

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

FORM 3

AMENDED REPORT   
(highlight changes)

**APPLICATION FOR PERMIT TO DRILL**

|  |  |  |   |
|--|--|--|---|
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>   |  | 5. MINERAL LEASE NO:<br>ML-47953                                   | 6. SURFACE:<br>State                              |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> |  | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME:                              |   |
| 2. NAME OF OPERATOR:<br>The Houston Exploration Company  |  | 8. UNIT or CA AGREEMENT NAME:                                      |   |
| 3. ADDRESS OF OPERATOR:<br>1100 Louisiana, Suite 20 CITY Houston STATE TX ZIP 77002  |  | PHONE NUMBER:<br>(713) 830-6800                                    | 9. WELL NAME and NUMBER:<br>East Coyote 12-2-8-25 |
| 4. LOCATION OF WELL (FOOTAGES)<br>AT SURFACE: 2,111' FSL & 643' FWL UTMX 663992X 40.150014<br>AT PROPOSED PRODUCING ZONE: Same as above UTM Y 4445974Y -109.074709                       |  | 10. FIELD AND POOL, OR WILDCAT:<br><del>Undesignated</del> Wildcat |   |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:<br>37.6 miles south of Vernal, UT  |  | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:<br>NWSW 2 T8S 25E | 12. COUNTY:<br>Uintah                             |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)<br>643'  | 16. NUMBER OF ACRES IN LEASE:<br>640               | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL:<br>40                   |   |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)<br>2,000'  | 19. PROPOSED DEPTH:<br>7,200                       | 20. BOND DESCRIPTION:<br>104155044                                 |   |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):<br>5,612' GR   | 22. APPROXIMATE DATE WORK WILL START:<br>5/15/2006 | 23. ESTIMATED DURATION:<br>30 Days                                 |   |

**PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT |         |                      |
|--------------|---|---------------|---|---------|----------------------|
| 11"          | 8 5/8" J-55 36#                         | 1,300         | Premium Lite #5                                 | 87 sks  | 3.82cuft/sk 11.0 PPG |
|              |   | 2,000         | Premium Lite #5                                 | 151 sks | 1.18cuft/sk 15.6 PPG |
| 7 7/8        | 4 1/2 N-80 11.6#                        | 4,000         | Premium Lite #5                                 | 179 sks | 3.82cuft/sk 11.0 PPG |
|              |   | 7,200         | Premium Lite #5                                 | 541 sks | 1.18cuft/sk 15.6 PPG |
|              |   |               |   |         |                      |
|              |   |               |   |         |                      |

**ATTACHMENTS**

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

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER     | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) William A. Ryan TITLE Agent  
SIGNATURE William A. Ryan DATE 2/15/2006

(This space for State use only)

API NUMBER ASSIGNED: 4304737886

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

Date: 07-16-06  
By: [Signature]  
(See Instructions on Reverse Side)

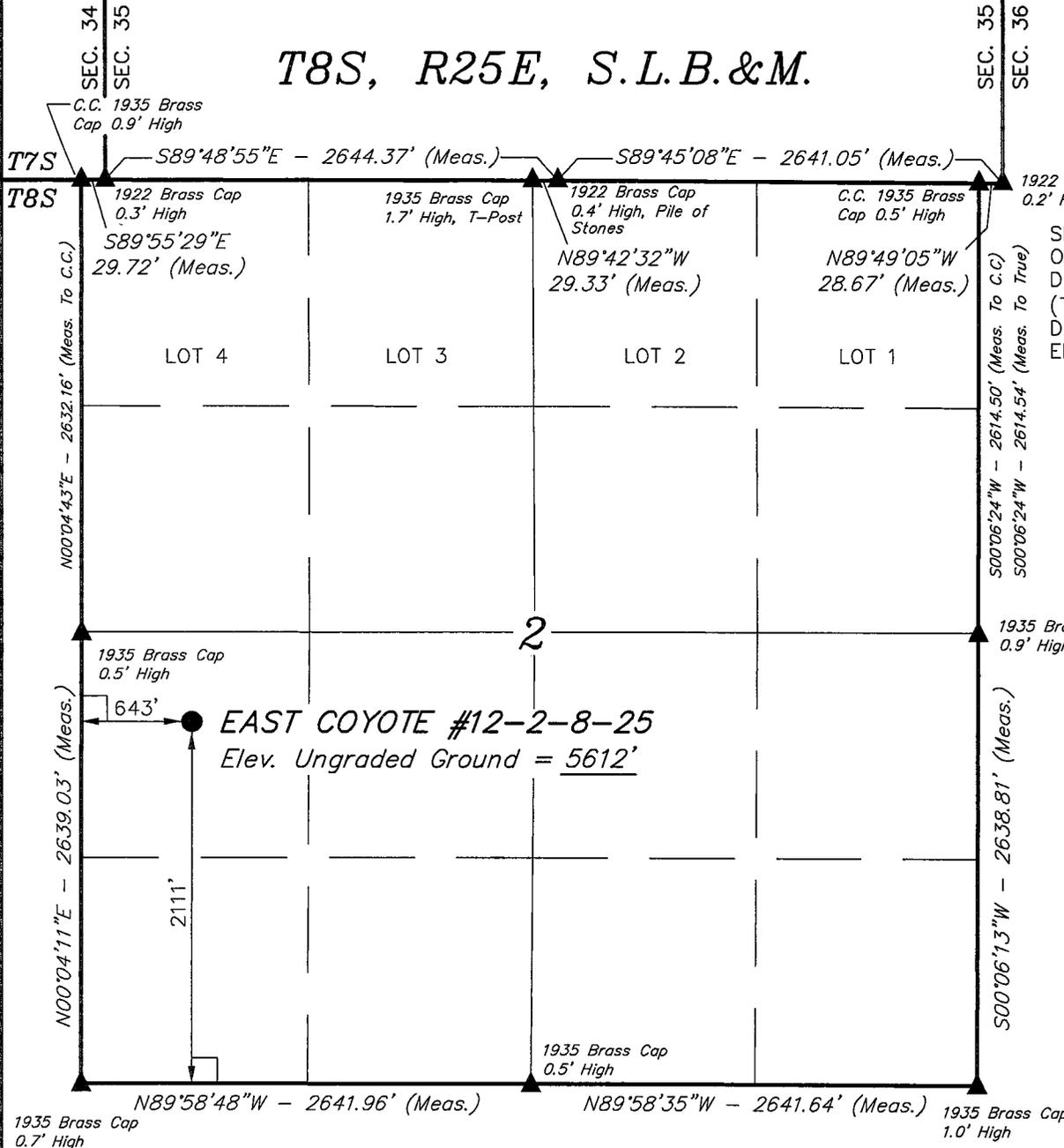
**RECEIVED**  
**MAR 09 2006**

DIV. OF OIL, GAS & MINING

# T8S, R25E, S.L.B.&M.

## THE HOUSTON EXPLORATION COMPANY

Well location, EAST COYOTE #12-2-8-25, located as shown in the NW 1/4 SW 1/4 of Section 2, T8S, R25E, S.L.B.&M. Uintah County, Utah.

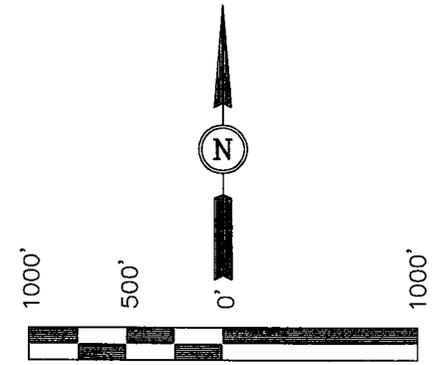


### BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE NORTHEAST CLOSING CORNER OF SECTION 1, T8S, R25E, S.L.B.&M. TAKEN FROM THE DINOSAUR, QUADRANGLE, UTAH-COLORADO, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5787 FEET.

### BASIS OF BEARINGS

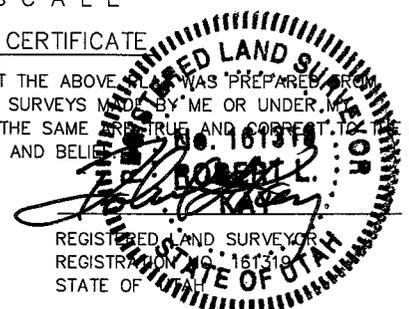
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



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.



### LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.
- = TRUE POSITION.

(AUTONOMOUS NAD 83)  
 LATITUDE = 40°08'59.94" (40.149983)  
 LONGITUDE = 109°04'31.34" (109.075372)  
 (AUTONOMOUS NAD 27)  
 LATITUDE = 40°09'00.06" (40.150017)  
 LONGITUDE = 109°04'28.92" (109.074700)

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

|                           |   |                           |
|---------------------------|---|---------------------------|
| SCALE<br>1" = 1000'       | DATE SURVEYED:<br>11-07-05              | DATE DRAWN:<br>11-18-05   |
| PARTY<br>N.H. D.S. E.C.O. |   | REFERENCES<br>G.L.O. PLAT |
| WEATHER<br>COOL           | FILE<br>THE HOUSTON EXPLORATION COMPANY |                           |

## Ten Point Plan

### The Houston Exploration Company

#### East Coyote 12-2-8-25

Surface Location NW ¼ SW ¼, Section 2, T. 8S., R. 25E.

