

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

FORM 3

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN		5. MINERAL LEASE NO: ML-50193	6. SURFACE: STATE
B. TYPE OF WELL <input type="checkbox"/> OIL <input checked="" type="checkbox"/> GAS OTHER _____ <input checked="" type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE		7. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A	
2. NAME OF OPERATOR: QUESTAR EXPLORATION & PRODUCTION, CO.		8. UNIT or CA AGREEMENT NAME: N/A	
3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078		9. WELL NAME and NUMBER: HR 10MU-2-12-23	
PHONE NUMBER: (435) 781-4331		10. FIELD AND POOL, OR WILDCAT:	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2171' FSL 2042' FEL 644882X 39.801242 AT PROPOSED PRODUCING ZONE: SAME 4406858Y -109.307675		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 2 12S 23E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 65 + 1 - MILES FROM VERNAL, UT		12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE(FEET) 2042' +/-	16. NUMBER OF ACRES IN LEASE: 638.84	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	19. PROPOSED DEPTH 4850'	20. BOND DESCRIPTION: 965003033	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5949.4' GR	22. APPROXIMATE DATE WORK WILL START: ASAP	23. ESTIMATED DURATION: 7 DAYS	

24 PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4"	9 5/8"	J-55	36 lb/ft (new) STC	450'	SEE 8-POINT DRILLING
7 7/8"	4 1/2"	M-80	11.6 lb (new) LTC	4850'	

25 ATTACHMENTS

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

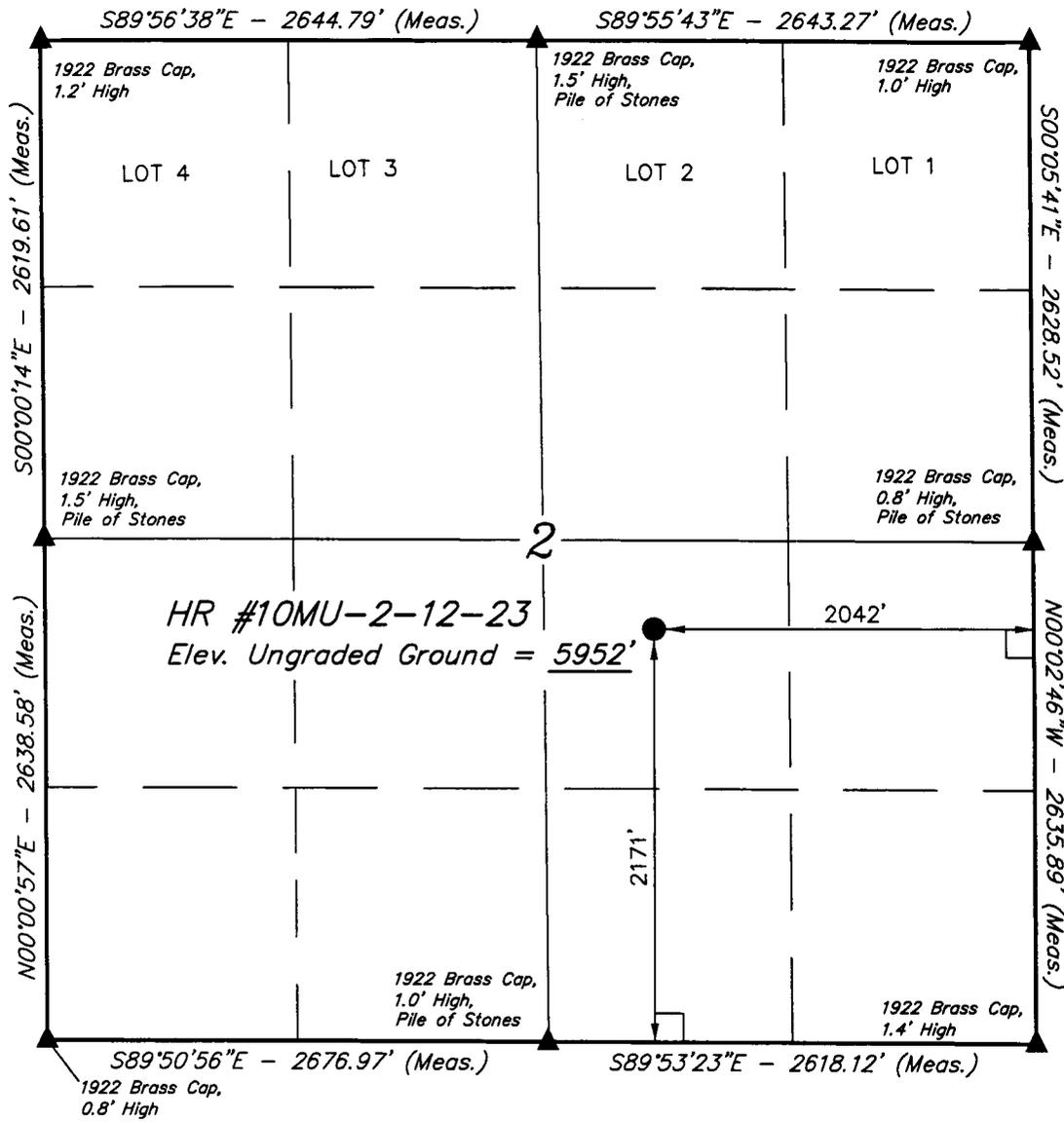
- | | |
|--|---|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDNECE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/>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

NAME (PLEASE PRINT) Jan Nelson TITLE Regulatory Affairs
SIGNATURE *Jan Nelson* DATE 4/27/06

(This space for State use only)

API NUMBER ASSIGNED: 43047-30055 APPROVAL: _____

T12S, R23E, S.L.B.&M.



QUESTAR EXPLR. & PROD.

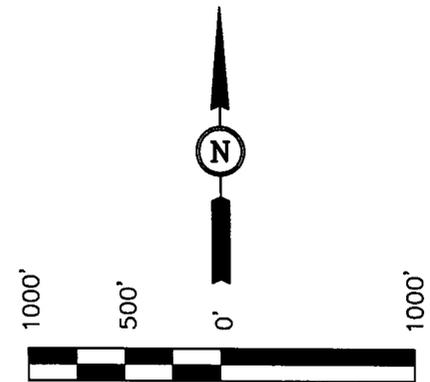
Well location, HR #10MU-2-12-23, located as shown in the NW 1/4 SE 1/4 of Section 2, T12S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 87EAM LOCATED IN THE SW 1/4 OF SECTION 1, T12S, R23E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5887 FEET.

BASIS OF BEARINGS

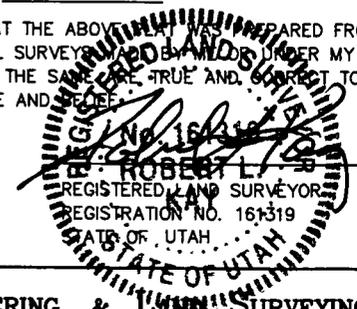
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE 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 = 39°48'04.49" (39.801247)
 LONGITUDE = 109°18'29.95" (109.308319)
 (AUTONOMOUS NAD 27)
 LATITUDE = 39°48'04.61" (39.801281)
 LONGITUDE = 109°18'27.52" (109.307644)

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 03-30-06	DATE DRAWN: 04-04-06
PARTY D.A. C.F. L.K.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUESTAR EXPLR. & PROD.	

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

FORM 3

APPLICATION FOR PERMIT TO DRILL

Form containing sections 1-23 and 24. Section 1: TYPE OF WORK (DRILL checked). Section 2: NAME OF OPERATOR (QUESTAR EXPLORATION & PRODUCTION, CO.). Section 3: ADDRESS OF OPERATOR (11002 E. 17500 S., VERNAL, UT 84078). Section 4: LOCATION OF WELL (2171' FSL, 2042' FEL). Section 5: MINERAL LEASE NO. (ML-50193). Section 6: SURFACE (STATE). Section 7: IF INDIAN, ALLOTTEE OR TRIBE NAME (N/A). Section 8: UNIT OF CA AGREEMENT NAME (N/A). Section 9: WELL NAME and NUMBER (HR 10MU-2-12-23). Section 10: FIELD AND POOL, OR WILDCAT (Dilsprings). Section 11: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN (NWSE 2 12S 23E). Section 12: COUNTY (UINTAH). Section 13: STATE (UTAH). Section 14: DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE (65 +/- MILES FROM VERNAL, UT). Section 15: DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) (2042' +/-). Section 16: NUMBER OF ACRES IN LEASE (638.84). Section 17: NUMBER OF ACRES ASSIGNED TO THIS WELL (40). Section 18: DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET). Section 19: PROPOSED DEPTH (4850'). Section 20: BOND DESCRIPTION (965003033). Section 21: ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): (5949.4' GR). Section 22: APPROXIMATE DATE WORK WILL START (ASAP). Section 23: ESTIMATED DURATION (7 DAYS). Section 24: PROPOSED CASING AND CEMENTING PROGRAM table with columns for SIZE OF HOLE, CASING SIZE, GRADE, AND WEIGHT PER FOOT, SETTING DEPTH, and CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT.

ATTACHMENTS

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

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER (checked)
COMPLETE DRILLING PLAN (checked)
EVIDNECE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER (checked)
FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OW (unchecked)

NAME (PLEASE PRINT) Jan Nelson TITLE Regulatory Affairs
SIGNATURE [Signature] DATE 4/27/06

(This space for State use only)

API NUMBER ASSIGNED: 4304730055 APPROVAL:

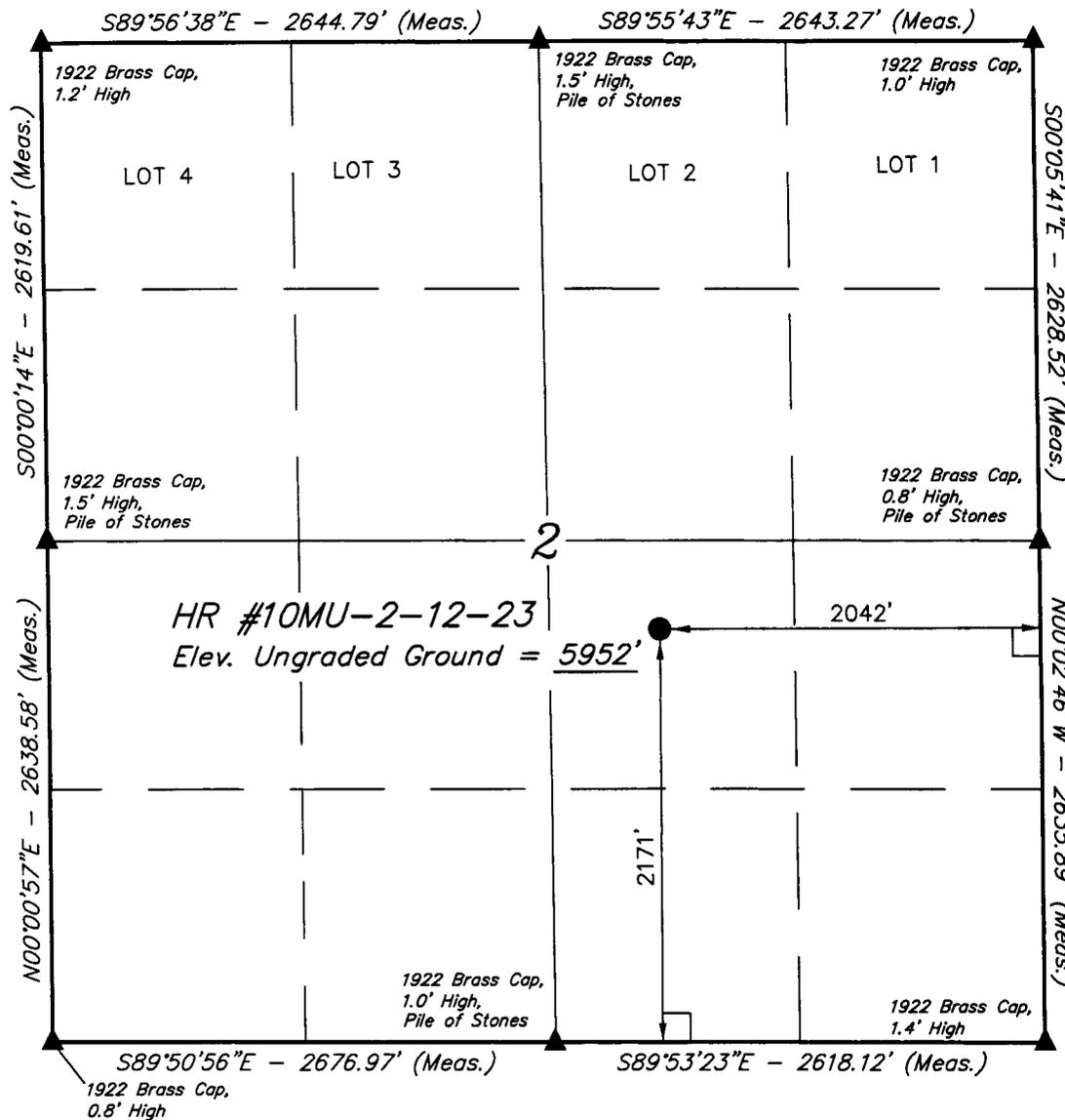
(11/2001)

Approved by the Utah Division of Oil, Gas, and Mining (See Instruction on Reverse Side)

Date: 06-29-06
By: [Signature]

MAY 02 2006

T12S, R23E, S.L.B.&M.



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- = PROPOSED WELL HEAD.
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- △ = TRUE POSITION.

(AUTONOMOUS NAD 83)
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QUESTAR EXPLR. & PROD.

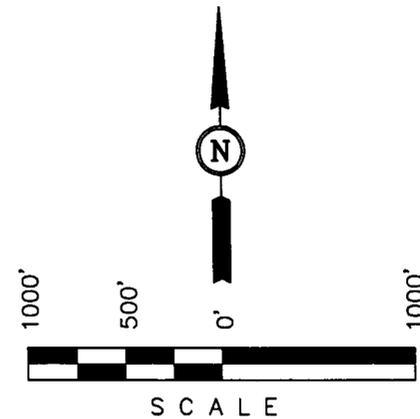
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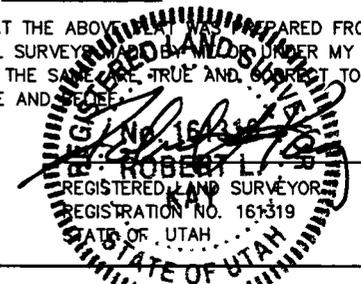
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CERTIFICATE

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

SCALE 1" = 1000'	DATE SURVEYED: 03-30-06	DATE DRAWN: 04-04-06
PARTY D.A. C.F. L.K.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUESTAR EXPLR. & PROD.	

Additional Operator Remarks

Questar Explor. & Prod. Co. proposes to drill a well to 4850' to test the Mesa Verde. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirement.

See Onshore Order No. 1 attached

Please be advised that Questar Explor. & Prod. Co. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No. 965003033. The principal is Questar Explor. Prod. Co. via surety as consent as provided for the 43 CFR 3104.2.

DRILLING PROGRAM

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

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

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Prod. Phase Anticipated</u>
Green River	Surface	
Wasatch	2560'	
Mesa Verde	4260'	Oil/Gas
TD	4850'	

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

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Mesa Verde	4850'

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

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from White River Water Right # 49-2199 / Permit # T75950 to supply fresh water for drilling purposes.

All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

DRILLING PROGRAM

3. Operator's Specification for Pressure Control Equipment:

- A. 3,000 psi W.P. Double Gate BOP or Single Gate BOP (schematic attached)
- B. Functional test daily
- C. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, (or 70% of burst whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 3M system and individual components shall be operable as designed.

4. Casing Program

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg Size</u>	<u>Type</u>	<u>Weight</u>
Surface	450'	12 1/4"	9-5/8"	J-55	36 lb/ft (new) LT&C
TD	4850'	7 -7/8"	4 -1/2"	M-80	11.60 lb/ft (new)LT&C

5. Auxiliary Equipment

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

DRILLING PROGRAM

- I. A mister with a continuous stream of water shall be installed near the end of the blowie lines for dust suppression.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 9.5 ppg.

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

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

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

6. Testing, logging and coring program

- A. Cores – none anticipated
- B. DST – none anticipated

Logging – Mud logging – 1000 to TD
GR-SP-Induction
Neutron Density
MRI

- C. Formation and Completion Interval: Wasatch / Mesa Verde interval, final determination of completion will be made by analysis of logs.
Stimulation – Stimulation will be designed for the particular area of interest as encountered.

