

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML-47547	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: The Houston Exploration Company			9. WELL NAME and NUMBER: Gusher 13-11-5-19	
3. ADDRESS OF OPERATOR: 1100 Louisiana, Suite 2C CITY Houston STATE TX ZIP 77002			PHONE NUMBER: (713) 830-6800	10. FIELD AND POOL, OR WILDCAT: Undiscovered Wildcat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 750' FSL & 812' FWL AT PROPOSED PRODUCING ZONE: Same as above			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 11 T5S 19E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 1.9 miles southeast of Lapoint, Utah			12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 750'	16. NUMBER OF ACRES IN LEASE: 240	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) NA	19. PROPOSED DEPTH: 10,500	20. BOND DESCRIPTION: 104155044		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,644' GR	22. APPROXIMATE DATE WORK WILL START: 1/1/2007	23. ESTIMATED DURATION: 30 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		
30	26	A430	68.75#	40	Portland CMT	118 sks	1.15cf 15.8ppg
24	20	H-40	94#	350	Portland CMT	247sks	1.5cf 15.8ppg
17 1/2	13 3/8	N-80	72#	3,100	Premium 5	742sks	3.82cf 11ppg
17 1/2	13 3/8	N-80	72#	3,900	Class G	589sks	1.18cf 15.6ppg
11	8 5/8	K-55	36#	7,000	50/50 POZ' G CMT	1,361sks	1.25cf 14.35ppg
7 7/8	4 1/2	N-80	11.6#	7,700			
7 7/8	4 1/2	P110	13.5#	10,500	PREM.AG300	608SKS	1.73cf 13.5ppg

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) William A. Ryan TITLE Agent

SIGNATURE William A. Ryan

(This space for State use only)

API NUMBER ASSIGNED: 43-047-384102

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

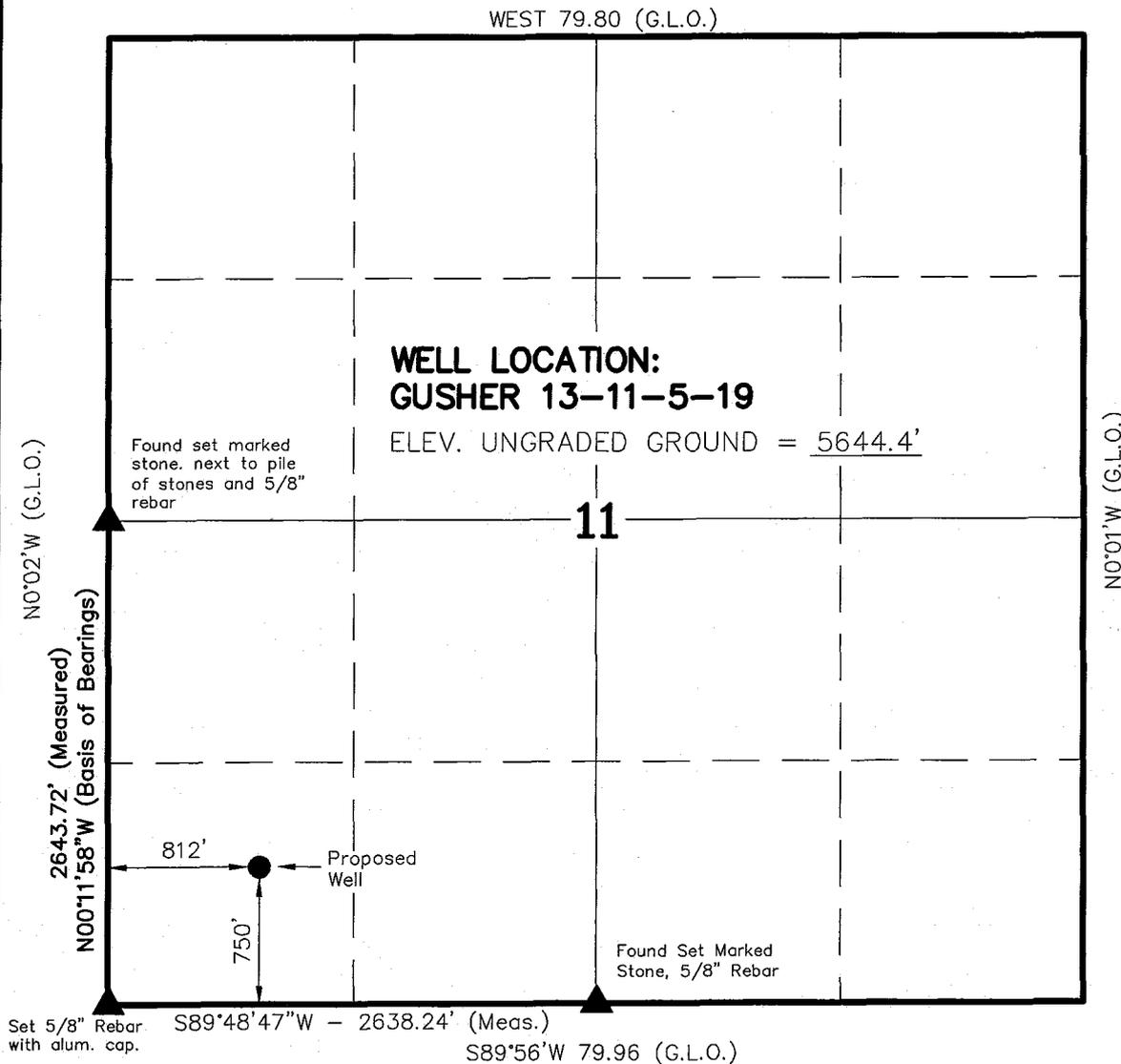
APPROVAL:
Date: 01-16-07
By: [Signature]

