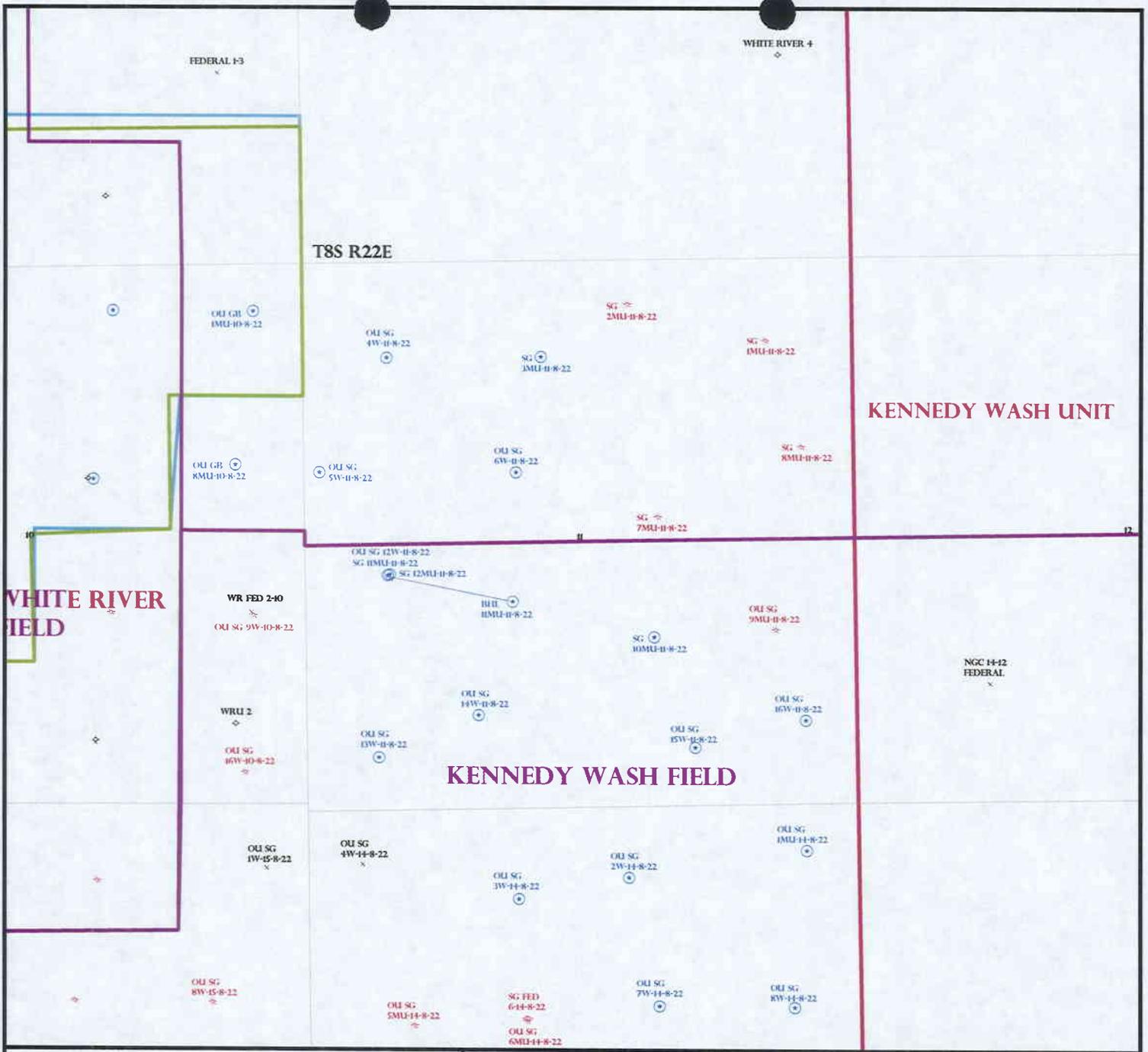
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. ESB000024)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

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: Sep, a Separate file

STIPULATIONS: 1- Federal Approval
2- Spacing WSP



OPERATOR: QUESTAR EXPL & PROD (N2575)
 SEC: 11 T. 8S R. 22E
 FIELD: NATURAL BUTTES (630)
 COUNTY: UINTAH
 SPACING: R649-3-3 / EXCEPTION LOCATION

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: 3-FEBRUARY-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

February 6, 2006

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

Re: SG 12MU-11-8-22 Well, 2251' FSL, 788' FWL, NW SW, Sec. 11, T. 8 South,
R. 22 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-047-37661.

