

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

FORM 3

APPLICATION FOR PERMIT TO DRILL
1A. TYPE OF WORK: DRILL [X] REENTER [] DEEPEN []
B. TYPE OF WELL [] OIL [X] GAS OTHER [] SINGLE ZONE [X] MULTIPLE ZONE []
2. NAME OF OPERATOR: QUESTAR EXPLORATION & PRODUCTION, CO.
3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078 PHONE NUMBER: (435) 781-4331
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 822' FSL 2195' FWL AT PROPOSED PRODUCING ZONE: SAME
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 2 12S 23E
12. COUNTY: UINTAH 13. STATE: UTAH
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 65 + 1 - MILES FROM VERNAL, UT
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE(FEET): 822' +/-
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: 4950'
20. BOND DESCRIPTION: 965003033
21. ELEVATIONS (SHOW WHETHER DF, RT, GR,ETC.): 6039.5' GR
22. APPROXIMATE DATE WORK WILL START: ASAP
23. ESTIMATED DURATION: 7 DAYS

24 PROPOSED CASING AND CEMENTING PROGRAM
Table with 6 columns: SIZE OF HOLE, CASING SIZE, GRADE, AND WEIGHT PER FOOT, SETTING DEPTH, CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT.
Row 1: 12 1/4", 9 5/8", J-55, 36 lb/ft (new) STC, 450', SEE 8-POINT DRILLING
Row 2: 7 7/8", 4 1/2", M-80, 11.6 lb (new) LTC, 4950'

25 ATTACHMENTS
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERATION GENERAL RULES:
[X] WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
[X] COMPLETE DRILLING PLAN
[X] EVIDNECE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
[] FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OV

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

(This space for State use only)
API NUMBER ASSIGNED: 43-047-38057 APPROVAL: _____

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

FORM 3

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL [X] REENTER [] DEEPEN []
B. TYPE OF WELL [] OIL [X] GAS OTHER [] SINGLE ZONE [X] MULTIPLE ZONE []
2. NAME OF OPERATOR: QUESTAR EXPLORATION & PRODUCTION, CO.
3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078 PHONE NUMBER: (435) 781-4331
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 822' FSL 2195' FWL AT PROPOSED PRODUCING ZONE: SAME
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 65 + 1 - MILES FROM VERNAL, UT
5. MINERAL LEASE NO: ML-50193 6. SURFACE: STATE
7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
8. UNIT OF CA AGREEMENT NAME: N/A
9. WELL NAME and NUMBER: HR 14MU-2-12-23
10. FIELD AND POOL, OR WILDCAT: C. Springs
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 2 12S 23E
12. COUNTY: UINTAH 13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE(FEET): 822' +/-
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: 4950'
20. BOND DESCRIPTION: 965003033
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6039.5' GR
22. APPROXIMATE DATE WORK WILL START: ASAP
23. ESTIMATED DURATION: 7 DAYS

PROPOSED CASING AND CEMENTING PROGRAM

Table with 4 columns: SIZE OF HOLE, CASING SIZE, GRADE, AND WEIGHT PER FOOT, SETTING DEPTH, CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT. Includes rows for 12 1/4" and 7 7/8" casing sizes.

ATTACHMENTS

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

- [X] WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
[X] COMPLETE DRILLING PLAN
[X] EVIDNECE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
[] FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OV

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

(This space for State use only)
API NUMBER ASSIGNED: 43-047-38057 APPROVAL: [Signature]

(11/2001)

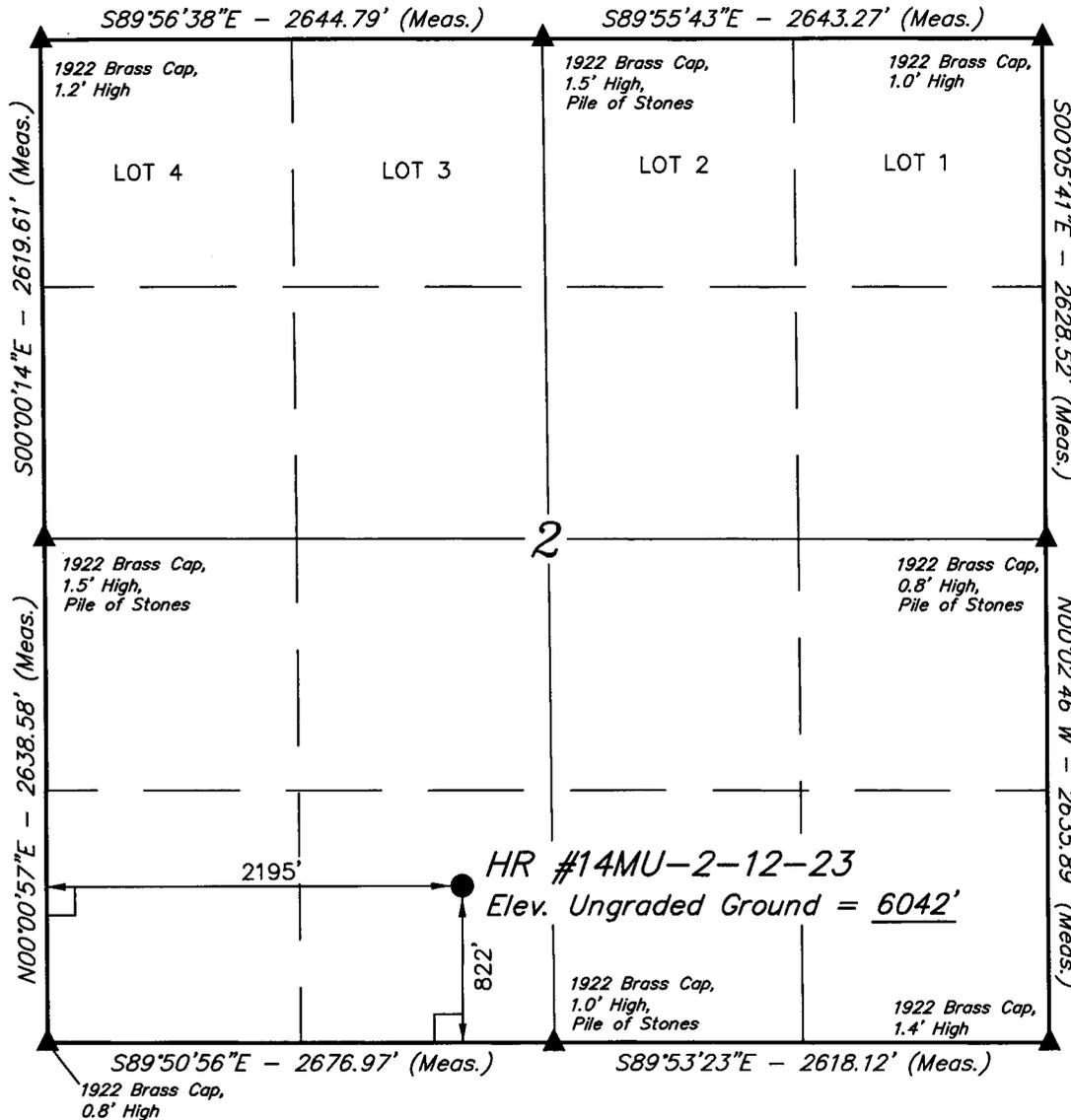
(See Instruction on Reverse Side)