RECEIVED
AUG 09 2006
DIV. OF OIL, GAS & MINING

T5S, R19E, S.L.B.&M.

THE HOUSTON EXPLORATION COMPANY

WELL LOCATION, GUSHER 13-11-5-19,
 LOCATED AS SHOWN IN THE SW 1/4
 SW 1/4 OF SECTION 11, T5S, R19E,
 S.L.B.&M. UINTAH COUNTY, UTAH.



WELL LOCATION:
GUSHER 13-11-5-19
 ELEV. UNGRADED GROUND = 5644.4'

NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.



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

Kolby R. Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 362251
 STATE OF UTAH

▲ = SECTION CORNERS LOCATED
 BASIS OF ELEVATION IS A BLACK ELEVATION AT A ROAD INTERSECTION LOCATED IN THE SW 1/4 OF SECTION 11, T5S, R19E, S.L.B.&M. THE ELEVATION OF THE INTERSECTION IS SHOWN ON THE LAPOINT 7.5 MIN. QUADRANGLE AS BEING 5732'.

GUSHER 13-11-5-19
(Proposed Well Head)
NAD 83 Autonomous
 LATITUDE = 40° 23' 29.42"
 LONGITUDE = 109° 45' 51.17"

TIMBERLINE LAND SURVEYING, INC.
 38 WEST 100 NORTH. - VERNAL, UTAH 84078
 (435) 789-1365

DATE SURVEYED: 12-03-05	SURVEYED BY: D.J.S.	SHEET 2 OF 8
DATE DRAWN: 12-05-05	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'		Date Last Revised:

Ten Point Plan

The Houston Exploration Company

Gusher 13-11-5-19

Surface Location SW $\frac{1}{4}$ SW $\frac{1}{4}$,

Section 11, T. 5S., R. 19E.

1. **Surface Formation**
Uintah

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

<u>Formation</u>		<u>Depth</u>	<u>Datum</u>
Uintah		Surface	5,644' G.R.
Birds Nest	Water	3,500'	2,144'
Green River	Oil/Gas	4,500'	1,144'
Wasatch	Oil/Gas	7,500'	-1,856'
TD		10,500'	-4,856'

A 17 1/2" hole will be drilled to 3,900' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest. All fresh water and oil and gas bearing zones shall be protected by casing and cement program.