DRILLING PROGRAM

7. Cementing Program

<u>Casing</u>	<u>Volume</u>	<u>Type & Additives</u>
Surface	257sx	Class "G" single slurry mixed to 15.6 ppg, yield = 1.19 cf/sx. Cement to surface with 160 cf (257sx) calculated. Tail plug used. Allowed to set under pressure
Production	Lead-277sx* Tail-841sx*	Lead/Tail oilfield type cement circulated in place . Tail slurry: Class "G" + gilsonite and additives as required, mixed to 14.8 ppg, yield = 1.34 cf/sx. Tail to 2060' (±500' above production zone). Cement Characteristics: Lead slurry: Class "G" + extender and additives as required, mixed to 11.0 ppg, yield = 3.82 cf/sx. Lead to surface. Tail plug used. Allowed to set under pressure.

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

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 2060.0 psi. Maximum anticipated bottom hole temperature is 140° F.

DRILLING PROGRAM

SCHEMATIC DIAGRAM OF 3,000 PSI BOP STACK

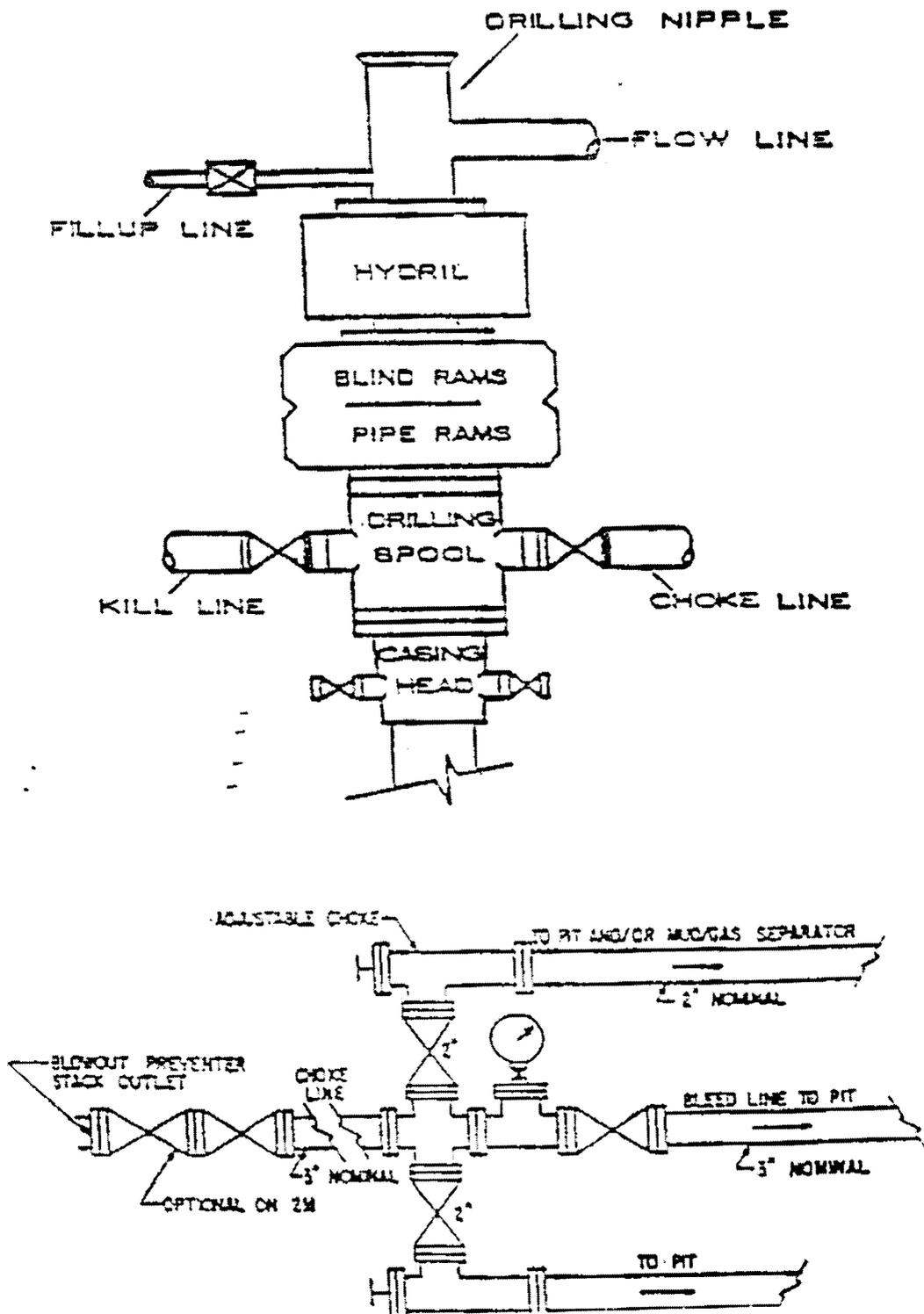
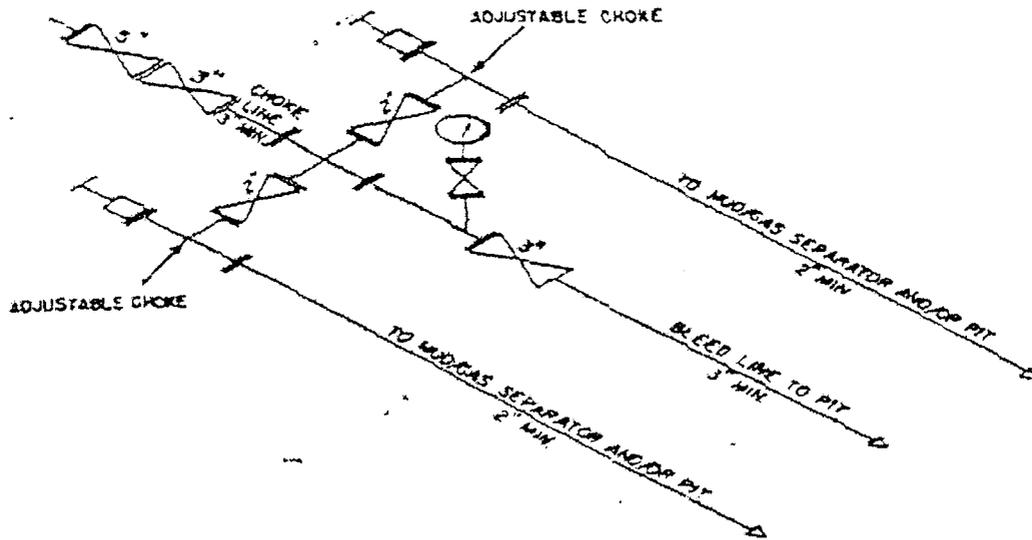


EXHIBIT A CONTINUED

46312 Federal Register / Vol. 53, No. 223 / Friday, November 18, 1988 / Rules and Regulations



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

Lessee's or Operator's Representative:

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

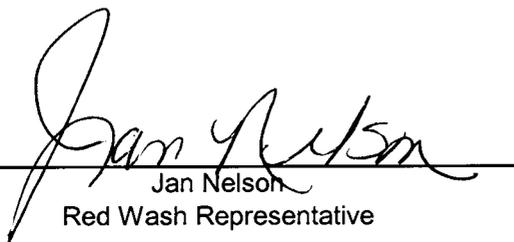
Certification:

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

Questar Explor. & Prod. Co. fully responsible for the actions of their subcontractors.

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

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



Jan Nelson
Red Wash Representative

27-Apr-06

Date

QUESTAR EXPLR. & PROD

HR #10MU-2-12-23

LOCATED IN UINTAH COUNTY, UTAH
SECTION 2, T12S, R23E, S.L.B.&M.

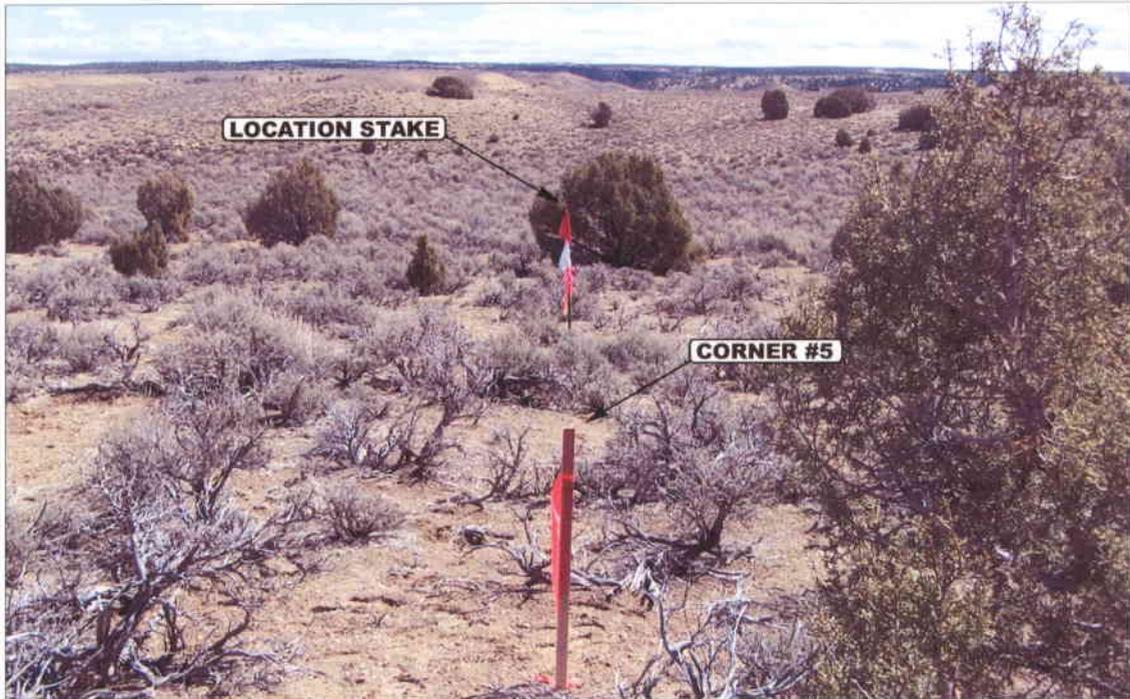


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



- 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

04 05 06
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

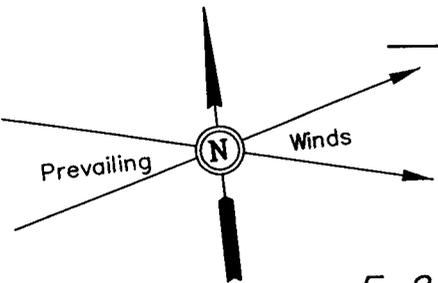
DRAWN BY: LDK

REVISED: 00-00-00

QUESTAR EXPLR. & PROD.

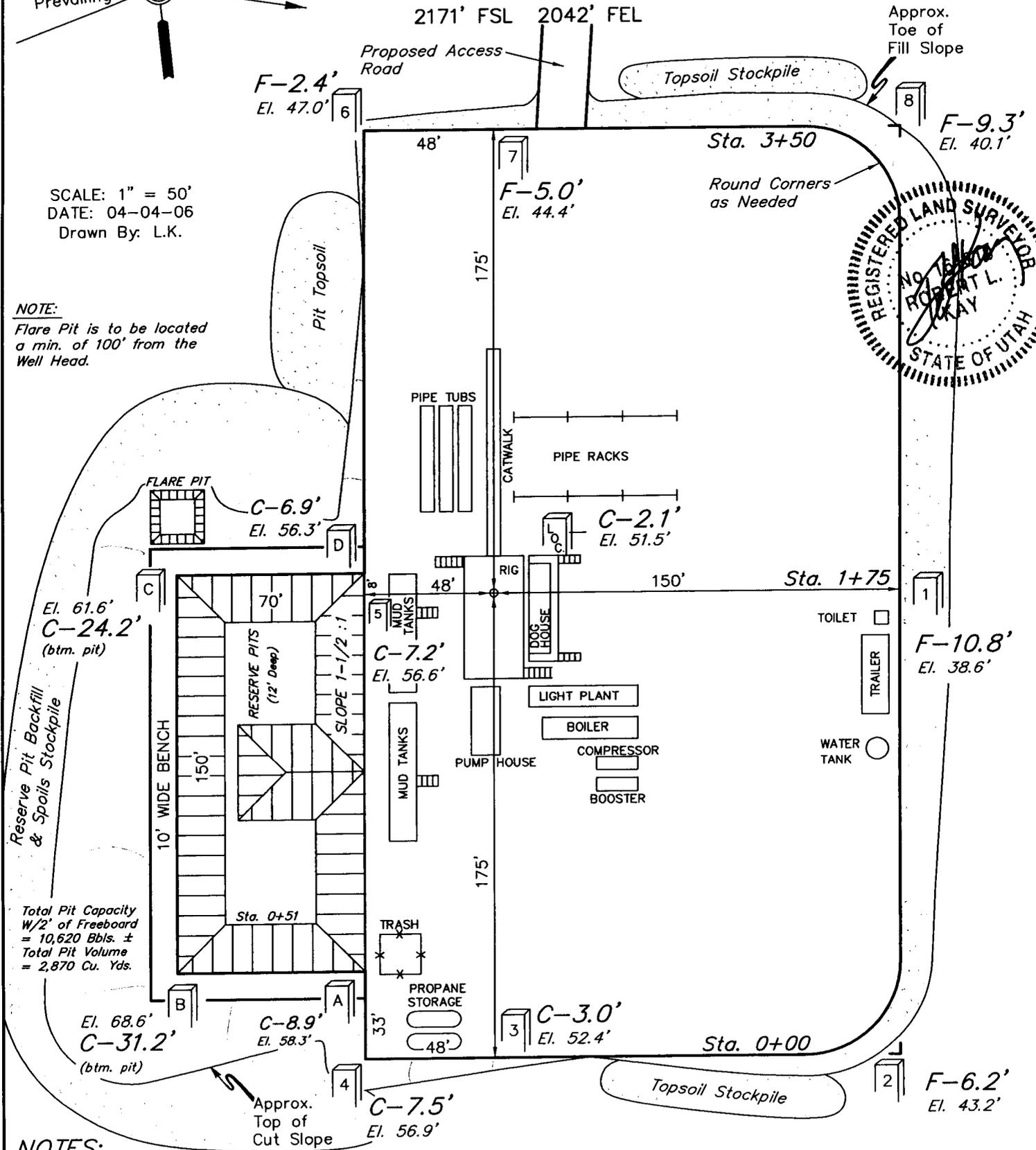
FIGURE #1

LOCATION LAYOUT FOR
 HR #10MU-2-12-23
 SECTION 2, T12S, R23E, S.L.B.&M.
 2171' FSL 2042' FEL



SCALE: 1" = 50'
 DATE: 04-04-06
 Drawn By: L.K.

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



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

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5951.5'
 FINISHED GRADE ELEV. AT LOC. STAKE = 5949.4'

QUESTAR EXPLR. & PROD.

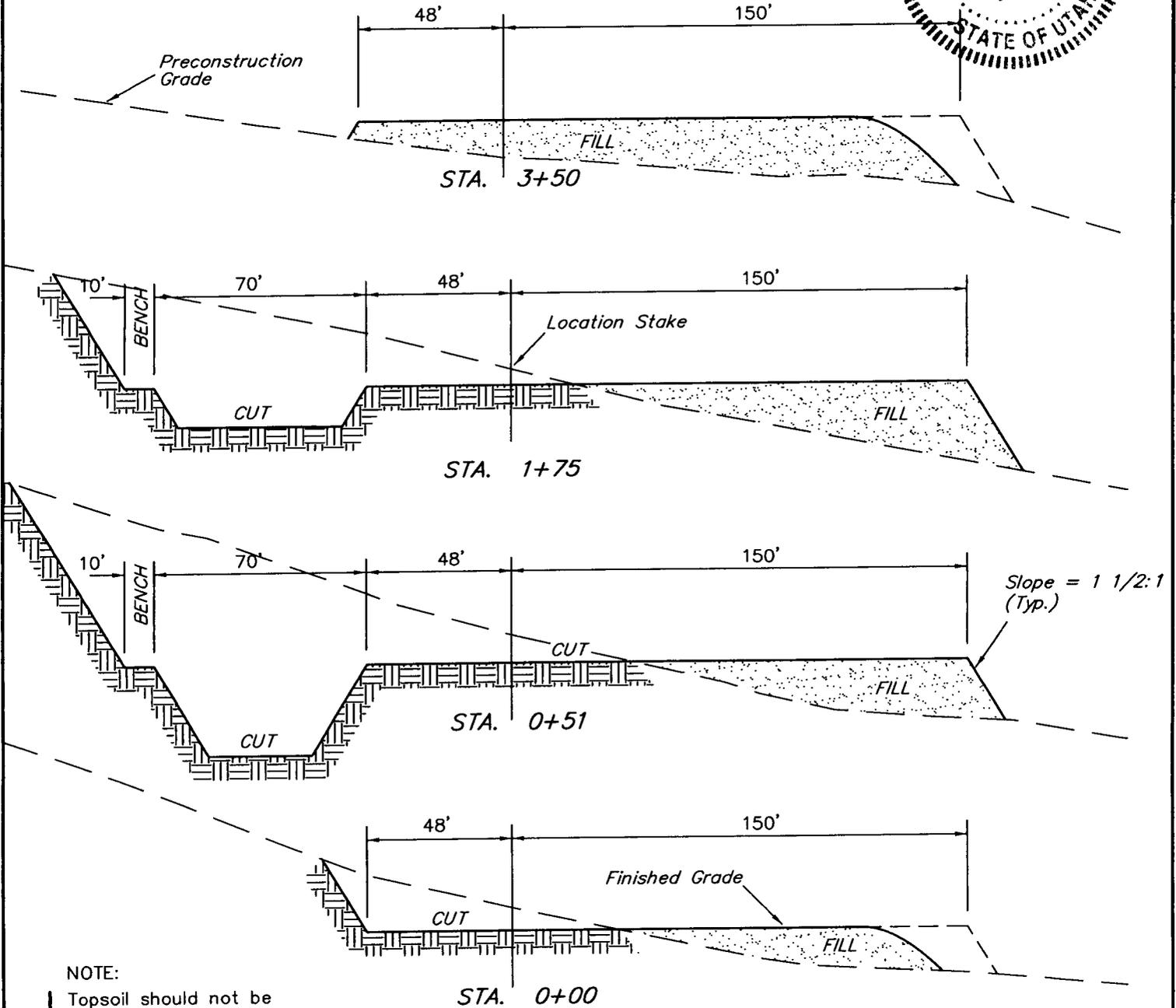
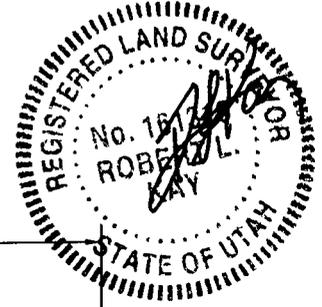
FIGURE #2

TYPICAL CROSS SECTIONS FOR

HR #10MU-2-12-23
SECTION 2, T12S, R23E, S.L.B.&M.
2171' FSL 2042' FEL

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

DATE: 04-04-06
Drawn By: L.K.