Approved by the
Utah Division of
Oil, Gas and Mining

MAY 02 2006

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

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



LEGEND:

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

(AUTONOMOUS NAD 83)
 LATITUDE = 39°47'51.19" (39.797553)
 LONGITUDE = 109°18'43.47" (109.312075)
 (AUTONOMOUS NAD 27)
 LATITUDE = 39°47'51.31" (39.797586)
 LONGITUDE = 109°18'41.04" (109.311400)

QUESTAR EXPLR. & PROD.

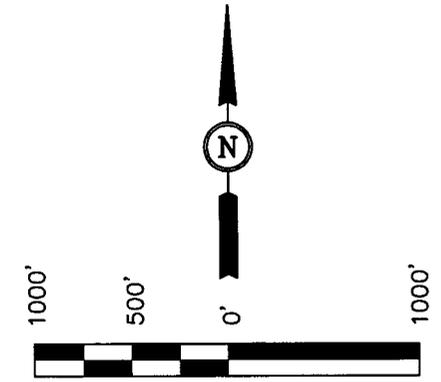
Well location, HR #14MU-2-12-23, located as shown in the SE 1/4 SW 1/4 of Section 2, T12S, R23E, S.L.B.&M. Uintah County, Utah.

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

John A. ...
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 1319
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 03-21-06	DATE DRAWN: 03-31-06
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 4950' 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	2630'	
Mesa Verde	4330'	Oil/Gas
TD	4950'	

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	4950'

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	4950'	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 blooie lines for dust suppression.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 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-283sx* Tail-850sx*	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 2130' (±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 2147.0 psi. Maximum anticipated bottom hole temperature is 140° F.

DRILLING PROGRAM

SCHEMATIC DIAGRAM OF 3,000 PSI BOP STACK

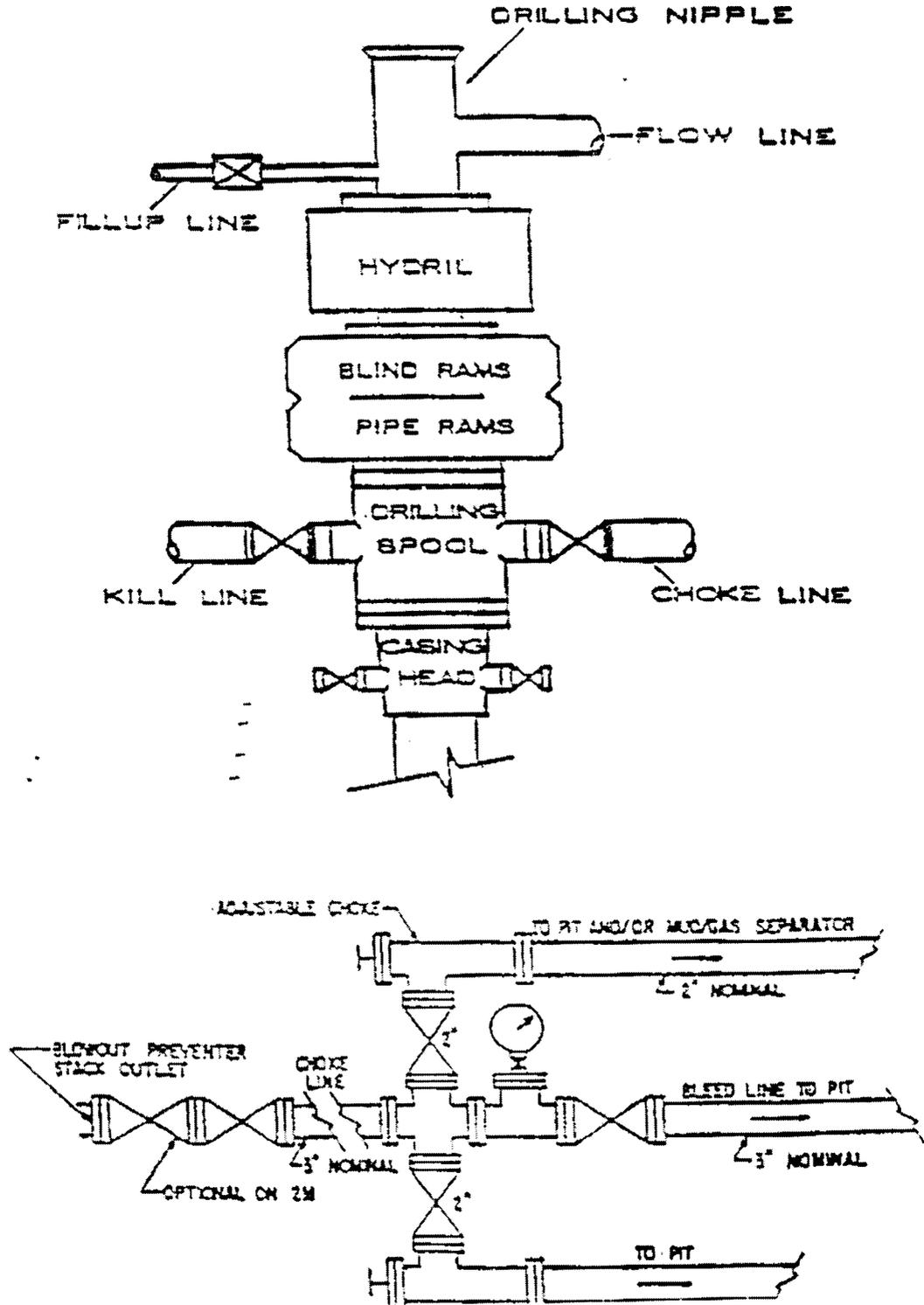
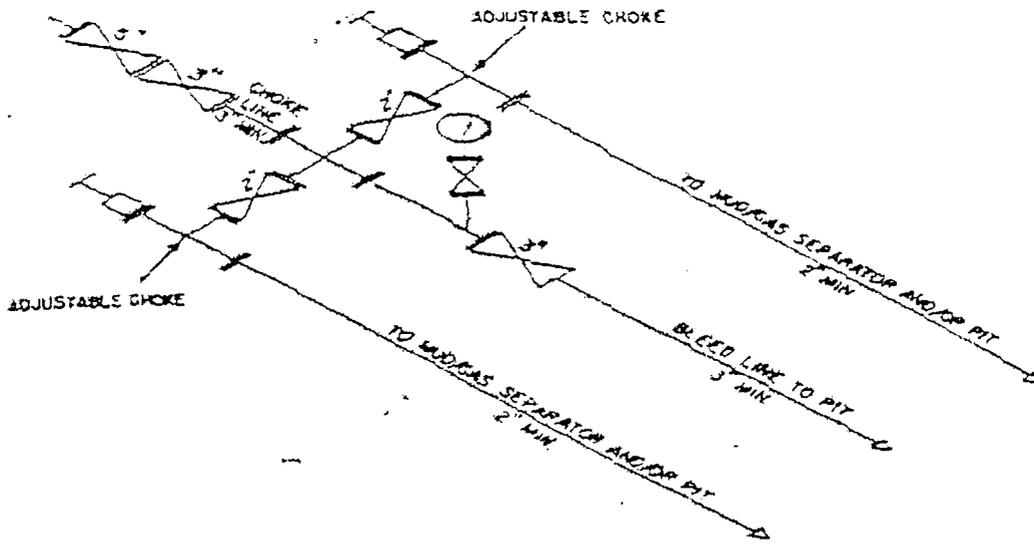