3. **Producing Formation Depth:**

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

4. **Proposed Casing:**

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/FT</u>	<u>Grade</u>	<u>Coupling & Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
30	26	68.75#	A430		40'	NEW
24	20	94#	H-40	ST&C	350'	NEW
17 1/2	13 3/8	72#	N-80	ST&C	3,900'	NEW
11	8 5/8	36#	K-55	LT&C	7,000'	NEW
7 7/8	4 1/2	11.6#	N-80	LT&C	7,700'	NEW
7 7/8	4 1/2	13.5#	P110	LT&C	10,500'	NEW

Cement Program:

Conductor casing #1 will be cemented as follows from 0'-40':

Note: Cement Volume = Gauge hole + 50%

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Water Mix</u>	<u>Cement Weight</u>
Lead:	26	Portland CMT Class IA 4 Integral Air-entraining Agent	118 sks +/-	1.15ft ³ /sk	5	15.8 ppg

Conductor casing #2 will be cemented as follows from 0'- 350':

Cement volume = Gauge hole + 50%

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Water Mix</u>	<u>Cement Weight</u>
Lead: 20	Portland CMT Class "G" 2% Calcium Chloride 1/4#/sk Flocele	247 sks +/-	1.5ft ³ /sk	5	15.8 ppg

The Surface Casing will be cemented as follows from 0'- 3,900':

Cement volume = Gauge hole + 25%

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Water Mix</u>	<u>Cement Weight</u>
Lead: 13 3/8"	Premium "5" 16% Gel 10#/sk Gilsonite 3% Salt 3#/sk GB3 0.25#/sk flocele	742 sks. +/-	3.82ft ³ /sk	23	11.0 ppg
Tail: 13 3/8"	Class "G" 2% Calcium Chloride 0.25#/sk Flocele	589 sks. +/-	1.18ft ³ /sk	5	15.6 ppg
Top Job:	Class "G" 4% Calcium Chloride 0.25#/sk Flocele	10-200 sks. +/-	1.15ft ³ /sk	5	15.8 ppg

Intermediate casing will be cemented as follows from 3,700'- 7,000':

Cement volume = Gauge hole + 25%

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Water Mix</u>	<u>Cement Weight</u>
Lead: 8 5/8"	50/50 POZ'G 5% Salt (BWOW) 0.6% HALAD 322 0.25#/sk Flowcele 0.2% Super CBL 2% Micro Bond	1,361 sks +/-	1.25ft ³ /sk	5.26	14.35 ppg

Production casing will be cemented as follows from 6,800'- 10,500':

Note: Lead should be 200' above the Wasatch.

Cement volume = Gauge hole + 25%

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Water Mix</u>	<u>Cement Weight</u>
Lead:	4 1/2	PREM.AG300 50/50 POZ "G" CMT 2% Gel 0.4% Halad 344 0.25% HR-12 0.2% CFR-3 5#/sk Sillicalite 20% SSA-1 0.25#/sk Flowcele 0.2% Super CBL	608 sks +/-	1.73ft ³ /sk	8.17	13.5 ppg

5. BOP and Pressure Containment Data:

A 5000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 13 3/8" surface casing. An upper kelly cock to the required pressure rating with a handle available shall be employed.

The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./OT.</u>	<u>Fluid Loss MI/30 Mins.</u>	<u>Mud Type</u>
0-3,900	Air/Clear Water	-----	No Control	Water/Gel
3,900-T.D.	8.4-12.0	30-45	8-10	LSND

Low Solid Non-Dispersed water based mud system

Note: Mud weights may exceed 12.0 due to solids increasing at or near T.D. Increased weights are not required to control formation pressure. Operator will have on location sufficient mud and weight material to increase mud weight to 12.0 at any time while drilling the subject well. Visual mud monitoring incorporating pit level indicators shall be used.