#### 1. Surface Formation

##### Duchesne

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

| <u>Formation</u> | <u>Depth</u> | <u>Datum</u> |
|------------------|--------------|--------------|
| Duchesne         | Surface      | +5,612' G.L. |
| Green River      | 1,300'       | +4,312       |
| Wasatch          | 4,200'       | +1,412'      |
| Mesaverde        | 6,200'       | -588'        |
| TD               | 7,200'       | -1,588'      |

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

#### 3. Producing Formation Depth:

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

Off Set Well information:

Proposed Well:

East Coyote #3-2-8-25  
East Coyote #4-2-8-25  
East Coyote #6-2-8-25  
East Coyote #8-2-8-25  
East Coyote #10-2-8-25  
East Coyote #14-2-8-25  
East Coyote #16-2-8-25

4. **Proposed Casing:**

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

**Cement Program:**

**Cement volume = Gauge hole + 25%**

**The Surface Casing will be cemented from 2000' to the Surface as follows:**

| <u>Casing Size</u>    | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u>     | <u>Cement Weight</u> |
|-----------------------|--------------------|-----------------------|-------------------------|----------------------|
| Conductor: 0' - 40'   |                    |                       |                         |                      |
| 14"                   | Premium "5"        | 35 sks. +/-           | 1.18ft <sup>3</sup> /sk | 15.6 ppg             |
| Lead: 0' - 1,300'     |                    |                       |                         |                      |
| 8 5/8"                | Premium "5"        | 87 sks. +/-           | 3.82ft <sup>3</sup> /sk | 11.0 ppg             |
| Tail: 1,300' - 2,000' |                    |                       |                         |                      |
| 8 5/8"                | Premium "5"        | 151 sks. +/-          | 1.18ft <sup>3</sup> /sk | 15.6 ppg             |

NOTE:

Cement top for tail = Trona + 200'

**Production casing will be cemented to 200' inside surface casing or higher as follows:**

| <u>Casing Size</u>    | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u>     | <u>Cement Weight</u> |
|-----------------------|--------------------|-----------------------|-------------------------|----------------------|
| Lead: 1,800' - 4,000' |                    |                       |                         |                      |
| 4 1/2"                | Premium "5"        | 179 sks +/-           | 3.82ft <sup>3</sup> /sk | 11.0 ppg             |
| Tail: 4,000' - TD     |                    |                       |                         |                      |
| 4 1/2"                | Premium "5"        | 541 sks +/-           | 1.18ft <sup>3</sup> /sk | 15.6 ppg             |

NOTE:

Cement top for tail = Wasatch + 200'

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

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

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

**6. Mud Program:**

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

**7. Auxiliary Equipment**

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

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

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

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

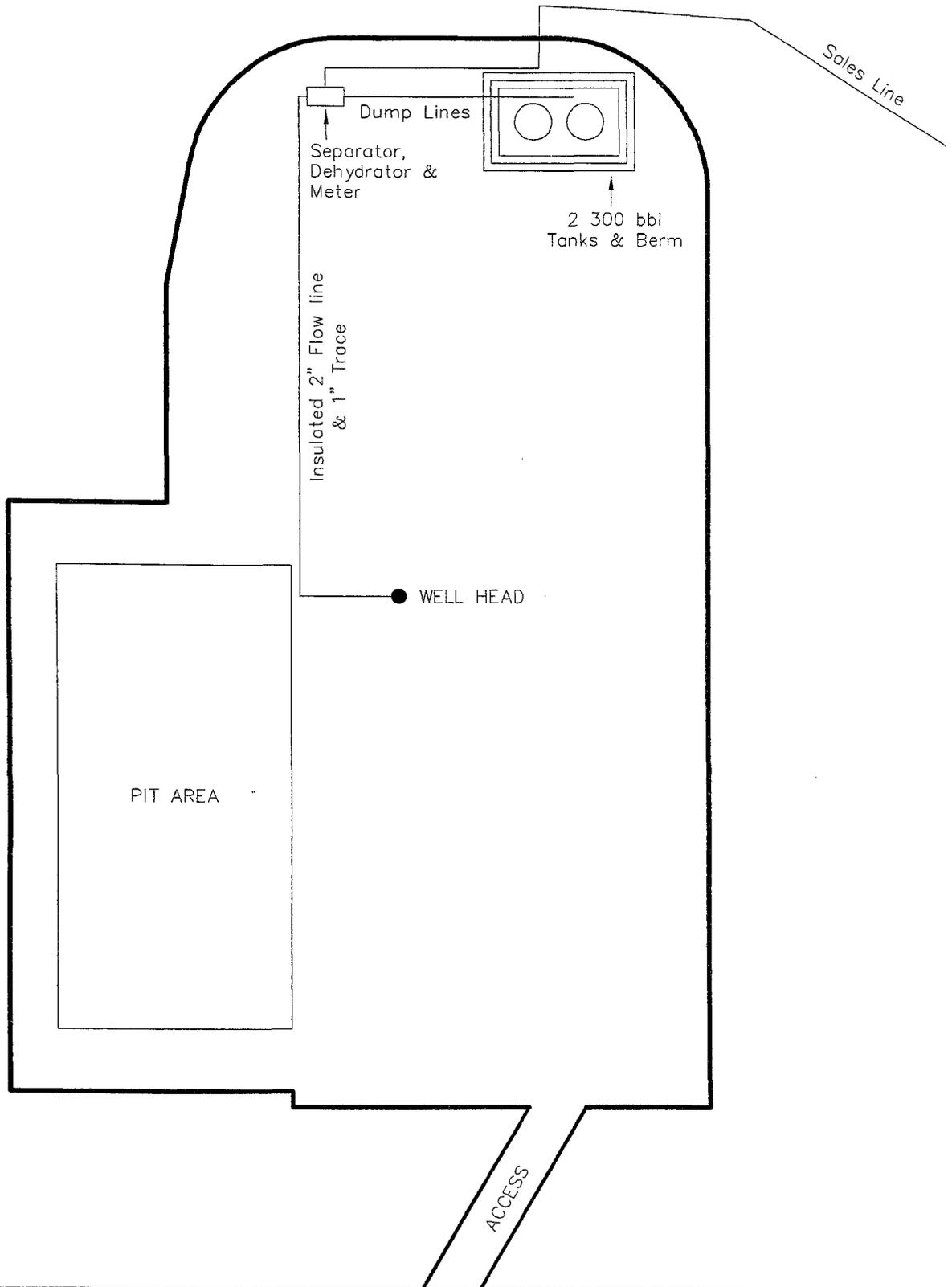
**9. Abnormalities (including sour gas):**

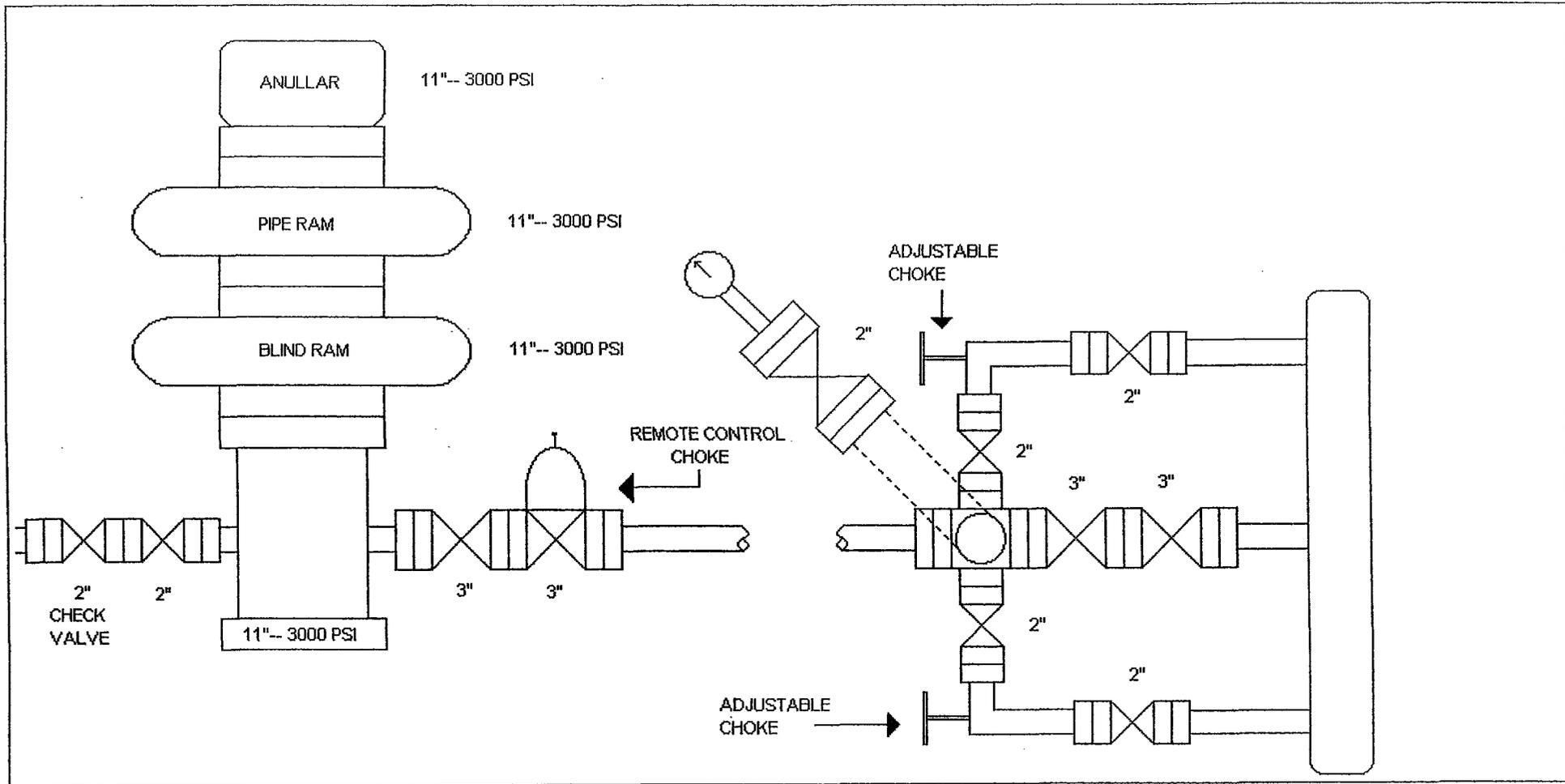
No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H2S.

**10. Drilling Schedule:**

The anticipated starting date is 05/15/2006 Duration of operations is expected to be 30 days.

# TYPICAL PRODUCTION LAYOUT





**THE HOUSTON EXPLORATION COMPANY**

**13 POINT SURFACE USE PLAN**

**FOR WELL**

**EAST COYOTE 12-2-8-25**

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

**SECTION 2, T.8S, R25E, S.L.B.&M.**

**UINTAH COUNTY, UTAH**

**LEASE NUMBER: ML-47953**

**SURFACE OWNERSHIP: STATE**

1. Existing Roads:

**The Houston Exploration Company  
East Coyote 12-2-8-25  
Section 2, T8S, R 25E**

**Starting in Vernal, Utah: proceed in an easterly, then southerly, then southeasterly direction from Vernal, Utah along U.S. Highway 40 approximately 26.9 miles to the junction of County Road #329 to the south; turn right and proceed in a southerly, then southeasterly direction approximately 8.3 miles to the junction of this road and an existing road to the southwest; turn right and proceed in a southwesterly direction approximately 2.0 miles to the beginning of the proposed access road for the #6-2-8-25 to the south; follow road flags in a southerly direction approximately 0.3 miles to the #6-2-8-25 and the beginning of the proposed access for the #8-2-8-25 to the southeast; follow road flags in a southeasterly direction approximately 0.1 miles to the beginning of the proposed access to the southwest; follow road flags in a southwesterly direction approximately 0.3 miles to the proposed location.**

**Total distance from Vernal, Utah to the proposed well location is approximately 37.6 miles.**

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

2. Planned access road

**The proposed access road will be approximately 1584' +/- of new construction on lease. The road will be graded once per year minimum and maintained.**

- A) Approximate length        1584 ft
- B) Right of Way width        30 ft
- C) Running surface            18 ft
- D) Surface material        Native soil
- E) Maximum grade            8%
- F) Fence crossing            None
- G) Culvert                    None
- H) Turnouts                  None
- I) Major cuts and fills        None
- J) Road Flagged              Yes
- K) Access road surface ownership        State
- L) All new construction on lease        Yes
- M) Pipe line crossing        None
- N) Staging Areas              None

Please see the attached location plat for additional details.

