

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: 14-20-H62-4691	6. SURFACE: Indian
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tribe/Uintah & Ouray Res.	
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: Roosevelt Unit 892000886A	
2. NAME OF OPERATOR: Elk Production LLC			9. WELL NAME and NUMBER: Roosevelt Unit 21-41	
3. ADDRESS OF OPERATOR: 1401 17th. St. #700 CITY Denver STATE CO ZIP 80202			PHONE NUMBER: (303) 296-4505	10. FIELD AND POOL, OR WILDCAT: Bluebell/Wasatch
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 698' FSL, 502' FWL AT PROPOSED PRODUCING ZONE: 698' FSL, 502' FWL			593806X 4469949Y 40.376750 - 104.714998 <b>CONFIDENTIAL</b>	11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 21 1S 1E U
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approx. 14.25 miles northeast of Roosevelt, UT			12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 502'	16. NUMBER OF ACRES IN LEASE: 1205	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1300'	19. PROPOSED DEPTH: 14,000	20. BOND DESCRIPTION: B000969		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5377' GR	22. APPROXIMATE DATE WORK WILL START: 11/1/2006	23. ESTIMATED DURATION: 60 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" K-55 36#	2,500	See Drlg Plan 660/165 SeeDrlgPlan
8 3/4"	7" P-110 26#	10,250	See Drlg Plan 365/150/275 SeeDrlgPlan
6 1/8"	5" P-110 18#	14,000	See Drlg Plan 250 sx SeeDrlgPlan

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Karin Kuhn TITLE Engineering Technician

SIGNATURE *Karin Kuhn* DATE 6/21/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-042-38333

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 06-29-06

By: *[Signature]*

**RECEIVED**  
**JUN 23 2006**  
DIV. OF OIL, GAS & MINING

(11/2001)

# T1S, R1E, U.S.B.&M.

## ELK PRODUCTION, LLC

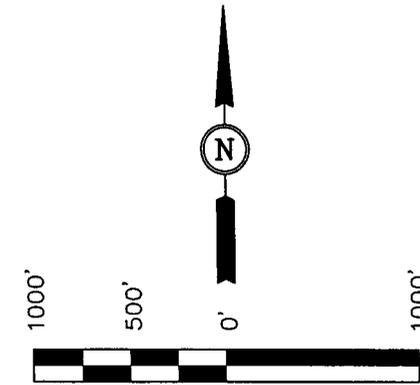
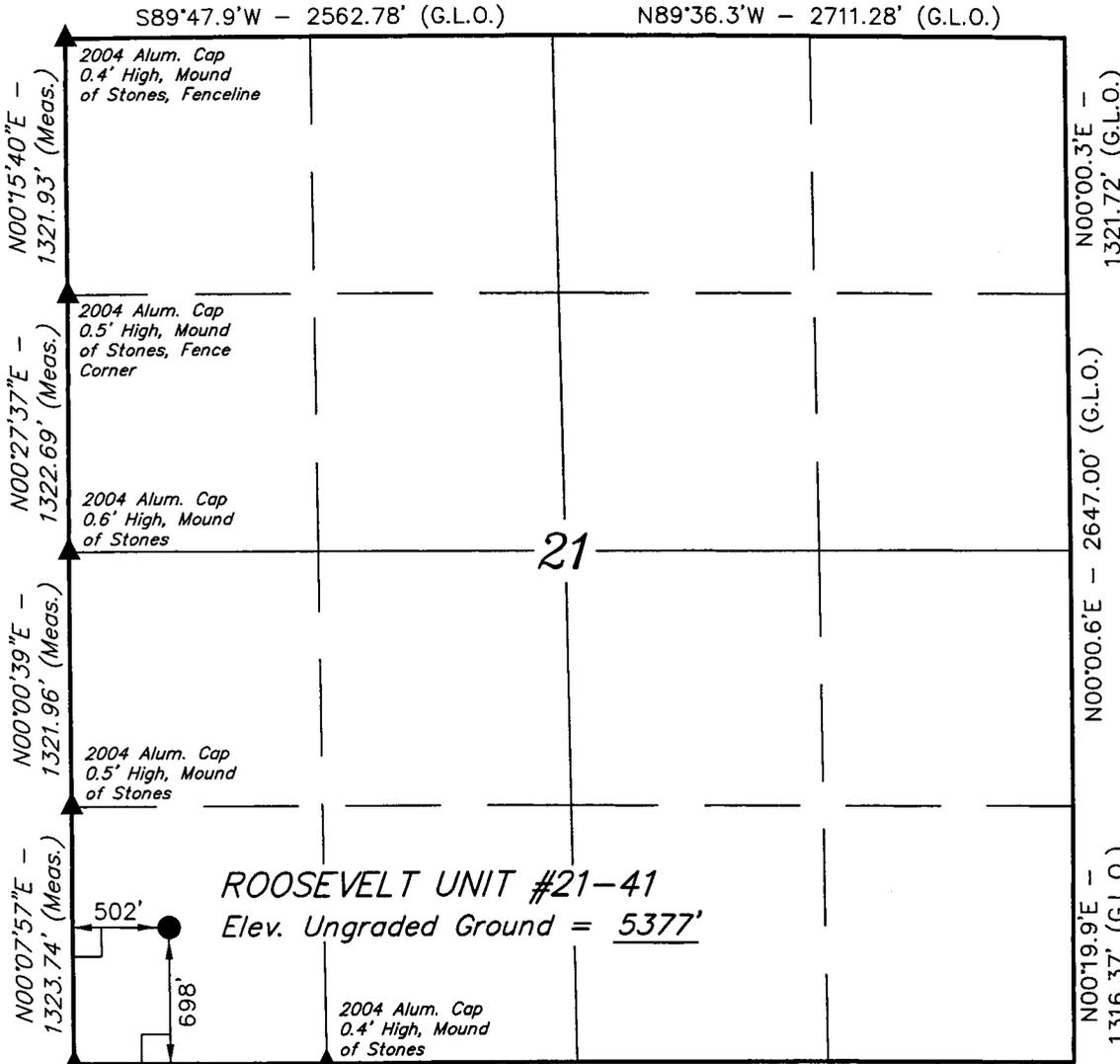
Well location, ROOSEVELT UNIT #21-41, located as shown in the SW 1/4 SW 1/4 of Section 21, TSS, R1E, U.S.B.&M. Uintah County, Utah.

### BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 19, T1S, R1E, U.S.B.&M. TAKEN FROM THE WHITEROCKS QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5519 FEET.

### BASIS OF BEARINGS

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



### SCALE

### CERTIFICATE

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

*Robert A. ...*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

2004 Alum. Cap 0.5' High, Steel Post, Scattered Stones N89°54'45"W - 1325.22' (Meas.) S89°52.8'W - 2652.80' (G.L.O.) N89°40.9'W - 1310.89' (G.L.O.)

(AUTONOMOUS NAD 83)  
 LATITUDE = 40°22'36.23" (40.376731)  
 LONGITUDE = 109°53'44.37" (109.895658)  
 (AUTONOMOUS NAD 27)  
 LATITUDE = 40°22'36.38" (40.376772)  
 LONGITUDE = 109°53'41.84" (109.894956)

### LEGEND:

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

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

SCALE 1" = 1000'	DATE SURVEYED: 01-17-06	DATE DRAWN: 02-06-06
PARTY D.A. C.F. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ELK PRODUCTION, LLC	

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:  
3160  
(UT-922)

June 26, 2006

### Memorandum

To: Assistant District Manager Minerals, Vernal District  
From: Michael Coulthard, Petroleum Engineer  
Subject: 2006 Plan of Development Roosevelt Unit, Duchesne  
County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within Roosevelt Unit, Duchesne County, Utah.

API#	WELL NAME	LOCATION
(Proposed PZ Wasatch)		
43-047-38329	Roosevelt Unit 20-24 Sec 20 T01S R01E 2282 FNL 0977 FEL	
43-047-38333	Roosevelt Unit 21-41 Sec 21 T01S R01E 0698 FSL 0502 FWL	

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File – Roosevelt Unit  
Division of Oil Gas and Mining  
Central Files  
Agr. Sec. Chron  
Fluid Chron

MCoulthard:mc:6-26-06



June 22, 2006

**VIA OVERNIGHT MAIL**

Diana Whitney  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84116

**RE: Application for Permit to Drill  
Roosevelt Unit 21-41  
SWSW Section 21-1S-1E USB&M  
Uintah County, UT**

Dear Diana:

Enclosed is our Application for Permit to Drill for the subject well location. Please keep this application "**CONFIDENTIAL**". Included with the APD is the following supplemental information:

- Exhibit "A" – Survey plats and layouts of the proposed well site;
- Exhibit "B" – Proposed location map with access corridors;
- Exhibit "C" – Drilling Plan;
- Exhibit "D" – Surface Use Plan;
- Exhibit "E" – Exception Location Letter and Attachment;
- Exhibit "F" – Typical BOP and Choke Manifold diagram;
- Exhibit "G" – Surface Damage Agreement

Should you require any additional information, please contact me or Layle Robb at (303) 296-4505.

Sincerely,

Karin Kuhn  
Engineering Technician

RECEIVED  
JUN 23 2006  
DIV. OF OIL, GAS & MINING

cc: Fluid Minerals Group, Bureau of Land Management, Vernal Field Ofc.

## DRILLING PLAN

Elk Production, LLC  
Roosevelt Unit #21-41  
SWSW of Section 21, T-1-S, R-1-E  
Uintah County, Utah

### 1,2,3 Estimated Tops of Geological Markers and Formations Expected to Contain Water, Oil and Gas and Other Minerals

<u>Formation</u>	<u>Depth</u>
Uinta	2485'
Green River	5720'*
Lower Green River	8700'*
Wasatch	9830'*

PROSPECTIVE PAY\* oil and gas

### 4 Casing Program

<u>HOLE SIZE</u>	<u>SETTING DEPTH</u>		<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>COND.</u>
	<u>from</u>	<u>to</u>					
26"	surface	40'	20" OD	94#			
12 1/4"	40'	2500'	9 5/8" OD	36#	H-40	ST&C	New
8 3/4"	2500'	10250'	7" OD	26#	P-110	LT&C	New
6 1/8"	10250'	14000'	5" OD	18#	P-110	Flush Jt.	New

### 5 Cementing Program

(Volumes other than tail volumes will be calculated from caliper logs.)

20" Conductor	Redi-Mix as needed
9-5/8" Surface	Lead: 660 sx Premium HLC + ¼ pps Flocele + 1% CaCl; 12.8 ppg with 1.78 ft <sup>3</sup> /sk yield. (100% excess on lead) Tail: 165 sx Premium V + 1/4 pps Flocele + 2% CaCl; 15.8 ppg, 1.16 ft <sup>3</sup> /sk yield.
7" Intermediate	First Stage: 365 sx 50/50 Poz + 2% gel + 6% Halad-322 + 1 pps Granulite + 5% salt + ¼ pps Flocele; 14.4 ppg, 1.41 cf/sk yield (no excess).
DV @ 6800'	Second Stage: Lead: 150 sx HIFILL + 16% gel + 0.75% ECONLITE + 7.5 pps gilsonite + ¼ pps Flocele; 11.0 ppg, 3.81 cf/sk (100% excess). Tail: 275 sx 50/50 Poz + 2% gel + 6% HALAD-322 + 1 pps Granulate + 5% salt + ¼ pps Flocele; 14.4 ppg, 1.41 cf/sk yield.
5" Prod.Liner.	250 sx 50/50 Poz + 2% gel + 0.3% CFR-3 + 0.15% HR-12 + 20% SSA-1 + 0.4% HALAD-344; 14.35 ppg, 1.41 cf/sk yield (25% excess)

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## 6 Mud Program

<u>INTERVAL</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>FLUID LOSS</u>	<u>REMARKS</u>
Surf. - 40'	N/A	Drilled with surface hole rig.		
40' - 2500'	8.8 ppg	32	NC	Spud Mud
2500' - 8000'	8.5 ppg	28	NC	Fresh Water & LSND Mud as needed
8000' - 10250'	to 9.5 ppg	36	20	LSND
10250' - 12400'	to 10.8 ppg	42	10-20	Semi-Dispersed
12400' - 14000'	to 13.5 ppg	42	<10	Dispersed

Mud weight increases to be dictated by hole conditions.

## 7 BOP and Pressure Containment Data

<u>Depth Intervals</u>	<u>BOP Equipment</u>
Surf. - 2,500'	None required
2,500' to 10,250'	5M, Ram-Type, double BOP, 5M annular (minimum)
10,250' to TD	10M, Ram-Type, double BOP, 10M annular 3", 10M Choke Manifold from 2500' to TD

Drilling spool to accommodate choke and kill lines.

ANCILLARY EQUIPMENT RATED AT 5000# or 10,000# AS NEEDED TO MATCH BOPE. ALL BOP AND BOPE TESTS WILL BE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STATE OF UTAH.

THE STATE OF UTAH, DIVISION OF OIL, GAS AND MINING WILL BE NOTIFIED 24 HOURS IN ADVANCE OF ALL BOPE PRESSURE TESTS. THE BUREAU OF LAND MANAGEMENT WILL BE NOTIFIED 24 HOURS IN ADVANCE OF ALL BOPE PRESSURE TESTS.

## 8 Auxiliary equipment

- a) Upper and Lower Kelly cock
- b) 5000# Floor stabbing valve
- c) Safety valve(s) and subs to fit all string connections in use

## 9 Testing, Logging and Core Programs

Cores	None anticipated
Testing	None anticipated
Samples	30' samples; surface casing to 7500'. 10' samples from 7500' to TD.
Surveys	Run every 1000' and on trips
Logging	Resistivity, neutron density, gamma ray, and caliper from TD to surface casing

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**10 Anticipated Abnormal Pressures or Temperatures**

Minor over-pressuring begins near the top of the Wasatch at 9610' with 9.5 ppg typically being required as TD is approached.

**11 Drilling Schedule**

Spud	Approximately November 1, 2006
Duration	30 days drilling time 30 days completion time

**HAZARDOUS MATERIAL DECLARATION**

Roosevelt Unit #21-41

Elk Production, LLC guarantees that during the drilling and completion of the above referenced well, we will not use, produce, or store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Super Amendments and Reauthorization Act (SARA) of 1986.

Elk Production, LLC guarantees that during the drilling and completion of the above-referenced well, we will use, produce, store, transport, or dispose less than the threshold planning quantity (TPQ) of any extremely hazardous substances as defined in 40 CFR 355.

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## **SURFACE USE PLAN**

### **Roosevelt Unit 21-41**

#### **Attachment to Permit to Drill**

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

The onsite inspection for the referenced well is pending with the Division of Oil, Gas and Mining and the landowner:

**1. Existing Roads:**

- a. The proposed well site is located approximately 14.25 miles to Roosevelt, Utah.
- b. The following are directions to the proposed well site:  
Proceed in an Easterly direction from Roosevelt, Utah along U.S. Highway 40 approximately 5.2 miles to the junction of this road and an existing road to the North; turn left and proceed in a Northerly, then Westerly direction approximately 4.0 miles to the junction of this road and an existing road to the North; turn right and proceed in a Northerly direction approximately 3.1 miles to the junction of this road and an existing road to the East; turn right and proceed in an Easterly the Southeasterly direction approximately 1.6 miles to the junction of the road and an existing road to the South; turn right and proceed in a Southerly direction approximately 0.15 miles to the beginning of the proposed access to the Southwest; follow road flags in a Southwesterly direction approximately 0.2 miles to the proposed location.
- c. The use of roads under State and County Road Department maintenance are necessary to access the Roosevelt Unit.
- d. All existing roads will be maintained and kept in good repair during all phases of operation.
- e. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- f. Since no improvements are anticipated to the State, County, Tribal or BLM access roads, no topsoil striping will occur.

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**2. Planned Access Roads:**

- a. From the existing road, a new access is proposed trending southerly approximately 0.15 miles to the beginning of the proposed access road and the access road is 0.2 miles long in a Southwesterly direction to the proposed well site. The access consists of entirely new disturbance and crosses no significant drainages.
- b. The proposed access road crosses surface owned by the Ute Indian Tribe/Uintah and Ouray Reservation in which a surface use agreement to construct and utilize the road is attached. A tribal surface damage agreement will be submitted to the DOGM prior to approval of the APD.
- c. The proposed access road will consist of a 14' travel surface within a 30' disturbed area.
- d. A maximum grade of 4% will be maintained throughout the project with no cuts and fills required to access the well.
- e. No turnouts are proposed since the access road is only 0.2 miles long and adequate site distance exists in all directions.
- f. No surfacing material will come from Federal or SITLA lands.
- g. Surface disturbance and vehicular travel will be limited to the approved location access road.
- h. All access roads and surface disturbing activities will conform to the standards outlined in the tribal surface damage agreement.
- i. The operator will be responsible for all maintenance of the access road including drainage structures.

**3. Location of Existing Wells:**

- a. Exhibit B has a map reflecting these wells within a one-mile radius of the proposed well.

**4. Location of Production Facilities:**

- a. All permanent structures will be painted a flat, non-reflective Desert Brown to match the standard environmental colors. All facilities will be painted within six month of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.
- b. If productive, a gas meter run will be constructed and located on lease within 500 feet of the wellhead. Meter runs will be housed and/or fenced. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.
- c. If productive, a tank battery will be constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for oil and natural gas production and measurement.

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- d. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- e. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.
- f. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.

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

- a. Water for construction and drilling will be obtained through a direct purchase agreement with the local municipal water company.

**6. Source of Construction Material:**

- a. No construction materials will be removed from Ute Tribal, SITLA or BLM lands.
- b. If any gravel is used, it will be obtained from a State-approved gravel pit.