NOTE:

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

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,980 Cu. Yds.
Remaining Location	= 14,620 Cu. Yds.
TOTAL CUT	= 16,600 CU.YDS.
FILL	= 13,180 CU.YDS.

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

Excess Material	= 3,420 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,420 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

QUESTAR EXPLR. & PROD.

FIGURE #3

INTERIM RECLAMATION PLAN FOR

HR #10MU-2-12-23

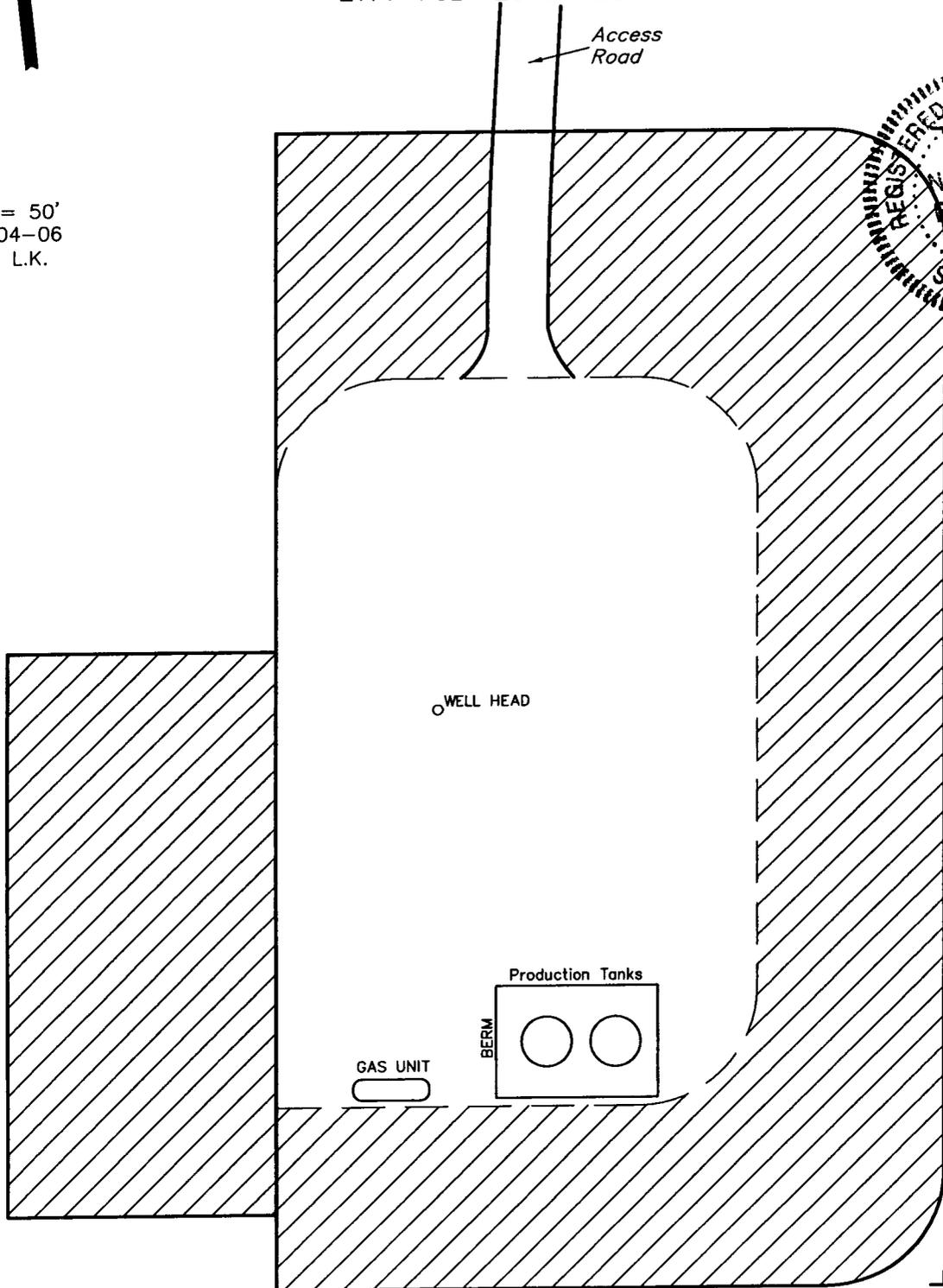
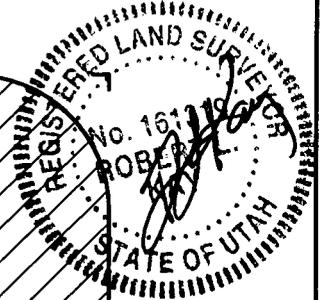
SECTION 2, T12S, R23E, S.L.B.&M.

2171' FSL 2042' FEL



SCALE: 1" = 50'
DATE: 04-04-06
Drawn By: L.K.

Access
Road



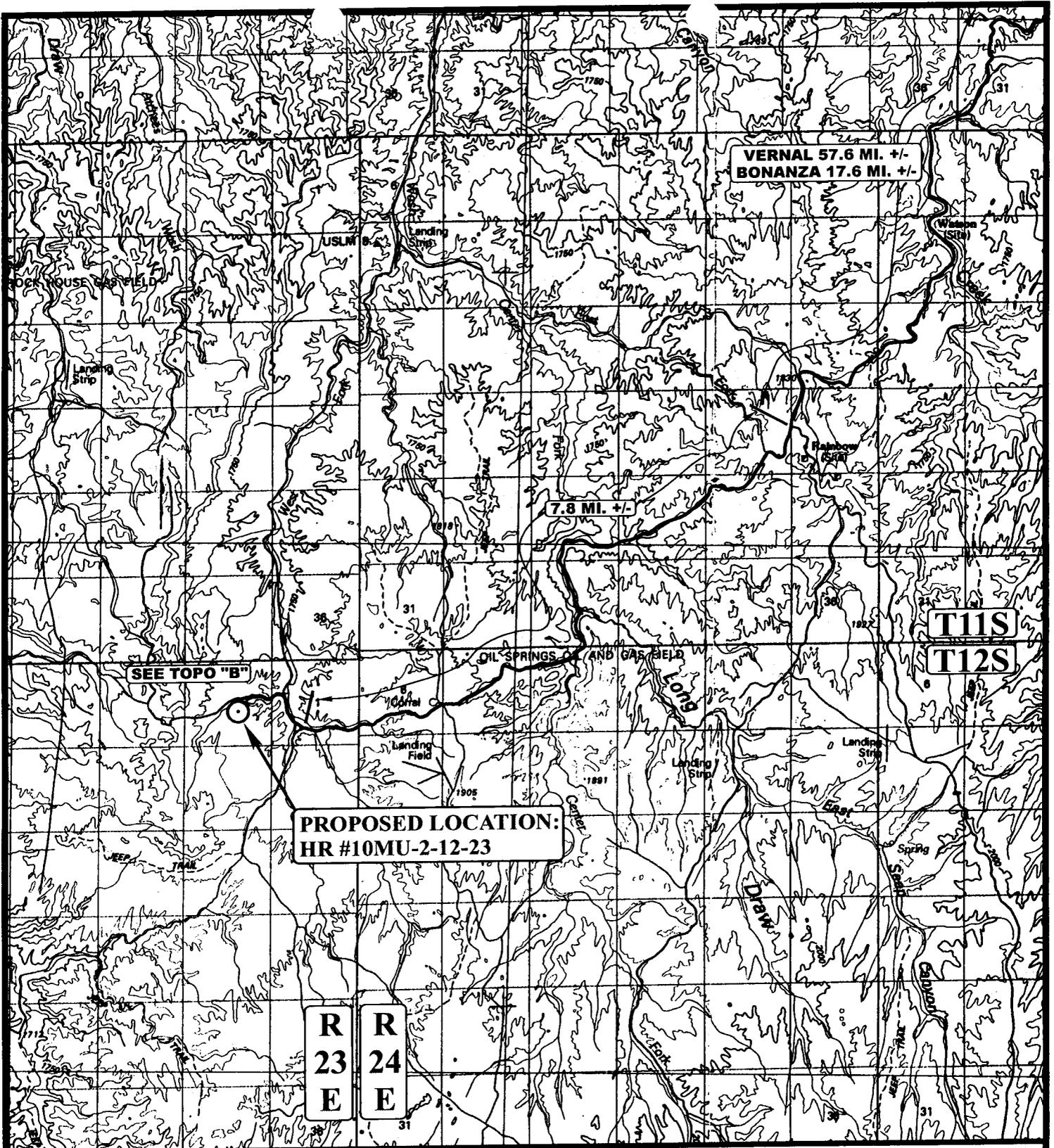
WELL HEAD

Production Tanks

GAS UNIT

BERM

 INTERIM RECLAMATION



LEGEND:

○ PROPOSED LOCATION



QUESTAR EXPLOR. & PROD.

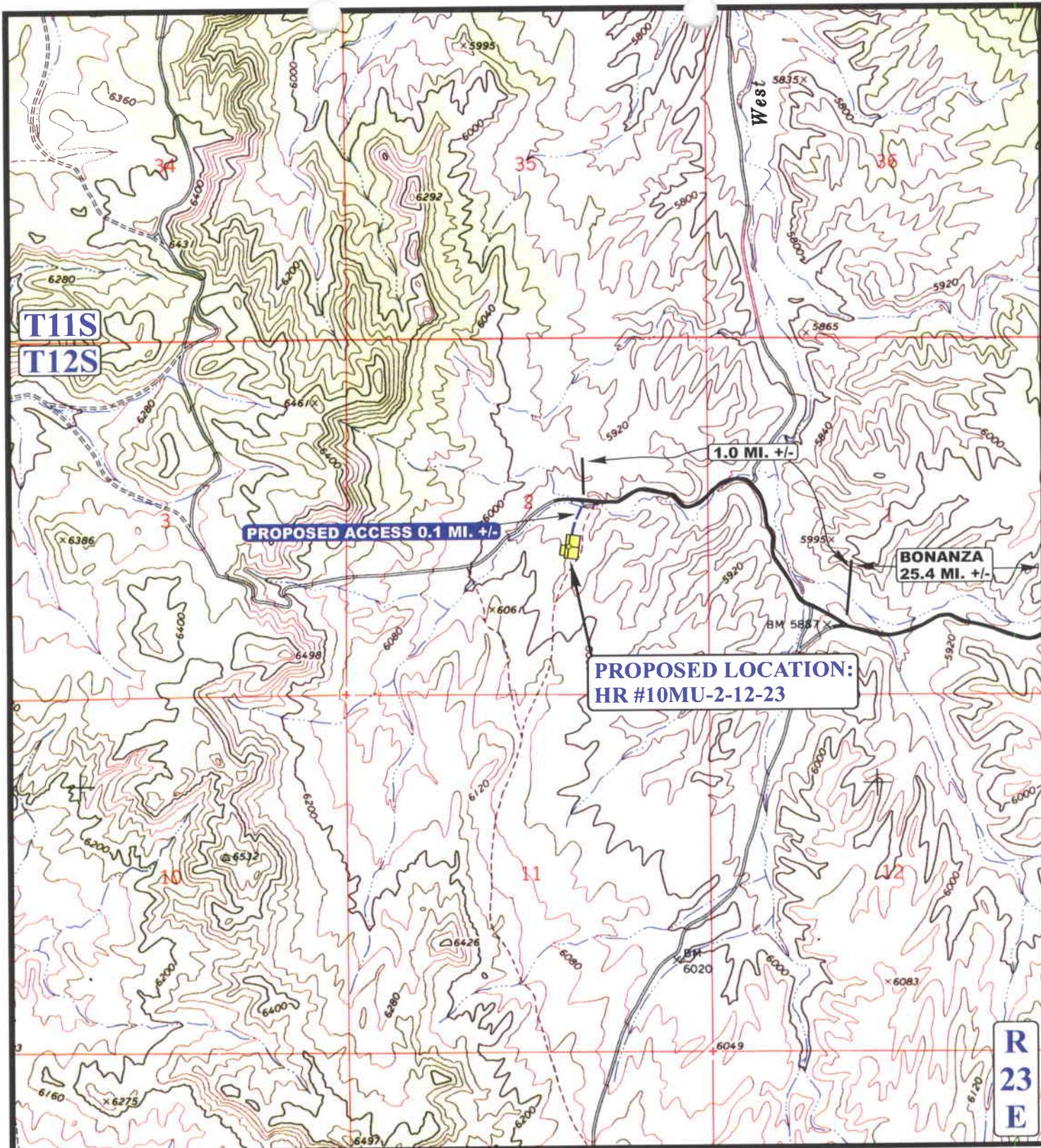
HR #10MU-2-12-23
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 2171' FSL 2042' FEL



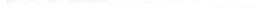
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP
 04 05 06
 MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: LDK REVISED: 00-00-00





LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

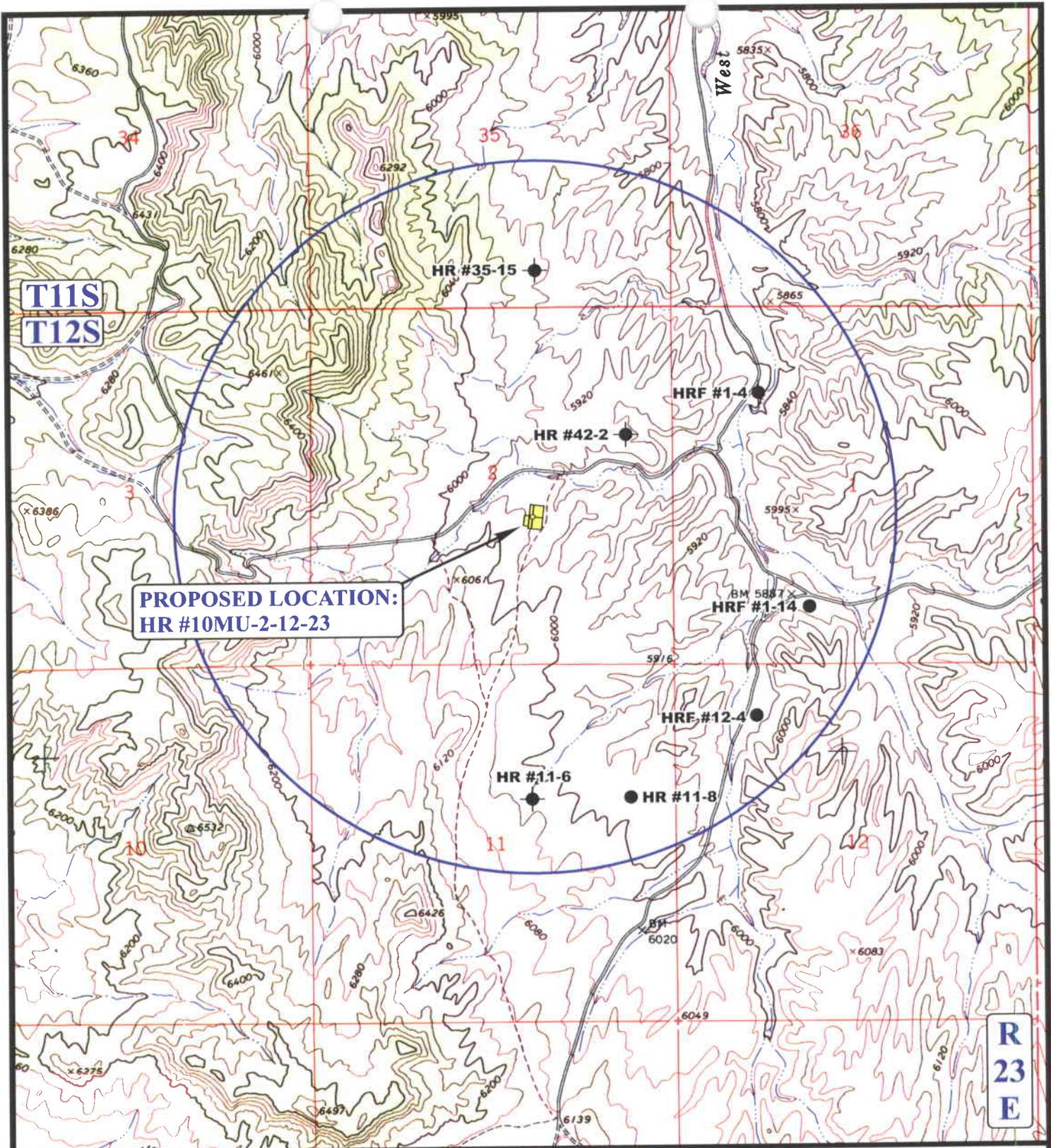


QUESTAR EXPLOR. & PROD.