EXHIBIT A CONTINUED

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

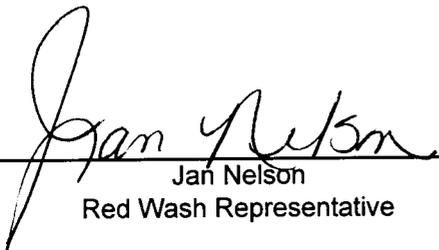
Certification:

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 #14MU-2-12-23

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

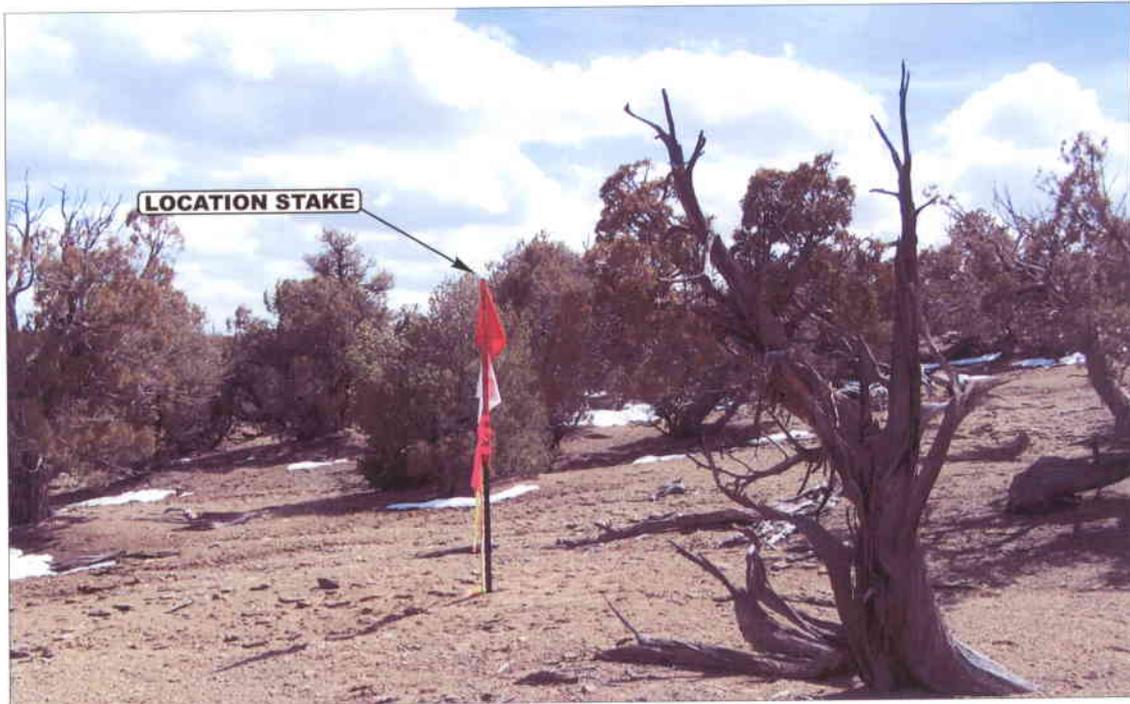


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



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

LOCATION PHOTOS

04 04 06
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

DRAWN BY: LDK

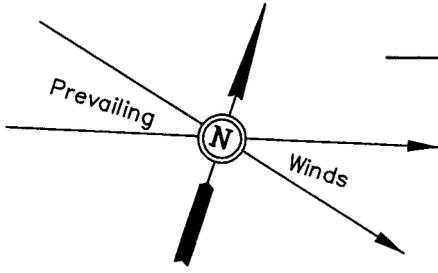
REVISED: 00-00-00

QUESTAR EXPLR. & PROD.