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

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities.
- b. Drill cuttings will be contained and buried onsite.
- c. The reserve pit will be located outboard of the location and along the southwest side of the pad.
- d. The reserve pit will be constructed so as not to leak, break, or allow any discharge.
- e. The reserve pit will be lined with 12-mil minimum thickness plastic nylon-reinforced liner material. The liner will overlay a felt pad only if rock is encountered during excavation. The pit liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- f. The reserve pit has been located in cut material. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. After the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. Trash will be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to the approved Uintah County Landfill near Vernal, Utah.
- h. Produced fluids from the well other than water will be produced into a test tank until such time as construction of production facilities is completed.

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Any spills of oil, gas, saltwater or other produced fluids will be cleaned up and removed.

- i. Any salts and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- j. Sanitary facilities will be onsite at all times during operations. Sewage will be placed in a portable chemical toilet and the toilet replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with State and County regulations.

**8. Ancillary Facilities:**

- a. Garbage containers and portable toilets are the only ancillary facilities proposed in this application.

**9. Well Site Layout:**

- a. The well will be properly identified in accordance with State regulations.
- b. Access to the well pad will be from the northeast.
- c. The pad and road designs are consistent with State and Federal specifications.
- d. A pre-construction meeting with responsible company representative, contractors, landowner representatives and the Utah Division of Oil, Gas and Mining will be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road will be construction-staked prior to this meeting.
- e. The pad has been staked at its maximum size; however, it will be constructed smaller if possible, depending upon rig availability. Should the layout change, this application will be amended and approved utilizing a sundry notice.
- f. All surface disturbing activities will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specification in the approved plans.
- g. All cut and fill slopes will be such that stability can be maintained for the life of the activity.
- h. The site surface will be graded to drain away from the pit to avoid pit spillage during large storm events.
- i. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a window on the uphill side of the location to prevent any possible contamination. All topsoil will be stockpiled for reclamation in such a way as to prevent soil loss and contamination.
- j. Pits will remain fenced until site cleanup.
- k. The blooie line will be located at least 100 feet from the well head.
- l. Water injection may be implemented if necessary to minimize the amount of fugitive dust.

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

- a. Site reclamation for a producing well will be accomplished for portions of the site not required for the continued operation of the well.
- b. The Operator will control noxious weeds along access road use authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the Utah Division of Oil, Gas and Mining or the appropriate County Extension Office.
- c. Upon well completion, any hydrocarbons in the pit shall be removed. Once the reserve pit is dry, the plastic nylon-reinforced liner shall be torn and perforated before backfilling of the reserve pit. The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.
- d. The cut and fill slopes and all other disturbed areas not needed for the production operation will be top soiled and re-vegetated. The stockpiled topsoil will be evenly distributed over the disturbed area.
- e. Prior to reseeding the site, all disturbed areas, including the access road, will be scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the landowner. The landowner recommended seed mix will be detailed within their surface-use documents.

**11. Surface and Mineral Ownership:**

- a. Surface Ownership: Ute Tribe/Uintah and Ouray Reservation
- b. Mineral Ownership: Roosevelt Unit

**12. Other Information:**

- a. A tribal surface use agreement with the Ute Indian Tribe is attached.

**Self-Certification Statement**

Please be advised that Elk Production LLC is considered to be the operator of Roosevelt Unit #21-41; SW1/4 SW1/4, Section 21, Township 1 South, Range 1 East; Lease 14-20-H62-4691; Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BIA Collective Bond #B001061."

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**13. Operator's Representative and Certification:**

I hereby certify that I, or person 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 the plan are, to the best of my knowledge, true and correct; and that the work associated with operations herein will be performed by \_\_\_\_\_, (construction contractor has not been determined) and 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.

Name and Title   
Layle Robb, Vice President of Drilling and Production

STATE OF COLORADO  
COUNTY OF DENVER

Subscribed and sworn to before me this 22th day of June, 2006.

My commission Expires: 1/18/2009

  
Notary Public

## **WATER SOURCE**

Water for the drilling of the Roosevelt Unit 21-41 will be pumped or trucked to the well site by Art Chesspooch, AC/DC WATER SERVICE. Per Kermit Wapsock, representative of the Ute Indian Tribe, the source of the water is privately owned surface ponds or streams on property owned by the Ute Indian Tribe located in Section 20 and 29 -T1S-R1E, Uintah County, Utah.

**Resolution Number:** 05-05-209 UINTAH AND OURAY AGENCY FORT DUCHESNE, UTAH.

**CONFIDENTIAL**

**ELK PRODUCTION, LLC**  
**ROOSEVELT UNIT #21-41**  
 LOCATED IN UINTAH COUNTY, UTAH  
 SECTION 21, T1S, R1E, U.S.B.&M.



**PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE**

**CAMERA ANGLE: SOUTHEASTERLY**



**PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS**

**CAMERA ANGLE: SOUTHWESTERLY**



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

<b>LOCATION PHOTOS</b>			<b>01</b>	<b>27</b>	<b>06</b>	<b>PHOTO</b>
			MONTH	DAY	YEAR	
TAKEN BY: D.A.	DRAWN BY: C.P.	REVISED: 00-00-00				

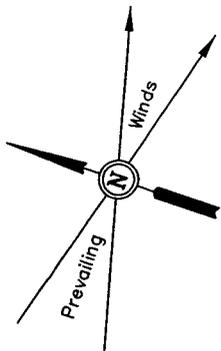
# ELK PRODUCTION, LLC

## LOCATION LAYOUT FOR

ROOSEVELT UNIT #21-41  
SECTION 21, T1S, R1E, U.S.B.&M.

698' FSL 502' FWL

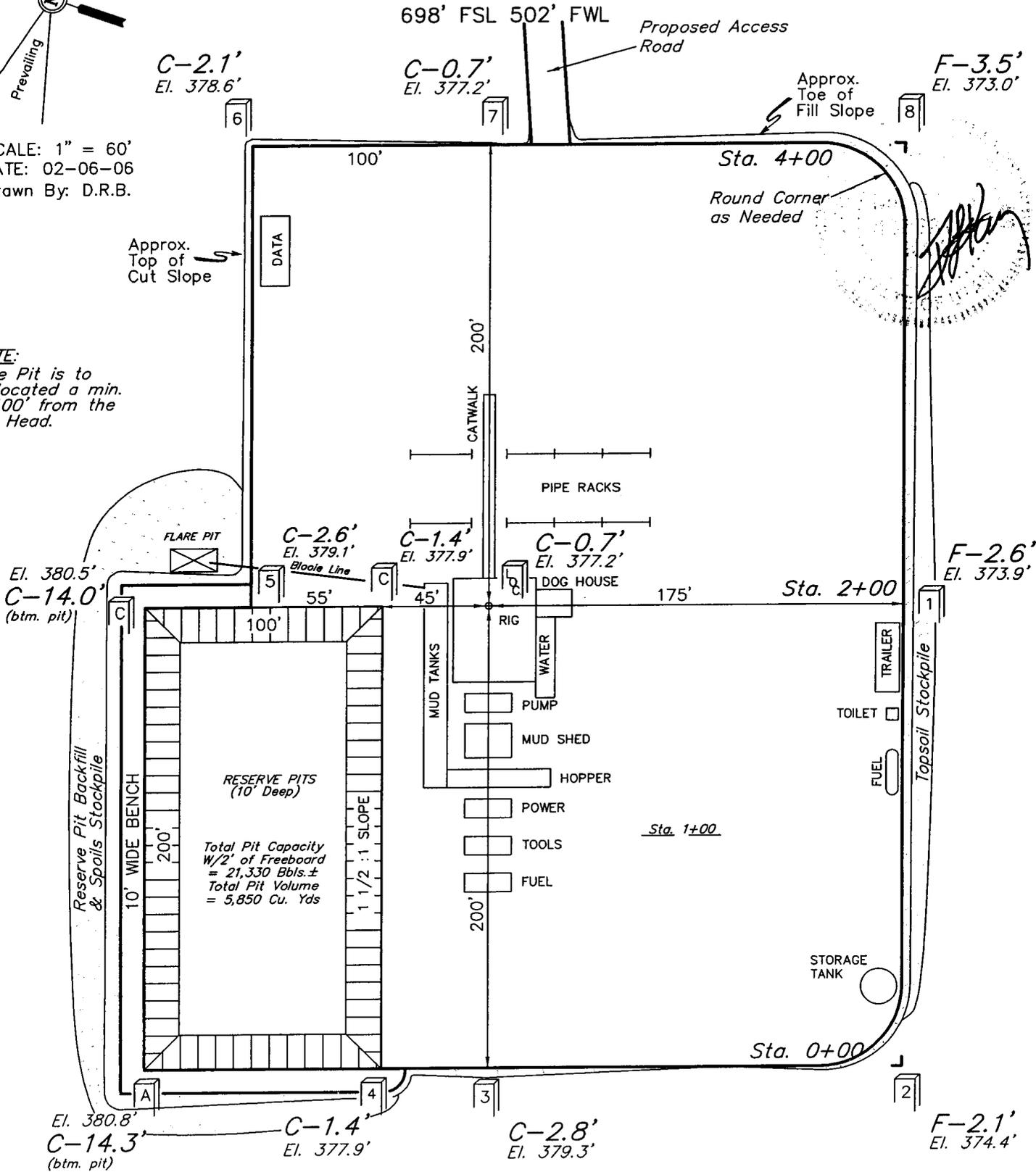
FIGURE #1



SCALE: 1" = 60'  
DATE: 02-06-06  
Drawn By: D.R.B.

Approx. Top of Cut Slope

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



Elev. Ungraded Ground at Location Stake = 5377.2'  
Elev. Graded Ground at Location Stake = 5376.5'

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

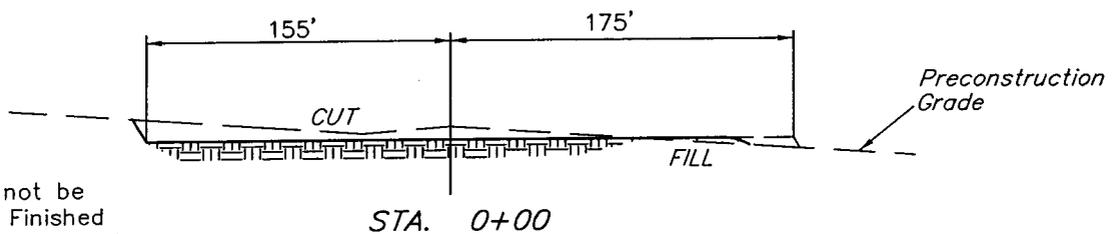
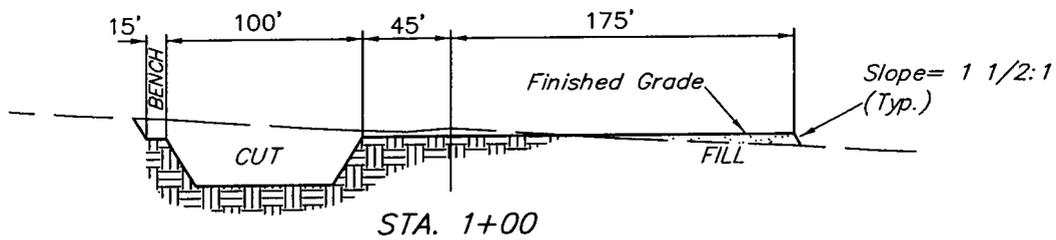
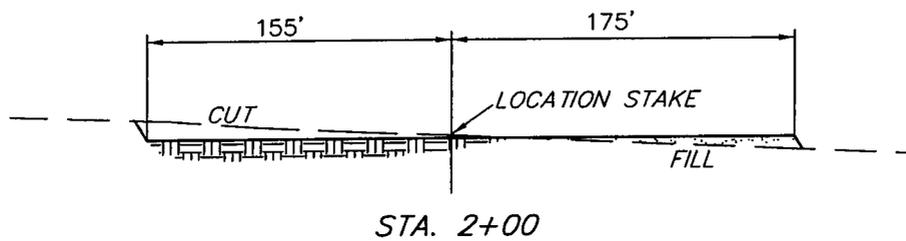
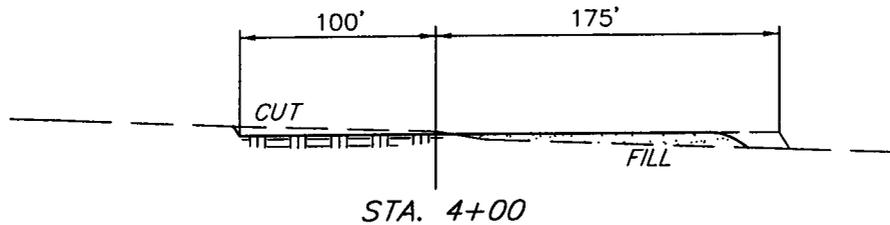
ELK PRODUCTION, LLC  
 TYPICAL CROSS SECTIONS FOR

FIGURE #2

ROOSEVELT UNIT #21-41  
 SECTION 21, T1S, R1E, U.S.B.&M.  
 698' FSL 502' FWL

1" = 40'  
 X-Section  
 Scale  
 1" = 100'

DATE: 02-06-06  
 Drawn By: D.R.B.



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

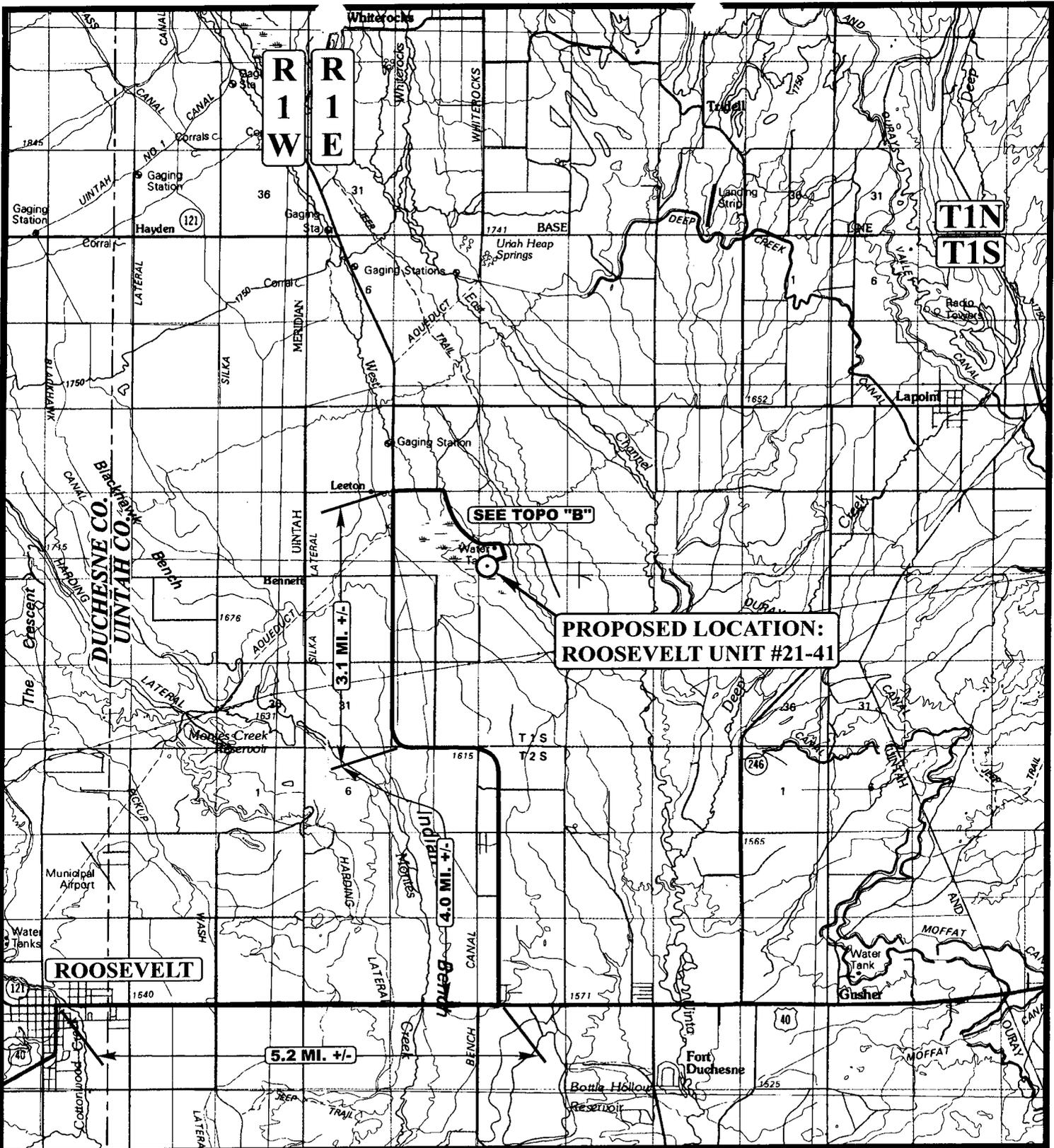
\* NOTE:  
 FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(12") Topsoil Stripping	= 4,830 Cu. Yds.
Remaining Location	= 8,160 Cu. Yds.
TOTAL CUT	= 12,990 CU.YDS.
FILL	= 5,230 CU.YDS.