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 SG 12MU-11-8-22
API Number: 43-047-37661
Lease: UTU-73687

Location: NW SW Sec. 11 T. 8 South R. 22 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.

CONFIDENTIAL

SUBMIT IN TRIPLICATE

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

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

RECEIVED

JAN 4 11 2006

OLIVE HUNT, UTAH

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

TYPE OF WORK
 DRILL DEEPEN

TYPE OF WELL
 SINGLE ZONE MULTIPLE ZONE

OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
 QUESTAR EXPLORATION & PRODUCTION COMPANY

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

4. LOCATION OF WELL (Report location clearly and in accordance with and State requirements*)
 At Surface 2251' FSL 788' FWL, NWSW, SECTION 11, T8S, R22E
 At proposed production zone SAME

14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE*
 32 MILES +/- FROM VERNAL, UT

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (also to nearest drig, unit line if any)
 788' +/-

18. DISTANCE FROM PROPOSED location to nearest well, drilling, completed, applied for, on this lease, ft
 2000' +/-

21. ELEVATIONS (Show whether DF, RT, GR, ect.)
 4939.9' GR

24. Attachments

5. LEASE DESIGNATION AND SERIAL NO.
 UTU-73687

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

7. UNIT AGREEMENT NAME
 N/A

8. FARM OR LEASE NAME, WELL NO.
 SG 12MU-11-8-22

9. API WELL NO.
 43-047-37661

10. FIELD AND POOL, OR WILDCAT
 KENNEDY WASH

11. SEC., T, R, M, OR BLK & SURVEY OR AREA
 SEC.11, T8S, R22E, Mer SLB

12. COUNTY OR PARISH 13. STATE
 Uintah UT

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

16. NO. OF ACRES IN LEASE
 1595.48

19. PROPOSED DEPTH
 9250'

20. BLM/BIA Bond No. on file
 ESB000024

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:

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

SIGNED Jan Nelson Name (printed/typed by the Accepted by the DATE 1-29-06
 TITLE Regulatory Affairs **Utah Division of Oil, Gas and Mining**

FOR RECORD ONLY

RECEIVED

NOV 07 2006

DIV. OF OIL, GAS & MINING

PERMIT NO. _____ APPROVAL DATE _____

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

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature] TITLE Assistant Field Manager Lands & Mineral Resources AFM Minerals DATE 10-13-2006

*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

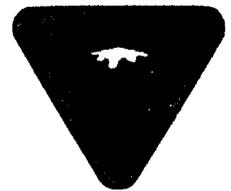
NOTICE OF APPROVAL

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: NWSW, Sec 11, T8S, R22E
Well No: SG 12MU-11-8-22 Lease No: UTU-73687
API No: 43-047- 37661 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.
2. As part of the original conditions of approval, when 12 W-11-8-22 was approved, the Paleontological Resource Report stated “ move bones from access road right-of-way to the east out of the disturbed area.” This was completed when the access road was built to access another well.

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. Oil shall not be used in the water based mud system without prior approval. Written request for approval shall be required.
2. Production casing cement top shall be at a minimum of 200' above the intermediate casing shoe.
3. A CBL 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.



SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73687
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: QEP UINTA BASIN, INC		8. WELL NAME and NUMBER: SG 12MU-11-8-22
3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078		9. API NUMBER: 4304737661
PHONE NUMBER: (435) 781-4032		10. FIELD AND POOL, OR WILDCAT: KENNEDY WASH
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2251' FSL 788' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 11 8S 22E		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"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input 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 SG 12MU-11-8-22.

Approved by the
Utah Division of
Oil, Gas and Mining

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

COPY SENT TO OPERATOR
Date: 2-8-07
Initials: RM

NAME (PLEASE PRINT) <u>Laura Bills</u>	TITLE <u>Regulatory Assistant</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2/1/2007</u>

(This space for State use only)

FEB 05 2007
DIV. OF OIL, GAS AND MINING



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

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

API: 43-047-37661
Well Name: SG 12MU-11-8-22
Location: 2251' FSL 788' FWL, NWSW, SEC. 11, T8S, R22E
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 2/6/2006

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

Janna Bell
Signature

2/1/2007
Date

Title: REGULATORY ASSISTANT

Representing: QEP UINTA BASIN, INC.