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

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

3. Location of existing wells

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

- A) Producing well            None
- B) Water well                None
- C) Abandoned well        None
- D) Temp. abandoned well    None

- E) Disposal well None
- F) Drilling /Permitted well None
  - East Coyote 3-2-8-25
  - East Coyote 6-2-8-25
  - East Coyote 8-2-8-24
  - East Coyote 4-2-8-25
  - East Coyote 10-2-8-25
  - East Coyote 14-2-8-25
  - East Coyote 16-2-8-25
- G) Shut in wells None
- H) Injection well None
- I) Monitoring or observation well None

Please see the attached map for additional details.

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

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

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

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

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

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

**Approximately 2,117 of 3" steel surface gas gathering line would be constructed on State Lands. The line will tie into the proposed pipeline in Section 2, T8S, R25E. The pipeline would be strung and boomed to the northeast of the location and parallel to the access road. The pipeline may be buried as determined by the Authorized Officer at the onsite.**

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

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

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

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the

meter calibration report will be submitted to the State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

**Water for drilling and cementing and drilling will come from the Green River at the Jensen bridge: Permit # T76203.**

6. Source of construction materials

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

7. Methods for handling waste disposal

A) Pit construction and liners:

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

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to

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

B) Produced fluids:

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

C) Garbage:

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

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

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

8. Ancillary facilities

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

9. Well-site layout

Location dimensions are as follows:

- A) Pad length                    345 ft.
- B) Pad width                    245 ft.
- C) Pit depth                    12 ft.
- D) Pit length                   150 ft.
- E) Pit width                    75 ft.
- F) Max cut                     22.1 ft.
- G) Max fill                     7.1 ft.
- H) Total cut yds.            12,160 cu yds
- I) Pit location                West end
- J) Top soil location  
   Southeast end
- K) Access road location  
   Northeast end
- L) Flare Pit                     Corner C

Please see the attached location diagram for additional details.

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

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire.

Total height of the fence shall be at least 42 inches.

- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,750 cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. **The unused portion of the location (the area outside the dead men) will be re-contoured.**

The dirt contractor will be provided with an approved copy of the

surface use plan prior to construction activities.

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

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

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

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

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

A) Seeding dates:

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

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

B) Seed Mix

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

11. Surface ownership:

|                    |              |
|--------------------|--------------|
| <b>Access road</b> | <b>State</b> |
| <b>Location</b>    | <b>State</b> |
| <b>Pipe line</b>   | <b>State</b> |

12. Other information:

A) Vegetation

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

B) Dwellings:

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

C) Archeology:

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

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

At least twenty-four (24) hours prior to initial pressure tests.

- f) First production notice  
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

D) Water:

**The nearest water is the Coyote Wash located 2.5 miles to the West.**

E) Chemicals:

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

F) Notification:

- a) Location Construction  
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion  
Prior to moving on the drilling rig.
- c) Spud notice  
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing  
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests

G) Flare pit:

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

13. Lessees or Operator's representative and certification

A) Representative

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

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

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

furnished to the field representative to ensure compliance.

**Onsite Dates:**

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

**B) Certification:**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by The Houston Exploration Company and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date 2/15/04

  
William A. Ryan, Agent  
Rocky Mountain Consulting

### Statement of use of Hazardous Materials

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

If you require additional information please contact:

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

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

# THE HOUSTON EXPLORATION COMPANY

**EAST COYOTE #12-2-8-25**

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 2, T8S, R25E, S.L.B.&M.

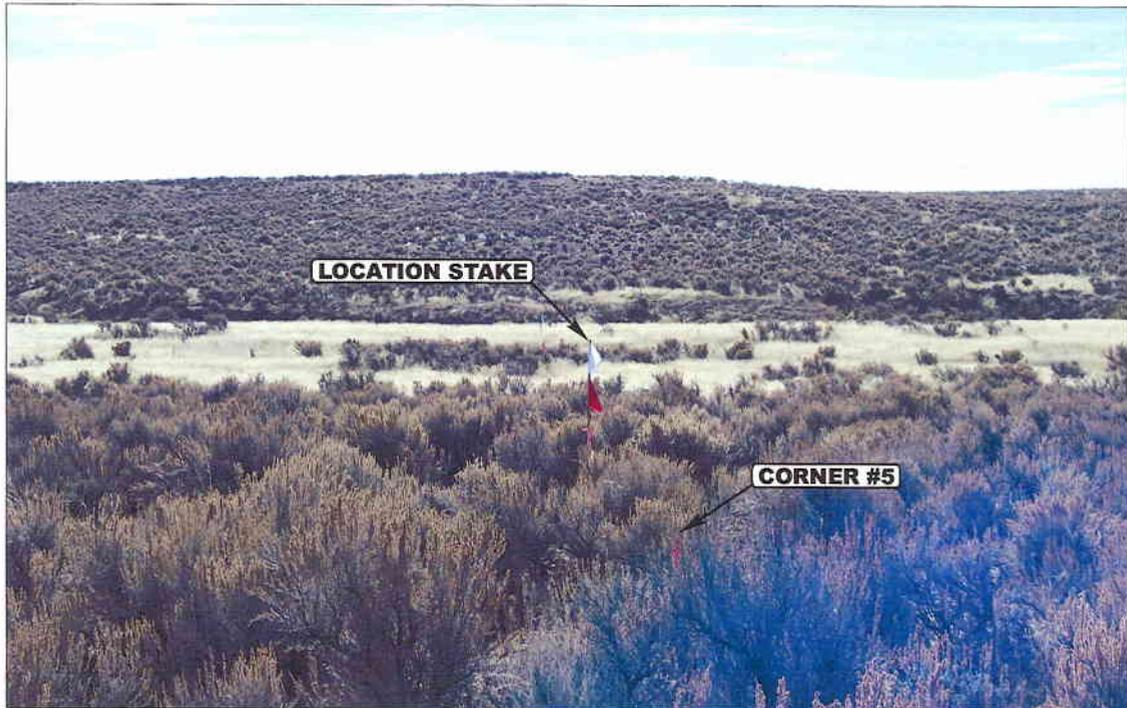


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

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

**LOCATION PHOTOS**

**11 15 05**  
MONTH DAY YEAR

**PHOTO**

TAKEN BY: N.H.

DRAWN BY: S.L.

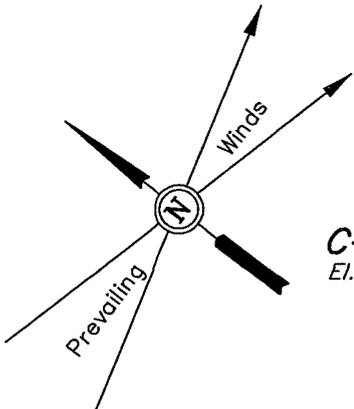
REVISED: 11-28-05

THE HOUSTON EXPLORATION COMPANY

LOCATION LAYOUT FOR

EAST COYOTE #12-2-8-25  
SECTION 2, T8S, R25E, S.L.B.&M.  
2111' FSL 643' FWL

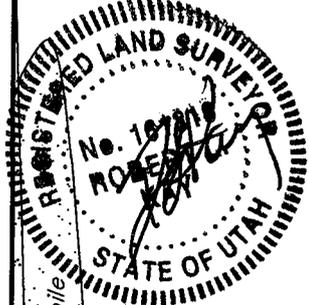
Proposed Access Road



SCALE: 1" = 50'  
DATE: 11-18-05  
DRAWN BY: E.C.O.

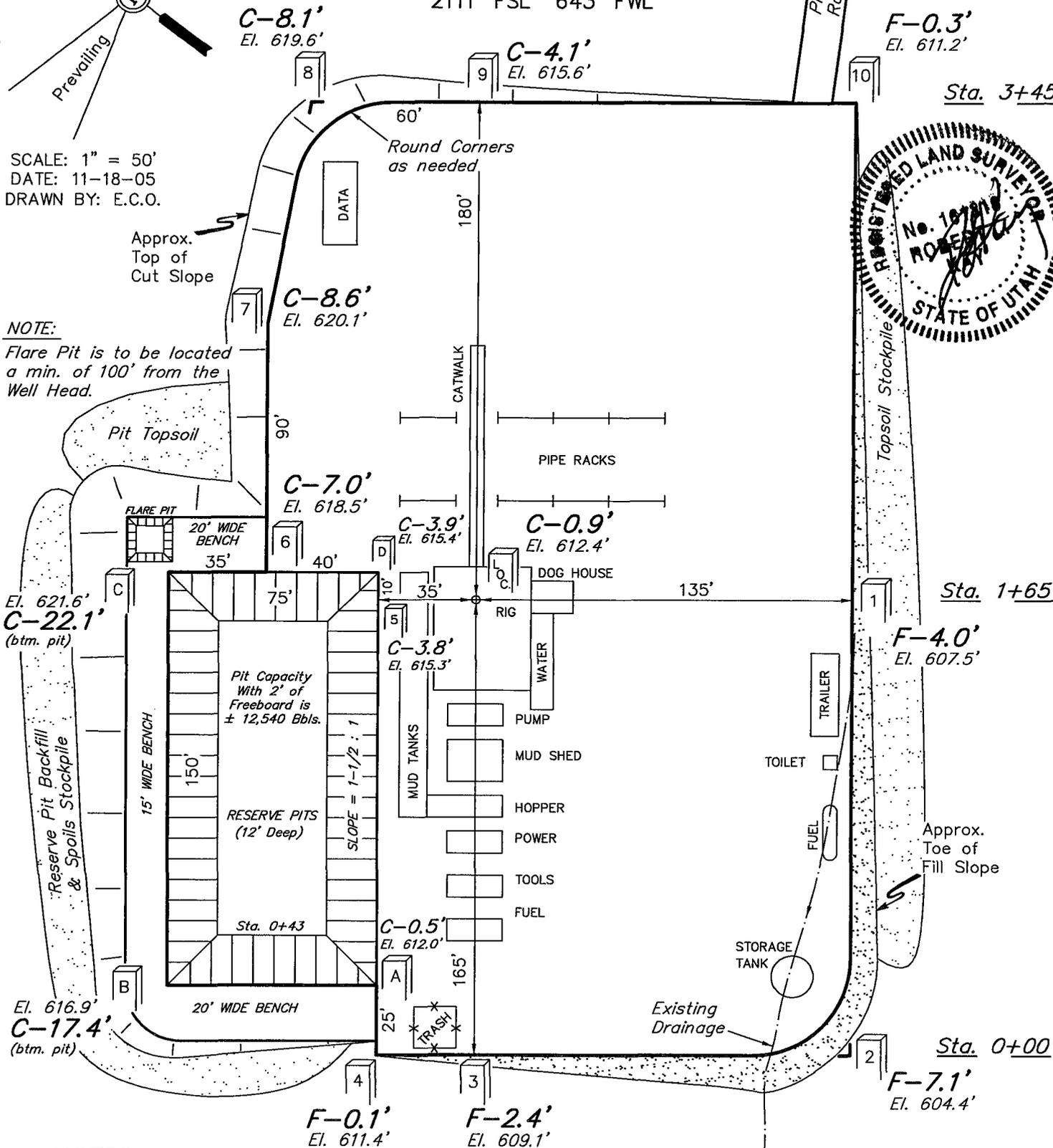
F-0.3'  
El. 611.2'