EXCESS MATERIAL	= 7,760 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 7,760 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

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



**LEGEND:**

⊙ PROPOSED LOCATION



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



**ELK PRODUCTION, LLC**

**ROOSEVELT UNIT #21-41**  
 SECTION 21, T1S, R1E, U.S.B.&M.  
 698' FSL 502' FWL

**TOPOGRAPHIC**  
**MAP**

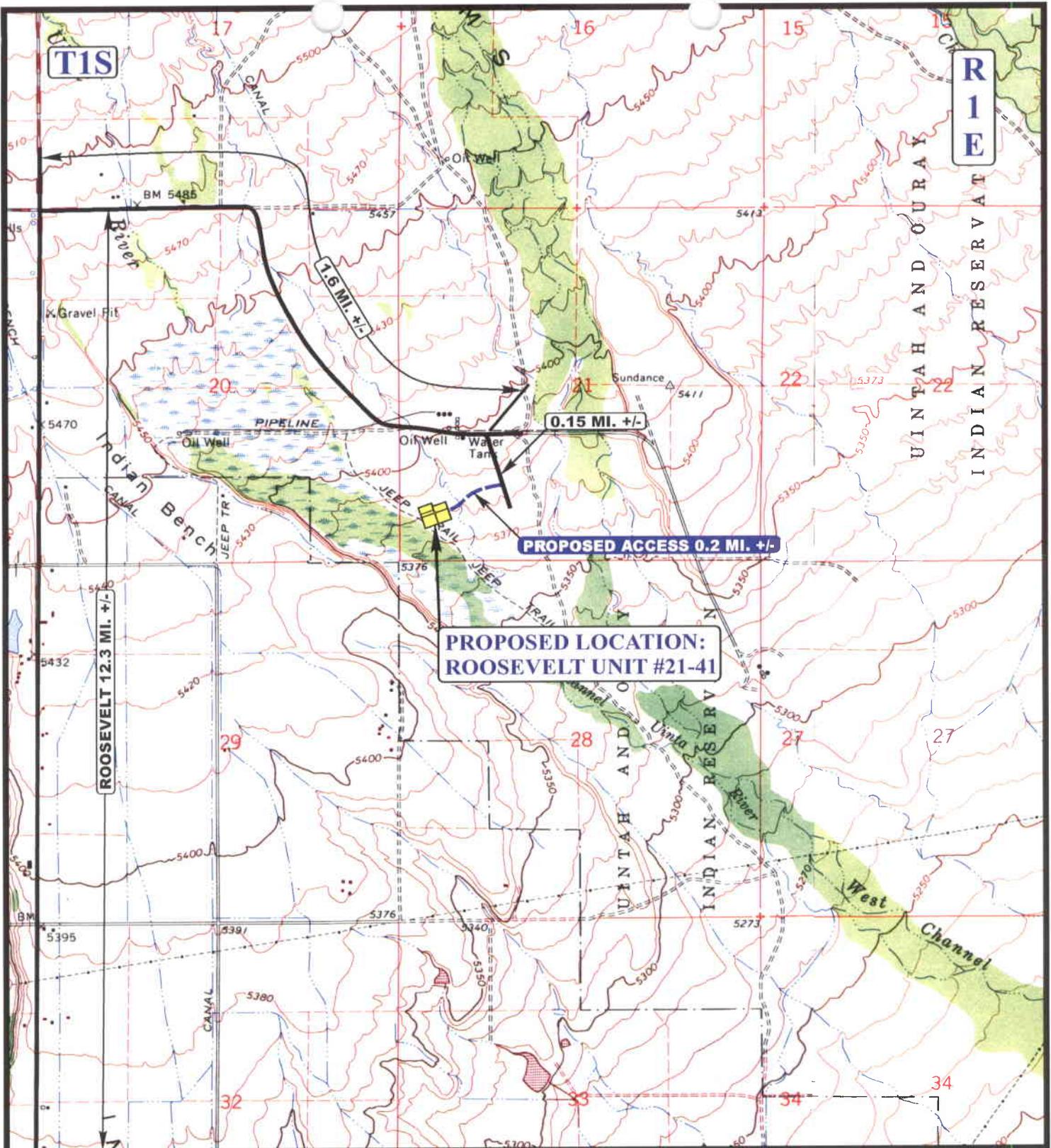
**01** **27** **06**  
 MONTH DAY YEAR

SCALE: 1:100,000

DRAWN BY: C.P.

REVISED: 00-00-00





**PROPOSED LOCATION:  
ROOSEVELT UNIT #21-41**

**PROPOSED ACCESS 0.2 MI. +/-**

**1.6 MI. +/-**

**0.15 MI. +/-**

**ROOSEVELT 12.3 MI. +/-**

**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD



**ELK PRODUCTION, LLC**

**ROOSEVELT UNIT #21-41  
SECTION 21, T1S, R1E, U.S.B.&M.  
698' FSL 502' FWL**



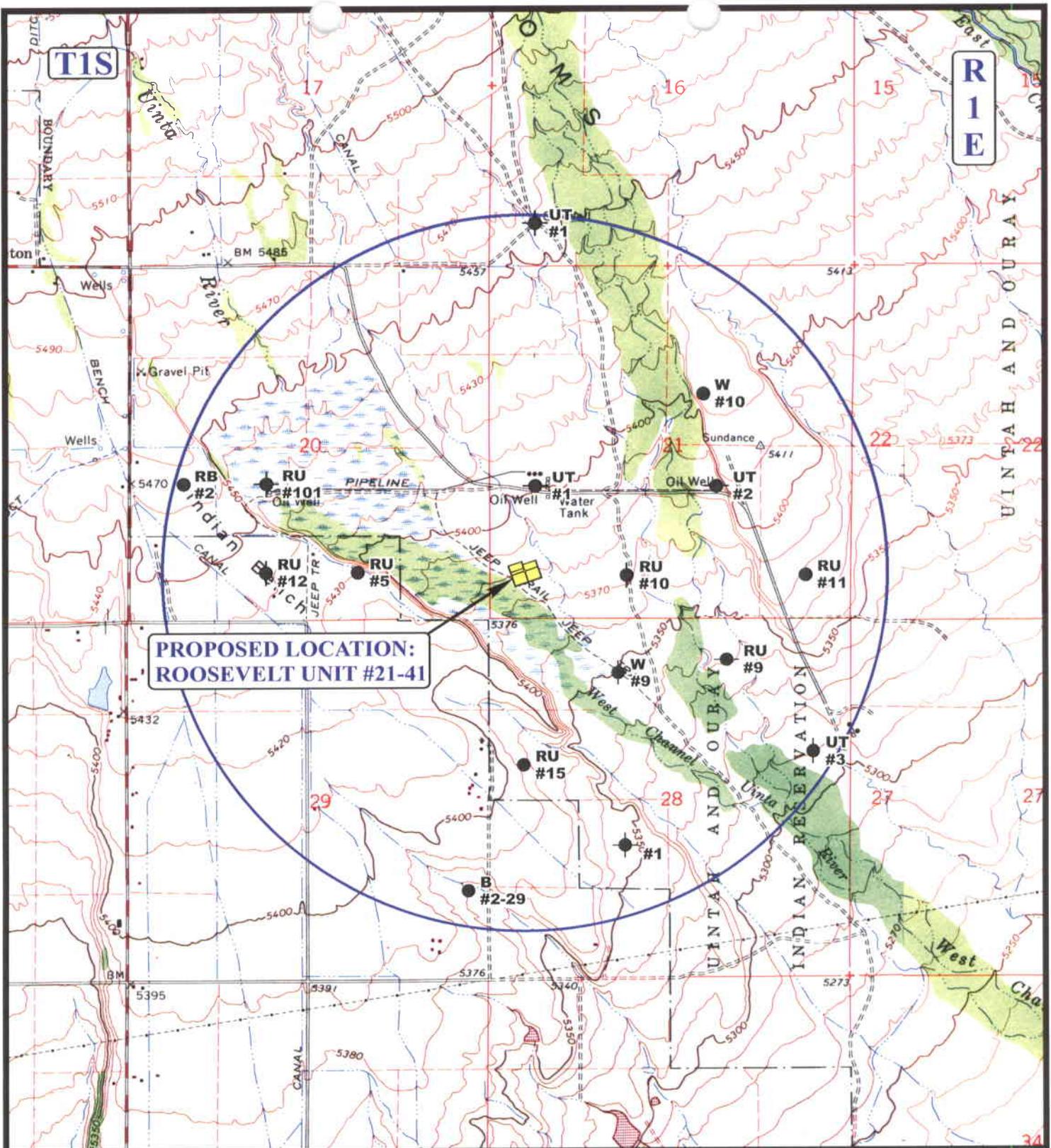
**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

<b>01</b>	<b>27</b>	<b>06</b>
MONTH	DAY	YEAR

SCALE: 1" = 2000'    DRAWN BY: C.P.    REVISED: 00-00-00





**PROPOSED LOCATION:  
ROOSEVELT UNIT #21-41**

**LEGEND:**

- ◓ DISPOSAL WELLS
- PRODUCING WELLS
- ◐ SHUT IN WELLS
- ◓ WATER WELLS
- ◐ ABANDONED WELLS
- ◐ TEMPORARILY ABANDONED



**ELK PRODUCTION, LLC**

**ROOSEVELT UNIT #21-41**  
**SECTION 21, T1S, R1E, U.S.B.&M.**  
**698' FSL 502' FWL**



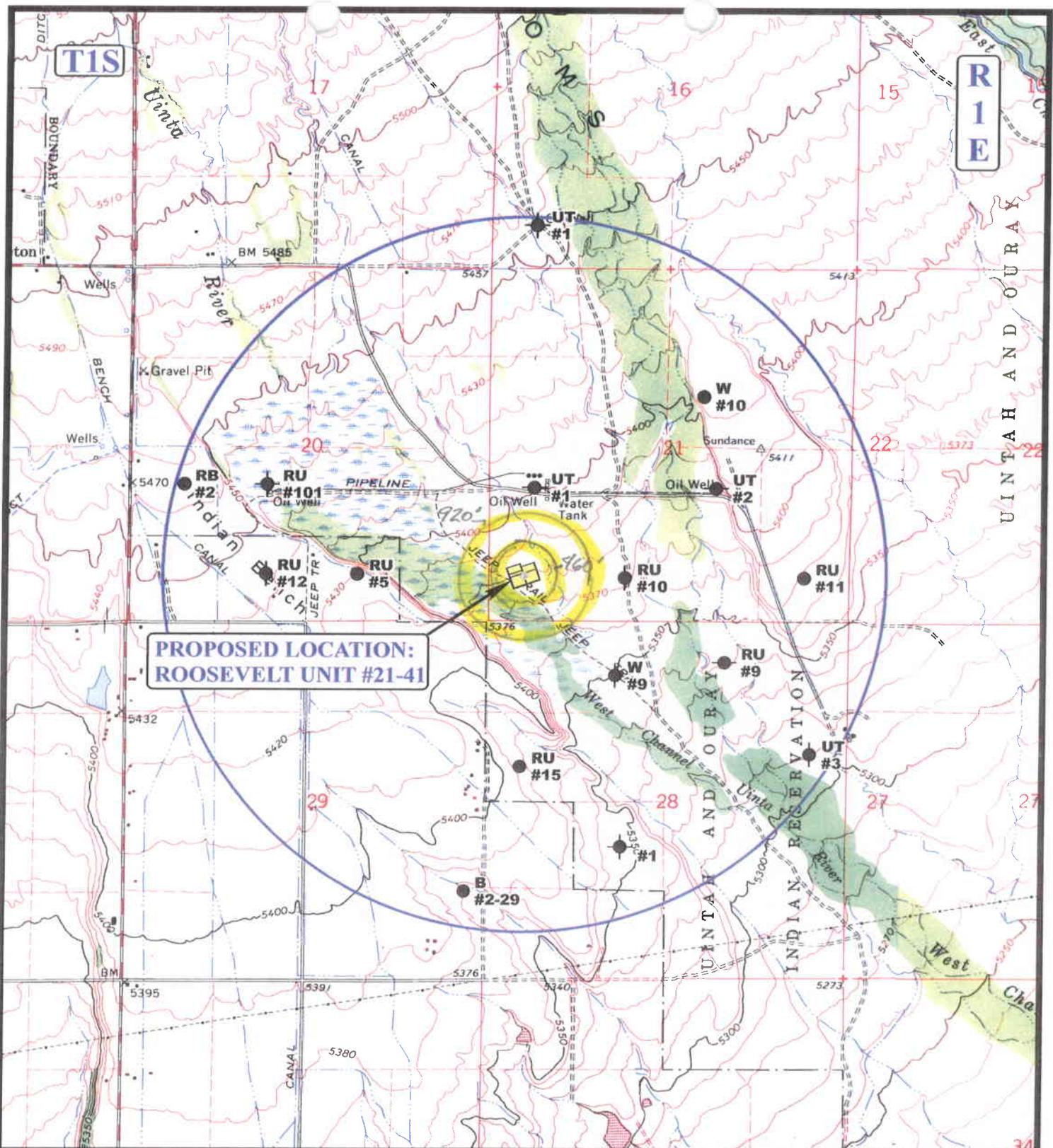
**Uinjah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

<b>01</b>	<b>27</b>	<b>06</b>
MONTH	DAY	YEAR

SCALE: 1" = 2000'    DRAWN BY: C.P.    REVISED: 00-00-00





**PROPOSED LOCATION:  
ROOSEVELT UNIT #21-41**

**LEGEND:**

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

**ELK PRODUCTION, LLC**

**ROOSEVELT UNIT #21-41  
SECTION 21, T1S, R1E, U.S.B.&M.  
698' FSL 502' FWL**

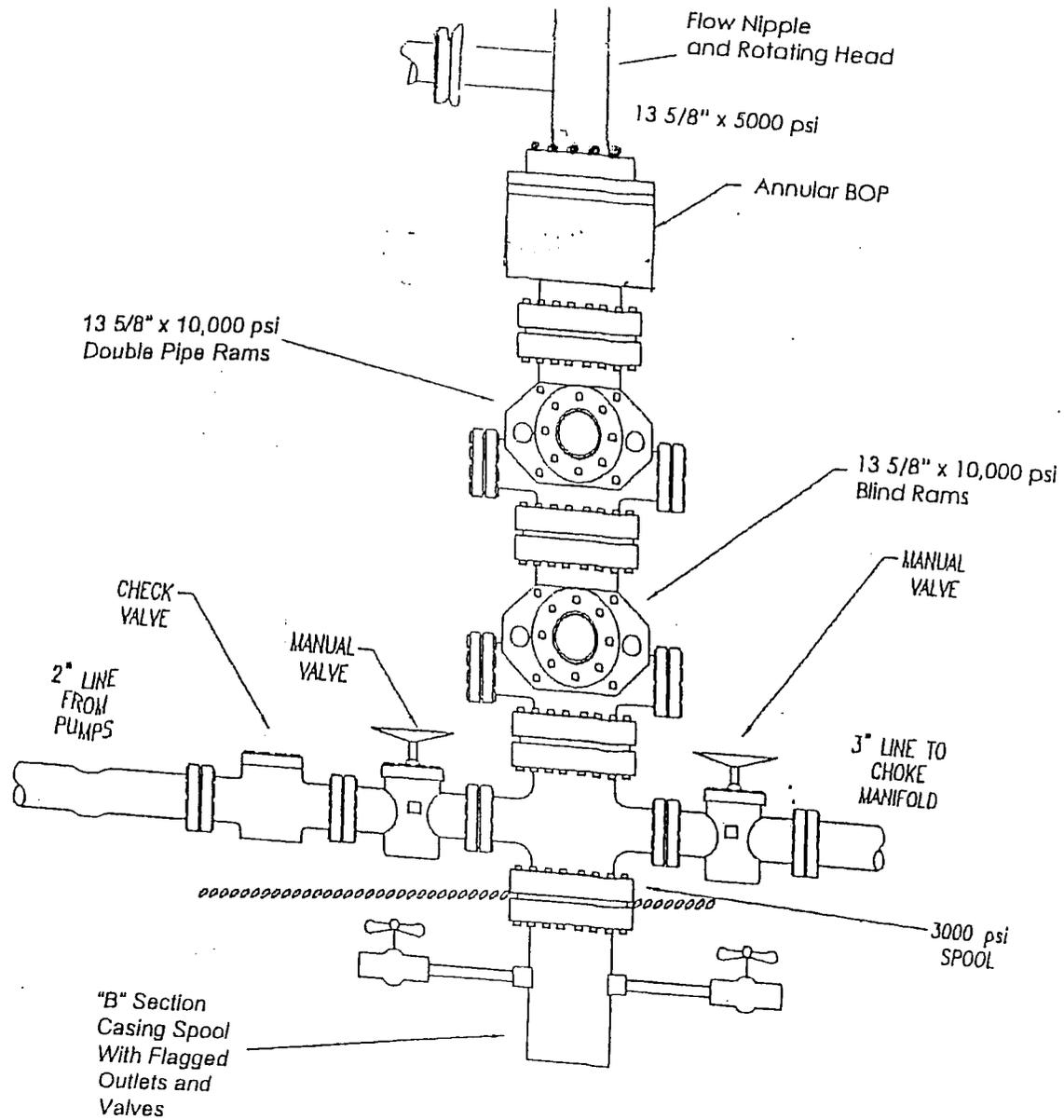


**Utah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

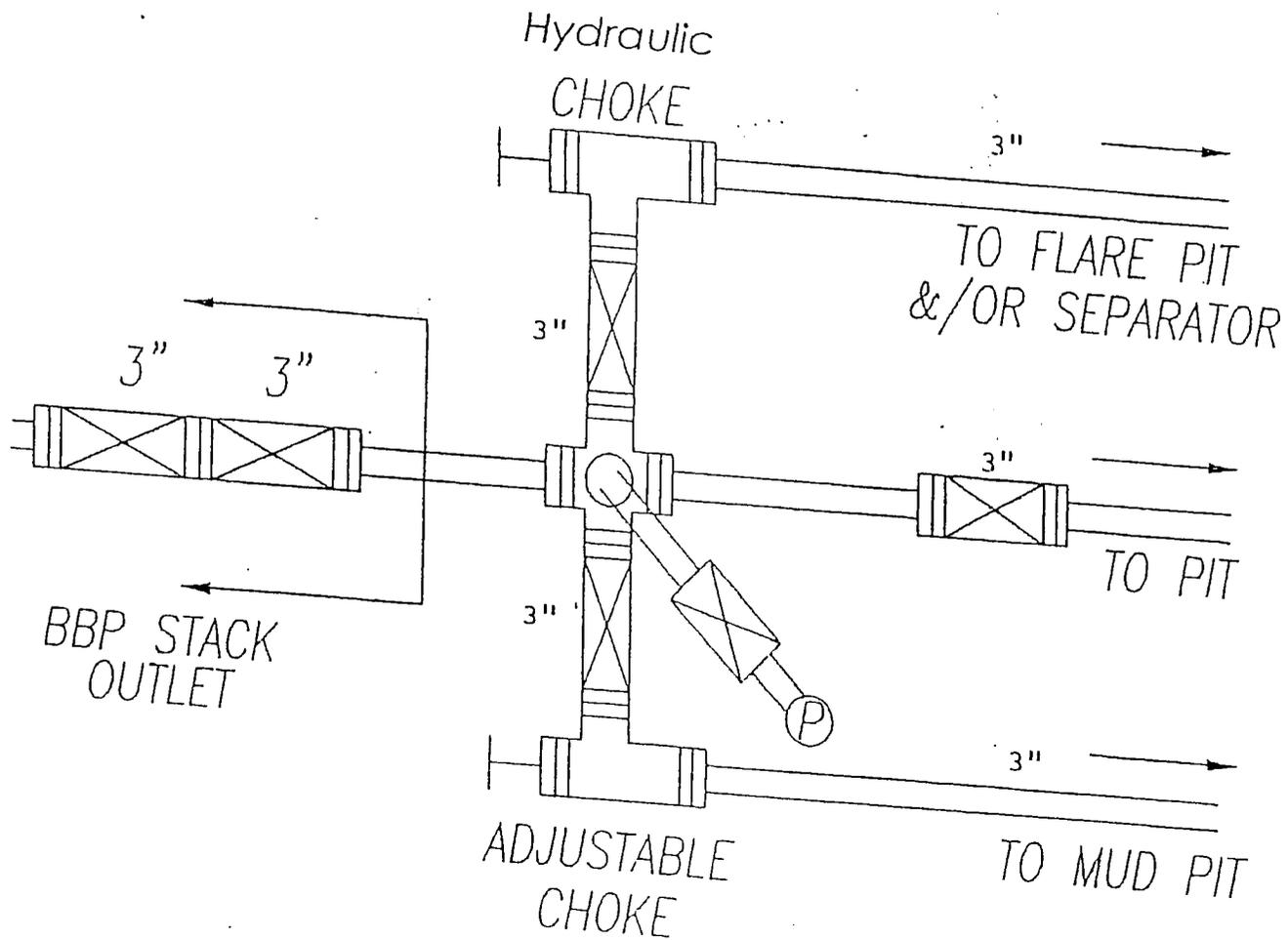


<b>TOPOGRAPHIC</b>	<b>01 27 06</b>	<b>C</b> TOPO
<b>MAP</b>	MONTH DAY YEAR	
SCALE: 1" = 2000'	DRAWN BY: C.P.	REVISED: 00-00-00