FEB 05 2007
 DIV. OF OIL, GAS & MIN.

Form 3160-5
(November 1994)

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-73687

6. If Indian, Allottee or Tribe Name

N/A

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

N/A

8. Well Name and No.

SG 12MU-11-8-22

9. API Well No.

43-047-07661 371661

10. Field and Pool, or Exploratory Area

KENNEDY WASH

11. County or Parish, State

UINTAH

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

11002 East 17500 South, Vernal, UT 84078

3b. Phone No. (include area code)

435-781-4331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2251' FSL 788' FWL, NWSW, SECTION 11, T8S, R22E

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 recomplate 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 SG 12MU-11-8-22.

BLM APD approval date: 10/13/2006.

RECEIVED
AUG 31 2007
DIV. OF OIL, GAS & MINING

RECEIVED
VERNAL FIELD OFFICE
2007 AUG 20 PM 4:34
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

Signature

Date

August 20, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

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: 43-047-37661
Well Name: SG 12MU-11-8-22
Location: 2251' FSL 788' FWL, NWSW, SEC. 11, T8S, R22E
Company Permit Issued to: Questar Exploration & Production Co.
Date Original Permit Issued: 10/13/2006

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

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-73687
Well: SG 12MU-11-8-22
Location: NWSW Sec 11-T8S-R22E

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

1. The extension and APD shall expire on 10/13/08.
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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73687
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: SG 12MU-11-8-22
3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078		9. API NUMBER: 4304737661
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2251' FSL 788' FWL		10. FIELD AND POOL, OR WILDCAT: KENNEDY WASH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 11 8S 22E		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>APD EXTENSION</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

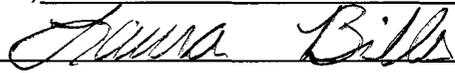
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please be advised that the state APD for the above captioned well will expired on February 7, 2008. Questar Exploration and Production Company respectfully requests a one year extension.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02-07-08
By: 

COPY SENT TO OPERATOR
Date: 2-7-2008
Initials: KS

NAME (PLEASE PRINT) <u>Laura Bills</u>	TITLE <u>Regulatory Affairs</u>
SIGNATURE 	DATE <u>2/4/2008</u>

(This space for State use only)

RECEIVED

FEB 05 2008

CONFIDENTIAL

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: 43-047-37661
Well Name: SG 12MU-11-8-22
Location: 2251' FSL 788' FWL, NWSW, SEC. 11, T8S, R22E
Company Permit Issued to: Questar Exploration & Production Co.
Date Original Permit Issued: 2/6/2006

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

2/4/2008
Date

Title: REGULATORY AFFAIRS

Representing: Questar Exploration & Production Co.

RECEIVED

FEB 05 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 23, 2008

Laura Bills
Questar Exploration & Prod. Co
11002 East 17500 South
Vernal, UT 84078

43 047 37661
SG 12MU-11-8-22
85 22E 11

Re: APDs Rescinded at the request of Questar Exploration & Prod. Co.

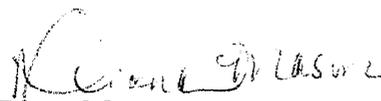
Dear Ms. Bills:

Enclosed find the list of APDs that you requested to be rescinded to Questar Exploration & Production Company. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective October 21, 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
Bureau of Land Management, Vernal



Coy 11ML-14-8-24
Coy 06ML-23-8-24
Coy 05ML-24-8-24
Coy 13ML-24-8-24
Coy 14ML-24-8-24
NBZ 15ML-23-8-24
RWS 13ML-23-9-24
SG 11MU-11-8-22
SG 12MU-11-8-22



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 37661
Re: Notice of Expiration
Well No. SG 12MU-11-8-22
NWSW, Sec. 11, T8S, R22E
Uintah County, Utah
Lease No. UTU-73687

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on October 13, 2006. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until October 13, 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

RECEIVED

JAN 14 2009

DIV. OF OIL, GAS & MINING