FIGURE #1

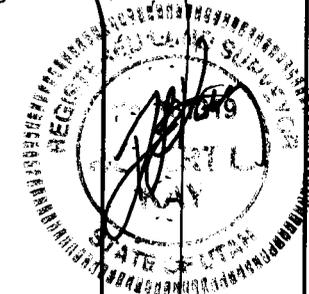
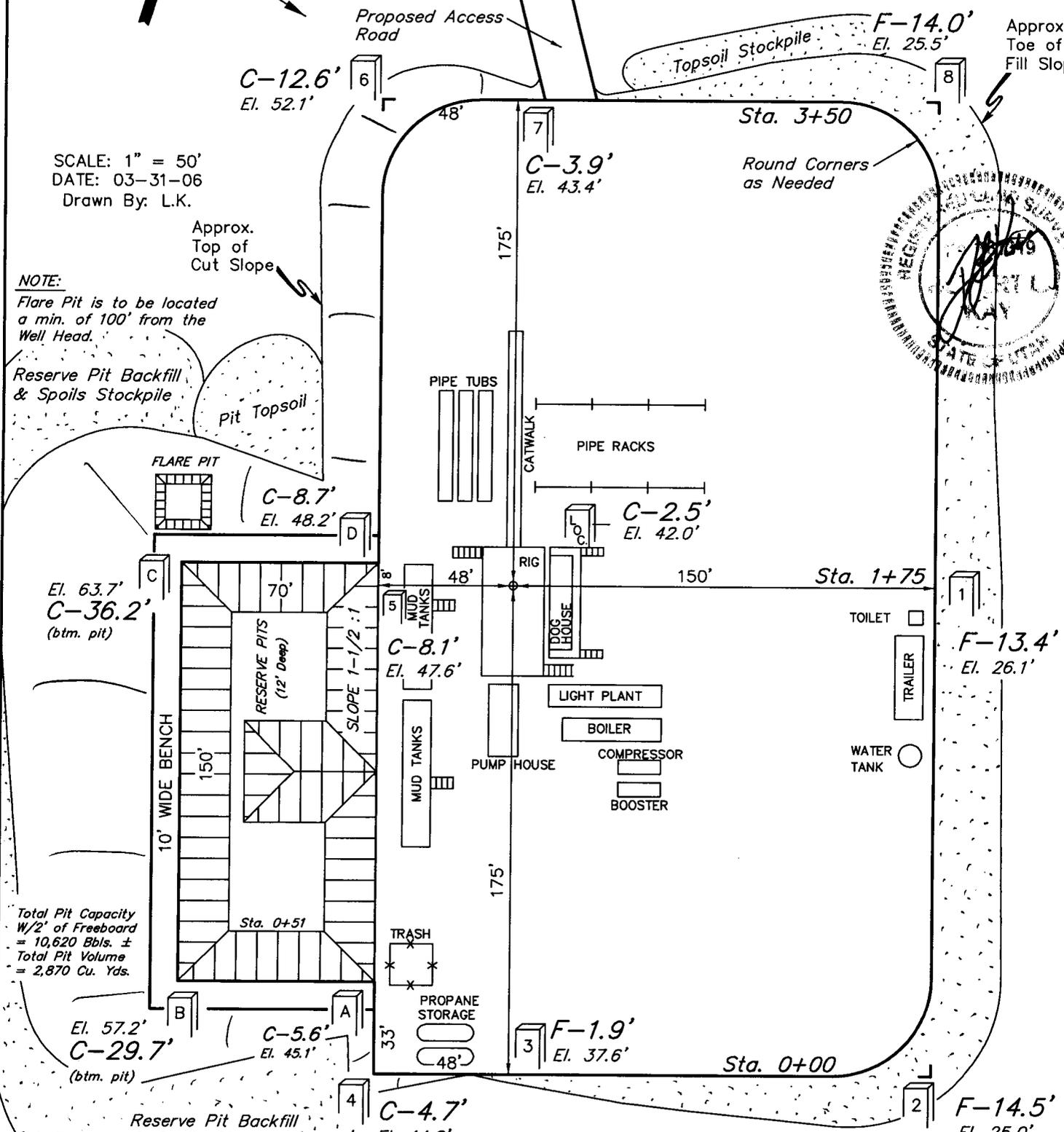
LOCATION LAYOUT FOR

HR #14MU-2-12-23
SECTION 2, T12S, R23E, S.L.B.&M.
822' FSL 2195' FWL



SCALE: 1" = 50'
DATE: 03-31-06
Drawn By: L.K.

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.
Reserve Pit Backfill & Spoils Stockpile



NOTES:
Elev. Ungraded Ground At Loc. Stake = 6042.0'
FINISHED GRADE ELEV. AT LOC. STAKE = 6039.5'

QUESTAR EXPLR. & PROD.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

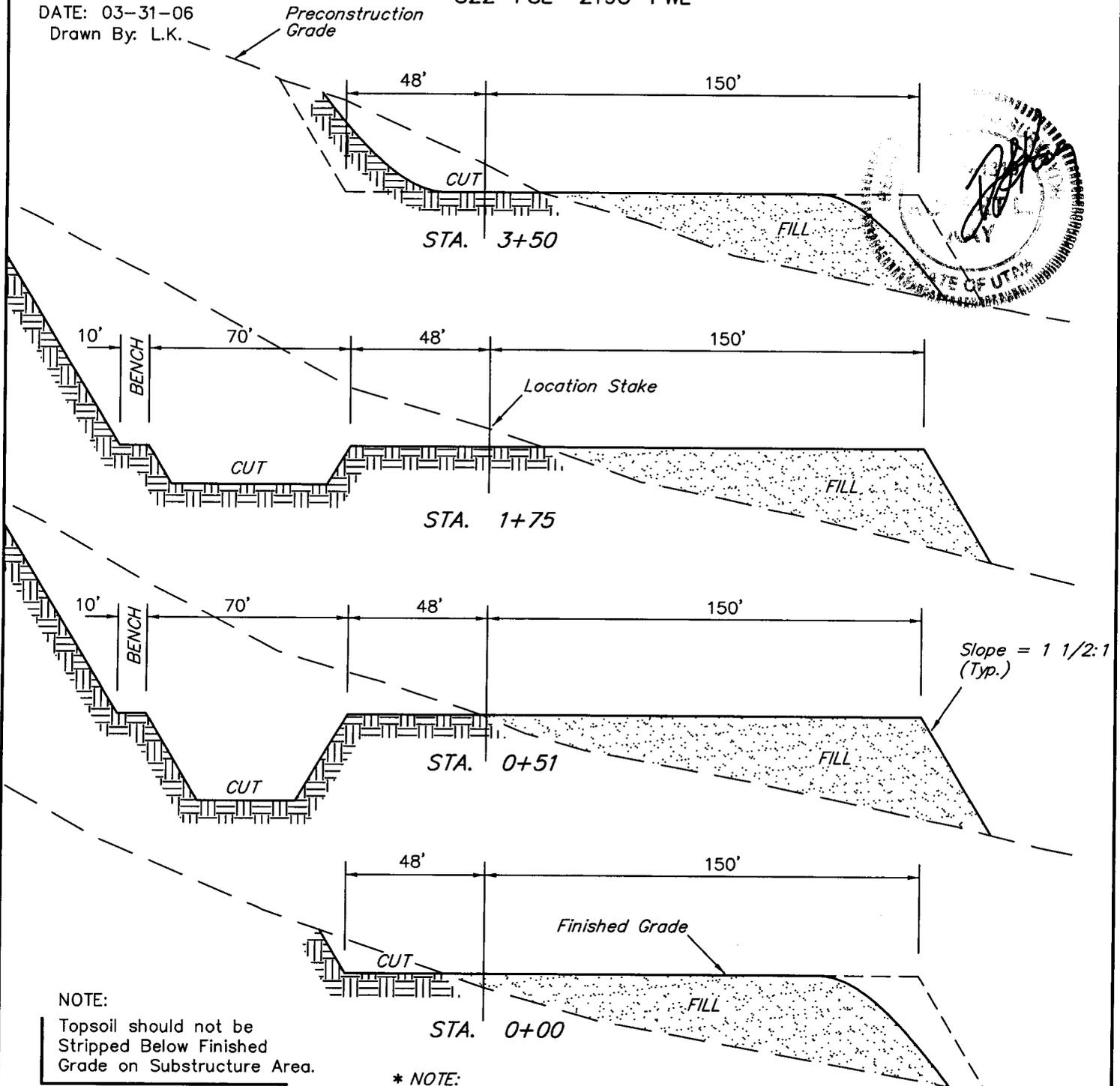
HR #14MU-2-12-23

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

822' FSL 2195' FWL

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

DATE: 03-31-06
Drawn By: L.K.