7. Testing, Coring, Sampling and Logging:

- a) DST: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Mud Sampling: Every 10' from 3,900' to T.D.
- d) Logging:

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

8. Abnormalities (including sour gas)

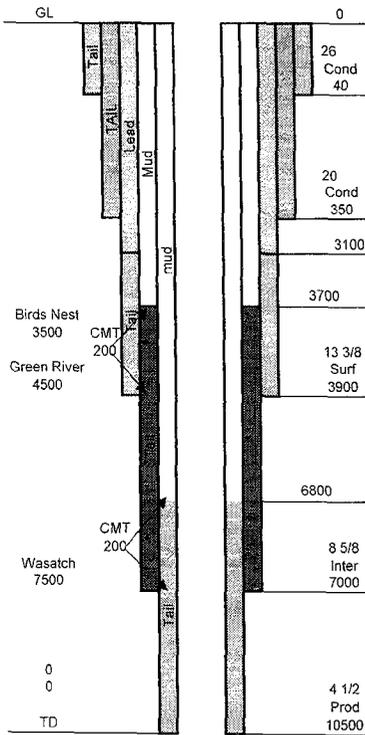
Anticipated bottom hole pressure will be less than 5000 psi. No abnormal pressures, temperatures or other hazards are anticipated. Other wells drilled in the area have not encountered over pressured zones or H₂S.

9. Other facets of the proposed operation:

Off set well information
None

10. Drilling Schedule:

The anticipated starting date is 1/01/2007. Duration of operations is expected to be 30 days.



Well Name **Gusher 13-11-5-19**

14-Jul-2006 8:00 21-Jul-2006 13:00

Proposed Casing

Open Hole Size	Csg Size	Csg Wt	Csg Grade	Csg Coupling & Tread	Csg Setting Depth	Csg New/Used	Internal Yield PSI	Internal Collapse PSI
Conductor #1	30	26	68.75	A430	40	New	500	
Conductor #2	24	20	94	H-40	350	New	2110	520
Surface	17 1/2	13 3/8	72	N-80	3900	New	5380	2670
Intermediate	11	8 5/8	36	K-55	7000	New	3930	2530
Production	7 7/8	4 1/2	11.6	N-80	7700	New	7780	6350
Production	7 7/8	4 1/2	13.5	P110	10500	New	12410	10680

Estimated Formation Tops and Datum

Formation	Depth	Datum
Uintah	Surface	5644
Birds Nest	3500	2144
Green River	4500	1144
Wasatch	7500	-1856
TD	10500	-4856

Cement Program

Casing Size	Cement Type	Cement Amount Sks	Cement Yield Cuft/sk	Mix Water Gal/sk	Cement Weight Ppg
Lead	26 Portland CMT	118	1.15	5	15.8
Top	0 Class IA 4				
Bottom	40 Integral Air-entraining Agent				

Conductor Cement Volume Calculation # 1

Top	Bottom	Ft/hole	Hole Volume Cuft	Hole Volume Bbls	Cement Amount sks	Cement Amount w/50% Excess
Lead	0	40	135	24	118	176

Conductor Casing Cement Data # 1

Csg Size In.	Hole Size In.	Ft Hole	Coeff Cuft/ft	Coeff Bbls/ft	Annulus	Cuft/ft	Bbls/ft
Lead	26	30	40	3.3816	30 X 26	66#XOH	3.3816 0.6023

Conductor Casing # 2

Casing Size	Cement Type	Cement Amount Sks	Cement Yield Cuft/sk	Mix Water Gal/sk	Cement Weight Ppg
Lead	0 Portland CMT	247	1.5	5	15.8
Top	0 Class "G"				
Bottom	350 2% Calcium Chloride 1/4#/Sk Flocele				