# BOP Equipment



# CHOKE MANIFOLD



**SURFACE USE AND ACCESS AGREEMENT**

between

ELK PRODUCTION, LLC

and

THE UTE INDIAN TRIBE OF THE UINTAH AND OURAY RESERVATION

**CONFIDENTIAL**

## SURFACE USE AND ACCESS AGREEMENT

between

**ELK RESOURCES, INC.,**  
and

**THE UTE INDIAN TRIBE OF THE UINTAH AND OURAY RESERVATION**

THIS SURFACE USE AND ACCESS AGREEMENT (this "Agreement"), dated effective as of the \_\_\_\_\_, 2005 (the "Effective Date"), is between ELK PRODUCTION, LLC., a Texas limited liability company, with an address of 1401 17<sup>th</sup> Street, Suite 700, Denver, Colorado 80202 ("EPL") and THE UTE INDIAN TRIBE OF THE UINTAH AND OURAY RESERVATION (the "Tribe"), with an address of P.O. Box 190, Fort Duchesne, Utah 84026. EPL and the Tribe shall be referred to herein, individually, as a "Party," and, collectively, as the "Parties."

### Recitals

A. The Tribe owns or controls the surface of certain lands (the "Property") within the area described in Exhibit A hereto.

B. EPL owns certain rights and interests (the "Interests") in, to and under the oil and gas leasehold estates covering the Property.

C. EPL desires to develop the Interests in, to and under the Property by drilling additional wells on the Property and/or deepening, recompleting, or reworking existing wells.

D. EPL, as the owner of record title, operating rights, and other rights of the oil and gas leasehold estates covering the Properties, and as operator of such leasehold interests, desires to obtain from the Tribe, and the Tribe desires to grant to EPL the right of access to the surface of the Property in accordance with the terms and conditions of this Agreement.

### Agreement

In consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

#### **1. GRANT OF ACCESS.**

Subject to the terms and conditions of this Agreement, and as further set out in Sections 2 and 3 of this Agreement, the Tribe hereby grants to EPL the right to use so much of the surface

**CONFIDENTIAL**

of the Property as is reasonably necessary for the exploration, drilling, development, production, operation, and ownership of the Interests in, to and under the Property including, without limitation, the right of ingress, egress and access to the surface of the Property, surface storage, treatment, pressure maintenance, secondary recovery and transportation of oil, gas and other minerals, and injected and produced water, together with the right to construct, maintain, improve and use roads and pipelines for oil and gas operations thereon. Further, EPL shall comply with all applicable federal and Tribal laws and regulations, and secure all permits and licenses required by applicable law. EPL shall file applications for new rights of way for all future uses within the Property pursuant to applicable Tribal and federal law.

## **2. EXISTING WELL SITES.**

The Parties hereby agree to the existing well-site locations, oil and gas facilities and roads (the "Existing Oil and Gas Operations Areas") described in Exhibit A hereto. The Tribe hereby grants to EPL the right of access described in Section 1 above with respect to the Existing Oil and Gas Operations Areas.

## **3. AREAS RESERVED FOR FUTURE WELLS.**

The Tribe and EPL shall use their reasonable efforts in good faith to mutually agree upon the surface locations (the "Future Oil and Gas Operations Areas") for future wells (collectively, the "Wells") for any operations conducted by EPL in connection with the Wells, including, but not limited to, drilling, directional drilling, completions, work-overs, well deepening, re-completions, fracturing and lease operating activities within the Oil and Gas Operations Areas. ("Future Oil and Gas Operations Areas" and "Existing Oil and Gas Operations Areas" are collectively the "Oil and Gas Operations Areas"). The Tribe hereby grants to EPL such reasonable access as is necessary to conduct oil and gas operations within the Oil and Gas Operations Areas in relation to the Wells, subject to the terms and conditions set forth below.

## **4. THROUGHPUT FEE**

As and for consideration of the rights granted by the Tribe under this Agreement, EPL, on behalf of itself and any of its affiliates, assigns or designees shall, during the term of this Agreement, pay monthly to the Tribe an amount equal to \_\_\_\_\_ per barrel (the "Oil Base Rate") on all of the crude oil produced from any well that is located within the boundaries of the Roosevelt Unit and operated by EPL or any of its affiliates, assigns or designees. Similarly, EPL shall pay an amount equal to \_\_\_\_\_ per Mcf (the "Gas Base Rate") on all of the natural gas produced from any well that is located within the boundaries of the Roosevelt Unit and operated by EPL or any of its affiliates, assigns or designees.

Commencing three (3) years following the Effective Date, the Oil Base Rate and the Gas Base Rate above shall be adjusted upward annually based upon the percentage change in the Annual Average Consumer Price Index ("CPI"), as published by the Bureau of Labor Statistics, for all Urban Consumers, U.S. City Average, from the preceding calendar year, provided, however, that any adjustment due to an increase in the CPI shall never exceed ten percent (10%) for any calendar year. The first escalation will be effective on the third anniversary of the

Effective Date, and subsequent escalations will be effective on each subsequent anniversary of this Agreement. If the annual average change in the CPI is not available by February 15th of each year, the differential based on the above index shall be payable to the Tribe when such annual average is published by the Federal Government.

Throughput Fee payments shall be made within sixty (60) days following the last day of each calendar month. Included with each such payment, EPL shall provide written information regarding the gross volumes of oil and gas produced from any wells located within the boundaries of the Roosevelt Unit and operated by EPL, its affiliates, assigns or designees. During reasonable business hours, representatives of the Tribe shall have the right to inspect any of EPL's operating facilities within the Property with EPL's personnel including, without limitation, pipeline, pumps, compressors, volume and pressure measuring devices, etc., in order to verify EPL's compliance with the stipulations in this Agreement.

## **5. WELL LOCATIONS.**

EPL shall have the right to drill Wells at any location within the Oil and Gas Operations Areas, so long as such locations are permitted under the then applicable law and regulations, including but not limited to those of the Energy and Minerals Department of the Tribe. Notwithstanding anything to the contrary, in the event of a conflict between the Federal and state laws and regulations regarding well permitting, location, and spacing and pooling with respect to the Interests, and Tribal laws and regulations, the federal and state laws shall control and govern such matters to the extent necessary to avoid a material adverse effect on the ownership or operation of a state or federal oil and gas lease; provided, however, that to the extent any potential conflict has been addressed through Tribal laws or as a matter of practice between the Tribe, the United States, and/or the State, there shall be deemed to be no conflict in the application of such laws; and provided further that should a conflict nonetheless exist Tribal regulations related to well permitting, location, spacing and pooling shall be harmonized and adopted to the greatest extent possible.

## **6. SURFACE RECLAMATION AND SURFACE DAMAGES.**

EPL shall be responsible for all costs of reclamation on the Property, and shall comply with all applicable federal and Tribal laws and regulations related thereto.

## **7. ACCESS.**

- (a) The Tribe shall provide to EPL a 30-foot wide easement for access to each Oil and Gas Operations Area. EPL shall survey, describe, construct and maintain any access road at its sole cost and expense during the period of time that EPL conducts operations within the applicable Oil and Gas Operations Area. Within each Oil and Gas Operations Area, EPL may locate such roads as convenient for its operations, subject to the prior written approval of the Tribe and applicable Bureau of Indian Affairs regulations; provided, however, that EPL shall use existing roadways and easements to the extent practicable.

- (b) EPL shall be entitled to conduct operations, and shall provide all required bonds. If EPL uses a contract operator or assigns a participating interest to any third party who operates the wells, the third party shall be the bonded responsible party under this Agreement.
- (c) Access to a Well may be changed by mutual agreement of the Tribe and EPL; provided, however, all costs and expenses of the relocation shall be borne by EPL.
- (d) EPL shall have the right to use the surface of the Property for the acquisition of seismic data, provided that EPL applies for all required permits for such activities, and complies with applicable laws and regulations. EPL shall provide to the Tribe a copy of all such data, as well as access to all analyses of such data. Copying and disclosure of data shall be made pursuant to appropriate confidentiality provisions, and if such data is acquired from a third party pursuant to an agreement with that third party, only to the extent allowed by that agreement.
- (e) EPL operations shall not conflict with existing operations conducted on or in the vicinity of the Property by third parties holding rights to surface access from the Tribe.

#### **8. BATTERIES AND EQUIPMENT.**

EPL shall have the right to locate, build, repair and maintain tanks, separators, dehydrators, heaters, meters, compressors and other equipment reasonably appropriate for the operation and production of the Wells within the Oil and Gas Operations Areas, subject to compliance with permits and licenses issued by the Tribe and with applicable Tribal law.

#### **9. SALT WATER DISPOSAL**

EPL shall have the right to install and maintain water lines and access roads used to gather and dispose of water produced from oil and gas operations on the Property into the \_\_\_\_\_ well. The Tribe shall, in accordance with Tribal law and regulations, grant to EPL the rights-of-way needed by EPL for any such gathering lines or access roads. EPL further agrees to comply with any and all applicable tribal or federal regulations pertaining to the location of such lines and roads. The survey, description, construction and maintenance of gathering lines and access roads shall be at the sole cost and expense of EPL.

In consideration of the salt water disposal rights granted under this Agreement, EPL agrees to submit to the Tribe by the end of each calendar month a payment of ten cents (\$0.10) per forty-two gallons ("Barrel") of produced water injected into the \_\_\_\_\_ disposal well during the preceding calendar month.

#### **10. FLOWLINES AND PIPELINES.**

EPL shall have the right to lay any and all new flowlines and gathering pipelines for gas and liquids necessary in connection with EPL's production and gathering of oil and gas from any

Wells. The Tribe shall, in accordance with Tribal law and regulations, grant to EPL the rights-of-way needed by EPL for any new flowlines or gathering pipelines. EPL further agrees to comply with any and all applicable tribal or federal regulations pertaining to the location of such lines. The survey, description, construction and maintenance of flow-lines and gathering pipelines shall be at the sole cost and expense of EPL. The Tribe and EPL shall consult and cooperate regarding their respective development plans.

#### **11. NOTICE OF OPERATIONS.**

EPL shall provide at least 14 days prior written notice to the Tribe of any operations in connection with the reworking, fracturing, deepening or other operation on any Wells; provided, however, that EPL shall provide at least 30 days prior written notice to the Tribe of the drilling of any Wells. Regardless of the foregoing notice requirements, EPL shall have immediate access to the Property in the event of an emergency.

The Notification shall describe the following:

- (a) The proposed starting date for the proposed activity;
- (b) The proposed operations to be performed at the site; and
- (c) The approximate duration of the proposed activities.

#### **12. ASSIGNMENT AND SUCCESSORS.**

EPL may not assign this Agreement without the prior written consent of the Tribe, except to one of EPL's affiliated companies. The Tribe's consent shall not be unreasonably withheld, but all Parties recognize that the Tribe reserves the right to approve or disapprove of assignees based on financial capability, operating record, prior activities on the Reservation, and ability to work with the Tribe. The terms, covenants and conditions hereof shall be binding upon and shall inure to the benefit of the Parties, and their permitted successors and assigns.

#### **13. TERM.**

This Agreement shall remain in full force and effect until the earlier of (1) twenty years from the Effective Date, renewable for an additional 20 year term at then prevailing market conditions for surface use or (2) until the Interests owned by EPL, or their permitted successors or assigns, expire or are terminated, and EPL or its permitted successors or assigns, have plugged and abandoned all Wells and complied with the requirements of all applicable oil and gas leases pertaining to removal of equipment, reclamation, cleanup and all other applicable provisions of the leases and existing laws and regulations.

#### **14. COMPLIANCE WITH APPLICABLE LAWS.**

EPL agrees to abide by all applicable laws, regulations and ordinances, including but not limited to Tribal laws. Should any conflict arise between Tribal laws and regulations and this Agreement, Tribal laws and regulations shall control.

**15. INDEMNIFICATION.**

EPL will be responsible for any damage to or loss of property or injury to or death of any person directly or indirectly caused by the enjoyment of the surface use and access rights granted hereunder, and EPL shall hold the Tribe harmless and indemnify the Tribe against any and all claims therefor; and shall further hold the Tribe harmless from and indemnify the Tribe against damage to or loss of property belonging to EPL, or injury to or death of any person on or about any right of way on behalf of or at the invitation of EPL excluding any claim, damage, loss or liability arising solely from the gross negligence or willful misconduct of the Tribe. EPL affirmatively represents to the Tribe that it has proper and complete legal title to the Interests, and EPL shall indemnify, defend, save and hold harmless the Tribe from any claim, loss, cost or damage in any way related to EPL's title to the Interests.

**16. NOTICES.**

Any notice or other communication required or permitted under this Agreement shall be sufficient if deposited in U.S. mail, postage prepaid, addressed to each of the following:

**If to EPL:**

Elk Production, LLC  
1401 17<sup>th</sup> Street, Suite 700  
Denver, Colorado 80202  
Facsimile: [303-296-4506]

**If to the Tribe:**

Ute Indian Tribe of the Uintah and Ouray Reservation  
P.O. Box 190  
Ft. Duchesne, Utah 84026  
Attn: Business Committee  
Fax: (435) 722-2374

copy to:

Ute Tribe Energy and Minerals Department  
P.O. Box 70  
Ft. Duchesne, Utah 84026  
Fax: (435) 722-9270

Any party may, by written notice so delivered to the other parties, change the address or individual to which delivery shall thereafter be made.

**17. EXHIBITS.**

All exhibits attached to this Agreement are hereby incorporated by reference herein and made a part hereof for all purposes as if set forth in their entirety herein.

**18. INTEGRATION.**

This Agreement, the exhibits hereto and all documents to be executed hereunder constitute the entire agreement between the Parties pertaining to the subject matter hereof, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties pertaining to the subject matter hereof.

**19. AMENDMENTS.**

This Agreement may not be altered or amended, nor may any rights hereunder be waived, except by an instrument in writing executed by the Party or Parties to be charged with such amendment or waiver.

**20. FURTHER ASSURANCES.**

The Parties agree to execute, acknowledge and deliver such additional instruments, agreements or other documents, and take such other action as may be necessary or advisable to consummate the transactions contemplated by this Agreement.

**21. COUNTERPARTS.**

This Agreement may be executed in any number of counterparts, and each of which shall be deemed to be an original, but all of which shall be deemed to be one agreement. In the event this Agreement is circulated and executed by facsimile transmission, the signatures of the Parties shall be deemed original and self-proving for all purposes under applicable law.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXECUTED on the dates below the signatures hereto, to be effective for all purposes as  
of the Effective Date.

ELK PRODUCTION, LLC

By: Richard P. Crist

Name: RICHARD P. CRIST

Title: Executive VP and Chief Operating Officer

UTE INDIAN TRIBE OF THE UINTAH AND  
OURAY RESERVATION

By: Maxine Natchees

Name: Maxine Natchees

Title: Chairman

STATE OF Colorado  
COUNTY OF La Plata ) ss.

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of August 2004, by Richard P. Crist as Elk Production LLC for Elk Production, LLC, a Texas limited liability company, on behalf of that company. (Executive VP/COO)

Witness my hand and official seal.

(SEAL)

Carolyn J. West  
Notary Public

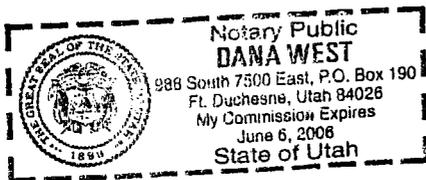
My Commission Expires

My Commission Expires: 01/18/2009

ACKNOWLEDGMENT OF THE UTE INDIAN TRIBE

State of Utah )  
County of Uintah ) ss.