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SECTION 2, T12S, R23E, S.L.B.&M.
2171' FSL 2042' FEL

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

TOPOGRAPHIC **04** **05** **06**
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: LDK REVISED: 00-00-00 **B**
 TOPO



LEGEND:

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



QUESTAR EXPLOR. & PROD.

HR #10MU-2-12-23
SECTION 2, T12S, R23E, S.L.B.&M.
2171' FSL 2042' FEL



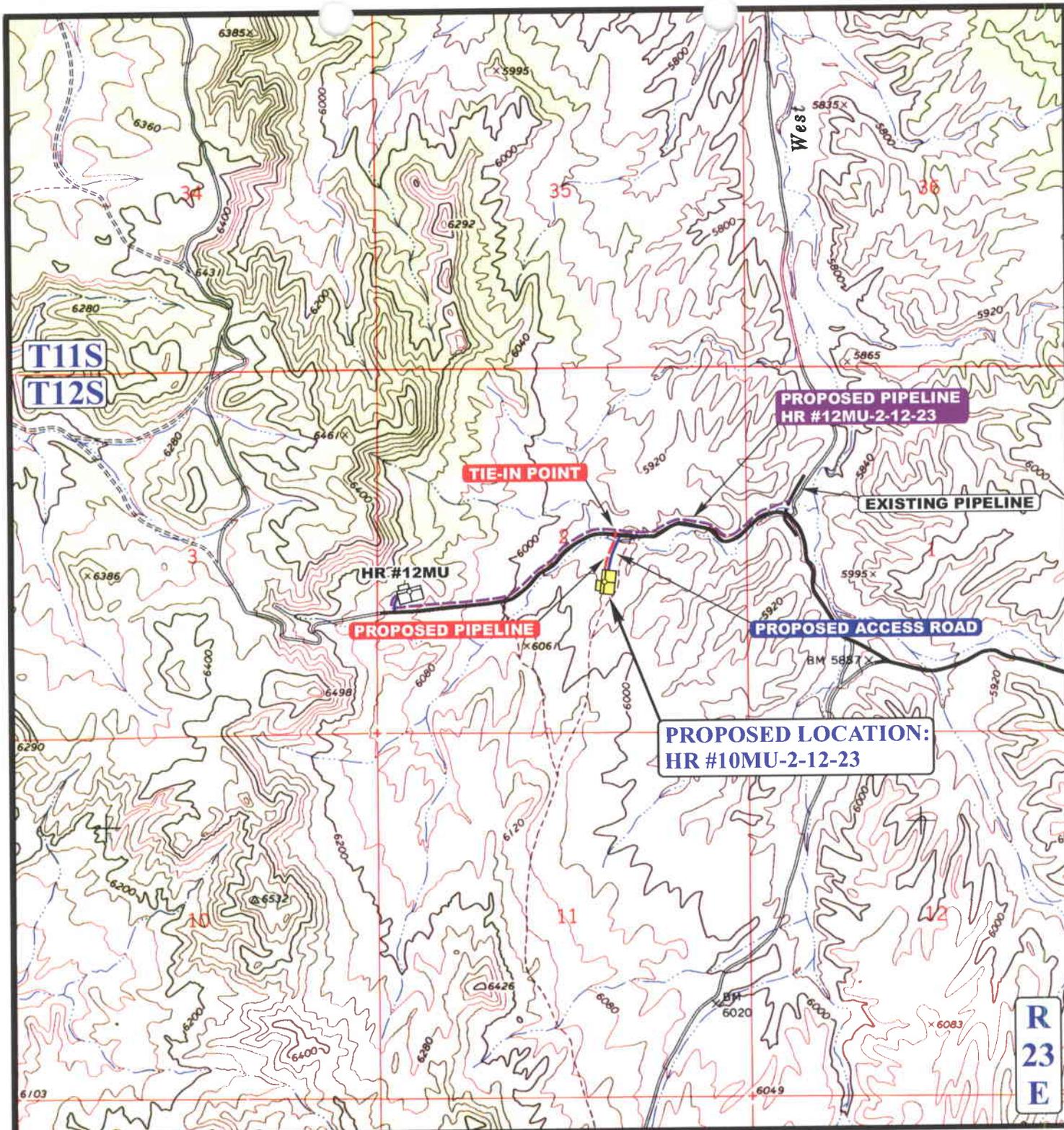
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

04 05 06
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: LDK REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 590' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



QUESTAR EXPLOR. & PROD.

HR #10MU-2-12-23
 SECTION 2, T12S, R23E, S.L.B.&M.
 2171' FSL 2042' FEL



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

TOPOGRAPHIC
 MAP

04	05	06
MONTH	DAY	YEAR

SCALE: 1" = 2000' DRAWN BY: LDK REVISED: 00-00-00



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/02/2006

API NO. ASSIGNED: 43-047-38055

WELL NAME: HR 10MU-2-12-23

OPERATOR: QUESTAR EXPL & PROD CO (N5085)

CONTACT: JAN NELSON

PHONE NUMBER: 435-781-4331

PROPOSED LOCATION:

NWSE 02 120S 230E
 SURFACE: 2171 FSL 2042 FEL
 BOTTOM: 2171 FSL 2042 FEL
 COUNTY: UINTAH
 LATITUDE: 39.80124 LONGITUDE: -109.3077
 UTM SURF EASTINGS: 644882 NORTHINGS: 4406858
 FIELD NAME: OIL SPRINGS (635)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	6/7/06
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-50193
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: MVRD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 965003033)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-2199)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS:

Needs Permit (05-24-06)

STIPULATIONS:

- 1- Spacing Stip
- 2- STATEMENT OF BASIS

HANGING ROCK
 FED H 35-15
 BHL
 H 35-15
 (PA)

T11S R23E
 T12S R23E

HR 3MU-2-12-23

HR 2MU-2-12-23

HR 6MU-2-12-23

H R STATE S 22-2

H R STATE S 42-2

2

HR 10MU-2-12-23

OIL SPRINGS FIELD

HR 12MU-2-12-23

H R STATE S 24-2

HR 14MU-2-12-23

HR 16MU-2-12-23

H R STATE S 44-2

HANGING ROCK UNIT

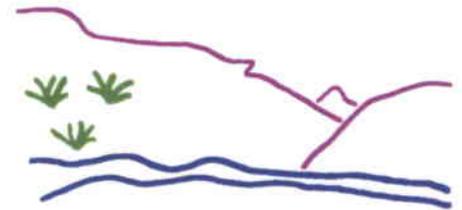
OPERATOR: QUESTAR EXPL & PROD (N5085)

SEC: 2 T. 12S R. 23E

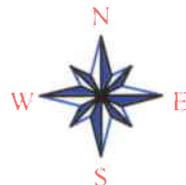
FIELD: OIL SPRINGS (635)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
 DATE: 8-MAY-2006

- 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

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

OPERATOR: QUESTAR EXPLORATION & PRODUCTION, CO.
WELL NAME & NUMBER: HR 10MU-2-12-23
API NUMBER: 43-047-38055
LOCATION: 1/4,1/4 NW/SE Sec: 2 TWP: 12S RNG: 23E 2171' FSL 2042 FEL

Geology/Ground Water:

QEP proposes to set 450' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,000'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 2. This location lies on the Green River Formation. The proposed location is in a recharge area for the aquifers of the upper Green River formation and fresh water can be expected to be found in the upper Green River. The production casing cement should be brought up above the base of the moderately saline ground water in order to isolate the more saline water from fresher waters up hole.

Reviewer: Brad Hill **Date:** 05/30/2006

Surface:

The pre-drill investigation of the surface was performed on May 24,2006. The State of Utah (SITLA) owns both the surface and minerals of this location. Mr. Jim Davis of SITLA and Mr. Ben Williams of the Utah Division of Wildlife Resources were invited to the pre-site on 05/11/06. Mr. Williams informed me he had another commitment and would not attend. SITLA was not in attendance.

The proposed HR 10MU-2-12-23 well lies on a relatively gentle point of a ridge which extends into an interior basin approximately 1 mile east of the Bitter Creek-Asphalt Wash. This divide rim has steep side-slopes and exposed bedrock, which form cliffs at the top. The bottom of West Fork of Asphalt is approximately 1/2 mile to the east of the proposed location. The White River is approximately 11 miles down-drainage to the north. Approximately 0.1 mile of existing two-track road will be up-graded to reach the site. Light natural erosion is occurring as overland flow from the site. No significant gullies will be intercepted and no stability problems are anticipated with the construction and operation of a well pad at this location.

The selected location appears to be the best site for constructing a pad and drilling and operating a well in the immediate area.

This pre-drill investigation was conducted on a warm sunny day. 4-wheeled ATV's were used to access the location

Reviewer: Floyd Bartlett **Date:** 05/26/2006

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils with a felt pad under-layment shall be properly installed and maintained in the reserve pit.

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

OPERATOR: QUESTAR EXPLORATION & PRODUCTION, CO.
WELL NAME & NUMBER: HR 10MU-2-12-23
API NUMBER: 43-047-38055
LEASE: ML-50193 **FIELD/UNIT:** Undesignated
LOCATION: 1/4, 1/4 NW/SE Sec: 2 TWP: 12S RNG: 23E 2171' FSL 2042 FEL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.
GPS COORD (UTM): 644888 E 4406861 N **SURFACE OWNER:** State of Utah-SITLA

PARTICIPANTS

Floyd Bartlett (DOGM), Jan Nelson (QEP), Don Allred (Uintah Engineering and Land Surveying)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

The location is approximately 27 road miles south west of Bonanza Ut, and approximately 65 miles southwest of Vernal, UT. Access from Vernal, UT. is by Utah State Highways and Uintah County roads to the Uintah County Bitter Creek Road. From this road an existing 2-track road will be upgraded for 0.1 miles south to the location.

Topography in the general area is broad canyon bottoms separated by steep and often ledgey side-slopes, which top-out onto broad ridge tops. Frequent outwash plains and deposits occur along the sides of the major bottoms. West Fork of Asphalt Wash is a broad somewhat gentle alluvial wash, which is dry except for spring runoff and sometimes-intense summer rainstorms.

The proposed HR 10MU-2-12-23 well lies on a moderately gentle point of a ridge which extends into an interior basin approximately 1 mile east of the Bitter Creek-Asphalt Wash. This divide rim has steep side-slopes and exposed bedrock, which form cliffs at the top. The bottom of West Fork of Asphalt is approximately 1/2 mile to the east of the proposed location. The White River is approximately 11 miles down-drainage to the north.

SURFACE USE PLAN

CURRENT SURFACE USE: wildlife and domestic sheep grazing and hunting.

PROPOSED SURFACE DISTURBANCE: Up-grading 0.1 miles of two-track road. Also construction of a well location 350' x 198' plus a reserve pit and soil stockpile storage outside the described area.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: Four producing Federal well are east of the proposed location. Other wells are planned within this State section. See attached map from GIS database.

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

Approximately 590 feet of pipeline will follow the access road north to a tie-in point with a proposed pipeline to the HR 12MU well.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be borrowed from site during construction of location.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? EXPLAIN: Unlikely. Oilfield activity is common in the area.

WASTE MANAGEMENT PLAN:

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

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: Pinion/juniper site with an under-story of big sagebrush and curly mesquite grass.
Pronghorn, rodents, songbirds, raptors, elk, deer, bobcat, coyote.

SOIL TYPE AND CHARACTERISTICS: Moderately deep, light brown sandy loam with scattered surface stone.

EROSION/SEDIMENTATION/STABILITY: Light natural erosion is occurring as overland flow from the site. No significant gullies will be intercepted by construction of the location. No stability problems are anticipated with the construction and operation of the location.

PALEONTOLOGICAL POTENTIAL: Survey completed by I.P.C on 04-06-2006 and will be furnished for the file.

RESERVE PIT

CHARACTERISTICS: 150' by 70' and 12' deep. The reserve pit is planned in an area of cut on the south west corner of the location. No stabilization problems are expected.

LINER REQUIREMENTS (Site Ranking Form attached): A liner will be required for reserve pit. Sensitivity score is 20 and a rating Level II.

SURFACE RESTORATION/RECLAMATION PLAN

As per landowner agreement with SITLA.

SURFACE AGREEMENT: SITLA

CULTURAL RESOURCES/ARCHAEOLOGY: A survey was completed by MOAC on 4-15-06 and will be furnished for the file.

OTHER OBSERVATIONS/COMMENTS

Ben Williams representing the UDWR and Jim Davis of SITLA were invited to the pre-site by e-mail on May 11. Mr. Williams informed me he had another commitment and would not attend. No one from SITLA attended.

This pre-drill investigation was conducted on a warm sunny day. Four-wheeled ATV's were used to access the site.

ATTACHMENTS

Photos of site have been taken and placed on file.

Floyd Bartlett
DOGM REPRESENTATIVE

05/24/2006 1:00 PM
DATE/TIME

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

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>00</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>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 20 (Level II Sensitivity)

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

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

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

05-06 QEP HR 10MU-2-1-23

Casing Schematic

Green River

Surface

TOC @ 0.

TOC @ 0.

9-5/8"
MW 8.4
Frac 19.3

Surface
450. MD

✓ 21895 check

BIT

$(-0.02)(4850)(9.5) = 2395$

Anticipate 2060

Gas

$(-12)(4850) = 582$

$11,457 = 1813$

1982 Top Tail

✓ 21226 check

Rope - 3,000 ✓

Surf csg - 3520

706 = 2464

2500 watch

3000 BMSD

Max pressure @ Surf csg shoe = 1427

Test to 1500# (as proposed) ✓

✓ Adequate 7/24/06 6/7/06

4260 11250 check

4-1/2"
MW 9.5

Production
4850. MD

Well name:	05-06 QEP HR 10MU-2-12-23		
Operator:	QEP Uintah Basin Inc.		
String type:	Surface	Project ID:	43-047-38055
Location:	Uintah County		

<p>Design parameters:</p> <p><u>Collapse</u> Mud weight: 8.400 ppg Design is based on evacuated pipe.</p> <p><u>Burst</u> Max anticipated surface pressure: 227 psi Internal gradient: 0.447 psi/ft Calculated BHP 428 psi No backup mud specified.</p>	<p>Minimum design factors:</p> <p><u>Collapse:</u> Design factor 1.125</p> <p><u>Burst:</u> Design factor 1.00</p> <p><u>Tension:</u> 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)</p> <p>Tension is based on air weight. Neutral point: 394 ft</p>	<p>Environment:</p> H2S considered? No Surface temperature: 65 °F Bottom hole temperature: 71 °F Temperature gradient: 1.40 °F/100ft Minimum section length: 185 ft <p>Cement top: Surface</p> <p>Non-directional string.</p> <p>Re subsequent strings: Next setting depth: 4,850 ft Next mud weight: 9.500 ppg Next setting BHP: 2,394 psi Fracture mud wt: 19.250 ppg Fracture depth: 450 ft Injection pressure 450 psi</p>
--	--	---

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	450	9.625	36.00	J-55	ST&C	450	450	8.796	32

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	196	2020	10.287	428	3520	8.23	16	394	24.32 J

Prepared by: Clinton Dworshak Utah Div. of Oil & Mining	Phone: 801-538-5280	Date: May 31, 2006 Salt Lake City, Utah
--	---------------------	--

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 450 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

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

Well name:

05-06 QEP HR 10MU-2-12-23

Operator: QEP Uintah Basin Inc.