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

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 2,220 Cu. Yds.
Remaining Location	= 18,720 Cu. Yds.
TOTAL CUT	= 20,940 CU.YDS.
FILL	= 17,280 CU.YDS.

Excess Material	= 3,660 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,660 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

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

QUESTAR EXPLR. & PROD.

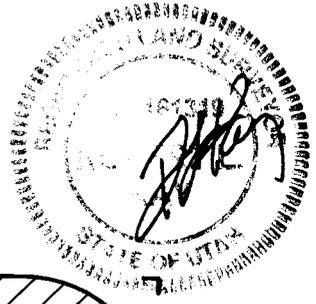
INTERIM RECLAMATION PLAN FOR

HR #14MU-2-12-23

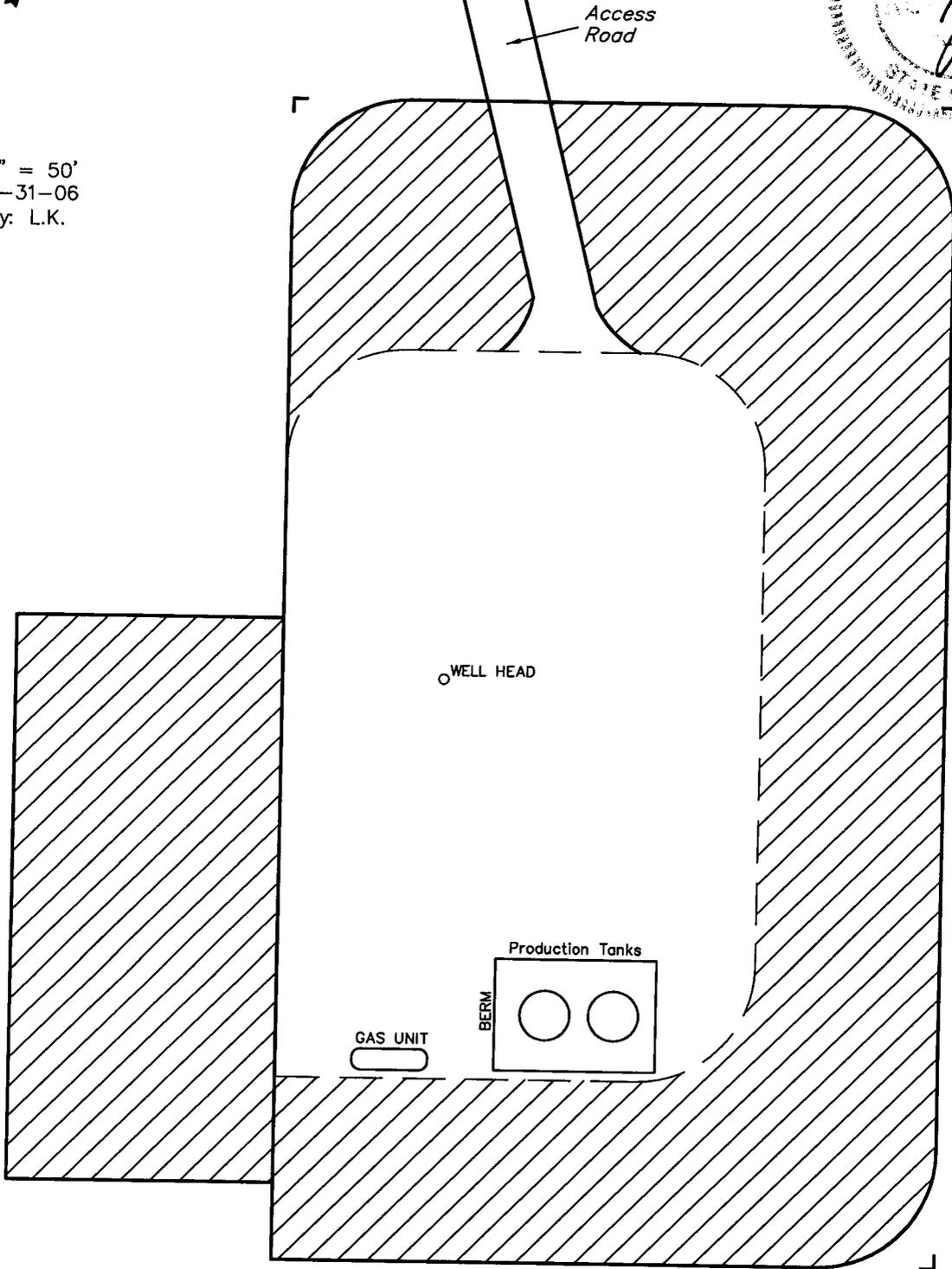
SECTION 2, T12S, R23E, S.L.B.&M.