On the 20th day of July, 2005, personally appeared before me Maxine Natchees, who being by me duly sworn did say that she is the Chairman of the Tribal Business Committee of the Ute Indian Tribe of the Uintah and Ouray Reservation, Utah, and that this Surface Use and Access Agreement was signed on behalf of the Ute Tribe by authority of its Constitution and Bylaws and Resolution #05-216 of the Tribal Business Committee dated July 19, 2005, and acknowledged to me that the Ute Tribe executed the same.



Dana West  
Notary Public  
Residing at: Ft. Duchesne, Ut.

My Commission Expires: June 6, 2006

Exhibit A

Attached to that certain Surface Use and Access Agreement dated July 20, 2005, between  
The Ute Indian Tribe of the Uintah and Ouray Reservation and Elk Production, LLC

Joint Management Lease No. 14-20-H62-4692

Township 1 South, Range 1 East, USM

Section 18: W2SWSESE

Section 20: NESW, NWNE, S2NE, E2SE

Section 21: SESW, SWSE, E2SE, S2N2, N2SW, SWSW, NWSE

Section 27: W2NW, NWSW

Section 28: NE, N2NW, SENW, N2SE

Containing 1205.00 acres, more or less  
All in Uintah County, Utah

SURFACE USE AND ACCESS AGREEMENT

among

ELK RESOURCES, INC.,

and

THE UTE INDIAN TRIBE OF THE UINTAH AND OURAY RESERVATION

**APPROVAL**

All actions and/or operations by the parties to this agreement shall be subject to all applicable Federal laws and regulations.

It has been determined that approval of this document is not such a major federal action significantly affecting the quality of the human environment as to require the preparation of an environmental impact statement under Section 102(c) of the National Environmental Policy Act of 1969 (42 U.S.C. §4332(s)(c)).

DATED AND APPROVED this 28<sup>TH</sup> day of OCTOBER, 2005, by the United States of America, acting through the Bureau of Indian Affairs, and delegated to the Superintendent by Phoenix Area Redelegation Order No. 3, Amendment 6, Section 2.17 (34 Fed. Reg. 11109), and pursuant to authority delegated to the Assistant Secretary - Indian Affairs by 209 DM 8, 230 DM 1, and to the Western Regional Director by 3 IAM 4 (Release No. 99-03), and to the Superintendent/Field Representative by 10 BIAM 11, as amended by Western Regional Release No. 97-1, and any further delegations needed to effectuate the reorganization embodied in DM Releases dated April 21, 2003.

Pursuant to Pub. L. 108-204, 18 Stat. 542 (Mar. 2, 2004), the approval above does not address or affect the Naval Oil Shale Reserve No. 2 lands conveyed to the Ute Tribe pursuant to the Strom Thurmond Act, 10 U. S. C. 7420 note, Pub. L 105-261.

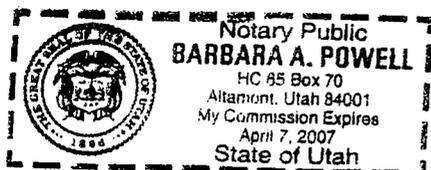
STATE OF UTAH } ss.  
County of Uintah

Chester D. Mills

Superintendent  
Bureau of Indian Affairs  
Uintah and Ouray Agency  
Fort Duchesne, Utah 84026

Subscribed to this 28<sup>TH</sup> day of Oct., 2005  
by Chester Mills

Barbara A. Powell  
Notary







June 22, 2006

**VIA OVERNIGHT MAIL**

Bureau of Land Management  
Vernal Field Office  
170 South 500 East  
Vernal, UT 84078

**RE: APPLICATION FOR PERMIT TO DRILL  
ROOSEVELT UNIT 21-41  
SWSW SECTION 21-T1S-R1E  
UINTAH COUNTY, UT**

Enclosed are three copies of an APD for the subject well.

If you require any additional information, please do not hesitate to call me at 303-296-4505.

Sincerely,

A handwritten signature in black ink, appearing to read "Karin Kuhn", written in a cursive style.

Karin Kuhn  
Engineering Technician

Enclosures

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/23/2006

API NO. ASSIGNED: 43-047-38333

WELL NAME: ROOSEVELT U 21-41  
 OPERATOR: ELK PRODUCTION LLC ( N2650 )  
 CONTACT: KARIN KUHN

PHONE NUMBER: 303-296-4505

PROPOSED LOCATION:

SWSW 21 010S 010E  
 SURFACE: 0698 FSL 0502 FWL  
 BOTTOM: 0698 FSL 0502 FWL  
 COUNTY: UINTAH  
 LATITUDE: 40.03768 LONGITUDE: -109.8950  
 UTM SURF EASTINGS: 593806 NORTHINGS: 4469949  
 FIELD NAME: BLUEBELL ( 65 )

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

LEASE TYPE: 2 - Indian  
 LEASE NUMBER: 14-20-H62-4691  
 SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: WSTC  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[2] Sta[] Fee[]  
(No. B000969 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 05-05-209 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS: \_\_\_\_\_

STIPULATIONS: 1- Federal Approval

2- Spacing Strip



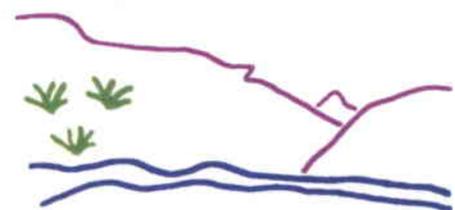
OPERATOR: ELK PRODUCTION CO (N2650)

SEC: 21 T. 15 R. 1E

FIELD: BLUEBELL (65)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 23-JUNE-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



## UTE INDIAN TRIBE

Energy and Minerals Department

P.O. Box 70  
988 South 7500 East  
Fort Duchesne, Utah 84026

Phone: 435-725-4040

Fax: 435-722-9270

Email: energy\_minerals@utetribe.com

June 12, 2007

Bureau of Indian Affairs - Uintah and Ouray Agency  
Attention: Mr Bucky Secakuku  
P.O. Box 130  
Fort Duchesne, UT 84026

Subject: Elk Production Wells  
Roosevelt Unit

Dear Mr. Secakuku,

Elk Production has advised me that it is waiting on BIA concurrence on four wells in the Roosevelt Unit. These wells are:

Roosevelt Unit 20-13                      Roosevelt Unit 20-~~24~~  
Roosevelt Unit 21-41                      Roosevelt Unit 21-43

Elk has advised that the APDs on these wells were submitted in 2006 and they are waiting on Federal approval on these APDs. However the BLM has advised that it can not issue approval of these until the BIA grants its concurrence. Elk has advised that it will commence drilling these wells within months of receiving the approved APDs.

It is requested that the concurrence on these wells be processed within the next week, if possible. If not please advise what is necessary to get these processed.

Elk has also advised that it has had APDs pending on three additional wells in the Roosevelt Unit since last year. These wells are:

Roosevelt Unit 28-14                      Roosevelt Unit 28-33  
Roosevelt Unit 29-14

It is requested that these be processed in your normal course of business. Thank you for your earliest attention to this request.

Sincerely yours,

Samuel O Kuntz  
Consulting Landman

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

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

**API:** 4304738333  
**Well Name:** Roosevelt Unit 20-41  
**Location:** SWSW Section 21-T1S-R1E, Uintah County, UT  
**Company Permit Issued to:** Elk Production, LLC  
**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

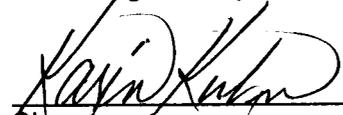
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

  
\_\_\_\_\_  
Signature

6/26/2007  
\_\_\_\_\_  
Date

**Title:** Sr. Engineering Technician

**Representing:** Elk Production, LLC



**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

Elk Production, LLC  
1401 17th St., Ste 700  
Denver, UT 80202

Re: Roosevelt Unit 21-41 Well, 698' FSL, 502' FWL, SW SW, Sec. 21, T. 1 South,  
R. 1 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 43-047-38333.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

**Operator:** Elk Production, LLC  
**Well Name & Number** Roosevelt Unit 21-41  
**API Number:** 43-047-38333  
**Lease:** 14-20-H62-4691

**Location:** SW SW                      **Sec.** 21                      **T.** 1 South                      **R.** 1 East

### **Conditions of Approval**

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

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

CONFIDENTIAL

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**14-20-H62-4691**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
**UteTribe/Uintah & Ouray Res.**

7. UNIT or CA AGREEMENT NAME:  
**Roosevelt Unit 892000886A**

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.

8. WELL NAME and NUMBER:  
**Roosevelt Unit 21-41**

9. API NUMBER:  
**4304738333**

10. FIELD AND POOL, OR WILDCAT:  
**Bluebell/GreenRiver/Wasatch**

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

2. NAME OF OPERATOR:  
**Elk Production, LLC**

3. ADDRESS OF OPERATOR:      PHONE NUMBER:  
**1401 17th. St., Suite 700      CITY Denver      STATE CO      ZIP 80202      (303) 296-4505**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **698' FSL, 502 FWL**      COUNTY: **Uintah**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSW 21 T1S R1E U**      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"/> 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: <b>Extend APD</b>
	<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.  
Elk requests to extend APD expiration date for one year (expiring 6/29/08). This drilling location has not received Federal approval yet; waiting on the BIA to submit their concurrence letter to the BLM (see attached letter from Ute Tribe).

Approved by the  
Utah Division of  
Oil, Gas and Mining

RECEIVED

JUN 27 2007

DIV. OF OIL, GAS & MINING

Date: 6-26-07

By: [Signature]

6-29-07  
RM

NAME (PLEASE PRINT) Karin Kuhn      TITLE Sr. Engineering Technician  
SIGNATURE [Signature]      DATE 6/26/2007

(This space for State use only)

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-4691
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: Ute Tribe/Uintah & Ouray Res.
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Roosevelt Unit 892000886A
2. NAME OF OPERATOR: Elk Production, LLC		8. WELL NAME and NUMBER: Roosevelt Unit 21-41
3. ADDRESS OF OPERATOR: 1401 17th. St., Suite 700 CITY Denver STATE CO ZIP 80202		9. API NUMBER: 4304738333
		10. FIELD AND POOL, OR WILDCAT: Bluebell/GreenRiver/Wasatch
4. LOCATION OF WELL FOOTAGES AT SURFACE: 698' FSL, 502 FWL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 21 T1S R1E U		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>Extend APD</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.

Elk requests to extend APD expiration date for one year (expiring 6/29/09). There have been no changes to the original APD. Attached is a Request for Permit Extension Validation. Elk Production expects Federal approval to drill the subject location soon.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 05-14-08  
By: [Signature]

**COPY SENT TO OPERATOR**  
Date: 5-20-2008  
Initials: KS

NAME (PLEASE PRINT) <u>Karin Kuhn</u>	TITLE <u>Sr. Engineering Technician</u>
SIGNATURE <u>[Signature]</u>	DATE <u>5/5/2008</u>

(This space for State use only)

**RECEIVED**  
**MAY 12 2008**  
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:** 4304738333  
**Well Name:** Roosevelt Unit 21-41  
**Location:** SWSW Section 21-T1S-R1E, Uintah County, UT  
**Company Permit Issued to:** Elk Production, LLC  
**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

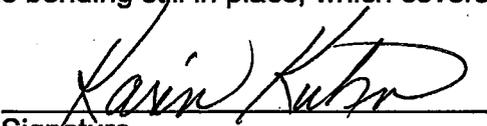
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

  
\_\_\_\_\_  
Signature

5/5/2008  
\_\_\_\_\_

Date

**Title:** Sr. Engineering Technician

**Representing:** Elk Production, LLC

**RECEIVED**  
**MAY 12 2008**  
**DIV. OF OIL, GAS & MINING**

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 14-20-H62-4691
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> UTE  <b>7. UNIT or CA AGREEMENT NAME:</b> ROOSEVELT
<b>1. TYPE OF WELL</b> Oil Well	<b>8. WELL NAME and NUMBER:</b> ROOSEVELT U 21-41
<b>2. NAME OF OPERATOR:</b> ELK PRODUCTION, LLC	<b>9. API NUMBER:</b> 4304738330000
<b>3. ADDRESS OF OPERATOR:</b> 1401 17th Street, Suite 700 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 296-4505 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0698 FSL 0502 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 21 Township: 01.0S Range: 01.0E Meridian: U	<b>9. FIELD and POOL or WILDCAT:</b> BLUEBELL  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 7/1/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> 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"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input 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 checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.**  
 Please extend the APD for the subject drilling location for another year. There have been no changes to the original APD. Attached is a Request for Permit Extension Validation checklist.

Approved by the  
 Utah Division of  
 Oil, Gas and Mining

**Date:** May 11, 2009  
**By:**

<b>NAME (PLEASE PRINT)</b> Karin Kuhn	<b>PHONE NUMBER</b> 303 296-4505	<b>TITLE</b> Sr. Engineering Technician
<b>SIGNATURE</b> N/A		<b>DATE</b> 5/7/2009



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43047383330000**

**API:** 43047383330000

**Well Name:** ROOSEVELT U 21-41

**Location:** 0698 FSL 0502 FWL QTR SWSW SEC 21 TWP 010S RNG 010E MER U

**Company Permit Issued to:** ELK PRODUCTION, LLC

**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 rightof- 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

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

**Signature:** Karin Kuhn

**Date:** 5/7/2009

**Title:** Sr. Engineering Technician **Representing:** ELK PRODUCTION, LLC

**Date:** May 11, 2009

**By:** 

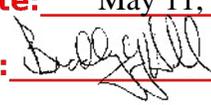
<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 14-20-H62-4691
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> UTE  <b>7. UNIT or CA AGREEMENT NAME:</b> ROOSEVELT
<b>1. TYPE OF WELL</b> Oil Well	<b>8. WELL NAME and NUMBER:</b> ROOSEVELT U 21-41
<b>2. NAME OF OPERATOR:</b> ELK PRODUCTION, LLC	<b>9. API NUMBER:</b> 4304738330000
<b>3. ADDRESS OF OPERATOR:</b> 1401 17th Street, Suite 700 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 296-4505 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0698 FSL 0502 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 21 Township: 01.0S Range: 01.0E Meridian: U	<b>9. FIELD and POOL or WILDCAT:</b> BLUEBELL  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 7/1/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
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<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input 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 checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.**  
 Please extend the APD for the subject drilling location for another year. There have been no changes to the original APD. Attached is a Request for Permit Extension Validation checklist.

Approved by the  
 Utah Division of  
 Oil, Gas and Mining

Date: May 11, 2009  
 By: 

<b>NAME (PLEASE PRINT)</b> Karin Kuhn	<b>PHONE NUMBER</b> 303 296-4505	<b>TITLE</b> Sr. Engineering Technician
<b>SIGNATURE</b> N/A		<b>DATE</b> 5/7/2009



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43047383330000**

**API:** 43047383330000

**Well Name:** ROOSEVELT U 21-41

**Location:** 0698 FSL 0502 FWL QTR SWSW SEC 21 TWP 010S RNG 010E MER U

**Company Permit Issued to:** ELK PRODUCTION, LLC

**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 rightof- 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

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

**Signature:** Karin Kuhn

**Date:** 5/7/2009

**Title:** Sr. Engineering Technician **Representing:** ELK PRODUCTION, LLC

**Date:** May 11, 2009

**By:** 

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 14-20-H62-4691
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> UTE  <b>7. UNIT or CA AGREEMENT NAME:</b> ROOSEVELT
<b>1. TYPE OF WELL</b> Oil Well	<b>8. WELL NAME and NUMBER:</b> ROOSEVELT U 21-41
<b>2. NAME OF OPERATOR:</b> ELK PRODUCTION, LLC	<b>9. API NUMBER:</b> 4304738330000
<b>3. ADDRESS OF OPERATOR:</b> 1401 17th Street, Suite 700 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 296-4505 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0698 FSL 0502 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 21 Township: 01.0S Range: 01.0E Meridian: U	<b>9. FIELD and POOL or WILDCAT:</b> BLUEBELL  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 12/31/2010  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> 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 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 checked="" type="checkbox"/> APD EXTENSION OTHER: _____

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

Elk requests to extend the APD for the subject location. There have been no changes to the original APD. Elk anticipates drilling this location prior to year end.

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

**Date:** May 17, 2010

**By:**

<b>NAME (PLEASE PRINT)</b> Karin Kuhn	<b>PHONE NUMBER</b> 303 296-4505	<b>TITLE</b> Sr. Engineering Technician
<b>SIGNATURE</b> N/A		<b>DATE</b> 5/13/2010



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43047383330000**

**API:** 43047383330000

**Well Name:** ROOSEVELT U 21-41

**Location:** 0698 FSL 0502 FWL QTR SWSW SEC 21 TWP 010S RNG 010E MER U

**Company Permit Issued to:** ELK PRODUCTION, LLC

**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
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- 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 rightof- 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

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

**Signature:** Karin Kuhn

**Date:** 5/13/2010

**Title:** Sr. Engineering Technician **Representing:** ELK PRODUCTION, LLC

**Date:** May 17, 2010

**By:** 

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 14-20-H62-4691
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> UTE  <b>7. UNIT or CA AGREEMENT NAME:</b> ROOSEVELT
<b>1. TYPE OF WELL</b> Oil Well	<b>8. WELL NAME and NUMBER:</b> ROOSEVELT U 21-41
<b>2. NAME OF OPERATOR:</b> ELK PRODUCTION, LLC	<b>9. API NUMBER:</b> 43047383330000
<b>3. ADDRESS OF OPERATOR:</b> 1401 17th Street, Suite 700 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 296-4505 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0698 FSL 0502 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 21 Township: 01.0S Range: 01.0E Meridian: U	<b>9. FIELD and POOL or WILDCAT:</b> BLUEBELL  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 12/1/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> 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 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 checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 50px;" type="text"/>

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

Elk Production requests to extend the APD for this location.