Sta. 3+45



NOTE:

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5612.4'

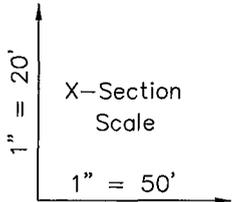
FINISHED GRADE ELEV. AT LOC. STAKE = 5611.5'

FIGURE #1

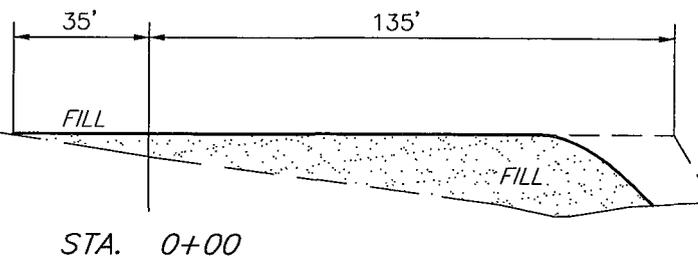
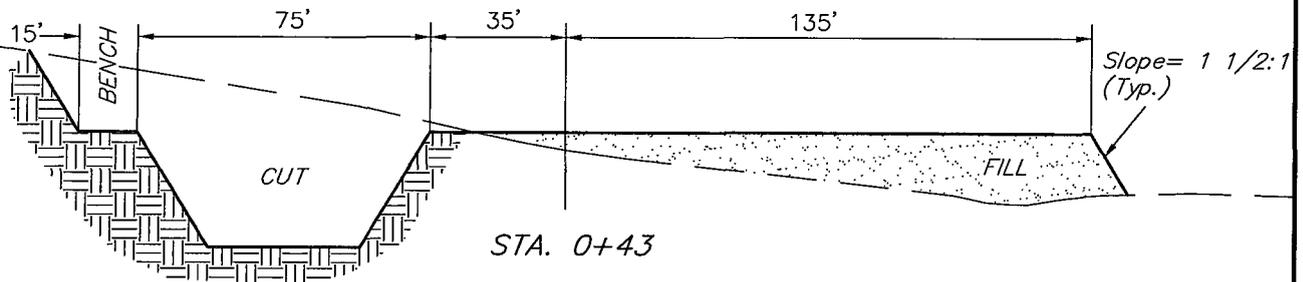
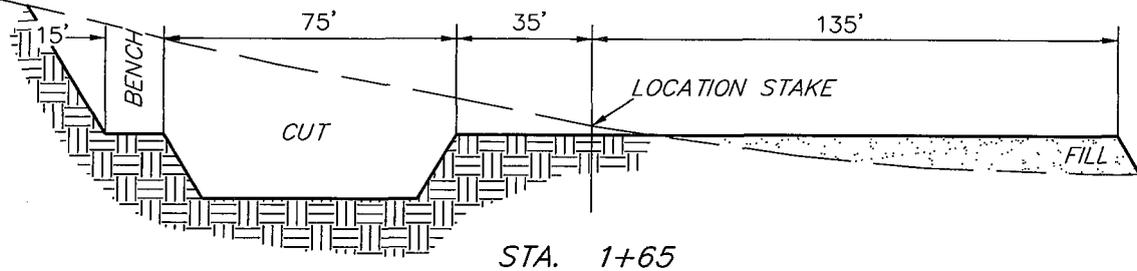
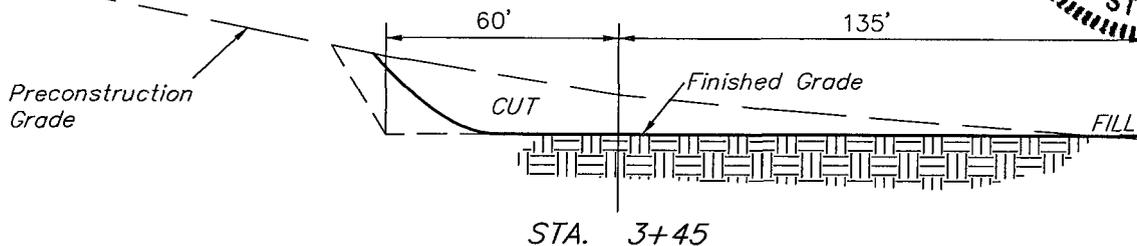
# THE HOUSTON EXPLORATION COMPANY

## TYPICAL CROSS SECTIONS FOR

EAST COYOTE #12-2-8-25  
SECTION 2, T8S, R25E, S.L.B.&M.  
2111' FSL 643' FWL



DATE: 11-18-05  
DRAWN BY: E.C.O.



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

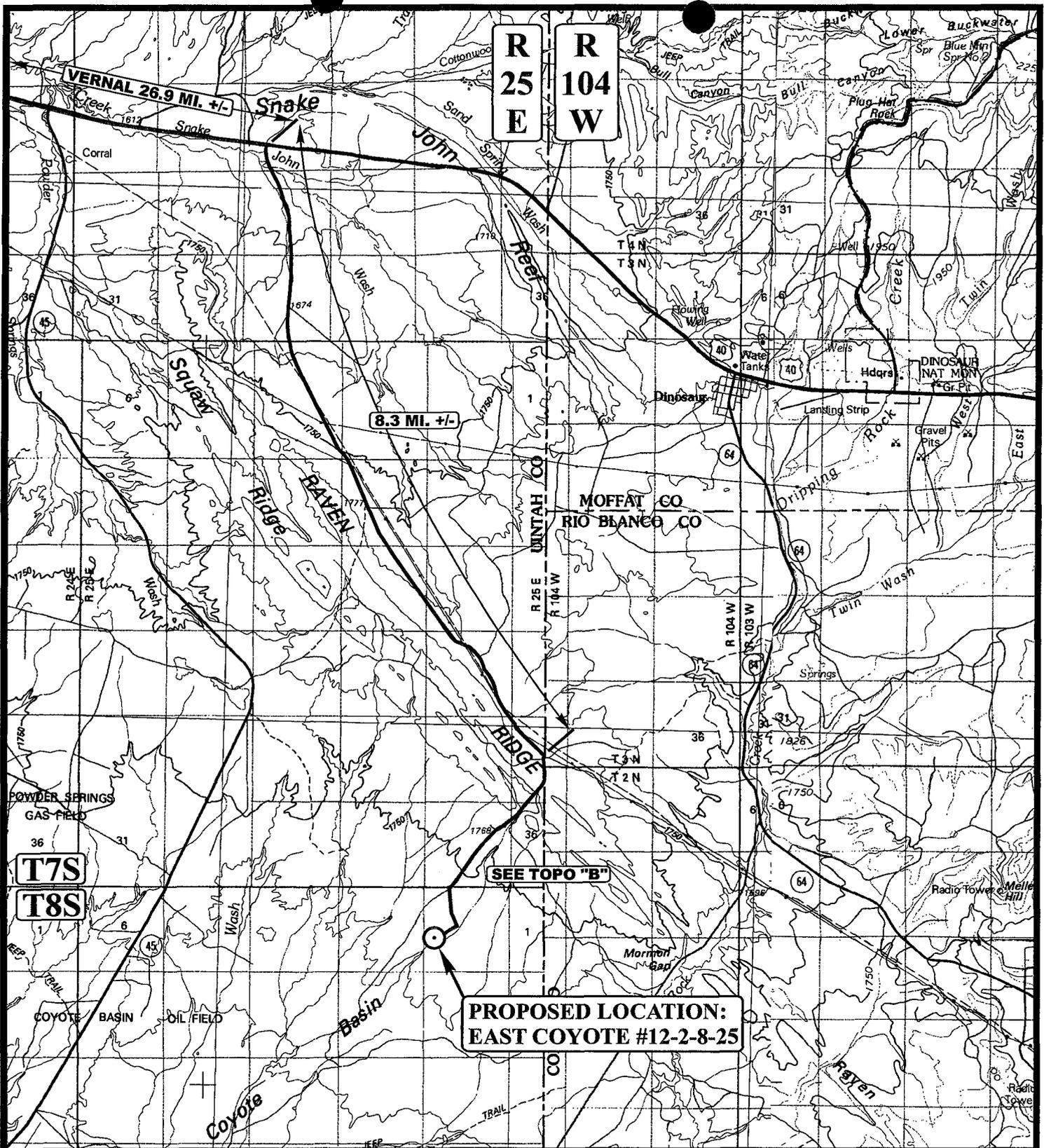
\* NOTE:  
FILL QUANTITY INCLUDES 5% FOR COMPACTION

**FIGURE #2**

### APPROXIMATE YARDAGES

|                        |                         |
|------------------------|-------------------------|
| CUT                    |                         |
| (6") Topsoil Stripping | = 1,750 Cu. Yds.        |
| Remaining Location     | = 10,410 Cu. Yds.       |
| <b>TOTAL CUT</b>       | <b>= 12,160 CU.YDS.</b> |
| <b>FILL</b>            | <b>= 5,490 CU.YDS.</b>  |

|   |                  |
|---|------------------|
| EXCESS MATERIAL                         | = 6,670 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.)   | = 3,450 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 3,220 Cu. Yds. |