822' FSL 2195' FWL

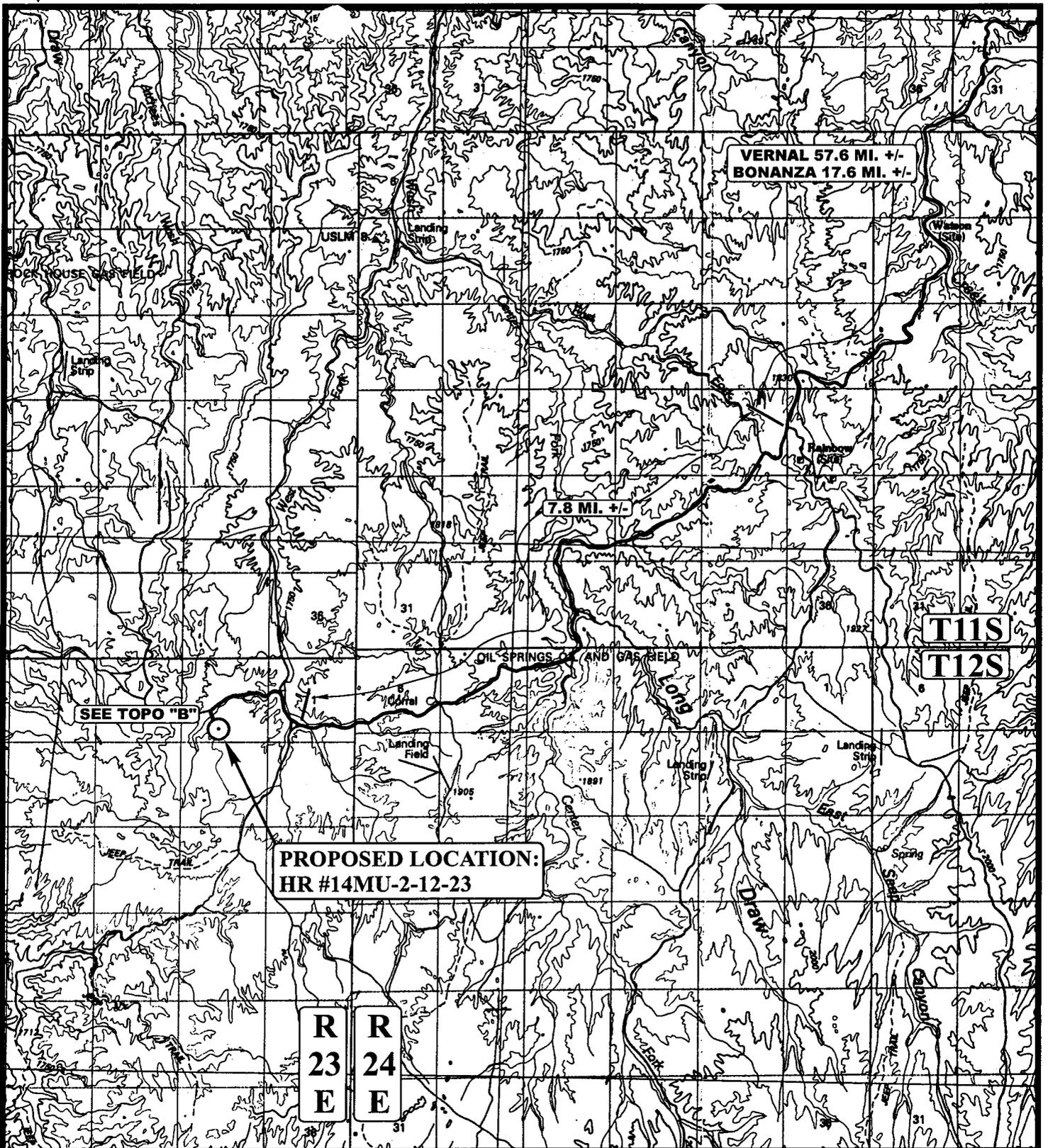
FIGURE #3



SCALE: 1" = 50'
DATE: 03-31-06
Drawn By: L.K.



 INTERIM RECLAMATION



VERNAL 57.6 MI. +/-
BONANZA 17.6 MI. +/-

7.8 MI. +/-

SEE TOPO "B"

PROPOSED LOCATION:
HR #14MU-2-12-23

R 23 E
R 24 E

T11S
T12S

LEGEND:

⊙ PROPOSED LOCATION

QUESTAR EXPLOR. & PROD.

HR #14MU-2-12-23
SECTION 2, T12S, R23E, S.L.B.&M.
822' FSL 2195' FWL

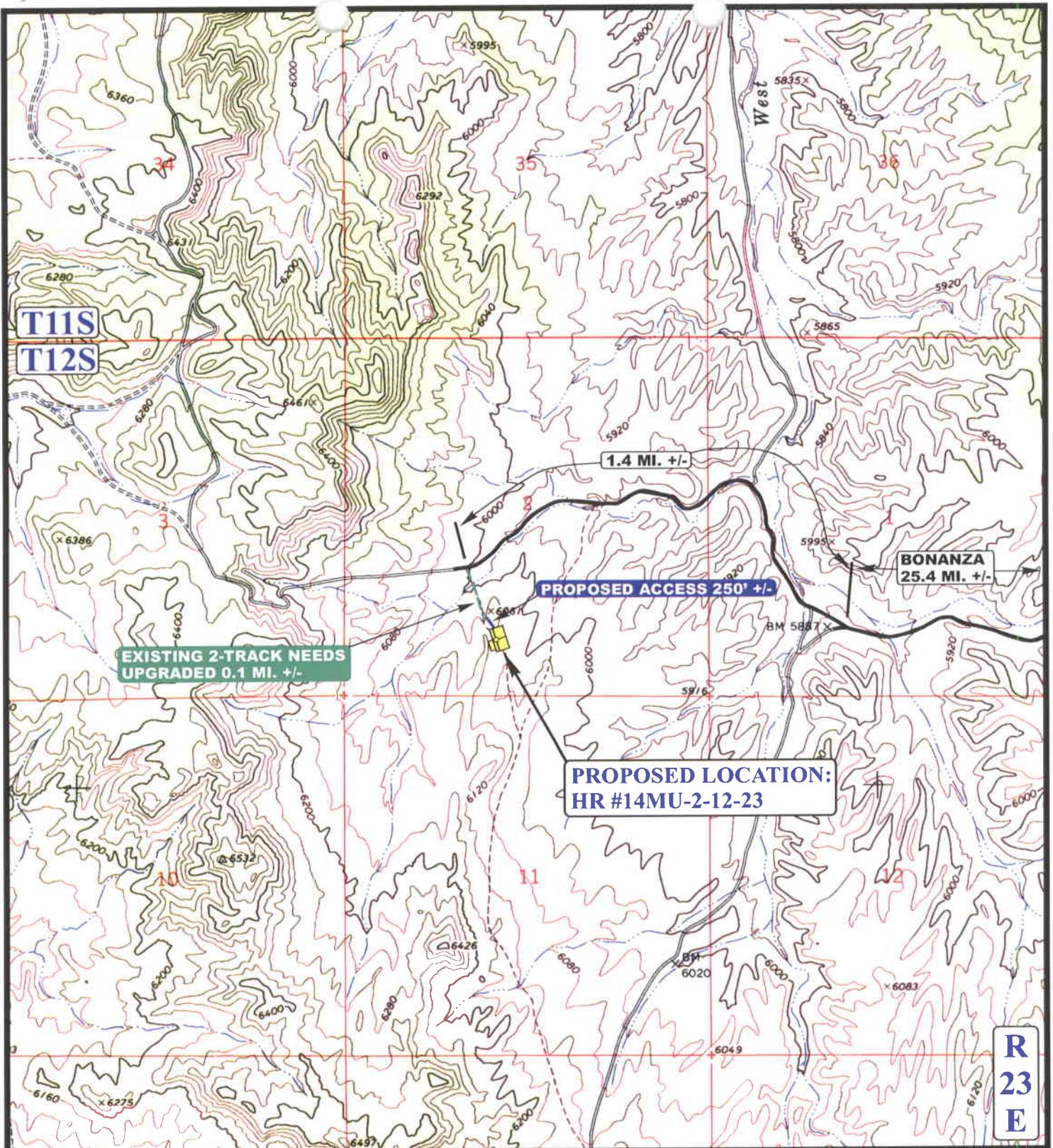


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



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





**R
23
E**

LEGEND:

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

QUESTAR EXPLOR. & PROD.