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

Date: 03/28/2011  
By: 

<b>NAME (PLEASE PRINT)</b> Merrell Olsen	<b>PHONE NUMBER</b> 303 339-1919	<b>TITLE</b> Engineer I
<b>SIGNATURE</b> N/A	<b>DATE</b> 3/28/2011	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43047383330000**

**API:** 43047383330000

**Well Name:** ROOSEVELT U 21-41

**Location:** 0698 FSL 0502 FWL QTR SWSW SEC 21 TWP 010S RNG 010E MER U

**Company Permit Issued to:** ELK PRODUCTION, LLC

**Date Original Permit Issued:** 6/29/2006

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- 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 rightof- way, which could affect the proposed location?  Yes  No
  
- Has the approved source of water for drilling changed?  Yes  No
  
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
  
- Is bonding still in place, which covers this proposed well?  Yes  No

**Signature:** Merrell Olsen

**Date:** 3/28/2011

**Title:** Engineer I **Representing:** ELK PRODUCTION, LLC

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**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.*

MAR 29 2011

BLM

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. 1420H624692
2. Name of Operator ELK PRODUCTION COMPANY LLC Contact: MERRELL K OLSEN E-Mail: molsen@delekenenergyus.com		6. If Indian, Allottee or Tribe Name UINTAH AND OURAY
3a. Address 1401 17TH STREET SUITE 700 DENVER, CO 80202	3b. Phone No. (include area code) Ph: 303-339-1919 Fx: 303-339-1917	7. If Unit or CA/Agreement, Name and/or No. UTU63012A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 21 T1S R1E SWSW 698FSL 502FWL		8. Well Name and No. ROOSEVELT UNIT 21-41
		9. API Well No. 43-047-38333-00-X1
		10. Field and Pool, or Exploratory BLUEBELL
		11. County or Parish, and State DUCHESNE COUNTY, 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 type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original PD
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat 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 recompleat 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.)

Elk Production requests to extend the APD expiration date for this well. There have been no changes to the original APD.

VERNAL FIELD OFFICE  
APR 9 2011  
ENG. QD  
GEOL. \_\_\_\_\_  
E.S. \_\_\_\_\_  
PET. \_\_\_\_\_  
RECL. \_\_\_\_\_

RECEIVED

MAY 16 2011

DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL ATTACHED

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

Electronic Submission #105498 verified by the BLM Well Information System  
For ELK PRODUCTION COMPANY LLC, sent to the Vernal  
Committed to AFMSS for processing by ROBIN R. HANSEN on 03/29/2011 (11RRH0885SE)

Name (Printed/Typed) MERRELL K OLSEN	Title ENGINEER I
Signature (Electronic Submission)	Date 03/29/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>[Signature]</u>	Title _____
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 _____

APR 26 2011

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.

UDOGM

\*\* BLM REVISED \*\*

11RRH0885SE

# CONDITIONS OF APPROVAL

## Elk Production L.L.C.

### Notice of Intent APD Extension

**Lease:** 14-20-H62-4692  
**Well:** Roosevelt Unit 21-41  
**Location:** SWSW Sec 21-T1S-R1E

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

---

1. The extension and APD shall expire on 5/28/13.
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Carey Doyle of this office at (435) 781-3406

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

**ROUTING**  
 1. CDW

Change of Operator (Well Sold)

**X - Operator Name Change/Merger**

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

**6/8/2011**

<b>FROM: (Old Operator):</b> N2650-Elk Production, LLC 1401 17th Street, Suite 700 Denver, CO 80202 Phone: 1 (303) 296-4505	<b>TO: ( New Operator):</b> N3770-Elk Production Uintah, LLC 1099 18th Street, Suite 2300 Denver, CO 80202 Phone: 1 (303) 312-8134
---	--

**CA No.**

**Unit:**

**ROOSEVELT**

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 7/27/2011
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 7/27/2011
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/27/2011
- 4a. Is the new operator registered in the State of Utah: Business Number: 8025875-0161
- 5a. (R649-9-2)Waste Management Plan has been received on: requested
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. 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 BIA not yet
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: \_\_\_\_\_
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 7/27/2011
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 7/27/2011
- Bond information entered in RBDMS on: 7/27/2011
- Fee/State wells attached to bond in RBDMS on: 7/27/2011
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 7/27/2011

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: n/a
- Indian well(s) covered by Bond Number: LPM4138175
- 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number LPM4138148 and LPM9046685
- 3b. The **FORMER** operator has requested a release of liability from their bond on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 7/27/2011

**COMMENTS:**

Elk Production Uintah, LLC (N3770) from Elk Production, LLC (N2650)  
effective June 8, 2011

well_name	qtr_qtr	sec	twp	rng	api	entity	Lease	well	stat	conf	zone	lease no
ROOSEVELT U 4	SWSW	13	010S	010W	4304715549	9300	Fee	OW	P		GRRV	FEE
UTE TRIBAL 1 (RU 1)	NWSW	21	010S	010E	4304715550	9302	Indian	OW	TA		GRRV	14-20-H62-4692
UTE TRIBAL 2 (RU 2)	NWSE	21	010S	010E	4304715551	9303	Indian	OW	TA		GRRV	I-109-IND-5242
UTE TRIBAL 3 (RU 3)	SENE	28	010S	010E	4304715552	9304	Indian	OW	S		GRRV	14-20-H62-4692
UTE 1-19A1E	NENW	19	010S	010E	4304730902	1085	Fee	OW	P		GRRV	FEE
ROOSEVELT B2	NWSW	20	010S	010E	4304731187	9307	Fee	OW	P		GRRV	FEE
WASATCH 6	SWSW	20	010S	010E	4304731366	221 13586	Indian	OW	P		WSTC GRRV	14-20-H62-4699
ROOSEVELT U 9	NWNE	28	010S	010E	4304731384	9308	Indian	OW	S		GRRV	I-109-IND-5242
ROOSEVELT A-7	SWNW	19	010S	010E	4304731402	12560 13586	Fee	OW	P		WSTC GRRV	FEE
ROOSEVELT U 13	NESW	13	010S	010W	4304731414	9312	Indian	OW	S		GRRV	I-109-IND-5242
ROOSEVELT U 20-2	SESW	17	010S	010E	4304731422	9301	Indian	OW	TA		GRRV	14-20-H62-5247
ROOSEVELT U 12 GR	SESW	20	010S	010E	4304731427	10814	Indian	OW	TA		GRRV	I-109-IND-5242
ROOSEVELT U 11	SESE	21	010S	010E	4304731428	9311	Indian	OW	P		GR-WS	14-20-H62-4692
ROOSEVELT U 10	SESW	21	010S	010E	4304731429	9309	Indian	OW	S		GRRV	14-20-H62-4692
WASATCH 9	NENW	28	010S	010E	4304731445	221 13586	Indian	OW	P		WSTC GRRV	I-109-IND-5242
WASATCH 10	SWNE	21	010S	010E	4304731446	221 13586	Indian	OW	P		WSTC GRRV	I-109-IND-5242
ROOSEVELT U 5	SWSE	20	010S	010E	4304731447	13586	Indian	OW	P		GRRV	14-20-H62-4700
ROOSEVELT C11	NESW	18	010S	010E	4304731500	12560 13586	Fee	OW	P		WSTC GRRV	FEE
ROOSEVELT U 18-A1E	NWSW	27	010S	010E	4304731687	221 13586	Indian	OW	P		WSTC GRRV	14-20-H62-4692
ROOSEVELT U 15-A1E	SWNW	28	010S	010E	4304731696	10506	Fee	OW	S		GRRV	FEE
MARY R. U. 278	NWSE	13	010S	010W	4304731845	12560	Fee	OW	P		WSTC	FEE
ROOSEVELT U 3-19	NWNE	19	010S	010E	4304736304	13586	Fee	OW	P		GRRV	FEE
ROOSEVELT U 4-19	NWSE	19	010S	010E	4304736599	12560 13586	Fee	OW	P		WSTC GRRV	FEE
ROOSEVELT U 5-19	NESW	19	010S	010E	4304736843	12560 13586	Fee	OW	P		WSTC GRRV	FEE
ROOSEVELT U 28-33	NWSE	28	010S	010E	4304738142	221 13586	Indian	OW	P		WSTC GRRV	14-20-H62-4691
ROOSEVELT U 7-20	NWNW	20	010S	010E	4304738292	12560	Fee	OW	DRL	C	WSTC	FEE
ROOSEVELT U 20-24	SENE	20	010S	010E	4304738329		Indian	OW	APD	C		14-20-H62-4691
ROOSEVELT U 21-41	SWSW	21	010S	010E	4304738333		Indian	OW	APD	C		14-20-H62-4691
ROOSEVELT U 21-43	SWSE	21	010S	010E	4304738873	221	Indian	OW	OPS	C	WSTC	14-20-H62-4691
ROOSEVELT U 28-14	NENE	28	010S	010E	4304738882		Indian	OW	APD	C		14-20-H62-4691
ROOSEVELT U 29-14	NENE	29	010S	010E	4304739923	221 13586	Indian	OW	P		WSTC GRRV	14-20-H62-4701
ROOSEVELT UNIT 20-13	NWNE	20	010S	010E	4304751501		Indian	OW	APD			14-20-H62-4691

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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			5. LEASE DESIGNATION AND SERIAL NUMBER:
			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
			7. UNIT or CA AGREEMENT NAME: <b>Roosevelt Unit</b>
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____			8. WELL NAME and NUMBER: <b>see attached</b>
2. NAME OF OPERATOR: <b>Elk Production Uintah, LLC</b>			9. API NUMBER: <b>see attach</b>
3. ADDRESS OF OPERATOR: 1099 18th Street, Suite 2300    CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		PHONE NUMBER: <b>(303) 312-8134</b>	10. FIELD AND POOL, OR WILDCAT: <b>see attached</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>see attached</b>			COUNTY: <b>Uintah</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:			STATE: <b>UTAH</b>

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>1/1/2011</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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Company</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>Merger/Name Chg</u>

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

This letter is to inform you that Bill Barrett Corporation (BBC) acquired the Uintah County assets of Elk Production, LLC (N2650) and during the course of this merger, the company name was changed to Elk Production Uintah, LLC (a wholly owned subsidiary of BBC). This entity and all of Elk Production, LLC wells within the Roosevelt Unit will continue to be operated by Elk Production Uintah, LLC and all regulatory documents will be submitted in this company name.

Please see the attached list of wells that require name and address changes within your records and the appropriate APD Transfer forms for wells permitted but not drilled.

All future correspondence for these properties should be sent to the appropriate personnel at BBC to the following address:

1099 18th Street, Suite 2300  
Denver, CO 80202

Bonds: BIA LPM4138175    State/Fee LPM4138148    (LPM9046685 for 4304731696 only)

EFFECTIVE: June 8, 2011

NAME (PLEASE PRINT) <u>Tracey Fallang</u>	TITLE <u>Regulatory Manager</u>
SIGNATURE <u><i>Tracey Fallang</i></u>	DATE <u>7/22/2011</u>

(This space for State use only)

**APPROVED** 7/27/2011  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

(5/2000)

**RECEIVED**  
**JUL 27 2011**  
DIV. OF OIL, GAS & MINING



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

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

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

<b>Well name:</b>	Roosevelt U 21-41
<b>API number:</b>	43047383330000
<b>Location:</b>	Qtr-Qtr: SWSW Section: 21 Township: 1S Range: 1E
<b>Company that filed original application:</b>	Elk Production, LLC
<b>Date original permit was issued:</b>	06/29/2006
<b>Company that permit was issued to:</b>	Elk Production Uintah, LLC

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

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed? <span style="float: right;">N/A</span>	<input type="checkbox"/>	<input type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>LPM4138175</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

**RECEIVED**  
**JUL 27 2011**

Name (please print) <u>Tracey Fallang</u>	Title <u>Regulatory Manager</u>
Signature <u><i>Tracey Fallang</i></u>	Date <u>07/22/2011</u>
Representing (company name) <u>Elk Production Uintah, LLC</u>	<b>DIV. OF OIL, GAS &amp; MINING</b>

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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 14-20-H62-4691
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> UTE  <b>7. UNIT or CA AGREEMENT NAME:</b> ROOSEVELT
<b>1. TYPE OF WELL</b> Oil Well	<b>8. WELL NAME and NUMBER:</b> ROOSEVELT U 21-41
<b>2. NAME OF OPERATOR:</b> ELK PRODUCTION UINTAH, LLC	<b>9. API NUMBER:</b> 43047383330000
<b>3. ADDRESS OF OPERATOR:</b> 1099 18th Street Ste 2300 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 312-8128 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0698 FSL 0502 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 21 Township: 01.0S Range: 01.0E Meridian: U	<b>9. FIELD and POOL or WILDCAT:</b> BLUEBELL  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 11/1/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input checked="" 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 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: 50px;" type="text"/>

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

Elk hereby requests to revise the Drilling Program, BOP, Water Source and Disposal for the subject well. Please see revisions attached.

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

<b>NAME (PLEASE PRINT)</b> Venessa Langmacher	<b>PHONE NUMBER</b> 303 312-8172	<b>TITLE</b> Senior Permit Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 9/15/2011	

**ELK PRODUCTION UTAH, LLC**  
**DRILLING PLAN**  
 9/12/2011

**RU 21-41**

SW SW, 698' FSL and 502' FWL, Section 21, T1S-R1E, U.S.B.&M.  
 Uintah County, UT

**1 - 2. Estimated Tops of Geological Markers and Formations Expected to Contain Water, Oil and Gas and Other Minerals**

<u>Formation</u>	<u>Depth – MD/TVD</u>
Green River	6,767'
Lower Green River*	8,622'
Black Shale Facies*	9,277'
Wasatch*	10,427'
TD	14,500'

\*PROSPECTIVE PAY

The Wasatch and the Lower Green River are primary objectives for oil/gas.

**3. BOP and Pressure Containment Data**

<u>Depth Intervals</u>	<u>BOP Equipment</u>
0 – 3,500'	No pressure control required
3,500' – TD	11" 5000# Ram Type BOP 11" 5000# Annular BOP
- Drilling spool to accommodate choke and kill lines;	
- Ancillary equipment and choke manifold rated at 5,000 psi. All BOP and BOPE tests will be in accordance with the requirements of onshore Order No. 2;	
- The BLM and the State of Utah Division of Oil, Gas and Mining will be notified 24 hours in advance of all BOP pressure tests.	
- BOP hand wheels may be underneath the sub-structure of the rig if the drilling rig used is set up To operate most efficiently in this manner.	

**4. Casing Program**

<u>Hole Size</u>	<u>SETTING DEPTH</u>		<u>Casing Size</u>	<u>Casing Weight</u>	<u>Casing Grade</u>	<u>Thread</u>	<u>Condition</u>
	<u>(FROM)</u>	<u>(TO)</u>					
26"	Surface	80'	16"	65#			
14 3/4"	surface	3,500'	10-3/4"	45.5#	J or K 55	BT&C	New
9-7/8" & 8-3/4"	surface	TD	5 1/2"	17#	P-110	LT&C	New
<b>NOTE: If necessary due to lost circulation, Elk would like to request the option to set 7-5/8", 29.70# P-110 LT&amp;C to a depth of 10427' (Wasatch Top), then drill a 6-1/2" hole to TD and run 5-1/2" casing as a 2700' liner (200' liner lap).</b>							

Elk Production Uintah, LLC  
 Drilling Program  
 #21-41  
 County, Utah

### 5. Cementing Program

<u>Casing</u>	<u>Cement</u>
16" Conductor Casing	Grout
14-3/4" hole for 10-3/4" Surface Casing	Lead with approximately 940 sx Halliburton Light Premium with additives mixed at 11.0 ppg (yield = 3.16 ft <sup>3</sup> /sx) circulated to surface with 75% excess. Tail with approximately 360 sx Halliburton Premium cement with additives mixed at 14.8 ppg (yield = 1.36 ft <sup>3</sup> /sx). Calculated hole volume with 75% excess.
9-7/8 hole for 5 1/2" Production Casing May reduce hole size to 8-3/4" at T/ Wasatch FM if minimal hole problems.	Lead with approximately 900 sx Tuned Light cement with additives mixed at 11.0 ppg (yield = 2.31 ft <sup>3</sup> /sx). Tail with approximately 1540 sx Halliburton Econocem cement with additives mixed at 13.5 ppg (yield = 1.42 ft <sup>3</sup> /sx). Planned TOC 200' above surface casing shoe..
<p><b>NOTE: If 7-5/8" casing is necessary, cement with Lead with approximately 900 sx Tuned Light cement with additives mixed at 11.0 ppg (yield = 2.31 ft<sup>3</sup>/sx). Tail with approximately 240 sx Halliburton Econocem cement with additives mixed at 13.5 ppg (yield = 1.42 ft<sup>3</sup>/sx). Planned TOC 200' above surface casing shoe. We will perform a FIT to 11.5 ppg after drilling 20' of new hole.</b></p> <p><b>The 5-1/2" liner would be cemented with 200 sx of Class G 50/50 Poz w/ 2% gel (14.2 ppg) with additives from TD to 200' above TOL.</b></p>	

### 6. Mud Program

<u>Interval</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss (API filtrate)</u>	<u>Remarks</u>
0' – 80'	8.3 – 8.8	26 – 36	NC	Freshwater Spud Mud Fluid System
80' – 3,500'	8.3 – 8.8	26 – 36	NC	Freshwater Spud Mud Fluid System
3,500' – TD	8.6 – 10.5	42-52	20 cc or less	DAP Polymer Fluid System
<p>Note: Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kicks" will be available at wellsite. Elk may require minor amounts of diesel to be added to its fluid system in order to reduce torque and drag.</p>				

### 7. Testing, Logging and Core Programs

Cores	None anticipated
Testing	None anticipated; drill stem tests may be run on shows of interest;
Sampling	30' to 50' samples; surface casing to TD. Preserve samples all show intervals;
Surveys	MWD as needed to land wellbore;
Logging	DIL-GR-SP, FDC-CNL-GR-CALIPER-Pe-Microlog, Sonic-GR (all TD to surface). FMI & Sonic Scanner to be run at geologist's discretion.
<p><b>NOTE: If Elk pursues the "Alternate" program, a suite of the above logs will be run on both the intermediate and production hole sections.</b></p>	

Elk Production Uintah, LLC  
Drilling Program  
#21-41  
County, Utah

**8. Anticipated Abnormal Pressures or Temperatures**

No abnormal pressures or temperatures or other hazards are anticipated.