String type: Production

Project ID:

43-047-38055

Location: Uintah County

Design parameters:

Collapse

Mud weight: 9.500 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 133 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 227 psi
Internal gradient: 0.447 psi/ft
Calculated BHP 2,394 psi

No backup mud specified.

Tension:

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

Non-directional string.

Tension is based on air weight.

Neutral point: 4,161 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4850	4.5	11.60	M-80	LT&C	4850	4850	3.875	112.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2394	6350	2.653	2394	7780	3.25	56	267	4.75 B

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

Phone: 801-538-5280

Date: May 31,2006
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 4850 ft, a mud weight of 9.5 ppg The casing is considered to be evacuated for collapse purposes.

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: 6/27/2006 10:17:58 AM
Subject: Well Clearance

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

Dominion E&P, Inc
LCU 1-2H

Enduring Resources, LLC
Rock House 10-23-23-32
Rock House 11-23-11-2

EOG Resources, Inc
Big Spring 3-36 GR
East Chapita 30-16

The Houston Exploration Company
North Horseshoe 1-16-6-21
North Horseshoe 13-16-6-21
North Horseshoe 13-2-6-21
North Horseshoe 15-2-6-21

Kerr McGee Oil & Gas Onshore LP
NBU 921-25A
NBU 921-25P
NBU 921-35J
NBU 922-32K2

Questar Exploration & Production
HR 2MU-2-12-23
HR 3MU-2-12-23
HR 6MU-2-12-23 (Cleared provided operator follows arch consultants recommendation to move location avoiding significant site)
HR 10MU-2-12-23
HR 12MU-2-12-23
HR 14MU-2-12-23
HR 16MU-2-12-23

Stone Energy Corporation
Stone Rush 44-32-8-17

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

June 29, 2006

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

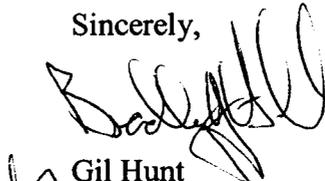
Re: HR 10MU-2-12-23 Well, 2171' FSL, 2042' FEL, NW SE, Sec. 2, T. 12 South,
R. 23 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38055.

Sincerely,



Gil Hunt
Associate Director

mf
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Questar Exploration & Production Company
Well Name & Number HR 10MU-2-12-23
API Number: 43-047-38055
Lease: ML-50193

Location: NW SE **Sec.** 2 **T.** 12 South **R.** 23 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

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

5. 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.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Well Other Well

2. Name of Operator
Questar Exploration & Production, CO.

3. Address and Telephone No. **11002 E. 17500 S. VERNAL, UT 84078-8526**
 Contact: **Dahn.Caldwell@questar.com**
435-781-4342 Fax 435-781-4357

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NWSE, SEC 2-T12S-R23E, 2171' FSL, 2042' FEL

5. Lease Designation and Serial No.
ML-50193

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

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
HR 10MU 2 12 23

9. API Well No.
43-047-38055

10. Field and Pool, or Exploratory Area
UNDESIGNATED

11. County or Parish, State
UINTAH COUNTY, UTAH

CONFIDENTIAL

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>SPUD</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

On 9/28/06 - Drilled 40' of 20" conductor hole. Ran 40' of 14" conductor pipe and cement w/ Ready Mix.

Drilled 12-1/4" hole, run 11 jts 9-5/8" J-55 36# csg to 492' KB. Cmt w/ 225 sxs cmt.

3 - BLM, 2- Utah OG&M, 1 - Denver, 1 - file Word file-server

14. I hereby certify that the foregoing is true and correct.
 Signed **Dahn F. Caldwell** *[Signature]* Title **Office Administrator II** Date **10/19/06**

(This space for Federal or State office use)

Approved by: _____ Title _____ Date _____
 Conditions of approval, if any _____

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

RECEIVED
 OCT 19 2006
 DIV. OF OIL, GAS & MINING
 CONFIDENTIAL

OPERATOR: Questar Exploration & Production, CO.
ADDRESS: 11002 East 17500 South
Vernal, Utah 84078-8526 (435)781-4300

Action Code	Current Entity No.	New Entity No.	API Number	Well Name	QQ	SC	TP	RG	County	Spud Date	Effective Date
A	99999	15737	43-047-38055	HR 10MU 2 12 23	NWSE	2	12S	23E	Uintah	9/28/2006	10/26/06

WELL 1 COMMENTS: *m/v/d*

CONFIDENTIAL

WELL 2 COMMENTS:

WELL 3 COMMENTS:

WELL 4 COMMENTS:

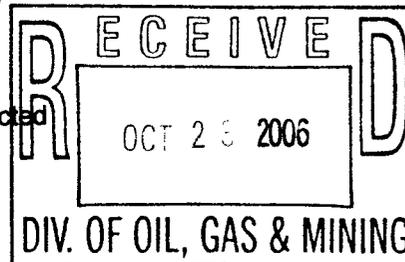
WELL 5 COMMENTS:

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected

(3/89)



John F. Caldwell
Signature

Office Administrator II Title
10/19/06 Date

Phone No. (435)781-4342

CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE
(See other instructions on reverse side).

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

CONFIDENTIAL

5. LEASE DESIGNATION AND SERIAL NO.
ML-50193

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

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
N/A

9. WELL NO.
HR 10MU 2 12 23

10. FIELD AND POOL, OR WILDCAT
HANGING ROCK

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SEC 2- T12-R23E

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL OIL WELL GAS WELL DRY Other _____

b. TYPE OF COMPLETION NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR Other _____

2. NAME OF OPERATOR
QUESTAR EXPLORATION & PRODUCTION, CO.

3. ADDRESS OF OPERATOR. **1571 East 1700 South - Vernal, UT 84078**
Contact: **Dahn Caldwell 435-781-4342**
Fax # **435.781.4357**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface **NWSE - SEC 2- T12-R23E - 2171' FSL, 2042' FEL**
At top rod. interval reported below **NWSE - SEC 2- T12-R23E - 2171' FSL, 2042' FEL**
At total depth **NWSE - SEC 2- T12-R23E - 2171' FSL, 2042' FEL**

14. PERMIT NO. **43-047-38055** DATE ISSUED _____

12. COUNTY OR PARISH **UINTAH** 13. STATE **UT**

15. DATE SPUNDED **9/28/06** 16. DATE T.D. REACHED **10/08/06** 17. DATE COMPL. (Ready to prod.) **1/4/07** 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* **KB** 19. ELEV. CASINGHEAD _____

20. TOTAL DEPTH, MD & TVD **4,862'** 21. PLUG BACK TD., MD & TVD **4,820'** 22. IF MULTIPLE COMPL., HOW MANY* _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS _____ CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*
Not producing at this time

25. WAS DIRECTIONAL SURVEY MADE
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN
CBL/GR/CCL, SPECTRAL DENSITY DSN & SPECTRAL DENSITY/DSN/AC/TRUE RESISTIVITY

27. WAS WELL CORED
NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB/FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	36#	492'	12-1/4"	255 SXS	
4-1/2"	11.6#	4,862'	7-7/8"	871 SXS	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	2461'	

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	2461'	

31. PERFORATION RECORD (Interval, size and number)
SEE ATTACHMENT PAGE ONE

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
DEPTH INTERVAL (MD) _____ AMOUNT AND KIND OF MATERIAL USED _____
SEE ATTACHMENT PG 1 **SEE ATTACHMENT PAGE ONE**

33.* PRODUCTION

DATE FIRST PRODUCTION **N/A** PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) **N/A - TESTED & CAPABLE OF PRODUCING - W/O PIPELINE TO BE INSTALLED** WELL STATUS (Producing or shut-in) **SI**

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL-BBL.	GAS-MCF.	WATER-BBL.	GAS-OIL RATIO
N/A							

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL-BBL.	GAS-MCF	WATER-BBL.	OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
SI - TESTED & CAPABLE OF PRODUCING - W/O PIPELINE TO BE INSTALLED.

TEST WITNESSED BY _____

35. LIST OF ATTACHMENTS
PERFORATION ATTACHMENT PAGE ONE

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED **JIM SIMONTON** *Jim Simonton* TITLE **COMPLETION SUPERVISOR** DATE **5/29/07**

(See Instructions and Spaces for Additional Data on Reverse Side)

RECEIVED JUN 06 2007

DIV. OF OIL, GAS & MIN

CONFIDENTIAL

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS
HR 10MU 2-12-23

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
GREEN RIVER	SURFACE		<p>HR 10MU 2-12-23 HAS BEEN TESTED & WILL BE A PRODUCING WELL. CURRENTLY WAITING ON PIPELINE TO BE INSTALLED. THIS WELL HAS NEVER PRODUCED AS OF 5/29/07.</p> <p>CONFIDENTIAL</p>
WASATCH	2560'		
MESA VERDE	4260'		
TD	4862'		

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
GREEN RIVER	SURFACE	
WASATCH	2560'	
MESA VERDE	4260'	
TD	4862'	

HR 10MU 2-12-23 – Attachment Page One
PERFORATION DETAIL:

<u>Open Perfs</u>	<u>Stimulation</u>	<u>Perf Status</u>
2496' – 2506'		Open – Green River
2584' – 2594'		Open – Green River
2604' – 2610'		Open – Green River
Set CIBP @ 2970'		CMT W/ 35' CMT
2999' – 3005'		Closed – Wasatch
Set CIBP @ 3009'		
3013' – 3019'		Closed – Wasatch
3078' – 3082'		Closed – Wasatch
Set CIBP @ 4065'		
4086' – 4102'		Closed – Wasatch
Set CIBP @ 4220'		CMT W/ 35' CMT
4242' – 4258'		Closed – Mesa Verde
Set CIBP @ 4305'		CMT W/ 35' CMT
4328' – 4336'		Closed – Mesa Verde
Set CIBP @ 4360'		
4366' – 4374'	Acidize	Closed – Mesa Verde
Set CIBP @ 4530'		CMT W/ 35' CMT
4553' – 4571'		Closed – Mesa Verde

CONFIDENTIAL

UT08883P06
FIELD: Hanging Rock GL: 5,952' KBE: 5,967' Spud Date: 9-29-06 Completion date: 1-4-07
Well: HR 10MU-2-12-23 TD: 4,862' PBTD: 4,820' Current Well Status:
 Location - surface: 2171' FSL, 2042' FEL, NW/SE Sec. 2, T12S, R23E Reason for Pull/Workover: Initial completion
 Location - bottom hole: Uintah County, Utah
 API#: 43-047-38055
 Deviation: Less than 1 deg/100'

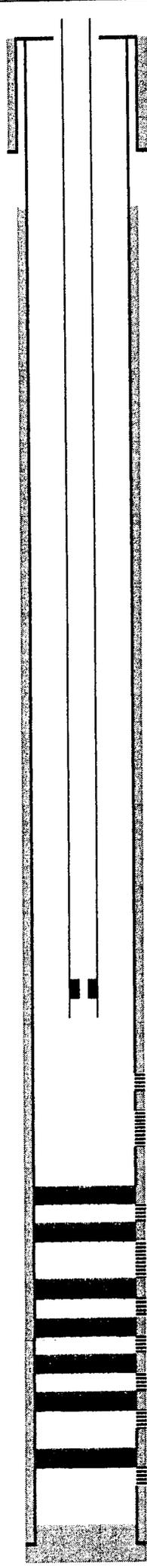
Wellbore Schematic

Surface casing
 Size: 9-5/8"
 Weight: 36#
 Grade: J-55
 Set @ 492
 Cmtd w/ sk 255
 Hole size: 12-1/4"

EXCLUDED PERFS

TOC @ surface'

OPEN PERFS



F-nipple @ 2429
 EOT @ 2461
 2496'-2506' Green River
 2584'-2594' Green River
 2604'-2610' Green River
 CIBP @ 2970' w/ 35' cement
 2999'-3005' Wasatch
 CIBP @ 3009'
 3013'-3019' Wasatch
 3078'-3082' Wasatch
 CIBP @ 4065'
 4086'-4102' Wasatch
 CIBP @ 4220' w/ 35' cement
 4242'-4258' Mesaverde
 CIBP @ 4305' w/ 35' cement
 4328'-4336' Mesaverde
 CIBP @ 4360'
 4366'-4374' Mesaverde
 CIBP @ 4530' w/ 35' cement
 4553'-4571' Mesaverde
 PBTD @ 4820'
 TD @ 4862'

Production Casing
 Size: 4-1/2"
 Weight: 11.6#
 Grade: M-80
 Set @ 4862
 Cmtd w/ sk 871
 Hole size: 7-7/8"

Tubing Landing Detail:

Description	Size	Footage	Depth
KB		15.00	15.00
Hanger		0.85	15.85
77 jts 2-3/8" J-55		2,412.50	2,428.35
1.81" F-nipple		0.85	2,429.20
1 jts 2-3/8" J-55		31.56	2,460.76
		0.00	2,460.76
EOT @			2,460.76

Tubing Information:
 Condition:
 New: Used: Rerun:
 Grade: J-55
 Weight (#/ft): 4.7# 0

Wellhead Detail: Example: 7-1/16" 3000#
 4-1/16" 10K
 Other:
 Hanger: Yes No

SUMMARY
 11-9-06 MIRU RMWS #3. Perforate, breakdown & test perfs @ 4553'-71'. Set CIBP @ 4530' w/ 35' cement.
 11-15-06 MIRU Lone Wolf WL. Set CIBP @ 4530' w/ 35' cement. Perf Green R 4366'-74' & 4328'-36' w/ 3 spf.
 11-21-06 MIRU Cutters WL. Set CIBP @ 4360'
 11-28-06 Acidize perfs @ 4328'-4336' w/ 12 bbls.
 11-30-06 MIRU Lone Wolf WL. Set CIBP @ 4305' w/ 35' cement. Perf 4086'-41
 12-4-06 MIRU Lone Wolf WL. Perf 4242'-4258' w/ 3 spf.
 12-7-06 MIRU Lone Wolf WL. Set CIBP @ 4220' w/ 35' cement. Set CIBP @ 4C
 Perforate 3078'-82'; 3013'-19'; 2999'-05' w/ 3 spf.
 12-18-06 MIRU Cutters WL. Set CIBP @ 3009'.
 12-26-06 MIRU Lone Wolf WL. Set CIBP @ 2970' w/ 35' cement. Perf Green R
 intervals 2604'-10'; 2583'-93'; 2495'-05'. Break down & swab test.
 1-3-07 RDMO Rocky Mtn Well Service.

NOTE: Dump baller & CCL cemented in @ 4267'-4305'
 NOTE: Short jts csg @ 4042'-52' & 5937.5'-48' (Lone Wolf Wireline C&L)

Prepared By: Todd Seiffert Date: 1-4-07

CONFIDENTIAL



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

March 5, 2008

CERTIFIED MAIL NO. 7004 2510 0004 1824 5421

Mr. Kirk Fleetwood
Questar Exploration & Production
11002 East 17500 South
Vernal, Utah 84078

43 0A7 38055
HR 10MU-2-12-23
12S 23E 2

Re: Third Notice of Extended Shut-in and Temporarily Abandoned Well Requirements for Fee or State Leases.

Dear Mr. Fleetwood:

As of January 2008, Questar Exploration & Production has ten (10) State Mineral Lease Wells that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status (see attachment A). Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

In March 2004 the Division notified Questar by certified mail that the following 3 wells were in violation of R649-3-36:

- Toll Station ST 8-36-8-21 API 4304732724
- WV 9W-36-7-21 API 4304734066
- WV 7W-36-7-21 API 4304734065

Questar responded with plans to recomplete, convert to injector, or plug and abandon (P&A) these wells by November 2004. To date, nothing has been done on these wells.



March 5, 2008

Questar Third Notice of Extended Shut-in and Temporarily Abandoned Well Requirements

In December 2005, a Second Notice was sent from the DOGM office that reiterated the need for Questar to comply with R649-3-36. Questar was noticed that the following three additional wells were also now in violation of R649-3-36:

- WV 11W-36-7-21 API 4304734067
- OU GB 8W-16-8-22 API 4304734660
- RWU 324(23-16B) API 4304733084

Telephone conversations between Questar and DOGM concerning these additional 3 wells, including a letter response from Questar dated December 29, 2005, followed. The letter response stated wells WV 9W-36-7-21 and WV 7W-36-7-21 were under review and wells Toll Station ST 8-36-8-21, WV 11W-36-7-21, OU GB8W-16-8-22, and RWU 324(23-16B) were scheduled for recompletion or plugging. RWU 324 (23-16B) was noticed for P&A and approved for plugging in February 2006. The well is currently listed as "operation suspended" in our database. DOGM records show that nothing has been done on any of the six wells to bring them into compliance with R649-3-36.