**LEGEND:**

○ PROPOSED LOCATION



**THE HOUSTON EXPLORATION COMPANY**

**EAST COYOTE #12-2-8-25**  
**SECTION 2, T8S, R25E, S.L.B.&M.**  
**2111' FSL 643' FWL**

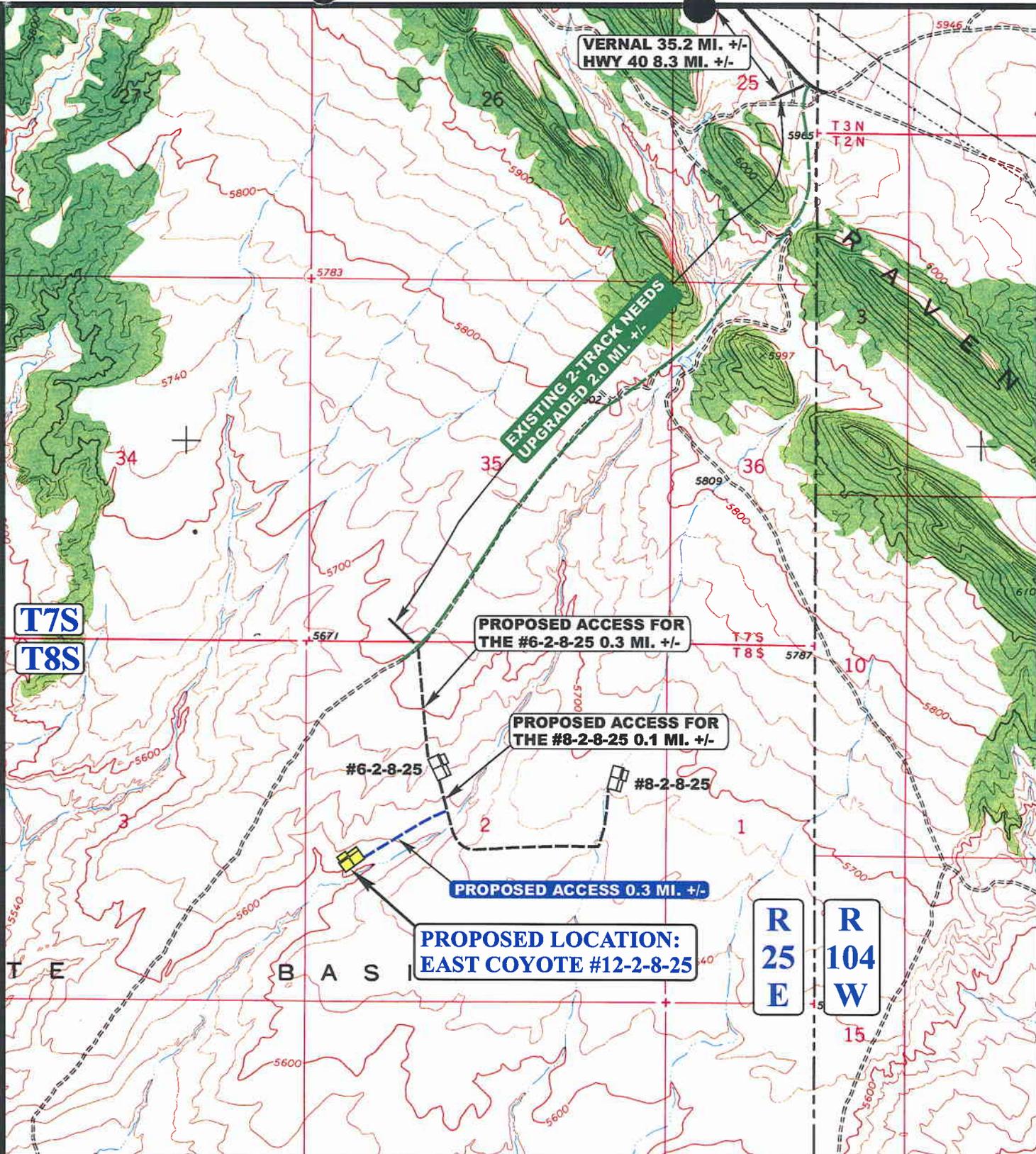


**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 11 15 05  
**MAP** MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: S.L. REVISED: 11-28-05





**LEGEND:**

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

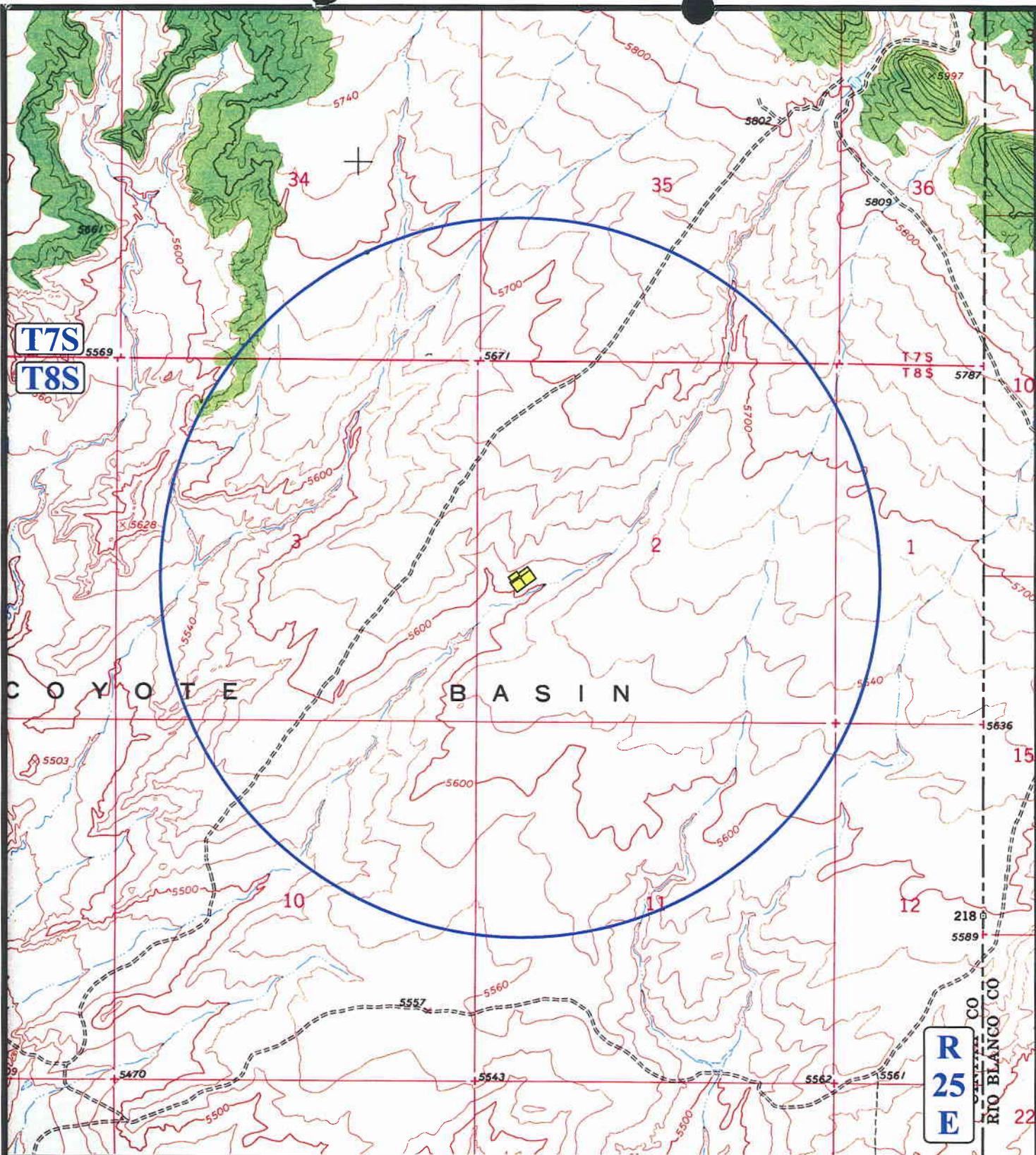


**THE HOUSTON EXPLORATION COMPANY**

**EAST COYOTE #12-2-8-25**  
**SECTION 2, T8S, R25E, S.L.B.&M.**  
**2111' FSL 643' FWL**

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

**TOPOGRAPHIC MAP** 11 15 05  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: S.L. REVISED: 11-28-05 **B TOPO**



**LEGEND:**

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

**THE HOUSTON EXPLORATION COMPANY**

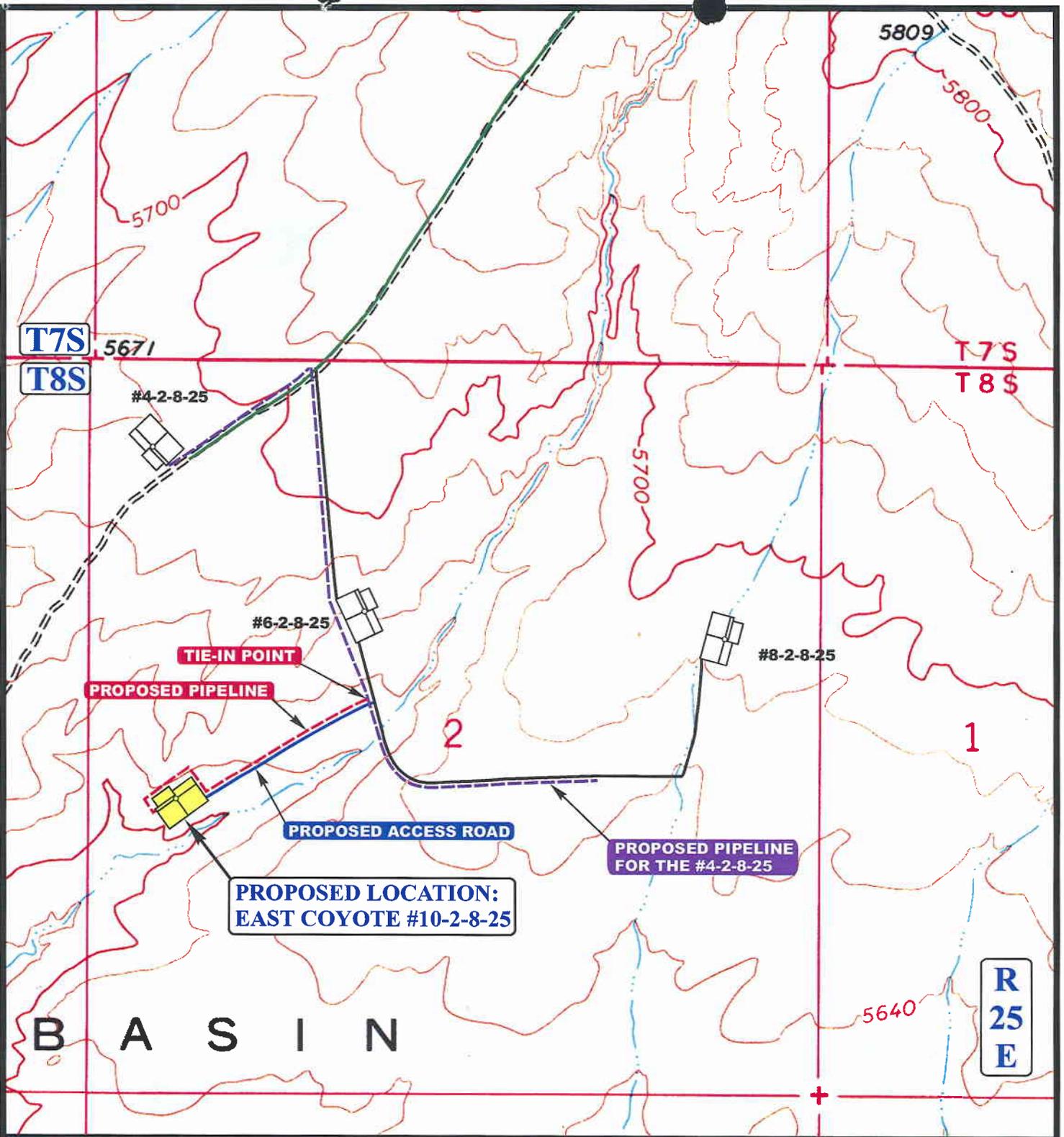
**EAST COYOTE #12-2-8-25  
SECTION 2, T8S, R25E, S.L.B.&M.  
2111' FSL 643' FWL**