**HR #14MU-2-12-23
SECTION 2, T12S, R23E, S.L.B.&M.
822' FSL 2195' FWL**

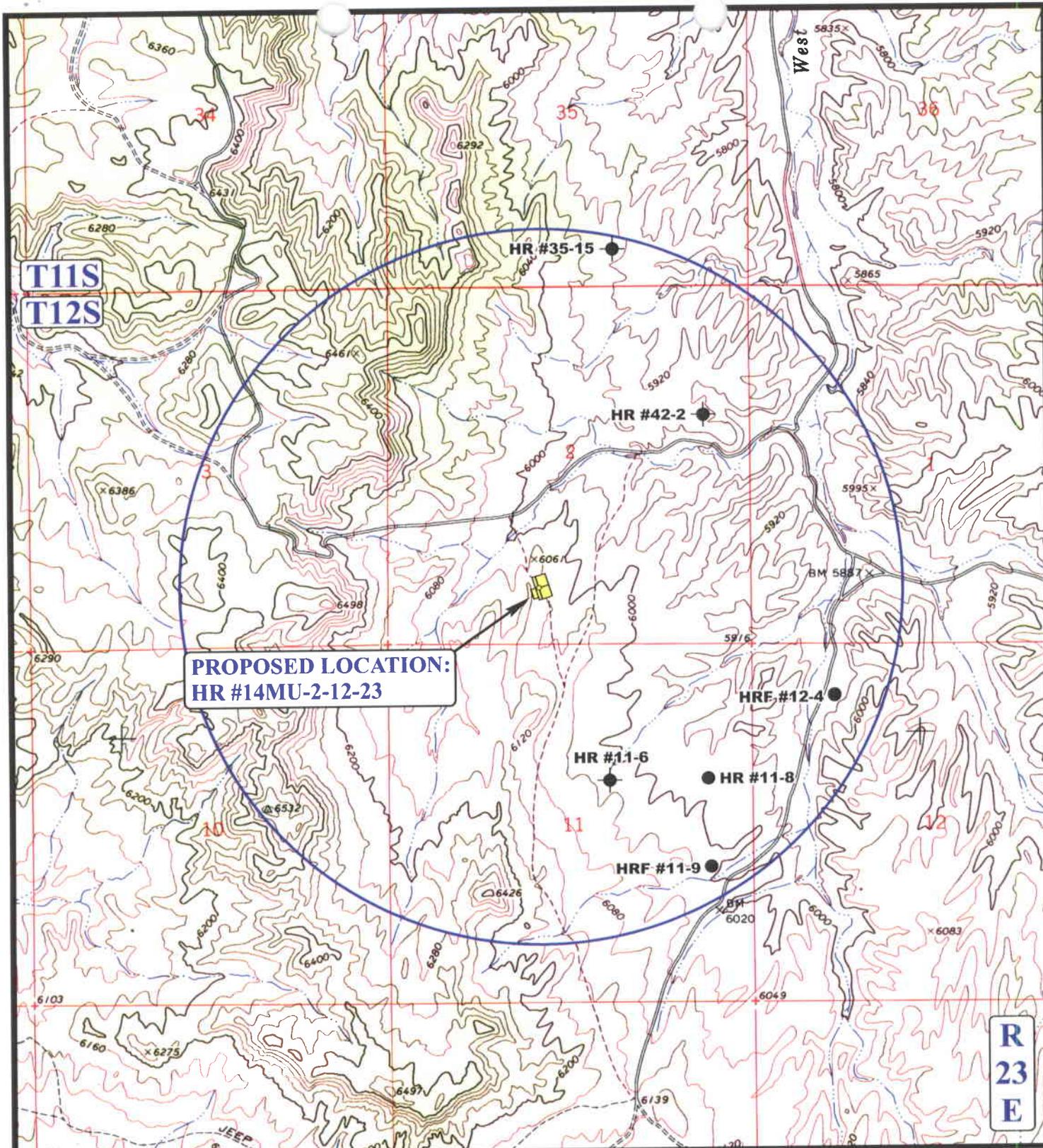


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



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





**PROPOSED LOCATION:
HR #14MU-2-12-23**

LEGEND:

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



QUESTAR EXPLOR. & PROD.

**HR #14MU-2-12-23
SECTION 2, T12S, R23E, S.L.B.&M.
822' FSL 2195' FWL**



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

**TOPOGRAPHIC
MAP**

04 04 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: 43-047-38057

WELL NAME: HR 14MU-2-12-23

OPERATOR: QUESTAR EXPL & PROD CO (N5085)

CONTACT: JAN NELSON

PHONE NUMBER: 435-781-4331

PROPOSED LOCATION:

SESW 02 120S 230E
 SURFACE: 0822 FSL 2195 FWL
 BOTTOM: 0822 FSL 2195 FWL
 COUNTY: UINTAH
 LATITUDE: 39.79756 LONGITUDE: -109.3115
 UTM SURF EASTINGS: 644560 NORTHINGS: 4406443
 FIELD NAME: OIL SPRINGS (635)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DVED	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 Prints (05-24-06)

STIPULATIONS: 1- Spacing Strip
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

OIL SPRINGS FIELD

HR 12MU-2-12-23

HR 10MU-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

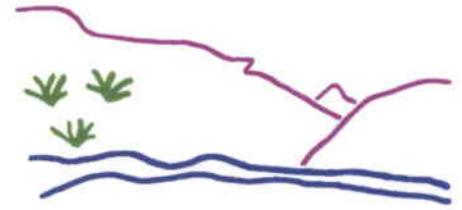
OPERATOR: QUESTAR EXPL & PROD (N5085)

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 14MU-2-12-23
API NUMBER: 43-047-38057
LOCATION: 1/4,1/4 SE/SW Sec: 2 TWP: 12S RNG: 23E 822' FSL 2195 FWL

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 14MU-2-12-23 well lies on a moderately steep west facing slope of a ridge which extends to the east from the main Bitter Creek divide. This Bitter Creek-Asphalt Wash divide rim, which is to the to the west about 1/4 mile, has steep side-slopes and exposed bedrock, forming cliffs at the top. 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 of a pad and operation of a well 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:** 05/25/2006

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 14MU-2-12-23
API NUMBER: 43-047-38057
LEASE: ML-50193 **FIELD/UNIT:** Undesignated
LOCATION: 1/4,1/4 SE/SW Sec: 2 TWP: 12S RNG: 23E 822' FSL 2195 FWL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.
GPS COORD (UTM): 644573 E 4406444 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 and 250 feet of new road constructed.

Topography in the general area is broad canyon bottoms separated by steep and often ledgy 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 14MU-2-12-23 well lies on a moderately steep west facing slope of a ridge which extends to the east from the main Bitter Creek divide. This Bitter Creek-Asphalt Wash divide rim which is to the to the west about 1/4 mile, has steep side-slopes and exposed bedrock, which form cliffs at the top.