DOGM feels sufficient time has passed to make a determination on these wells. Please submit your plans to produce or plug these wells to DOGM within 30 days of this notice or a Notice of Violation (NOV) will be issued. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

In addition to the six wells listed above, the following four additional wells are now also in violation of R649-3-36:

- WV 16W-2-8-21 API 4304733645
- OU GB 15G-16-8-22 API 4304734829
- RW 01-36BG API 4304736887
- HR 10MU-2-12-23 API 4304738055

This letter will serve as a first notice for these wells. Questar can put these wells back on production, plug the wells or request extended SI/TA. For extended SI/TA consideration, the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence/or absence of Underground Sources of Drinking Water, and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

March 5, 2008

Questar Third Notice of Extended Shut-in and Temporarily Abandoned Well Requirements

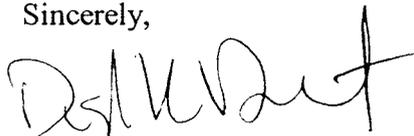
Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA.

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

Additionally, DOGM has not received Sundry notice of testing on well HR 10MU-2-12-23 (API 4304738055) completed in January 2007.

Please respond with your plans for all wells referenced in this letter. If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

js

Attachment

cc: Well File
Operator Compliance File
Jim Davis, SITLA

ATTACHMENT A

	Well Name	API	Lease Type	Years/Months Inactive
1	TOLL STATION ST 8-36-8-21	4304732724	ML-22051	11 years 7 months
2	RW 23-16B	4304733084	ML-3037	7 years 4 months
3	WV 16W-2-8-21	4304733645	ML-2785	2 years 3 months
4	WV 7W-36-7-21	4304734065	ML-47040	6 years 2 months
5	WV 9W-36-7-21	4304734066	ML-47040	6 years 3 months
6	WV 11W-36-7-21	4304734067	ML-47040	2 years 8 months
7	OU GB 8W-16-8-22	4304734660	ML-22049	4 years 9 months
8	OU GB 15G-16-8-22	4304734829	ML-22049	3 years 3 months
9	RW 01-36BG	4304736887	UTO-0566-ST	1 years 2 months
10	HR 10MU-2-12-23	4304738055	ML-50193	1 year 1 month

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. ML 50193
2. Name of Operator Questar Exploration and Production Inc.		6. If Indian, Allottee or Tribe Name N/A
3a. Address 11002 E. 17500 S. VERNAL, UT 84078-8526	3b. Phone No. (include area code) 435-781-4319	7. If Unit or CA/Agreement, Name and/or No. N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2171' FSL, 2042' FEL, NWSE, SECTION 2, T12S, R23E, SLBM		8. Well Name and No. HR 10MU-2-12-23
		9. API Well No. 43-047-38055
		10. Field and Pool, or Exploratory Area Hanging Rock
		11. County or Parish, State Uintah, UT

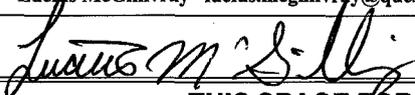
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

This well will start producing within 4 months.

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Lucius McGillivray lucius.mcgillivray@questar.com		Title Associate Petroleum Engineer
Signature 	Date 4-20-08	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office _____		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED

MAR 21 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. ML 50193
2. Name of Operator Questar Exploration and Production Inc.		6. If Indian, Allottee or Tribe Name N/A
3a. Address 11002 E. 17500 S. VERNAL, UT 84078-8526	3b. Phone No. (include area code) 435-781-4319	7. If Unit or CA/Agreement, Name and/or No. N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2171' FSL, 2042' FEL, NWSE, SECTION 2, T12S, R23E, SLBM		8. Well Name and No. HR 10MU-2-12-23
		9. API Well No. 43-047-38055
		10. Field and Pool, or Exploratory Area Hanging Rock
		11. County or Parish, State Uintah, UT

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

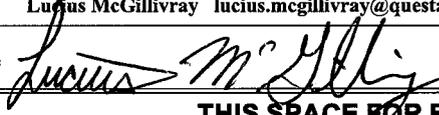
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input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

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

This well will start producing within 4 months.

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only

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

Name (Printed/Typed) Lucius McGillivray lucius.mcgillivray@questar.com	Title Associate Petroleum Engineer
Signature 	Date 4-20-08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office _____		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED
MAR 21 2008



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 29, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6404

Mr. Lucius McGilviray
Questar Exploration & Production
11002 East 17500 South
Vernal, UT 84078

43 047 38055
HR 10MU-2-12-23
12S 23E 2

Re: Second Notice of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases.

Dear Mr. McGilviray:

As of August 2008, Questar Exploration & Production ("Questar") has five (5) State Mineral Lease Wells (see attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division" or "DOG M") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

On March 5, 2008, the Division notified you by certified mail that wells 1 through 4 (Attachment A) required filing for an extension or a Sundry Notice for plugging and abandonment. On April 22, 2008, it was understood from our phone conversation that plans to PA these wells would be submitted within a two week time frame. DOGM feels more than sufficient time has passed since the notice was issued to make a determination on these wells. Please submit your plans to produce or plug these wells to DOGM within 30 days of this notice or further actions will be initiated. Note: an additional well has come into non-compliance since our last conversation and letter in April. This well should also be addressed. A notice of violation was sent out separately to cover the additional 6 wells that are currently in non-compliance.

Page 2
September 29, 2008
Mr. McGilviry

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3)

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

JP/js
Enclosure

cc: Jim Davis, SITLA
Well File
Compliance File

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	WV 16W-2-8-21	43-047-33645	ML-2785	2 Years 9 Months
2	OU GB 15G-16-8-22	43-047-34829	STATE	3 Years 9 Months
3	RW 01-36BG	43-047-36887	UTO-0566-ST	1 Year 8 Months
4	HR 10MU-2-12-23	43-047-38055	ML-50193	1 Year 7 Months
5	GB 4SG-36-8-21	43-047-38764	ML-22051	1 Year

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: QUESTAR EXPLORATION AND PRODUCTION

Well(s) or Site(s): 1.) OU GB 15G-16-8-22 API #: 43-047-34829
2.) WVFU 16W-2-8-21 43-047-33645
3.) HR 10MU-2-12-23 43-047-38055

Date and Time of Inspection/Violation: January 28, 2009

Mailing Address: Attn: Lucius McGilviry
11002 East 17500 South
Vernal, UT 84078

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells –According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Questar Exploration and Production (Questar) requesting required documents and action per R649-3-36. On March 5, 2008, the Division notified you by certified mail that the above wells required filing for an extension or a Sundry Notice for plugging and abandonment. On April 22, 2008, it was understood from a phone conversation that plans to PA these wells would be submitted within a two week time frame. A second notice was sent out via certified mail on September 29, 2008 again addressing these wells non-compliance issues. To date our records show nothing has been done to move the wells out of violation status.

Action: For the wells subject to this notice, Questar shall either submit the information required by R649-3-36, plug and abandon or place the well on production.

Questar Exploration and Production

January 28, 2009

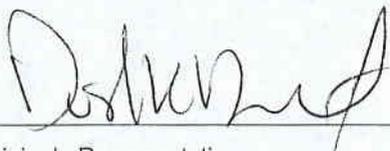
Notice of Violation

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: April 1, 2009

Date of Service Mailing: February 11, 2009

CERTIFIED MAIL NO: 7004 2510 0004 1824 6862



Division's Representative

Operator or Representative
(If presented in person)

cc: Well Files
Operator Compliance File

Well file

6/2005



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

June 9, 2009

CERTIFIED MAIL NO. : 7004 1160 0003 0190 2969

Lucius McGilviry
Questar Exploration & Production
11002 East 17500 South
Vernal, Utah 84078

43 047 38055
12S 23E 2

Subject: Notices of Violation dated 9/29/2008 & 2/11/2009

Dear Mr. McGilviry:

A Notice of Violation (NOV) for the Toll Station St 8-36-8-21, WV 7W-36-7-21, WV 9W-36-7-21, WV 11W-36-7-21 and OU GB 8W-16-8-22 wells was issued to Questar Exploration & Production (QEP) by the Utah Division of Oil, Gas & Mining on September 29, 2008. The NOV was sent certified mail and signed for by Mandie Brasfield. The compliance deadline for the NOV was November 1, 2008. To date QEP has not taken the corrective action required by the NOV.

A Notice of Violation for the OU GB 15G-16-8-22, WVFU 16W-2-8-21 and HR 10 MU-2-12-23 wells was issued to Questar Exploration & Production (QEP) by the Utah Division of Oil, Gas & Mining (the "Division") on February 11, 2009. The NOV was sent certified mail and signed for by Amber McDonald. The compliance deadline for the NOV was April 1, 2009. To date QEP has not taken the corrective action required by the NOV.

The Division respectfully requests QEP contact Clinton Dworshak (801-538-5280) within fifteen (15) days of receipt of this letter to set a date and time to meet with the Division to discuss how to best resolve the compliance problems sited in the above-mentioned Notices of Violation.



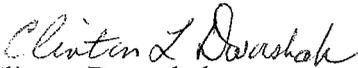
Page 2

QEP Notices of Violation dated 9/29/2008 & 2/11/2009

June 9, 2009

Failure to comply with this Division request may result in further actions against QEP. Further actions may include initiation of agency actions ordering full cost bonding (R649-3-1.4), bond forfeiture (R649-3-36), plugging and abandonment of wells (R649-3-36), and/or formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641.

Sincerely,


Clinton Dworshak
Enforcement Manager

CLD/js

Enclosure

cc: Gil Hunt

Dustin Doucet

Well Files

Compliance File

SITLA

N:\O&G Reviewed Docs\ChronFile\Compliance

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: Questar Exploration & Production

- Well(s) or Site(s): 1.) TOLL STATION ST 8-36-8-21 API #: 43-047-32724
2.) WV 7W-36-7-21 43-047-34065
3.) WV 9W-36-7-21 43-047-34066
4.) RW 23-16B 43-047-33084
5.) WV 11W-36-7-21 43-047-34067
6.) OU GB 8W-16-8-22 43-047-34660

Date and Time of Inspection/Violation: August 5, 2008

Mailing Address: Attn: Lucius McGilviry
11002 East 17500 South
Vernal, UT 84078

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells - The above referenced wells have been Shut-in or Temporarily Abandoned (SI/TA) over 5 years. According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Questar Exploration & Production (Questar) requesting this information. Wells 1 through 3 (listed above) had a first notice sent out via certified mail on March 19, 2004. A follow-up letter was sent out, dated July 21, 2004, on behalf of a response received from Questar. It was, at that time, understood by the Division that Questar intended to re-complete, convert to injection or plug and abandon these wells. An extension of SI/TA status was then issued valid until November 15, 2004. Wells 4 through 6 (listed above) were addressed via phone conversations as well as a response from Questar dated December 29, 2005. In this, Questar stated these wells were scheduled for recompletion or plugging. After substantial time had passed without any action on any of the six wells listed, a third notice dated March 6, 2008, was sent addressing all previous communications as well as stating that our records show nothing having been done to move these wells into compliance. Phone conversations were also held with Mr. McGilviry on April 22, 2008 concerning plans to submit required information within a two-week time frame. To date, the required information has not been submitted to the Division nor has action to PA or re-complete the wells been initiated.

Action: For the well subject to this notice, Questar shall either submit the information required by R649-3-36, plug and abandon or place the well on production.

Questar Exploration & Production
August 5, 2008 Notice of Violation

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: November 1, 2008

Date of Service Mailing: September 28, 2008

CERTIFIED MAIL NO: 7004 2510 0004 1824 6411



Division's Representative

Operator or Representative
(If presented in person)

6/2005

7004 2510 0004 1824 6411

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Postage \$		9/29/08 Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage	MR LUCIUS MCGILVIRY	
Send To	QUESTAR E & P	
Street, Apt or PO Box	11002 E 17500 S	
City, State	VERNAL UT 84078	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature x <i>Lucius McGilviry</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input type="checkbox"/> Addressee <i>Lucius McGilviry</i></p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>MR LUCIUS MCGILVIRY QUESTAR E & P 11002 E 17500 S VERNAL UT 84078</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number <i>(Transfer from service label)</i></p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

7004 2510 0004 1824 6411

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: QUESTAR EXPLORATION AND PRODUCTION

Well(s) or Site(s): 1.) <u>OU GB 15G-16-8-22</u>	API #:	<u>43-047-34829</u>
2.) <u>WVFU 16W-2-8-21</u>		<u>43-047-33645</u>
3.) <u>HR 10MU-2-12-23</u>		<u>43-047-38055</u>

Date and Time of Inspection/Violation: January 28, 2009

Mailing Address: Attn: Lucius McGilviry
11002 East 17500 South
Vernal, UT 84078

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells -According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Questar Exploration and Production (Questar) requesting required documents and action per R649-3-36. On March 5, 2008, the Division notified you by certified mail that the above wells required filing for an extension or a Sundry Notice for plugging and abandonment. On April 22, 2008, it was understood from a phone conversation that plans to PA these wells would be submitted within a two week time frame. A second notice was sent out via certified mail on September 29, 2008 again addressing these wells non-compliance issues. To date our records show nothing has been done to move the wells out of violation status.

Action: For the wells subject to this notice, Questar shall either submit the information required by R649-3-36, plug and abandon or place the well on production.

Questar Exploration and Production

January 28, 2009

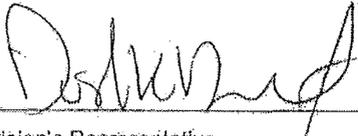
Notice of Violation

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: April 1, 2009

Date of Service Mailing: February 11, 2009

CERTIFIED MAIL NO: 7004 2510 0004 1824 6862



Division's Representative

Operator or Representative

(If presented in person)

cc: Well Files
Operator Compliance File

6/2005

7004 2510 0004 1824 6862

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Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total		

Sent to: **LUCIUS MCGILVIRY**

Street or PO: **QUESTAR E & P**

City: **11002 E 17500 S**

VERNAL HT 84078

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LUCIUS MCGILVIRY
QUESTAR E & P
11002 E 17500 S
VERNAL HT 84078

2. Article Number
(Transfer from service label)

7004 2510 0004 1824 6862

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature
[Signature] Agent Addressee

B. Received by (Printed Name): _____ C. Date of Delivery _____

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Domestic Return Receipt

102595-02-M-1540

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JEAN SWEET
UTAH DIVISION OF OIL GAS & MINING
PO BOX 145801
SALT LAKE CITY UT 84114-5801

RECEIVED
FEB 18 2009

DIV. OF OIL, GAS & MINING

PS Form 3800, June 2002
City: VERNAL UT
or PO: 11002 E 1750
Street: QUESTAR B
Name: LUCIUS MC

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)

7004 2510 0004 1A24 6862

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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.

		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 50193
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: HR 10MU-2-12-23
2. NAME OF OPERATOR: Questar Exploration and Production Co. kirk.fleetwood@questar.com		9. API NUMBER: 4304738055
3. ADDRESS OF OPERATOR: 11002 S. 17500 E. CITY Vernal STATE UT ZIP 84078		10. FIELD AND POOL, OR WILDCAT: Oil Springs
PHONE NUMBER: (435) 781-4341		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2171' FSL, 2042' FEL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 2 12S 23E S		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input checked="" 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 type="checkbox"/> OTHER: _____
	<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 subject well is a low volume producer and the only that the Questar has in this geographic area. Because of it's isolated location and current gas price it is not economical to send a pumper to produce it.

It is anticipated that a wellhead price of \$5.00/MCF will be sufficient to justify the expenses necessary to market the gas from this well. It is anticipated that the well will be SI/TA for up to two years. The lease is currently in it's primary term.

The operator request approval to set a RBP at +/- 2450' and perform a MIT to demonstrate wellbore integrity. After the MIT is performed, monthly pressure data will be recorded to ensure continued integrity.

The plugback work will be performed within the next 30 days and the Division of Oil, Gas and Mining will be provided adequate notification so they can witness.

COPY SENT TO OPERATOR

Date: 8.6.2009

Initials: KS

NAME (PLEASE PRINT) <u>Kirk Fleetwood</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE	DATE <u>7/8/2009</u>

(This space for State use only) **APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING**
DATE: 7/30/09
BY: D. Smith (See Instructions on Reverse Side)

RECEIVED
JUL 13 2009
DIV. OF OIL, GAS & MINING



July 8, 2009

Mr Clinton Dworshak
Enforcement Officer
Division of Oil, Gas and Mining
Department of Natural Resources
State of Utah
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Subject: Notices of Violation dated 9/29/2008 & 2/11/2009 and Second Notice Letter dated 5/04/2009

Dear Mr Dworshak:

A conference call was held on July 7, 2009 with the following participants to discuss the non-compliance issues listed in the subject correspondence:

Dustin Doucet,	Division of Oil, Gas and Mining (DOG M)
Clinton Dworshak	DOG M
Joshua Payne	DOG M
Kirk Fleetwood	Questar Exploration and Production Company (QEP)
Lucius McGillivray	QEP
Rick Canterbury	QEP

The following is the proposed action for each well and timeframe as discussed in the call:

WV 7W-36-7-21
WV 9W-36-7-21
WV 11W-36-7-21

A Sundry Notice of Intent to abandon has been submitted for each well. These wells will be plugged in the late summer (August or September, 2009).