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



**TOPOGRAPHIC** 11 15 05  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: S.L. REVISED: 11-28-05





**APPROXIMATE TOTAL PIPELINE DISTANCE = 2117' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - PROPOSED PIPELINE
- - - - PROPOSED PIPELINE (SERVICING OTHER WELLS)



**THE HOUSTON EXPLORATION COMPANY**

**EAST COYOTE #12-2-8-25  
SECTION 2, T8S, R25E, S.L.B.&M.  
2111' FSL 643' FWL**



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

**TOPOGRAPHIC** 11 15 05  
**MAP** MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: S.L. REVISED: 11-28-05



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 03/09/2006

API NO. ASSIGNED: 43-047-37886

WELL NAME: E COYOTE 12-2-8-25  
 OPERATOR: HOUSTON EXPLORATION CO, ( N2525 )  
 CONTACT: WILLIAM RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

NSW 02 080S 250E  
 SURFACE: 2111 FSL 0643 FWL  
 BOTTOM: 2111 FSL 0643 FWL  
 COUNTY: UINTAH  
 LATITUDE: 40.15001 LONGITUDE: -109.0747  
 UTM SURF EASTINGS: 663992 NORTHINGS: 4445974  
 FIELD NAME: WILDCAT ( 1 )

| INSPECT LOCATN BY: / / |          |        |
|------------------------|----------|--------|
| Tech Review            | Initials | Date   |
| Engineering            | DKD      | 4/5/06 |
| Geology                |          |        |
| Surface                |          |        |

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-47953  
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: MVRD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 104155044 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. T76203 )
- RDCC Review (Y/N)  
(Date: 03/28/2006 )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS:

Needs Presti (03-21-06)

STIPULATIONS:

- 1- Spacing Strip
- 2- STATEMENT OF BASIS
- 3- Surface (sg) Cont Strip

T7S R25E

T8S R25E

E COYOTE 4-2-8-25

E COYOTE 3-2-8-25

E COYOTE 6-2-8-25

E COYOTE 8-2-8-25

E COYOTE 12-2-8-25

E COYOTE 10-2-8-25

E COYOTE 14-2-8-25

E COYOTE 16-2-8-25

OPERATOR: THE HOUTON EXPL & CO (N2525)

SEC: 2 T. 8S R. 25E

FIELD: WILDCAT (001)

COUNTY: UINTAH

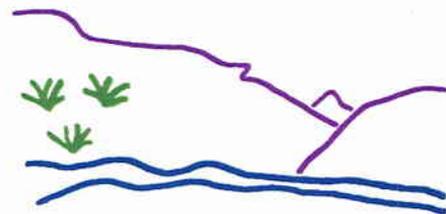
SPACING: R649-3-2 / GENERAL SITING

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

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

**Wells Status**

- GAS INJECTION
- GAS STORAGE
- 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: 13-MARCH-2006

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

**OPERATOR:** \_\_\_\_\_ The Houston Exploration Company \_\_\_\_\_  
**WELL NAME & NUMBER:** \_\_\_\_\_ East Coyote 12-2-8-25 \_\_\_\_\_  
**API NUMBER:** \_\_\_\_\_ 43-047-37886 \_\_\_\_\_  
**LOCATION:** 1/4,1/4 NW/SW Sec: 2TWP: 8S RNG: 25E; 2111' FSL 643 FWL

**Geology/Ground Water:**

The Houston Ex. Co. proposes to set 2000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 5,600 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 2. The surface formation at this location is the Green River Formation. The Green River Formation is made up of interbedded sandstones, limestones and shales and can produce fairly prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers. The production casing cement should be brought up above the base of the moderately saline ground water in order to isolate it from fresher waters uphole.

**Reviewer:** \_\_\_\_\_ Brad Hill \_\_\_\_\_ **Date:** \_\_\_\_\_ 03-30-06 \_\_\_\_\_

**Surface:**

The pre-drill investigation of the surface was performed on March 21, 2006. Ed Bonner and Jim Davis of SITLA and Ben Williams of UDWR were invited by email to attend the presite on March 15, 2006. Mr. Davis and Mr. Williams attended.

The site is State Surface and State Mineral. The proposed location poses no obvious problems for drilling and appears to be the best location for drilling a well in the immediate area.

Mr. Williams of the UDWR stated that the area is classified as high value yearlong antelope range, however he did not recommend any stipulations, as water is the limiting factor affecting the population not forage. This section is within the area where black-footed ferrets were introduced about 10 years ago. The population is classified as experimental non-essential. Black footed ferrets are closely associated with prairie dog holes and colonies. No colonies or individual holes occur in the vicinity of this proposed well and no impact is expected on the population. No other wildlife are expected to be affected. Mr. Williams gave Mr. Davis and Ms. Stringham copies of his wildlife evaluation and a DWR recommended seed mix to use on the reserve pit and when closing the location.

This predrill investigation was conducted on a cool cloudy day.

**Reviewer:** \_\_\_\_\_ Floyd Bartlett \_\_\_\_\_ **Date:** \_\_\_\_\_ 03/22/2006 \_\_\_\_\_

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

1. A 16 mil liner with a felt sub-liner properly installed and maintained in the reserve pit is required.

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

**OPERATOR:** The Houston Exploration Company  
**WELL NAME & NUMBER:** East Coyote 12-2-8-25  
**API NUMBER:** 43-047-37886  
**LEASE:** ML-47953      **FIELD/UNIT:** Wildcat  
**LOCATION:** 1/4,1/4 NW/SW Sec: 2 TWP: 8S RNG: 25E ; 2111' FSL 643 FWL  
**LEGAL WELL SITING:** 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.  
**GPS COORD (UTM):** 4445972 Y      0663991 X      **SURFACE OWNER:** State of Utah  
(SITLA)

**PARTICIPANTS**

Floyd Bartlett (DOGM), Ginger Stringham (Permit Agent for Houston Exploration), Corey Stubbs (Stubbs and Stubbs Construction), Jim Davis (SITLA), Ben Williams (Utah Division of Wildlife Resources).

**REGIONAL/SETTING TOPOGRAPHY**

General area is the Coyote Basin area of eastern Uintah, County. Coyote Basin is approximately 24 air miles south east of Vernal, Utah and begins on the western boundary of the State of Colorado. Access is by State of Utah Highway, Uintah County and oilfield development roads.

Broad open flats with a few shallow swales characterize the topography of Coyote Basin, which drains into Coyote Wash. No perennial streams occur in drainage. Individual draws or swales are ephemeral with the only flow occurring during spring runoff or flows from sometimes-intense summer rainstorms. Coyote Wash drains southwesterly approximately 14 miles to the White River. No springs exist in the area. An occasional constructed pond occurs furnishing water for antelope or livestock.

This site is on a slight to moderate east sloping side hill immediately west of Coyote Wash draw. A small swale intersects the location but no diversion is needed. No stabilization problems are likely to occur. Approximately 0.3 miles of new road will be constructed from a road proposed to the 8-2-8-25 well. The road to the 8-2-8-25 well leaves an existing two-track road, which will be upgraded for about 2 miles.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Sheep grazing, limited hunting and recreation.

PROPOSED SURFACE DISTURBANCE: Location of 345' x 210' and a reserve pit of 150' x 75' x 12 feet deep and an additional 15' wide bench. Approximately 0.3 miles of new road will be required. All material for the location and road will be obtained onsite.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: None. See attached map from GIS data base. Seven additional wells are currently planned in this section.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. A pipeline 10,330 feet in length will serve other wells in the section and follow the access road to these wells. An additional 2117' feet of pipeline will access this well.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be obtained from the site.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST CONCERNS? (EXPLAIN). Unlikely, as oil field related activity is common in the general area. This section is within the primary management zone where black-footed ferrets were introduced about 10 years ago. None of the wells are in habitat classified as suitable for ferrets (lack prairie dog holes or colonies).

#### **WASTE MANAGEMENT PLAN:**

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved landfill.

#### **ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: A dense cover of desert type vegetation consisting of dense big sagebrush, cheatgrass, wild rye, Sitanion hystrix, Indian ricegrass, prickly pear needle and thread grass and annual weeds. Antelope, rabbits, small reptiles, birds and mammals. Sheep graze the area in the winter.

SOIL TYPE AND CHARACTERISTICS: Very deep sandy loam surface. No exposed sandstone or bedrock.

EROSION/SEDIMENTATION/STABILITY: No natural erosion. Sedimentation and stability are not a problem and location construction shouldn't cause an increase in stability or erosion problems. The location does not intersect any significant drainages.

PALEONTOLOGICAL POTENTIAL: None sited or expected..

#### **RESERVE PIT**

CHARACTERISTICS: 150' x 75' x 12 feet. The reserve pit is all within cut on the southeast side of the location. A 15' wide bench is planned around the outer edges and 2' of freeboard.

LINER REQUIREMENTS (Site Ranking Form attached): Level 1 sensitivity. A liner with a felt pad as appropriate is required for the reserve pit. The operator routinely installs a 16 mil. liner.

**SURFACE RESTORATION/RECLAMATION PLAN**

As per SITLA requirements.

**SURFACE AGREEMENT:**

As per SITLA requirements.

**CULTURAL RESOURCES/ARCHAEOLOGY:** A survey has not yet been completed. When completed a copy will be furnished for the file.

**OTHER OBSERVATIONS/COMMENTS**

Ben Williams representing the Utah Division of Wildlife Resources stated the area is classified as high value yearlong antelope range, however he did not recommend any stipulations, as water is the limiting factor affecting the population not forage. This SITLA section is within the area where black-footed ferrets were introduced about 10 years ago. The population is classified as experimental non-essential. Black footed ferrets are associated with prairie dog holes and colonies. No colonies or individual holes occur in this section. No other wildlife species are expected to be affected.

A major high voltage power transmission line from the Bonanza Power Plant runs longitudinally through the section. No conflicts are expected with this power line.

This predrill investigation was conducted on a cool cloudy day.

**ATTACHMENTS**

Photos of this site were taken and placed on file.