Maximum anticipated bottom hole pressure equals approximately 7917 psi\* and maximum anticipated surface pressure equals approximately 4727 psi\*\* (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

\*Max Mud Wt x 0.052 x TVD = A (bottom hole pressure)

\*\*Maximum surface pressure = A - (0.22 x TVD)

**9. Auxiliary Equipment**

- a) Upper kelly cock; lower Kelly cock will be installed while drilling
- b) Inside BOP or stab-in valve (available on rig floor)
- c) Safety valve(s) and subs to fit all string connections in use
- d) Mud monitoring will be visually observed

**10. Location and Type of Water Supply**

Water for the drilling and completion will be trucked from the Green River located in Sec. 33, T8S, R20E.

**11. Drilling Schedule**

Location Construction: November 2011  
Spud: November 2011  
Duration: 15 days drilling time  
45 days completion time

**PRESSURE CONTROL EQUIPMENT – Schematic Attached**

**A. Type: Eleven (11) Inch Double Gate Hydraulic BOP with Eleven (11) Inch Annular Preventer.** The blow out preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Drilling spool with two (2) side outlets (choke side 3-inch minimum, kill side 2-inch minimum).
4. 3-inch diameter choke line.
5. Two (2) choke line valves (3-inch minimum).
6. Kill line (2-inch minimum).
7. Two (2) chokes with one (1) remotely controlled from the rig floor.
8. Two (2) kill line valves, and a check valve (2-inch minimum).
9. Upper and lower kelly cock valves with handles available.
10. Safety valve(s) & subs to fit all drill string connections in use.
11. Inside BOP or float sub available.
12. Pressure gauge on choke manifold.
13. Fill-up line above the uppermost preventer.

**B. Pressure Rating:** 5,000 psi

**C. Testing Procedure:**

Annular Preventer

At a minimum, the Annular Preventer will be pressure tested to 50% of the rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

At a minimum the above pressure test will be performed:

1. When the annular preventer is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition, the Annular Preventer will be functionally operated at least weekly.

Blow-Out Preventer

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be

maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

**D. Choke Manifold Equipment:**

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

**E. Accumulator:**

The accumulator will have sufficient capacity to open the hydraulically-controlled choke line valve (if so equipped), close all rams plus the annular preventer, and retain a minimum of 200 psi above precharge on the closing manifold without the use of closing unit pumps. The fluid reservoir capacity will be double the usable fluid volume of the accumulator system capacity and the fluid level of the reservoir will be maintained at the manufacturer's recommendations.

The BOP system will have two (2) independent power sources to close the preventers. Nitrogen bottles (3 minimum) will be one (1) of these independent power sources and will maintain a charge equal to the manufacturer's specifications.

The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six (6) months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits specified in the *Onshore Oil & Gas Order Number 2*.

A manual locking device (i.e. hand wheels) or automatic locking device will be installed on all systems of 2M or greater. A valve will be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve will be maintained in the open position and will be closed only when the power source for the accumulator is inoperative.

Remote controls shall be readily accessible to the driller. Remote controls for all 3M or greater systems will be capable of closing all preventers. Remote controls for 5M or greater systems will be capable of both opening and closing all preventers. Master controls will be at the accumulator and will be capable of opening and closing all preventers and the choke line valve (if so equipped).

**F. Miscellaneous Information:**

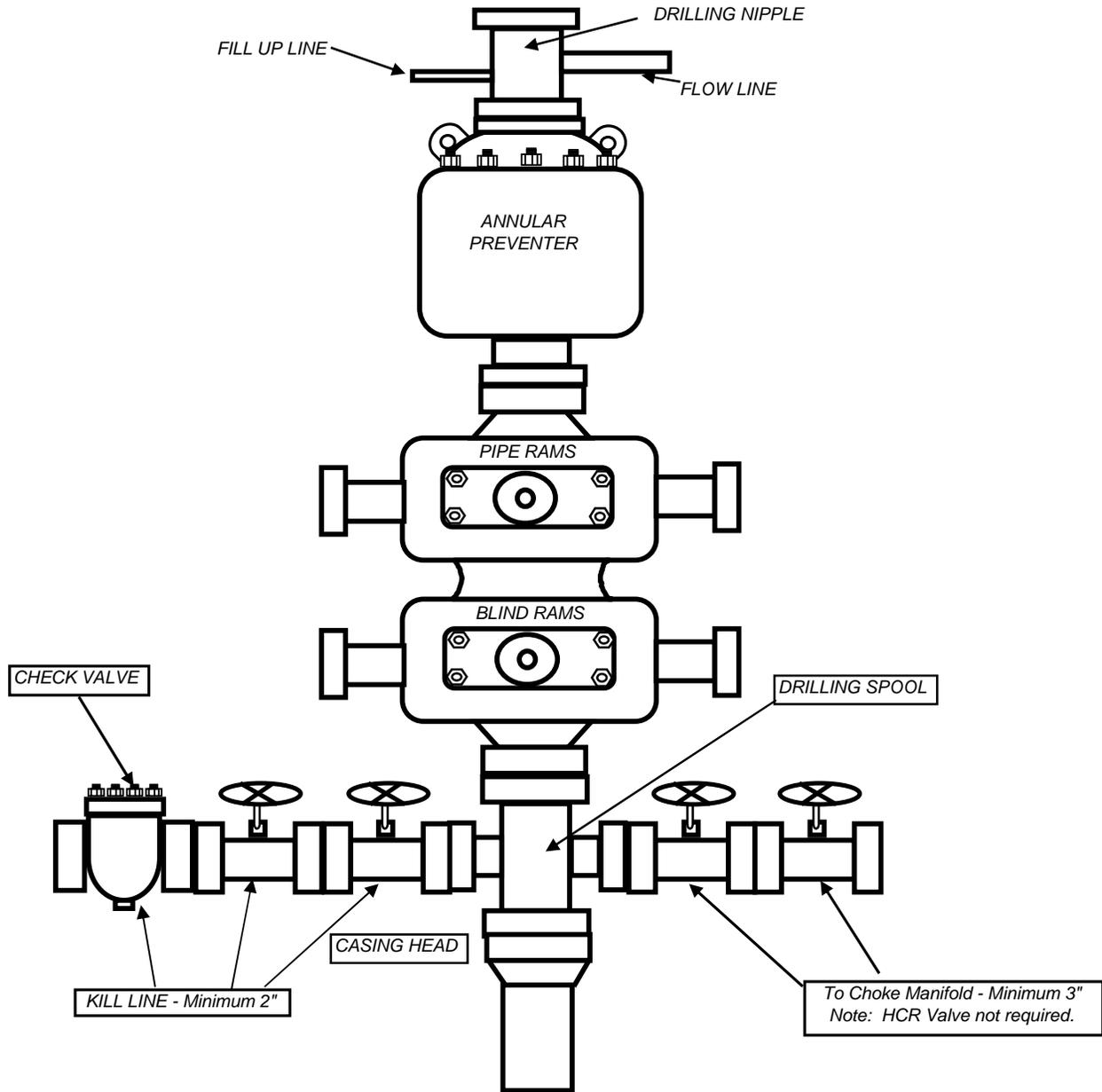
The Blow-Out Preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2*. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the well head but readily accessible to the driller. Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill this hole.

A flare line will be installed after the choke manifold, extending 125 feet (minimum) from the center of the drill hole to a separate flare pit.



# BILL BARRETT CORPORATION

## TYPICAL 5,000 p.s.i. BLOWOUT PREVENTER





# Bill Barrett Corporation

## LAKE CANYON & BLACK TAIL RIDGE CEMENT VOLUMES

Well Name: RU 21-41

### Surface Hole Data:

Total Depth:	3,500'
Top of Cement:	0'
OD of Hole:	14.750"
OD of Casing:	10.750"

### Calculated Data:

Lead Volume:	2920.7	ft <sup>3</sup>
Lead Fill:	3,000'	
Tail Volume:	486.8	ft <sup>3</sup>
Tail Fill:	500'	

### Cement Data:

Lead Yield:	3.16	ft <sup>3</sup> /sk
% Excess:	75%	
Top of Lead:	0'	

### Calculated # of Sacks:

# SK's Lead:	940
--------------	-----

Tail Yield:	1.36	ft <sup>3</sup> /sk
% Excess:	75%	
Top of Tail:	3,000'	

# SK's Tail:	360
--------------	-----

### Production Hole Data:

Total Depth:	14,500'
Top of Cement:	3,300'
Top of Tail:	8,777'
OD of Hole:	8.750"
OD of Casing:	5.500"

### Calculated Data:

Lead Volume:	2075.2	ft <sup>3</sup>
Lead Fill:	5,477'	
Tail Volume:	2168.6	ft <sup>3</sup>
Tail Fill:	5,723'	

### Cement Data:

Lead Yield:	2.31	ft <sup>3</sup> /sk
Tail Yield:	1.42	ft <sup>3</sup> /sk
% Excess:	50%	

### Calculated # of Sacks:

# SK's Lead:	900
# SK's Tail:	1540

<b>RU 21-41 Proposed Cementing Program</b>
--

<u>Job Recommendation</u>	<u>Surface Casing</u>
<b>Lead Cement - (3000' - 0')</b>	
Halliburton Light Premium	Fluid Weight: 11.0 lbm/gal
5.0 lbm/sk Silicalite Compacted	Slurry Yield: 3.16 ft <sup>3</sup> /sk
0.25 lbm/sk Kwik Seal	Total Mixing Fluid: 19.48 Gal/sk
0.125 lbm/sk Poly-E-Flake	Top of Fluid: 0'
2.0% Bentonite	Calculated Fill: 3,000'
	Volume: 520.16 bbl
	<b>Proposed Sacks: 940 sks</b>
<b>Tail Cement - (TD - 3000')</b>	
Premium Cement	Fluid Weight: 14.8 lbm/gal
2.0% Calcium Chloride	Slurry Yield: 1.36 ft <sup>3</sup> /sk
	Total Mixing Fluid: 6.37 Gal/sk
	Top of Fluid: 3,000'
	Calculated Fill: 500'
	Volume: 86.69 bbl
	<b>Proposed Sacks: 360 sks</b>

<u>Job Recommendation</u>	<u>Production Casing</u>
<b>Lead Cement - (8777' - 3300')</b>	
Tuned Light™ System	Fluid Weight: 11.0 lbm/gal
	Slurry Yield: 2.31 ft <sup>3</sup> /sk
	Total Mixing Fluid: 10.65 Gal/sk
	Top of Fluid: 3,300'
	Calculated Fill: 5,477'
	Volume: 369.58 bbl
	<b>Proposed Sacks: 900 sks</b>
<b>Tail Cement - (14500' - 8777')</b>	
Econocem™ System	Fluid Weight: 13.5 lbm/gal
0.125 lbm/sk Poly-E-Flake	Slurry Yield: 1.42 ft <sup>3</sup> /sk
1.0 lbm/sk Granulite TR 1/4	Total Mixing Fluid: 6.61 Gal/sk
	Top of Fluid: 8,777'
	Calculated Fill: 5,723'
	Volume: 386.21 bbl
	<b>Proposed Sacks: 1540 sks</b>

Water for the drilling and completion would be trucked from any of the following locations:

Water Right No. and Application or Change No.	Applicant	Allocation	Priority Date	Point of Diversion	Source
49-1645 (A35800)	RN Industries, Inc.	50 ac-ft	4/10/2011	Sec 9, T8S, R20E, SLB&M	Underground Well
49-2336 (t78808)	RN Industries, Inc.	20 ac-ft	4/7/2011	Sec 33, T8S, R20E, SLB&M	Green River
43-8496 (A53617)	A-1 Tank Rental	0.015 cfs	8/17/1979	Sec 32, T4S, R3E, USB&M	Underground Well
43-10288 (A65273)	Nile Chapman (RNI)	0.45 ac-ft	4/4/1991	Sec 9, T2S, R2W, USB&M	Underground Well

Water Disposal:

Disposal Facilities
1. LaPoint Recycle & Storage – Sec. 12, T5S-R19E
2. Dalbo, Inc. Ace Disposal, Sec. 35, T5S-R20W & Sec. 2, T6S-R20W

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 14-20-H62-4691
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> UTE  <b>7. UNIT or CA AGREEMENT NAME:</b> ROOSEVELT
<b>1. TYPE OF WELL</b> Oil Well	<b>8. WELL NAME and NUMBER:</b> ROOSEVELT U 21-41
<b>2. NAME OF OPERATOR:</b> ELK PRODUCTION UINTAH, LLC	<b>9. API NUMBER:</b> 43047383330000
<b>3. ADDRESS OF OPERATOR:</b> 1099 18th Street Ste 2300 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 312-8128 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0698 FSL 0502 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 21 Township: 01.0S Range: 01.0E Meridian: U	<b>9. FIELD and POOL or WILDCAT:</b> BLUEBELL  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 12/15/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> 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 checked="" type="checkbox"/> <b>COMMINGLE PRODUCING FORMATIONS</b> <input type="checkbox"/> FRACTURE TREAT <input 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: 50px;" type="text"/>

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

In accordance with Utah Division of Oil, Gas, and Mining's Rule 649-3-22, completion into two or more pools, Elk is submitting this sundry to request commingling approval for the Green River and Wasatch formations. Oil and associated gas composition is similar across all formations. The pressure profile across the formations is similar and Elk does not anticipate any cross flow. Production is considered to be from one pool. In the event that allocation by zone or interval is required, Elk would use representative sampling obtained from production logs and allocate on a percentage basis by zone or interval. A letter and affidavit of notice is attached. Also attached is an approval letter from the Ute Indian Tribe granting permission to commingle the Wasatch and Green River formations.

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

Date: 12/20/2011  
 By: *Derek Quist*

<b>NAME (PLEASE PRINT)</b> Venessa Langmacher	<b>PHONE NUMBER</b> 303 312-8172	<b>TITLE</b> Senior Permit Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 10/11/2011	



# UTE INDIAN TRIBE

Energy and Minerals Department

P.O. Box 70  
988 South 7500 East  
Fort Duchesne, Utah 84026

Phone: 435-725-4040

Fax: 435-722-9270

Email: [energy\\_minerals@utetribe.com](mailto:energy_minerals@utetribe.com)

March 21, 2007

Ms. Dinah Peltier, Acting Superintendent  
Bureau of Indian Affairs  
PO Box 130  
Fort Duchesne, UT 84026

Bureau of Land Management  
Attn: Mr. Jerry Kenczka  
170 South 500 East  
Vernal, UT 84078

Subject: Commingling Production from the Wasatch and Green River Formations  
Roosevelt Unit  
Uintah County, Utah

Dear Ms. Peltier and Mr. Kenczka,

Please be advised that the Ute Indian Tribe ("Tribe") has reviewed the proposal of Elk Production, LLC ("Elk") to downhole commingle the oil and gas produced from the Wasatch and Green River formations in select wellbores located in the Roosevelt Unit.

This is notice that the Tribe consents to the commingling as proposed by Elk. The attachment hereto titled "Roosevelt Unit – Commingling Allocation Methods Wasatch and Green River" sets forth the method of allocating the commingled production by zone. It is understood that all payments to the Tribe will be made in accordance with Mineral Management Service regulations.

If you should have any questions regarding this please call Lynn Becker at 435-722-4972 or Sam Kuntz at 435-725-4962.

Sincerely yours,

Maxine Natchees  
Chairman, Ute Indian Tribe

## Roosevelt Unit – Commingling Allocation Methods Wasatch and Green River

It is assumed that the Wasatch and the Green River will be completed separately in all well bores. The Wasatch, being the lower most pay, will be completed first and will be produced to some point where it makes economic sense to add the Green River production to the Wasatch. This will usually be a time period of up to one year, depending on the production rate obtained from the Wasatch. In any event, the well will undoubtedly be producing at a constant straight line decline at that time. The Green River will be completed after isolating the Wasatch from the upperhole Green River and under normal circumstances the Green River would be produced until the production has leveled out at a constant straight line decline. Commingling of the Wasatch and Green River will occur at a point in time where the “flush” production will have been obtained and well work can occur with minimal expense and well control issues.

Allocation of production by zone will be based as follows:

1. For wells drilled prior to 2005 that have a long history of Wasatch production, the allocation will be based on a formula where the Denominator will be the sum of the Wasatch producing rate at the time of commingling and the Green river producing rate at the time of commingling where the Green River production is on the straight line decline portion of the production curve. The Numerator will be the Wasatch producing rate mentioned above for the allocated Wasatch production and the Green River producing rate mentioned above.

$$\text{Wasatch} = \frac{\text{BOPD}_{\text{Wasatch}}}{\text{BOPD}_{\text{Wasatch}} + \text{BOPD}_{\text{Green River}}} * \text{Total well BOPD}$$

$$\text{Green River} = \frac{\text{BOPD}_{\text{Green River}}}{\text{BOPD}_{\text{Wasatch}} + \text{BOPD}_{\text{Green River}}} * \text{Total well BOPD}$$

2. For wells drilled after 2005, the BOPD rates will be taken at the point where the straight line decline occurs after a normalized time span (ie: three months after initial production from the individual interval, or four or five months, what ever gives practical results).
3. The ratios derived above will be used as the allocation between the Wasatch and the Green River as long as the wells are not “uncommingled” for whatever reason. If necessary, a new allocation may be required if work is performed one interval and not the other.