Toll Station 8-36-8-21

We have approval from the State of Utah and will plug this well in the late summer (August or September, 2009).

OUGB 8W-16-8-22

A Sundry Notice to recomplete this well is being submitted to your office and the recompletion will be initiated 30 to 60 days after approved.

OUGB 15G-16-8-22

This well will be returned to production within the next 30 days.

WV FU 16W-2-8-21

A Sundry Notice to recomplete this well has been approved and is planned for late summer.

RECEIVED

JUL 13 2009

DIV. OF OIL, GAS & MINING

July 8, 2009

HR10 MU 2-12-23

It is not economic to place this well on production under the current market conditions. We are submitting a Sundry Notice requesting shut in status. A mechanical integrity test will be performed within the next 30 days and the Division of Oil, Gas and Mining will be notified prior to the tests. Results will be submitted to your office.

GB 4SG-36-8-21

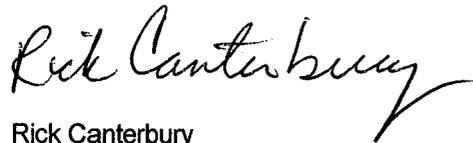
GB 7SG-36-8-21

We are submitting a Sundry Notice requesting shut in status for both wells. There are shallower zones with production potential but a recompletion and testing program is not economic at this time, given the current natural gas market conditions.

A mechanical integrity test will be performed within the next 30 days and the Division of Oil, Gas and Mining will be notified prior to the test. Results will be submitted to your office.

Enclosed are the sundry notices submitted for the mechanical integrity tests. The remainder of sundries have been or will be submitted within the next week.

Sincerely,



Rick Canterbury
Regulatory Affairs

Enclosures



Questar Exploration and Production Company

11002 East 17500 South

Vernal, UT 84078

Tel 435 789 4300 Fax 435 781 4329

July 8, 2009

Mr Clinton Dworshak
Enforcement Officer
Division of Oil, Gas and Mining
Department of Natural Resources
State of Utah
P.O. Box 145801
Salt Lake City, Utah 84114-5801

43 047 38055
HR 10MU-2-12-23
12S 23E 2

Subject: Notices of Violation dated 9/29/2008 & 2/11/2009 and Second Notice Letter dated 5/04/2009

Dear Mr Dworshak:

A conference call was held on July 7, 2009 with the following participants to discuss the non-compliance issues listed in the subject correspondence:

Dustin Doucet,	Division of Oil, Gas and Mining (DOGM)
Clinton Dworshak	DOGM
Joshua Payne	DOGM
Kirk Fleetwood	Questar Exploration and Production Company (QEP)
Lucius McGillivray	QEP
Rick Canterbury	QEP

The following is the proposed action for each well and timeframe as discussed in the call:

WV 7W-36-7-21 → 43-047-34065
WV 9W-36-7-21 → 43-047-34066
WV 11W-36-7-21 → 43-047-34067

A Sundry Notice of Intent to abandon has been submitted for each well. These wells will be plugged in the late summer (August or September, 2009).

Toll Station 8-36-8-21 → 43-047-32724

We have approval from the State of Utah and will plug this well in the late summer (August or September, 2009).

OUGB 8W-16-8-22 → 43-047-34660

A Sundry Notice to recomplate this well is being submitted to your office and the recompletion will be initiated 30 to 60 days after approved.

OUGB 15G-16-8-22 → 43-047-34829

This well will be returned to production within the next 30 days.

WVFU 16W-2-8-21 → 43-047-33645

A Sundry Notice to recomplate this well has been approved and is planned for late summer.

RECEIVED

JUL 13 2009

DIV. OF OIL, GAS & MINING

July 8, 2009

→ HR10 MU 2-12-23 → 43-047-38055

It is not economic to place this well on production under the current market conditions. We are submitting a Sundry Notice requesting shut in status. A mechanical integrity test will be performed within the next 30 days and the Division of Oil, Gas and Mining will be notified prior to the tests. Results will be submitted to your office.

GB 4SG-36-8-21 → 43-047-38764
GB 7SG-36-8-21 → 43-047-38765

We are submitting a Sundry Notice requesting shut in status for both wells. There are shallower zones with production potential but a recompletion and testing program is not economic at this time, given the current natural gas market conditions.

A mechanical integrity test will be performed within the next 30 days and the Division of Oil, Gas and Mining will be notified prior to the test. Results will be submitted to your office.

Enclosed are the sundry notices submitted for the mechanical integrity tests. The remainder of sundries have been or will be submitted within the next week.

Sincerely,



Rick Canterbury
Regulatory Affairs

Enclosures

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
 CDW

Change of Operator (Well Sold)

X - Operator Name Change

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

6/14/2010

FROM: (Old Operator): N5085-Questar Exploration and Production Company 1050 17th St, Suite 500 Denver, CO 80265 Phone: 1 (303) 308-3048	TO: (New Operator): N3700-QEP Energy Company 1050 17th St, Suite 500 Denver, CO 80265 Phone: 1 (303) 308-3048
--	---

CA No. **Unit:**

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

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: 6/28/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 6/28/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/24/2010
- Is the new operator registered in the State of Utah: Business Number: 764611-0143
- (R649-9-2) Waste Management Plan has been received on: Requested
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- 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 8/16/2010 BIA not yet
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 8/16/2010
- 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")** 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: 6/29/2010

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 6/30/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 6/30/2010
- Bond information entered in RBDMS on: 6/30/2010
- Fee/State wells attached to bond in RBDMS on: 6/30/2010
- Injection Projects to new operator in RBDMS on: 6/30/2010
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: ESB000024
- Indian well(s) covered by Bond Number: 965010693
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 965010695
- The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** 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: n/a

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.

5. LEASE DESIGNATION AND SERIAL NUMBER: See attached
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: See attached
7. UNIT or CA AGREEMENT NAME: See attached
8. WELL NAME and NUMBER: See attached
9. API NUMBER: Attached
10. FIELD AND POOL, OR WILDCAT: See attached

1 TYPE OF WELL OIL WELL GAS WELL OTHER _____

2 NAME OF OPERATOR:
Questar Exploration and Production Company *N5085*

3. ADDRESS OF OPERATOR:
1050 17th Street, Suite 500 Denver STATE CO ZIP 80265 PHONE NUMBER: (303) 672-6900

4. LOCATION OF WELL
FOOTAGES AT SURFACE: See attached
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

COUNTY: Attached
STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>6/14/2010</u>	<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 (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Operator Name Change</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.

Effective June 14, 2010 Questar Exploration and Production Company changed its name to QEP Energy Company. This name change involves only an internal corporate name change and no third party change of operator is involved. The same employees will continue to be responsible for operations of the properties described on the attached list. All operations will continue to be covered by bond numbers:
Federal Bond Number: 965002976 (BLM Reference No. ESB000024) *N3700*
Utah State Bond Number: ~~965003033~~ } *965010695*
Fee Land Bond Number: ~~965003033~~ } *965010695*
BIA Bond Number: ~~799446~~ } *965010693*

The attached document is an all inclusive list of the wells operated by Questar Exploration and Production Company. As of June 14, 2010 QEP Energy Company assumes all rights, duties and obligations as operator of the properties as described on the list

NAME (PLEASE PRINT) Morgan Anderson TITLE Regulatory Affairs Analyst
SIGNATURE *Morgan Anderson* DATE 6/23/2010

(This space for State use only)

RECEIVED
JUN 28 2010

DIV. OF OIL, GAS & MINING

APPROVED 6/30/2009
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

Questar Exploration Production Company (N5085) to QEP Energy Company (N3700)
effective June 14, 2010

well_name	sec	tpw	rng	api	entity	mineral lease	type	stat	C
Wr 16G-32-10-17	32	100S	170E	4301350370		State	OW	NEW	C
STATE 1	36	070S	240E	4304715128	5878	State	GW	P	
KAYE STATE 1-16	16	100S	230E	4304730609	5395	State	GW	P	
TOLL STATION ST 8-36-8-21	36	080S	210E	4304732724	12361	State	GW	S	
GB 8A-36-8-21	36	080S	210E	4304733037	12377	State	GW	P	
GB 6-36-8-21	36	080S	210E	4304733038	12378	State	GW	P	
GB 2-36-8-21	36	080S	210E	4304733252	12527	State	GW	P	
GH 1W-32-8-21	32	080S	210E	4304733570	12797	State	GW	P	
GH 3W-32-8-21	32	080S	210E	4304733571	12796	State	GW	P	
GH 5W-32-8-21	32	080S	210E	4304733572	12828	State	GW	P	
GH 7W-32-8-21	32	080S	210E	4304733573	12872	State	GW	P	
GH 2W-32-8-21	32	080S	210E	4304733744	13029	State	GW	P	
GH 4W-32-8-21	32	080S	210E	4304733745	13035	State	GW	P	
GH 8W-32-8-21	32	080S	210E	4304733746	13030	State	GW	P	
OU GB 3W-16-8-22	16	080S	220E	4304733751	13577	State	GW	P	
OU GB 5W-16-8-22	16	080S	220E	4304733752	13570	State	GW	P	
GH 6W-32-8-21	32	080S	210E	4304733753	13036	State	GW	P	
OU GB 11W-16-8-22	16	080S	220E	4304733754	13582	State	GW	P	
GH 5G-32-8-21	32	080S	210E	4304733866	13037	State	OW	P	
GB 1W-36-8-21	36	080S	210E	4304733944	13439	State	GW	P	
WV 2W-2-8-21	02	080S	210E	4304734034	13678	State	GW	P	
GB 6W-25-8-21	25	080S	210E	4304734121	13440	Fee	GW	P	
GB 7W-25-8-21	25	080S	210E	4304734122	13436	Fee	GW	P	
WV 9W-16-7-21	16	070S	210E	4304734324		State	GW	LA	
OU GB 11W-30-8-22	30	080S	220E	4304734392	13433	Fee	GW	P	
OU GB 4W-16-8-22	16	080S	220E	4304734598	13579	State	GW	P	
OU GB 10W-16-8-22	16	080S	220E	4304734616		State	GW	LA	
OU GB 12W-16-8-22	16	080S	220E	4304734617	13697	State	GW	P	
OU GB 13W-16-8-22	16	080S	220E	4304734618	13611	State	GW	P	
GB 14MU-16-8-22	16	080S	220E	4304734619	14196	State	GW	P	
OU GB 15W-16-8-22	16	080S	220E	4304734622	13595	State	GW	P	
OU GB 16W-16-8-22	16	080S	220E	4304734655	13815	State	GW	P	
OU GB 2W-16-8-22	16	080S	220E	4304734657	13721	State	GW	P	
OU GB 6W-16-8-22	16	080S	220E	4304734658	13592	State	GW	P	
OU GB 8W-16-8-22	16	080S	220E	4304734660	13769	State	GW	TA	
OU GB 9W-16-8-22	16	080S	220E	4304734692		State	GW	LA	
OU GB 15G-16-8-22	16	080S	220E	4304734829	13777	State	OW	S	
GB 7MU-36-8-21	36	080S	210E	4304734893	14591	State	GW	P	
GB 3W-36-8-21	36	080S	210E	4304734894	13791	State	GW	P	
NC 8M-32-8-22	32	080S	220E	4304734897		State	GW	LA	
NC 3M-32-8-22	32	080S	220E	4304734899		State	GW	LA	
GB 5W-36-8-21	36	080S	210E	4304734925	13808	State	GW	P	
GB 4MU-36-8-21	36	080S	210E	4304734926	14589	State	GW	P	
NC 11M-32-8-22	32	080S	220E	4304735040		State	GW	LA	
GB 5SG-36-8-21	36	080S	210E	4304735155	14015	State	GW	P	
SC 13ML-16-10-23	16	100S	230E	4304735281	14036	State	GW	P	
SC 3ML-16-10-23	16	100S	230E	4304735282	14014	State	GW	P	
SC 11ML-16-10-23	16	100S	230E	4304735311	14035	State	GW	P	
WH 13G-2-7-24	02	070S	240E	4304735484	14176	State	D	PA	
FR 9P-36-14-19	31	140S	200E	4304735880	14310	State	GW	P	
CB 13G-36-6-20	36	060S	200E	4304735969		State	OW	LA	

Bonds: BLM = ESB000024

BIA = 956010693

State = 965010695

Questar Exploration Production Company (N5085) to QEP Energy Company (N3700)
effective June 14, 2010

well_name	sec	twp	rng	api	entity	mineral lease	type	stat	C
WH 2G-2-7-24	02	070S	240E	4304736259		State	GW	LA	
WH 4G-2-7-24	02	070S	240E	4304736261		State	GW	LA	
FR 1P-36-14-19	31	140S	200E	4304736300	14859	State	GW	P	
WK 3ML-2-9-24	02	090S	240E	4304736723		State	GW	LA	
WK 7ML-2-9-24	02	090S	240E	4304736724		State	GW	LA	
SC 5ML-16-10-23	16	100S	230E	4304736877	15125	State	GW	P	
SC 12ML-16-10-23	16	100S	230E	4304736878	15053	State	GW	P	
SC 14ML-16-10-23	16	100S	230E	4304736908	15070	State	GW	P	
SC 4ML-16-10-23	16	100S	230E	4304736912	15208	State	GW	P	
FR 3P-36-14-19	36	140S	190E	4304737376	15736	State	GW	P	
BZ 12ML-16-8-24	16	080S	240E	4304737670		State	GW	LA	
BZ 10D-16-8-24	16	080S	240E	4304737671	15979	State	GW	S	
BZ 14ML-16-8-24	16	080S	240E	4304737672		State	GW	LA	
BBE 9W-16-7-21	16	070S	210E	4304737745		State	GW	LA	
GB 10ML-16-8-22	16	080S	220E	4304737943		State	GW	LA	
GB 9ML-16-8-22	16	080S	220E	4304737944	15851	State	GW	P	
HR 2MU-2-12-23	02	120S	230E	4304738052		State	GW	LA	
HR 3MU-2-12-23	02	120S	230E	4304738053		State	GW	LA	
HR 6MU-2-12-23	02	120S	230E	4304738054		State	GW	LA	
HR 10MU-2-12-23	02	120S	230E	4304738055	15737	State	GW	S	
HR 12MU-2-12-23	02	120S	230E	4304738056		State	GW	LA	
HR 14MU-2-12-23	02	120S	230E	4304738057		State	GW	LA	
HR 16MU-2-12-23	02	120S	230E	4304738058		State	GW	LA	
FR 11P-36-14-19	36	140S	190E	4304738349	15899	State	GW	P	
GB 4SG-36-8-21	36	080S	210E	4304738764	16142	State	GW	P	
GB 7SG-36-8-21	36	080S	210E	4304738765	16144	State	GW	P	
WF 3D-32-15-19	32	150S	190E	4304738877		State	GW	APD	C
SCS 5C-32-14-19	32	140S	190E	4304738963	16759	State	GW	P	
FR 7P-36-14-19	31	140S	200E	4304738992	15955	State	GW	P	
SCS 10C-16-15-19	16	150S	190E	4304739683	16633	State	GW	P	
FR 6P-16-14-19	16	140S	190E	4304740350		State	GW	APD	C

Bonds: BLM = ESB000024

BIA = 956010693

State = 965010695

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-50193
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.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: HR 10MU-2-12-23
2. NAME OF OPERATOR: QEP ENERGY COMPANY	9. API NUMBER: 43047380550000
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078	PHONE NUMBER: 303 308-3068 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2171 FSL 2042 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 02 Township: 12.0S Range: 23.0E Meridian: S	9. FIELD and POOL or WILDCAT: OIL SPRINGS COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/17/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

QEP Energy Company requests approval to Plug and Abandon this well. Please see attached procedure. Work will start after QEP receives approval and equipment is available.