FLOYD BARTLETT  
DOGM REPRESENTATIVE

03/21/06; 12:00 Noon  
DATE/TIME

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

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

**Final Score**      25      (Level I Sensitivity)

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

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

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





**STATE ACTIONS**  
**Resource Development Coordinating Committee**  
**Governor's Office of Planning and Budget**  
**5110 State Office Building**  
**SLC, UT 84114**  
**Phone No. 537-9230**

|   |   |
|---|---|
| <b>1. State Agency</b><br>Oil, Gas and Mining<br>1594 West North Temple, Suite 1210<br>Salt Lake City, UT 84114-5801  | <b>2. Approximate date project will start:</b><br><br>Upon Approval or March 27, 2006   |
| <b>3. Title of proposed action:</b><br>Application for Permit to Drill  |   |
| <b>4. Description of Project:</b><br><br>The Houston Exploration Company proposes to drill the East Coyote 12-2-8-25 well (wildcat) on a State lease ML-47953, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.  |   |
| <b>5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)</b><br>(include UTM coordinates where possible) <b>(indicate county)</b><br>2111' FSL 643' FWL, NW/4 SW/4,<br>Section 2, Township 8 South, Range 25 East, Uintah County, Utah   |   |
| <b>6. Possible significant impacts likely to occur:</b><br>Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed. |   |
| <b>7. Identify local government affected</b><br>a. Has the government been contacted? No.<br>b. When?<br>c. What was the response?<br>d. If no response, how is the local government(s) likely to be impacted?  |   |
| <b>8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable:</b><br>a. Has the representative and senator been contacted? N/A  |   |
| <b>9. Areawide clearinghouse(s) receiving state action:</b> (to be sent out by agency in block 1)<br>Uintah Basin Association of Governments  |   |
| <b>10. For further information, contact:</b><br><br><br><b>Diana Whitney</b><br><b>Phone:</b> (801) 538-5312  | <b>11. Signature and title of authorized officer</b><br><br><br>Gil Hunt, Associate Director<br><b>Date:</b> March 13, 2006 |

**From:** Robert Clark  
**To:** Whitney, Diana  
**Date:** 3/21/2006 9:57:24 AM  
**Subject:** RDCC short turn around response

The following comments are provided in response to **RDCC #6355 - #6359**. The same comments pertain to all five Houston Exploration Company projects.

**Comments begin:** The proposed Houston Exploration Company well drilling project, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit is not required, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm) . **Comments end.** Robert Clark  
Division of Air Quality  
536-4435

**CC:** Mcneill, Dave; Wright, Carolyn

## MEMORANDUM

DATE: March 20, 2006  
TO: Utah Division of Oil, Gas and Mining  
FROM: Utah Geological Survey, Ground Water and Paleontology Program  
CC: Resource Development Coordinating Committee  
SUBJECT: UGS comments on RDCC short turn around items 6355-6359

6355. Division of Oil, Gas, and Mining  
Short Turn Around Drilling Permit  
Sec. 25, T8S, R25E, Uintah County  
Application Permit to Drill-proposal to drill a wildcat well in the East Coyote 14-2-8-25  
on a State lease ML-47953

There are significant vertebrate paleontological localities from the Eocene Uinta Formation known in or near this project area. The office of the State Paleontologist therefore recommends that a paleontological survey be conducted for this project.

6356. Division of Oil, Gas, and Mining  
Short Turn Around Drilling Permit  
Sec. 25, T8S, R25E, Uintah County  
Application Permit to Drill-proposal to drill a wildcat well in the East Coyote 16-2-8-25  
on a State lease ML-47953

There are significant vertebrate paleontological localities from the Eocene Uinta Formation known in or near this project area. The office of the State Paleontologist therefore recommends that a paleontological survey be conducted for this project.

6357. Division of Oil, Gas, and Mining  
Short Turn Around Drilling Permit  
Sec. 25, T8S, R25E, Uintah County  
Application Permit to Drill-proposal to drill a wildcat well in the East Coyote 4-2-8-25 on  
a State lease ML-47953

There are significant vertebrate paleontological localities from the Eocene Uinta Formation known in or near this project area. The office of the State Paleontologist therefore recommends that a paleontological survey be conducted for this project.

6358. Division of Oil, Gas, and Mining

Short Turn Around Drilling Permit

Sec. 25, T8S, R25E, Uintah County

Application Permit to Drill-proposal to drill a wildcat well in the East Coyote 10-2-8-25  
on a State lease ML-47953

There are significant vertebrate paleontological localities from the Eocene Uinta Formation known in or near this project area. The office of the State Paleontologist therefore recommends that a paleontological survey be conducted for this project.

6359. Division of Oil, Gas, and Mining

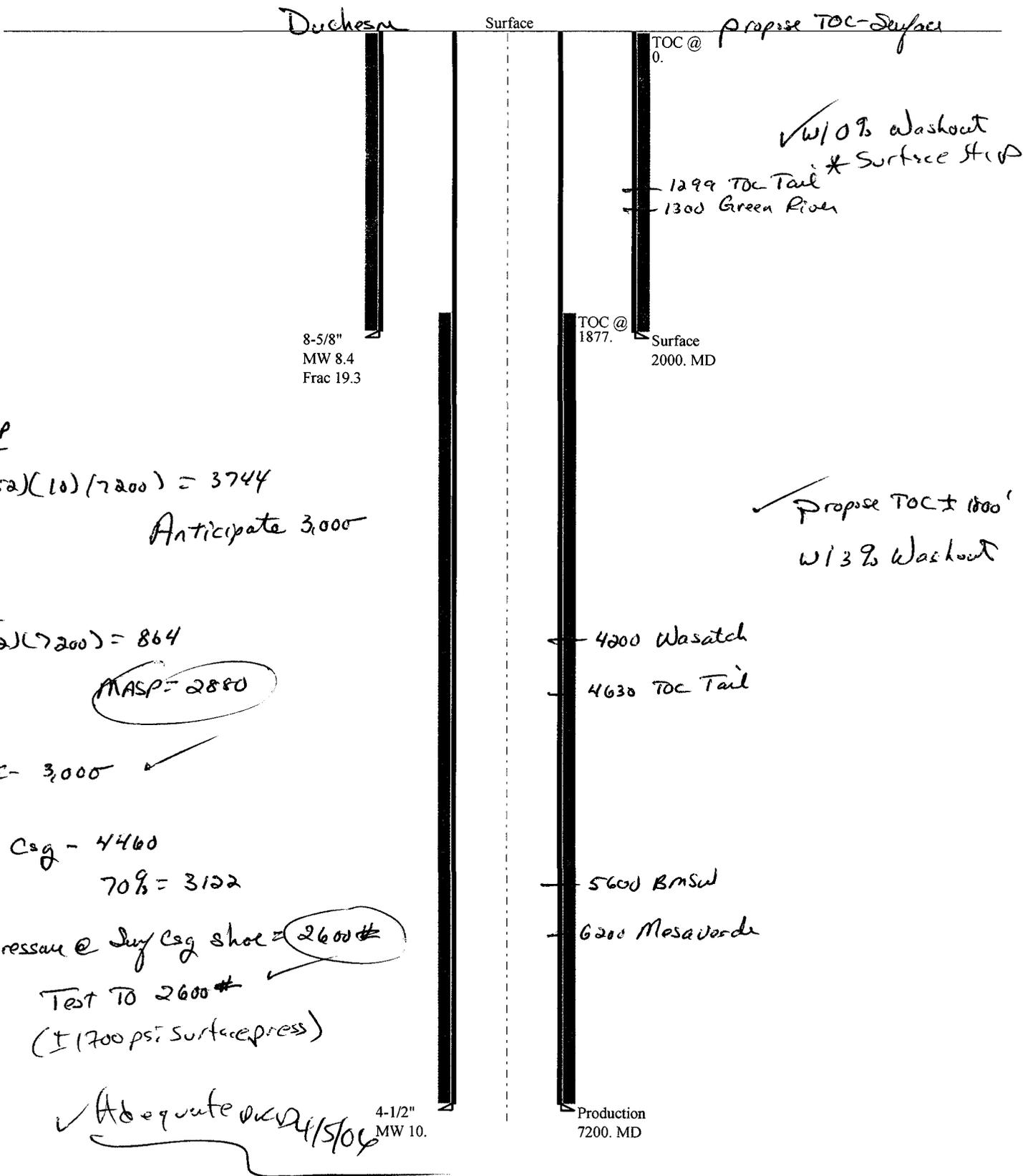
Short Turn Around Drilling Permit

Sec. 25, T8S, R25E, Uintah County

Application Permit to Drill-proposal to drill a wildcat well in the East Coyote 12-2-8-25  
on a State lease ML-47953

There are significant vertebrate paleontological localities from the Eocene Uinta Formation known in or near this project area. The office of the State Paleontologist therefore recommends that a paleontological survey be conducted for this project.

Casing Schematic



8-5/8"  
MW 8.4  
Frac 19.3

TOC @  
1877.  
Surface  
2000. MD

Propose TOC-Surface

✓ w/ 0% Washout  
\* Surface Stop

1299 TOC Tail  
1300 Green River

✓ Propose TOC ± 1000'  
w/ 3% Washout

4200 Wasatch  
4630 TOC Tail

5600 BMSul  
6200 Mesaverde

Production  
7200. MD

4-1/2"  
MW 10.

✓ Absolute OK 4/5/06

BHP

$(1.052)(10)(7200) = 3744$   
Anticipate 3,000

Gao

$(.12)(7200) = 864$   
MASP = 2880

BoPE - 3,000 ✓

Surf Csg - 4460  
70% = 3122

Max pressure @ Surf Csg shoe = 2600#  
Test to 2600#  
(± 1700 psi surface press)

|              |   |                             |
|--------------|---|-----------------------------|
| Well name:   | <b>04-06 Houston E Coyote 12-2-8-25</b> |                             |
| Operator:    | <b>Houston Exploration Company</b>      |                             |
| String type: | Surface                                 | Project ID:<br>43-047-37886 |
| Location:    | Uintah County                           |                             |

|   |   |  |
|---|---|--|
| <p><b>Design parameters:</b></p> <p><u><b>Collapse</b></u><br/> Mud weight: 8.400 ppg<br/> Design is based on evacuated pipe.</p> <p><u><b>Burst</b></u><br/> Max anticipated surface pressure: 1,760 psi<br/> Internal gradient: 0.120 psi/ft<br/> Calculated BHP: 2,000 psi<br/> <br/> No backup mud specified.</p> | <p><b>Minimum design factors:</b></p> <p><u><b>Collapse:</b></u><br/> Design factor: 1.125</p> <p><u><b>Burst:</b></u><br/> Design factor: 1.00</p> <p><u><b>Tension:</b></u><br/> 8 Round STC: 1.80 (J)<br/> 8 Round LTC: 1.80 (J)<br/> Buttress: 1.60 (J)<br/> Premium: 1.50 (J)<br/> Body yield: 1.50 (B)</p> <p>Tension is based on buoyed weight.<br/> Neutral point: 1,749 ft</p> | <p><b>Environment:</b></p> H2S considered? No<br>Surface temperature: 65 °F<br>Bottom hole temperature: 93 °F<br>Temperature gradient: 1.40 °F/100ft<br>Minimum section length: 250 ft <p>Cement top: Surface</p> <p>Non-directional string.</p> <p><b>Re subsequent strings:</b></p> Next setting depth: 7,200 ft<br>Next mud weight: 10.000 ppg<br>Next setting BHP: 3,740 psi<br>Fracture mud wt: 19.250 ppg<br>Fracture depth: 2,000 ft<br>Injection pressure: 2,000 psi |
|---|---|--|