AFFIDAVIT OF NOTICE

My name is Thomas J. Abell. I am a Landman with Elk Production Uintah, LLC (Elk: a wholly owned subsidiary of Bill Barrett Corporation). Elk has submitted Sundry Notices to commingle production from the Wasatch and Green River formations in the following well within the Roosevelt Unit:

RU 21-41 Well            SWSW            21 T1S-R1E

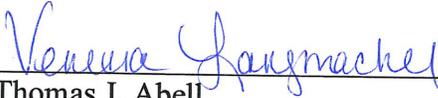
In compliance with the Utah OGM regulation R649-3-22, I have provided a copy of the Sundry Notices, by certified mail, to the owners as listed below of all contiguous oil and gas Leases or drilling units overlying the pool.

Lessors

Ute Indian Tribe

Date: October 11, 2011

Affiant

  
for Thomas J. Abell  
Landman



October 11, 2011

Ute Indian Tribe  
P.O Box 190  
Fort Duchesne, Utah 84026

RE: Sundry Notices  
RU 21-41  
Duchesne County, UT

Dear Sir or Madam,

Elk Production Uintah, LLC (a wholly owned subsidiary of Bill Barrett Corporation) has submitted Sundry Notices to commingle production from the Wasatch and Green River formations in the subject well. We enclosed herewith copies of the Sundry Notice together with a plat showing the leases and wells in the area and affidavit confirming notice pursuant to the Utah OGM regulations.

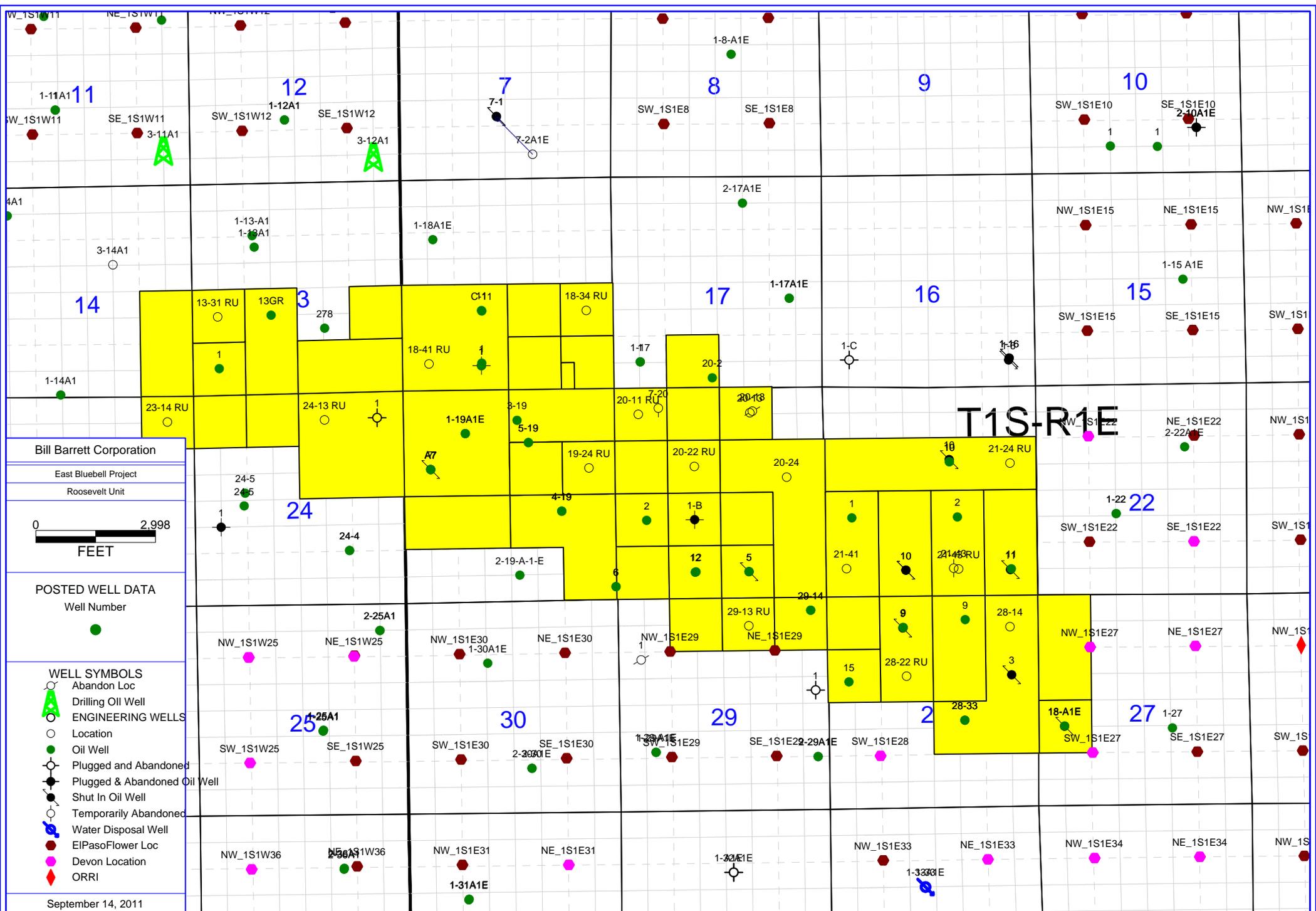
Should you require additional information in this regards, please feel free to contact me at 303-299-9935. Your earliest attention to this matter is appreciated.

ELK PRODUCTION UINTAH, LLC

A handwritten signature in blue ink that reads 'Veneva Langmaeker' with the word 'for' written below it.

Thomas J. Abell  
Landman

Enclosures



**RECEIVED** Oct. 11, 2011

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 14-20-H62-4691
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> UTE  <b>7. UNIT or CA AGREEMENT NAME:</b> ROOSEVELT
<b>1. TYPE OF WELL</b> Oil Well	<b>8. WELL NAME and NUMBER:</b> ROOSEVELT U 21-41
<b>2. NAME OF OPERATOR:</b> BILL BARRETT CORP	<b>9. API NUMBER:</b> 43047383330000
<b>3. ADDRESS OF OPERATOR:</b> 1099 18th Street Ste 2300 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 312-8164 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0698 FSL 0502 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 21 Township: 01.0S Range: 01.0E Meridian: U	<b>9. FIELD and POOL or WILDCAT:</b> BLUEBELL  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>8/15/2012</b>  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> <b>CHANGE TO PREVIOUS PLANS</b> <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 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.

BBC hereby requests to change the surface casing to 9-5/8" as opposed to the approved 10-3/4". See revised casing and cementing programs attached. BBC will also plan to keep the extra pipe ram on the stack that we are currently using on South Altamont.

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

**Date:** August 08, 2012

**By:** *Dark Quist*

<b>NAME (PLEASE PRINT)</b> Venessa Langmacher	<b>PHONE NUMBER</b> 303 312-8172	<b>TITLE</b> Senior Permit Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 8/8/2012	

<u>Hole Size</u>	<u>SETTING DEPTH</u>		<u>Casing Size</u>	<u>Casing Weight</u>	<u>Casing Grade</u>	<u>Thread</u>	<u>Condition</u>
	<u>(FROM)</u>	<u>(TO)</u>					
26"	Surface	80'	16"	65#			
12 1/4"	Surface	3,500'	9 5/8"	36#	J or K 55	ST&C	New
8 3/4"	Surface	TD	5 1/2"	20#	P-110	LT&C	New

<u>Casing</u>	<u>Cementing</u>
16" Conductor Casing	<i>Grout</i>
9 5/8" Surface Casing	<p><i>Lead</i> with approximately 540 sx Halliburton Light Premium with additives mixed at 11.0 ppg (yield = 3.16 ft<sup>3</sup>/sx) circulated to surface with 75% excess. Top of lead estimated at surface.</p> <p><i>Tail</i> with approximately 210 sx Halliburton Premium cement with additives mixed at 14.8 ppg (yield = 1.36 ft<sup>3</sup>/sx), calculated hole volume with 75% excess. Top of tail estimated at 3,000'.</p>
5 1/2" Production Casing	<p><i>Lead</i> with approximately 960 sx Tuned Light cement with additives, mixed at 11.0 ppg (yield = 2.31 ft<sup>3</sup>/sx,) . Top of lead estimated at 3,000'.</p> <p><i>Tail</i> with approximately 1530 sx Halliburton Econocem cement with additives mixed at 13.5 ppg (yield = 1.42 ft<sup>3</sup>/sx). Top of tail estimated at 8,811.</p>



# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

August 31, 2012

Elk Production Uintah, LLC  
1099 18<sup>TH</sup> Street Ste. 2300  
Denver, CO 80202

Re: APD Rescinded – Roosevelt U 21-41, Sec. 21, T. 1S, R. 1E,  
Uintah County, Utah, API No. 43-047-38333

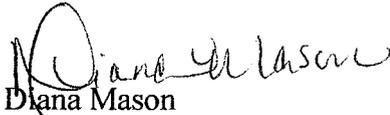
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on June 29, 2006. On June 28, 2007, May 14, 2008, May 11, 2009, May 17, 2010 and March 28, 2011 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective August 31, 2012.

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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	
<b>1. TYPE OF WELL</b> Oil Well	<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 14-20-H62-4691
<b>2. NAME OF OPERATOR:</b> ELK PRODUCTION UINTAH, LLC	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> UTE
<b>3. ADDRESS OF OPERATOR:</b> 1099 18th Street Ste 2300 , Denver, CO, 80202	<b>7. UNIT or CA AGREEMENT NAME:</b> ROOSEVELT
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0698 FSL 0502 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 21 Township: 01.0S Range: 01.0E Meridian: U	<b>8. WELL NAME and NUMBER:</b> ROOSEVELT U 21-41
<b>PHONE NUMBER:</b> 303 312-8128 Ext	<b>9. API NUMBER:</b> 43047383330000
<b>9. FIELD and POOL or WILDCAT:</b> BLUEBELL	<b>COUNTY:</b> UINTAH
	<b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 5/22/2013	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> 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"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input 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 checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="disposal locations"/>

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

ELK PRODUCTION UINTAH, LLC requested and received approval to use a closed loop system due to the ground being excessively wet on this location and have RNIs cuttings tanks haul the cuttings to an approved facility/landfill (Environmental Energy Innovations) on 5/7/13. Elk had previously stated we would take the to an approved facility/landfill but due to possible hauling abilities, Elk would like to request permission to also use LaPoint Recycle and Storage and Bill Barrett Corporation owned surface property in the NW of Section 32, 7S-20E as optional disposal facilities, in addition to EEI, and to possibly spread some cuttings on the ground at the wellsite.

**REQUEST DENIED**  
 Utah Division of  
 Oil, Gas and Mining

**Date:** June 05, 2013

**By:**

<b>NAME (PLEASE PRINT)</b> Brady Riley	<b>PHONE NUMBER</b> 303 312-8115	<b>TITLE</b> Permit Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 5/22/2013	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 14-20-H62-4691	
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> UTE	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>7. UNIT or CA AGREEMENT NAME:</b> ROOSEVELT	
<b>1. TYPE OF WELL</b> Oil Well		<b>8. WELL NAME and NUMBER:</b> ROOSEVELT U 21-41	
<b>2. NAME OF OPERATOR:</b> ELK PRODUCTION UINTAH, LLC		<b>9. API NUMBER:</b> 43047383330000	
<b>3. ADDRESS OF OPERATOR:</b> 1099 18th Street Ste 2300 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 312-8128 Ext	<b>9. FIELD and POOL or WILDCAT:</b> BLUEBELL	
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0698 FSL 0502 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 21 Township: 01.0S Range: 01.0E Meridian: U		<b>COUNTY:</b> UINTAH	
		<b>STATE:</b> UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>6/6/2013</b>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> 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"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input 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 checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="cuttings disposal"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
<p>ELK PRODUCTION UINTAH, LLC requested and received approval to use a closed loop system due to the ground being excessively wet on this location and have RNIs cuttings tanks haul the cuttings to an approved facility/landfill (Environmental Energy Innovations) on 5/7/13. Elk had previously stated we would take the to an approved facility/landfill but due to possible hauling abilities, Elk has obtained approval from the surface owners (Ute Indian Tribe) to test the drill cuttings and amended into the location reclamation post-drilling, given the test results allow us to use them on location.</p>			
<p><b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY June 10, 2013</b></p>			
<b>NAME (PLEASE PRINT)</b> Brady Riley	<b>PHONE NUMBER</b> 303 312-8115	<b>TITLE</b> Permit Analyst	
<b>SIGNATURE</b> N/A	<b>DATE</b> 6/6/2013		

Confidential

RECEIVED

Form 3160-3  
(February 2005)

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JUN 23 2006

APPLICATION FOR PERMIT TO DRILL OR REENTER

5a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 14-20-H62- <del>4691</del> 4692
6. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name Ute Tribe/Uintah & Ouray Res.
7. Name of Operator Elk Production LLC		7. If Unit or CA Agreement, Name and No. Roosevelt Unit 892000886A
8. Address 1401 17th Street, Suite 700 Denver, CO 80202		8. Lease Name and Well No. Roosevelt Unit 21-41
9. Phone No. (include area code) 303-296-4505		9. API Well No. NA 43-047-38333
10. Location of Well (Report location clearly and in accordance with any State requirements) At surface 698' FSL, 502' FWL At proposed prod. zone 698' FSL, 502' FWL		10. Field and Pool, or Exploratory Bluebell/Wasatch
11. Distance in miles and direction from nearest town or post office* Approximately 14.25 miles Northeast of Roosevelt, UT		11. Sec., T. R. M. or Blk. and Survey or Area SWSW 21, T1S, R1E, USB&M
12. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 502'		12. County or Parish Utah County
13. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1300'		13. State UT
14. No. of acres in lease 1205	15. Spacing Unit dedicated to this well 40	
16. Proposed Depth 14000'	17. BLM/BIA Bond No. on file BIA: B001061	
18. Elevations (Show whether DF, KDB, RT, GL, etc.) 5377' GR	19. Approximate date work will start* 11/01/2006	20. Estimated duration 60 days

CONFIDENTIAL

24. Attachments

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

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

25. Signature <i>Karin Kuhn</i>	Name (Printed/Typed) Karin Kuhn	Date 06/21/2006
Title Engineering Technician		

Approved by (Signature) <i>James Kervela</i>	Name (Printed/Typed) James Kervela	Date MAY 28 2009
Title Assistant Field Manager Lands & Mineral Resources		
Office VERNAL FIELD OFFICE		

Application approval 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. Conditions of approval, if any, are attached.

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

JUN 11 2009

DIV. OF OIL, GAS & MINING

UDD6M

NOTICE OF APPROVAL

09BM0847A

CONDITIONS OF APPROVAL ATTACHED



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

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL**

**Company:** Elk Production LLC  
**Well No:** Roosevelt Unit 21-41  
**API No:** 43-047-38333

**Location:** SWSW, Sec.21,T1S, R1E  
**Lease No:** 14-20-H62-4692  
**Agreement:** Roosevelt Unit

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	(435) 828-7381
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Enviro Scientist:	David Gordon	(435) 781-4424	
NRS/Enviro Scientist:	Christine Cimiluca	(435) 781-4475	
NRS/Enviro Scientist:	Lori Ford	(435) 781-4406	

**Fax: (435) 781-3420**

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

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

Construction Activity	- The Ute Tribe Energy & Minerals Dept. shall be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday.
Construction Completion	- Upon completion of the pertinent APD/ROW construction, notify the Ute Tribe Energy & Minerals Dept. for a Tribal Technician to verify the Affidavit of Completion.
Spud Notice (Notify Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

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

**SITE SPECIFIC CONDITIONS OF APPROVAL**

Additional Stipulations:

- Paint tanks Desert Brown.
- Berm the entire location.
- Moon lake Electric needs to apply for a Right of Way (submit plats for power line).
- Keep heated vessels away from condensate tank per OSHA standards.
- Haul in gravel / rock for pad and road.
- Bury pipeline at road crossing.
- Use low water crossing – harden with rock.
- Submit as-built plat on road change.

General Conditions of Approval

- A 30' foot corridor right-of-way shall be approved. Upon completion of each pipeline in corridor, they shall be identified and filed with the Ute Tribe.
- A qualified Archaeologist accompanied by a Tribal Technician will monitor trenching construction of pipeline.
- The Ute Tribe Energy & Minerals Department is to be notified, in writing 48 hours prior to construction of pipeline.
- Construction Notice shall be given to the department on the Ute Tribe workdays, which are Monday through Thursday. The Company understands that they may be responsible for costs incurred by the Ute Tribe after hours.
- The Company shall inform contractors to maintain construction of pipelines within the approved ROW's.
- The Company shall assure the Ute Tribe that "ALL CONTRACTORS, INCLUDING SUB-CONTRACTORS, LEASING CONTRACTORS, AND ETC." have acquired a current and valid Ute Tribal Business License and have "Access Permits" prior to construction, and will have these permits in all vehicles at all times.
- You are hereby notified that working under the "umbrella" of a company does not allow you to be in the field, and can be subject to those fines of the Ute Tribe Severance Tax Ordinance.
- Any deviation of submitted APD's and ROW applications the Companies will notify the Ute Tribe and BIA in writing and will receive written authorization of any such change with appropriate authorization.
- The Company will implement "Safety and Emergency Plan." The Company's safety director will ensure its compliance.
- All Company employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.
- All vehicular traffic, personnel movement, construction/restoration operations should be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.
- All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
- The personnel from the Ute Tribe Energy & Minerals Department should be notified should cultural remains from subsurface deposits be exposed or identified during construction. All construction will cease.

- All mitigative stipulations contained in the Bureau of Indian Affairs Site Specific Environmental Assessment (EA) will be strictly adhered.
- Upon completion of Application for Corridor Right-Way, the company will notify the Ute Tribe Energy & Minerals Department, so that a Tribal Technician can verify Affidavit of Completion.

**DOWNHOLE PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

**SITE SPECIFIC DOWNHOLE COAs:**

- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 200 ft above the surface casing shoe.
- A cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe. A field copy of the CBL shall be submitted to the BLM Vernal Field Office.
- The operator is required to use '10,000' psi annular rams for the specified BOP 10M system.

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

**DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.