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

Date: 12/16/2010
By: *Derek Duff*

NAME (PLEASE PRINT) Jan Nelson	PHONE NUMBER 435 781-4331	TITLE Permit Agent
SIGNATURE N/A		DATE 12/14/2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43047380550000

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. Amend Plug #1: Prior to setting CICR, injection into perfs should be established. If injection into perfs cannot be established and additional 5 sx shall be placed on CIBP @ 2970' and a minimum of 100' (10 sx) shall be placed on CICR @ 2430' or balanced from 2430' to 2330'.**
- 3. Amend Plug #3: A minimum of 10sx shall be pumped as required by rule R649-3-24-3.4.**
- 4. All balanced plugs shall be tagged to ensure that they are at the depth specified.**
- 5. All annuli shall be cemented from a minimum depth of 100' to the surface.**
- 6. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.**
- 7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.**
- 8. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.**
- 9. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.**

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

Date: 12/16/2010
By: Dustin Doucet

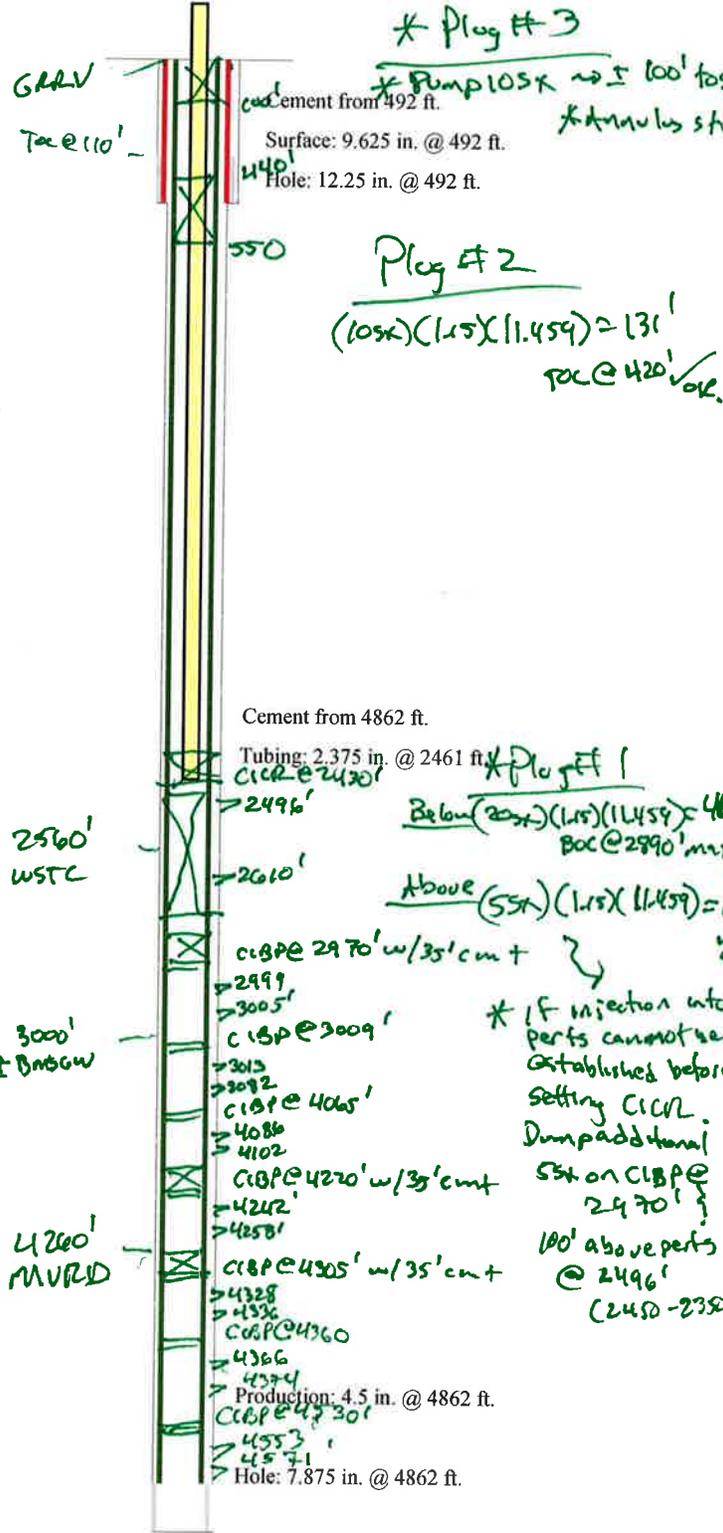
Wellbore Diagram

API Well No: 43-047-38055-00-00 Permit No:
 Company Name: QEP ENERGY COMPANY
 Location: Sec: 2 T: 12S R: 23E Spot: NWSE
 Coordinates: X: 644882 Y: 4406858
 Field Name: OIL SPRINGS
 County Name: UINTAH

Well Name/No: HR 10MU-2-12-23

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (CF)
HOL1	492	12.25			
SURF	492	9.625	36	492	
HOL2	4862	7.875			
PROD	4862	4.5	11.6	4862	11459
TI	2461	2.375			



Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	4862	110'	UK	871
SURF	492	0	UK	255

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
2496	2610			
4553	4571			
4366	4374			
4328	4336			
4242	4258			
4086	4102			
3013	3082			
2999	3005			

Formation Information

Formation	Depth
GRRV	0
WSTC	2560
BMSW	3000
MVRD	4260

Approved by the Utah Division of Oil, Gas and Mining

Date: 12/16/2010
 By: Derek Dunt

TD: 4862 TVD: 4862 PBD: 4820

Well Name: HR 10MU-2-12-23
Field: Hanging Rock
Location: NWSE, Sec 2, T12S, R23E
County: Uintah
State: Utah

Prepared by: Ryan Angus
Date prepared: 9/8/2010

AFE: _____
Well Code: UT08883001
WI: 100.0%
NRI: 85.33%

Well Data: TD: 7892' PBTID: 7840'
GL: 4855' KB: 4869'

Casing and Cementing:

Surface: 12 1/4" hole size
9 5/8" 36# J-55 @ 492' w/255 sx cement to surface

Production: 7 7/8" hole size
4 1/2" 11.6# M-80 @ 4862' w/ 871 sacks cement
TOC @ Surface

Program:

MIRU P&A rig

Kill well with brine if needed

NDWH NUBOP

POOH w/ tubing and watching for parrafin

If parrafin evident RIH w/ bit and scraper to 2430', POOH

RIH w/ CICR and set @ ±2430', squeeze 20 sx through and spot 5 sx on top.

Pull up and lay down 2 stands. Reverse circulate and clean tubing.

Circulate hole with 9 ppg fluid w/ corrosion inhibitor and biocide.

POOH and lay down tubing to 550', balance a 10 sack plug from 550'-440'.

POOH and lay down tubing to 50', pump 5 sack plug from 50'-surface.

Cut off wellhead, top off annulus via 1" tubing if necessary.

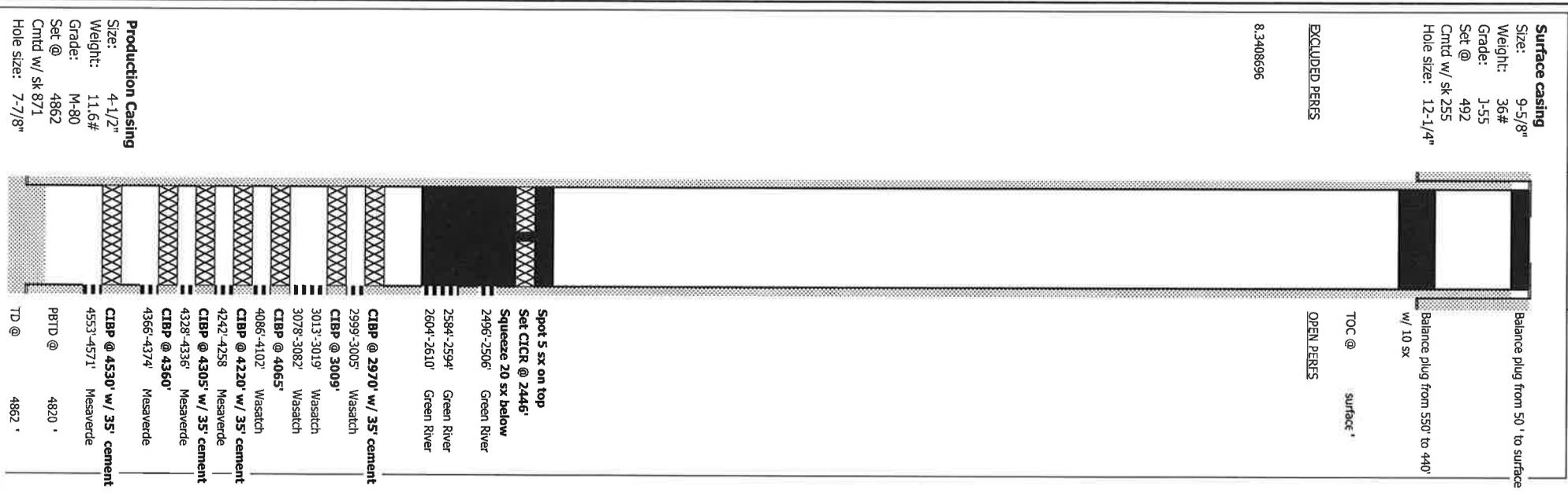
Weld on dry hole marker plate.

Clean up location, RDMO

UT08883P06
FIELD: Hanging Rock GL: 5,952' KBE: 5,967'
Well: HR 10MU-2-12-23 TD: 4,862' PARTD: 4,820'
 Location - surface: 2171' FSL, 2042' FEL, NW/SE Sec. 2, T12S, R23E
 Location - bottom hole:
 API#-43-047-38055
 Uintah County, Utah

Spud Date: 9-29-06 Completion date: 1-4-07
 Current Well Status:
Reason for Pull/Workover: Initial completion
Deviation: Less than 1 deg/100'

Wellbore Schematic



EXCLUDED PERIS

Balance plug from 50' to surface
 w/ 10 sx
 TOC @ surface
 OPEN PERIS

8.3408696

Production Casing
 Size: 4-1/2"
 Weight: 11.6#
 Grade: M-80
 Set @ 4862'
 Cmtd w/ sk 871'
 Hole size: 7-7/8"

Tubing Landing Detail:

Description	Size	Footage	Depth
KB		15.00	
Hanger		0.85	15.85
7/7's 2-3/8" J-55		2,412.50	2,428.35
1.81" F-nipple		0.85	2,429.20
1 its 2-3/8" J-55		31.56	2,460.76
EOT @		0.00	2,460.76
TOTAL		2,460.76	

Tubing Information:
 Condition:
 New: x Used: _____ Rerun: _____
 Grade: J-55
 Weight (#/ft): 4.7# 0

Wellhead Detail: Example: 7-1/16" 3000#
 4-1/16" 10K

Other: _____
 Hanger: Yes No

- SUMMARY**
- 11-9-06 MIRU RMWS #3. Perforate, breakdown & test perfs @ 4533-71'; Set CIBP @ 4530' w/ 35' cement
 - 11-15-06 MIRU Lone Wolf W/L. Set CIBP @ 4530' w/ 35' cement. Perf Green River 4366-74' & 4328'-36' w/ 3 spf.
 - 11-21-06 MIRU Cutters W/L. Set CIBP @ 4360'
 - 11-28-06 Acidize perfs @ 4328'-4336' w/ 12 bbh.
 - 11-30-06 MIRU Lone Wolf W/L. Set CIBP @ 4305' w/ 35' cement. Perf 4086-4102' w/ 3 spf
 - 12-4-06 MIRU Lone Wolf W/L. Perf 4242'-4258' w/ 3 spf.
 - 12-7-06 MIRU Lone Wolf W/L. Set CIBP @ 4220' w/ 35' cement. Set CIBP @ 4065'. Perforate 3078'-82'; 3013'-19'; 2999'-05' w/ 3 spf.
 - 12-18-06 MIRU Cutters W/L. Set CIBP @ 3009'.
 - 12-26-06 MIRU Lone Wolf W/L. Set CIBP @ 2970' w/ 35' cement. Perf Green River Intervals 2604'-10'; 2583'-93'; 2495'-05'. Break down & swab test.
 - 1-3-07 RDNO Rocky Mtn Well Service.

- P&A procedure:**
- MIRU P&A Rig
 - Release packer @ 2461' and POOH with same
 - RIH with CIBP and set @ 2430'
 - Rig up cementer and squeeze perfs with 20 sx spot 5 sx on top of CIBP.
 - Pull up and lay down 2 stands, reverse circulate tubing clean
 - Circulate hole with 9 bpg fluid w/ corrosion and biocide
 - POOH to 550', mix and pump 10 sx cement.
 - POOH to 50', mix and pump 5 sx cement.
 - Cut off wellhead, top off annulus via 1" tubing if necessary.
 - Weld on Dry hole marker plate.
 - Clean up location, RDNO

Spot 5 sx on top
 Set CIBP @ 2446'
 Squeeze 20 sx below
 2496'-2506' Green River
 2584'-2594' Green River
 2604'-2610' Green River
 CIBP @ 2970' w/ 35' cement
 2999'-3005' Wasatch
 CIBP @ 3009'
 3013'-3019' Wasatch
 3078'-3082' Wasatch
 CIBP @ 4065'
 4086'-4102' Wasatch
 CIBP @ 4220' w/ 35' cement
 4242'-4258' Mesaverde
 CIBP @ 4305' w/ 35' cement
 4328'-4336' Mesaverde
 CIBP @ 4360'
 4366'-4374' Mesaverde
 CIBP @ 4530' w/ 35' cement
 4553'-4571' Mesaverde
 PBTD @ 4820'
 TD @ 4862'

Prepared By: Todd Seifert

Date: 1-4-07

NOTE: Dump bailer & CCL cemented in @ 4267-4305'
 NOTE: Short jts csg @ 4042'-52' & 5937.5'-49' (Lone Wolf Wireline CBL)

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-50193
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: HR 10MU-2-12-23	
2. NAME OF OPERATOR: QEP ENERGY COMPANY	9. API NUMBER: 43047380550000	
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078	PHONE NUMBER: 303 308-3068 Ext	9. FIELD and POOL or WILDCAT: OIL SPRINGS
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2171 FSL 2042 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 02 Township: 12.0S Range: 23.0E Meridian: S	COUNTY: UINTAH	
	STATE: UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 9/29/2011 <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>QEP Energy Company reports the following work to plug and abandon has occurred on September 29, 2011 as follows. 1. MIRU, Blow down well, Get rate into perfs. 2. Set CICR @ 2420'. 3. Fill hole with 30 BLS of water with corrosion inhibitor. 4. Pressure test casing at 700 PSI. 5. Pump 30 sacks Class G cement (20 Sacks under, 10 Sacks on top). 6. TOH, NDBOP, TIH to 560' pump 45 sacks Class G cement to surface. 7. Dig out wellhead, cut off wellhead and fill 4.5" casing with 5 sacks Class G cement. 8. Fill 4.5"-9 5/8" annulus from 100' to surface with 30 sacks Class G cement. 9. Weld on dry hole marker plate and backfill. Reclamation will occur within 6 months.</p>		
NAME (PLEASE PRINT) Valyn Davis	PHONE NUMBER 435 781-4369	TITLE Regulatory Affairs Analyst
SIGNATURE N/A	DATE 10/25/2011	

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.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-50193	
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
1. TYPE OF WELL		7. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: QEP ENERGY COMPANY		8. WELL NAME and NUMBER: HR 10MU-2-12-23	
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078		9. API NUMBER: 43047380550000	
PHONE NUMBER: 303 308-3068 Ext		9. FIELD and POOL or WILDCAT: OIL SPRINGS	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2171 FSL 2042 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 02 Township: 12.0S Range: 23.0E Meridian: S		COUNTY: UINTAH	
		STATE: UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/30/2012			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
<p>HR 10MU-2-12-23 WAS PLUGGED AND ABANDONED 2012.09.29. FINAL RECLAMATION WAS PERFORMED ON 2012.03.30. RECLAMATION FOLLOWED THE QEP ENERGY COMPANY, UINTA BASIN DIVISION, RECLAMATION PLAN, SEPTEMBER 2009. RECLAMATION OPERATIONS SPECIFIC TO THIS LOCATION INCLUDE: 1)ALL EQUIPMENT AND DEBRIS WERE REMOVED. 2)THE LOCATION WAS RIPPED TO RELIEVE COMPACTION AND RECONTOURED TO BLEND WITH THE SURROUNDING LANDSCAPE. TOPSOIL WAS SPREAD TO THE APPROPRIATE DEPTH. 3)THE LOCATION WAS DISCED AND SEEDED WITH THE APPROVED SEED MIX. CERTIFIED WEED FREE STRAW WAS CRIMPED IN AT A RATE OF 1.5 TONS PER ACRE. FERTILIZER AND GYPSUM WERE APPLIED. 4)THE LOCATION WAS SPRAYED FOR BROADLEAF WEED CONTROL 2012.07.12. INITIAL DISTURBANCE WAS 3.43 ACRES RECLAIMED AREA WAS 3.43 ACRES ACTIVE AREA IS 0.00 ACRES THE LOCATION WILL BE MONITORED FOR RECLAMATION SUCCESS.</p>			
<p>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY February 27, 2013</p>			
NAME (PLEASE PRINT) Amanda Taylor	PHONE NUMBER 435 247-1023	TITLE Reclamation Technician	
SIGNATURE N/A	DATE 2/27/2013		