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-----------|-------------------------|-------|------------|----------------------|---------------------|---------------------|-------------------------|
| 1       | 2000                | 8.625     | 36.00                   | J-55  | ST&C       | 2000                 | 2000                | 7.7                 | 143.6                   |

| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
|---------|---------------------|-------------------------|------------------------|------------------|----------------------|---------------------|---------------------|-------------------------|-----------------------|
| 1       | 873                 | 3450                    | 3.953                  | 2000             | 4460                 | 2.23                | 63                  | 434                     | 6.89 J                |

|  |  |   |
|--|--|---|
| Prepared by: Clinton Dworshak<br>Utah Div. of Oil & Mining | Phone: 801-538-5280<br>FAX: 810-359-3940 | Date: April 3, 2006<br>Salt Lake City, Utah |
|--|--|---|

Remarks:  
Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.  
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

|              |   |              |
|--------------|---|--------------|
| Well name:   | <b>04-06 Houston E Coyote 12-2-8-25</b> |              |
| Operator:    | <b>Houston Exploration Company</b>      | Project ID:  |
| String type: | Production                              | 43-047-37886 |
| Location:    | Uintah County                           |              |

**Design parameters:**

**Collapse**

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

**Burst**

Max anticipated surface pressure: 2,876 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP: 3,740 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

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

Tension is based on buoyed weight.  
 Neutral point: 6,124 ft

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 166 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft

Cement top: 1,877 ft

Non-directional string.

| Run Seq | Segment Length (ft) | Size (in)               | Nominal Weight (lbs/ft) | Grade            | End Finish           | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in)     | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1       | 7200                | 4.5                     | 11.60                   | N-80             | LT&C                 | 7200                 | 7200                | 3.875                   | 166.9                   |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor  | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor  | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor   |
| 1       | 3740                | 6350                    | 1.698                   | 3740             | 7780                 | 2.08                 | 71                  | 223                     | 3.14 J                  |

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

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

Date: April 3, 2006  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 7200 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 7/11/2006 10:04:31 AM  
**Subject:** Well Clearance

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

Enduring Resources, LLC  
Buck Camp 12-22-12-2  
Rock House 10-23-24-32  
Rock House 10-23-11-32

Dominion E&P, Inc  
LCU 3-2H  
LCU 6-2H  
LCU 8-2H  
LCU 7-2H  
LCU 9-2H

The Houston Exploration Company  
East Coyote 3-2-8-25  
East Coyote 4-2-8-25  
East Coyote 6-2-8-25  
East Coyote 8-2-8-25  
East Coyote 10-2-8-25  
East Coyote 12-2-8-25  
East Coyote 14-2-8-25  
East Coyote 16-2-8-25

Kerr McGee Oil & Gas Onshore LP (Westport)  
State 1021-36M  
State 1021-36L  
NBU 1022-18F  
Bitter Creek 1122-2B  
Bitter Creek 1122-2H  
NBU 1021-2C

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

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



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

July 11, 2006

Houston Exploration Company  
1100 Louisiana, Ste. 2000  
Houston, TX 77002

Re: East Coyote 12-2-8-25 Well, 2111' FSL, 643' FWL, NW SW, Sec. 2,  
T. 8 South, R. 25 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37886.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
SITLA

Operator: Houston Exploration Company  
Well Name & Number East Coyote 12-2-8-25  
API Number: 43-047-37886  
Lease: ML-47953

Location: NW SW                      Sec. 2                      T. 8 South                      R. 25 East

### Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

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

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

Page 2

43-047-37886

July 11, 2006

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

**CONFIDENTIAL**

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

5. LEASE DESIGNATION AND SERIAL NUMBER:  
ML-47953

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
NA

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

7. UNIT or CA AGREEMENT NAME:  
NA

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

8. WELL NAME and NUMBER:  
East Coyote 12-2-8-25

2. NAME OF OPERATOR:  
The Houston Exploration Company

9. API NUMBER:  
4304737886

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

PHONE NUMBER:  
(713) 830-6800

10. FIELD AND POOL, OR WILDCAT:  
Undesignated

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 2111' FSL & 643' FSL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 2 T8S 25E

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<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____ | <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"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____              | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                     |
|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                     |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input checked="" type="checkbox"/> OTHER: <u>Extension</u> |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |   |

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

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

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

Date: 07-26-07

By: [Signature]

NAME (PLEASE PRINT) William A. Ryan TITLE Agent

SIGNATURE [Signature] DATE 7/19/2007

(This space for State use only)

COPY SENT TO OPERATOR  
Date: 7-21-07  
Initial: RM

**RECEIVED**  
**JUL 25 2007**  
**DIV. OF OIL, GAS & MINING**

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

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

**API:** 4304737886  
**Well Name:** East Coyote 12-2-8-25  
**Location:** Section 2, Township 8 South, Range 25 East NWSW  
**Company Permit Issued to:** The Houston Exploration Company  
**Date Original Permit Issued:** 7/11/2006

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

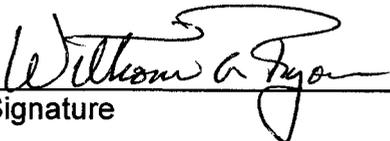
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

7/19/2007  
Date

Title: Agent

Representing: The Houston Exploration Company

RECEIVED  
JUL 25 2007  
DIV. OF OIL, GAS & MINING

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

**ROUTING**

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

Change of Operator (Well Sold)

**X - Operator Merger**

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

**6/1/2007**

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

| WELL NAME         |  | CA No. | Unit: |  | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|-------------------|--|--------|-------|--|-----|-----|-----|--------|-----------|------------|-----------|-------------|
| SEE ATTACHED LIST |  |        |       |  |     |     |     |        |           |            |           |             |

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 7/30/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 7/30/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/31/2007
- 4a. Is the new operator registered in the State of Utah: Business Number: 571171-0143
- 4b. If **NO**, the operator was contacted on: \_\_\_\_\_
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: \_\_\_\_\_
- 5c. Reports current for Production/Disposition & Sundries on: YES
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 7/31/2007 BIA
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 8/27/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 8/27/2007
- Bond information entered in RBDMS on: 8/27/2007
- Fee/State wells attached to bond in RBDMS on: 8/27/2007
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 7/30/2007

**BOND VERIFICATION:**

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

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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.

|   |  |   |
|---|--|---|
| <b>1. TYPE OF WELL</b><br>OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ |  | <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>See Attached List |
| <b>2. NAME OF OPERATOR:</b><br>Forest Oil Corporation <i>N6965</i>  |  | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>                        |
| <b>3. ADDRESS OF OPERATOR:</b><br>707 17th Street, #3600 CITY Denver, STATE CO ZIP 80202                  |  | <b>7. UNIT or CA AGREEMENT NAME:</b>                                |
| <b>4. LOCATION OF WELL</b><br>FOOTAGES AT SURFACE: See attached list                                      |  | <b>8. WELL NAME and NUMBER:</b><br>See Attached List                |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____  |  | <b>9. API NUMBER:</b><br>various                                    |
| COUNTY: _____   |  | <b>10. FIELD AND POOL, OR WILDCAT:</b>                              |
| STATE: <b>UTAH</b>  |  |   |

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

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

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS.** Clearly show all pertinent details including dates, depths, volumes, etc. *N2525*  
Effective 6/1/2007 please change the operator for the attached list of Utah wells from The Houston Exploration Company N-2525 to Forest Oil Corporation (N-6965). Forest merged with The Houston Exploration Company, a copy of the merger document is attached.. The contract operated wells will continue to be contract operated by Enduring.

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

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

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

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

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

*7-5-07*  
\_\_\_\_\_  
Date

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

(This space for State use only)

**APPROVED** *8/27/07*  
*Earlene Russell*  
(5/2000) **Division of Oil, Gas and Mining**  
**Earlene Russell, Engineering Technician**

*All wells with APD or New status*

(See Instructions on Reverse Side)

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

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

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

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

**Request to Transfer Application or Permit to Drill**

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

|   |  |
|---|--|
| <b>Well name:</b>                               | E Coyote 12-2-8-25                               |
| <b>API number:</b>                              | 4304737886                                       |
| <b>Location:</b>                                | Qtr-Qtr: NWSW Section: 2 Township: 8S Range: 25E |
| <b>Company that filed original application:</b> | The Houston Exploration Company                  |
| <b>Date original permit was issued:</b>         | 07/11/2006                                       |
| <b>Company that permit was issued to:</b>       | The Houston Exploration Company                  |

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

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

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

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

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

**CONFIDENTIAL**

**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<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>ML-47953 |
| 2. NAME OF OPERATOR:<br>Forest Oil Corporation  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:               |
| 3. ADDRESS OF OPERATOR:<br>707 17th ST Suite 3600 CITY Denver STATE CO ZIP 80202                              |  | 7. UNIT or CA AGREEMENT NAME:                       |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: 2111 FSL & 643 FWL  |  | 8. WELL NAME and NUMBER:<br>East Coyote 12-2-8-25   |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 2 8S 25E S  |  | 9. API NUMBER:<br>4304737886                        |
| COUNTY: Uintah  |  | 10. FIELD AND POOL, OR WILDCAT:<br>Exploratory      |
| 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<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____ | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION      |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____              | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL           |
|   | <input type="checkbox"/> CASING REPAIR                  | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON                |
|   | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input type="checkbox"/> OPERATOR CHANGE                  | <input type="checkbox"/> TUBING REPAIR                      |
|   | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                      |
|   | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                     |
|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                     |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input checked="" type="checkbox"/> OTHER: <u>Extension</u> |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |   |

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

The Operator respectfully request a one year approval extension for the subject location.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 08-25-08  
By: [Signature]

COPY SENT TO OPERATOR

Date: 8-27-2008

Initials: KS

|  |                     |
|--|---------------------|
| NAME (PLEASE PRINT) <u>Ginger Bowden</u> | TITLE <u>Agent</u>  |
| SIGNATURE <u>[Signature]</u>             | DATE <u>8/13/08</u> |

(This space for State use only)

RECEIVED  
AUG 21 2008

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

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

**API:** 4304737886  
**Well Name:** East Coyote 12-2-8-25  
**Location:** NWSW Sec 2, T8S, R25E  
**Company Permit Issued to:** The Houston Exploration Company  
**Date Original Permit Issued:** 7/11/2006

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

8/14/2008  
Date

Title: Agent

Representing: Forest Oil Corporation

**RECEIVED**  
**AUG 21 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

September 10, 2009

Forest Oil Corporation  
707 17<sup>th</sup> Street, Suite 3600  
Denver, CO 80202

Re: APD Rescinded – East Coyote 12-2-8-25, Sec. 2, T.8S, R.25E,  
Uintah County, Utah API No. 43-047-37886

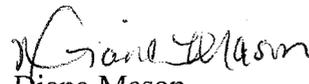
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 11, 2006. On July 26, 2007 and August 25, 2008, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 10, 2009.

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

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

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
SITLA, Ed Bonner