The bottom of West Fork of Asphalt is approximately 1 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 and construction of 250 feet of additional 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: Three 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 1050 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 no under-story. Pronghorn, rodents, songbirds, raptors, elk, deer, bobcat, coyote.

SOIL TYPE AND CHARACTERISTICS: Light brown sandy loam with scattered surface stone and exposed sandstone bedrock.

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 04-04-2006 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 4-14-06 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 12:50 AM
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 14MU-2-1-23

Casing Schematic

Green River

Surface

9-5/8"
MW 8.4
Frac 19.3

TOC @
0.

Surface
450. MD

✓ w/ 11 7/8" cement

BHP

$(0.57)(9.5)(4950) = 2445$

Anticipate 2147

Grav

$(10)(4950) = 594$

11155' 1551

✓ w/ 22 7/8" cement

Bores - 3.000 ✓

Surf csg - 3520

$70\% = 2464$

2052 TOC Tail

2630 cement ch.

3000 cement

Mat pressure @ Sur csg shoe = 11155

Test to 1500# (as proposed) ✓

✓ Adequate DWD 6/7/06

4330 Res. Level

4-1/2"
MW 9.5

Production
4950. MD

Well name:	05-06 QEP HR 14MU-2-12-23		
Operator:	QEP Uintah Basin Inc.		Project ID:
String type:	Surface		43-047-38057
Location:	Uintah County		

Design parameters:

Collapse

Mud weight: 8.400 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: 71 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 185 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 231 psi
 Internal gradient: 0.447 psi/ft
 Calculated BHP 432 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)

Tension is based on air weight.
 Neutral point: 394 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 4,950 ft
 Next mud weight: 9.500 ppg
 Next setting BHP: 2,443 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 700 ft
 Injection pressure 700 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	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	432	3520	8.14	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 14MU-2-12-23

Operator: QEP Uintah Basin Inc.

String type: Production

Project ID:
43-047-38057

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: 134 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 231 psi
Internal gradient: 0.447 psi/ft
Calculated BHP 2,443 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)

Tension is based on air weight.
Neutral point: 4,247 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4950	4.5	11.60	M-80	LT&C	4950	4950	3.875	114.7
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	2443	6350	2.599	2443	7780	3.18	57	267	4.65 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 4950 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.



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

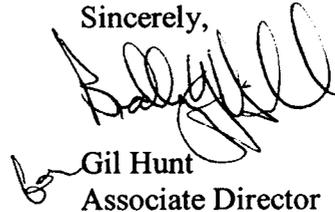
Re: HR 14MU-2-12-23 Well, 822' FSL, 2195' FWL, SE SW, Sec. 2, T. 12 South,
R. 23 East, Uintah County, Utah

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 43-047-38057.

Sincerely,



Gil Hunt
Associate Director

mf
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Questar Exploration & Production Company
Well Name & Number HR 14MU-2-12-23
API Number: 43-047-38057
Lease: ML-50193

Location: SE SW **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)

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
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-50193
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME: N/A
		8. WELL NAME and NUMBER: HR 14MU-2-12-23
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		9. API NUMBER: 4304738057
2. NAME OF OPERATOR: QUESTAR EXPLORATION & PRODUCTION CO.		10. FIELD AND POOL, OR WILDCAT: OIL SPRINGS
3. ADDRESS OF OPERATOR: 1571 E. 1700 S. CITY VERNAL STATE UT ZIP 84078	PHONE NUMBER: (435) 781-4031	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 822' FSL 2195' FWL		COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 2 12S 23E		STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Questar Exploration & Production Co. hereby requests a 1 year extension on the HR 14MU-2-12-23.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 06-28-07
By: [Signature]

6-29-07
Rm

NAME (PLEASE PRINT) Laura Bills	TITLE Regulatory Affairs
SIGNATURE <u>[Signature]</u>	DATE 6/22/2007

(This space for State use only)

RECEIVED
JUN 26 2007
DIV. OF OIL, GAS & MINING

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

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

API: 43-047-38057
Well Name: HR 14MU-2-12-23
Location: 822' FSL 2195' FWL, SESW, SECTION 2, T12S, R23 E
Company Permit Issued to: QUESTAR EXPLORATION & PRODUCTION C
Date Original Permit Issued: 6/29/2006

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

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

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

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

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

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

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

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

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

Diana Bills
Signature

6/22/2007
Date

Title: REGULATORY AFFAIRS

Representing: QUESTAR EXPLORATION & PRODUCTIO

RECEIVED

JUN 26 2007

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-50193
2. NAME OF OPERATOR: QUESTAR EXPROATION & PRODUCTION CO.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 822' FSL 2195' FWL		8. WELL NAME and NUMBER: HR 14MU-2-12-23
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 2 12S 23E		9. API NUMBER: 4304738057
COUNTY: UINTAH		10. FIELD AND POOL, OR WLD CAT: OIL SPRINGS
STATE: UTAH		

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

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

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

Questar Exploration & Production Co. hereby requests a 1 year extension on the HR 14MU-2-12-23.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 06-25-08
By: [Signature]

COPY SENT TO OPERATOR

Date: 6-26-2008

Initials: KS

NAME (PLEASE PRINT) <u>Laura Bills</u>	TITLE <u>Associate Regulatory Affairs Analyst</u>
SIGNATURE <u>[Signature]</u>	DATE <u>6/19/2008</u>

(This space for State use only)

RECEIVED
JUN 23 2008

CONFIDENTIAL

DIV. OF OIL, GAS & MINING
(See Instructions on Reverse Side)

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

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

API: 43-047-38057
Well Name: HR 14MU-2-12-23
Location: 822' FSL 2195' FWL, SESW, SEC. 2 T12S R23E
Company Permit Issued to: Questar Exploration & Production Co.
Date Original Permit Issued: 6/29/2006

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

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

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

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

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

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

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

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

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

Aimee Bills
Signature

6/19/2008
Date

Title: Associate Regulatory Affairs Analyst

Representing: Questar Exploration & Production Co.

RECEIVED
JUN 23 2008
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 18, 2009

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

43 047 38057
HR 14MU-2-12-23
12S 23E 2

Re: APD Rescinded at the request of Questar Exploration & Prod. Co.
Uintah County

Dear Ms. Bills:

Enclosed find the list of APDs that you requested to be rescinded to Questar Exploration & Prod. Co. No drilling activities at these locations have been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective June 17, 2009.

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

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

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



GB 10ML-16-8-22 43-047-37943

HR 2MU-2-12-23 43-047-38052

HR 3MU-2-12-23 43-047-38053

HR 6MU-2-12-23 43-047-38054

HR 12MU-2-12-23 43-047-38056

→ HR 14MU-2-12-23 43-047-38057

HR 16MU-2-12-23 43-047-38058

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~~ }
 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

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