Conductor Cement Volume Calculation # 2

Top	Bottom	Ft/hole	Hole Volume Cuft	Hole Volume Bbls	Cement Amount sks	Cement Amount w/50% Excess
Lead	0	40	60	11	40	60
Lead	40	350	310	38	207	310

Conductor Casing Cement Data # 2

Csg Size In.	Hole Size In.	Ft Hole	Coeff Cuft/ft	Coeff Bbls/ft	Annulus	Cuft/ft	Bbls/ft
Lead	26	24	40	1.5053	26 X 20	68.75#X94#	1.5053 0.2681
Lead	24	20	310	0.9599	24 X 20	94#OH	0.9599 0.171

Surface Casing

Casing Size	Cement Type	Cement Amount Sks	Cement Yield Cuft/sk	Mix Water Gal/sk	Cement Weight Ppg
Lead	13 3/8 Premium 5	742	3.82	23	11
Top	0 16% Gel				
Bottom	3900 10 #/sk gilsonite 3% Salt 3 #/sk GB3 .25 #/sk flocele				
Tail	13 3/8 Class "G"	589	1.18	5	15.6
Top	0 2% Calcium Chloride				

Bottom	3900	.25 #/sk flocele				
Top Job		Class "G"	10-200 sks	1.15	5	15.8
		4% Calcium Chloride				
		.25 #/sk flocele				

Surface Cement Volume Calculation

	Top	Bottom	Ft/hole	Hole Volume Cuft	Hole Volume Bbls	Cement Amount sks	Cement Amount w/25% Excess
Lead	0	350	350	357	64	93	117
Lead	350	3100	2750	1910	340	500	625
						Total	742
Tail	3100	3900	800	556	99		471

Surface Casing Cement Data

	Csg Size In.	Hole Size In.	Ft Hole	Coeff Cuft/ft	Coeff Bbls/ft	Annulus		Cuft/ft	Bbls/ft
						20 X 13 3/8	94#/66#	1.019	0.1815
						17.5 X 13 3/8	66#/OH	0.6946	0.1237
Lead	13 3/8	12 5/7	350	1.019	0.1815				
Lead	13 3/8	12 1/4	2750	0.6946	0.1237				
Tail	13 3/8	12 1/4	800	0.6946	0.1237				

Intermediate Casing

	Casing Size	Cement Type	Cement Amount Sks	Cement Yield Cuft/sk	Mix Water Gal/sk	Cement Weight Ppg
	8 5/8	50/50 POZ' G CMT	1361	1.25	5.26	14.35
Top	0	5% Salt (BWOW)				
Bottom	7000	.6% HALAD 322				
		.25#/sk Flowcele				
		.2% SUPER CBL				
		2% Micro BOND				

Intermediate Cement Volume Calculation

	Top	Bottom	Ft/hole	Hole Volume Cuft	Hole Volume Bbls	Cement Amount sks	Cement Amount w/25% Excess
	3700	3900	200	87	16	12	12
	3900	7000	3100	1348	240	1079	1348
						Total	1361

Intermediate Casing Cement Data

	Csg Size In.	Hole Size In.	Ft Hole	Coeff Cuft/ft	Coeff Bbls/ft	Annulus		Cuft/ft	Bbls/ft
						13 5/8 X 8 5/8	68#/36#	0.4349	0.0775
						11 X 8 5/8	36#/OH	0.2016	0.0359
	8 5/8	10 3/4	200	0.4349	0.0775				
	8 5/8	11	3100	0.2016	0.0359				

Production Casing

	Casing Size	Cement Type	Cement Amount sks	Cement Yield Cuft/sk	Mix Water Gal/sk	Cement Weight ppg
Lead	4 1/2	PREM.AG300	608	1.73	8.17	13.5
Top	0	50/50 POZ' G' CMT				
Bottom	10500	2% GEL				
		.4% Halad 344				
		.25% HR-12				
		.2% CFR-3				
		5#/sk Silicalite				
		20% SSA-1				
		.25#/sk FLOWCELE				
		.2% Super CBL				

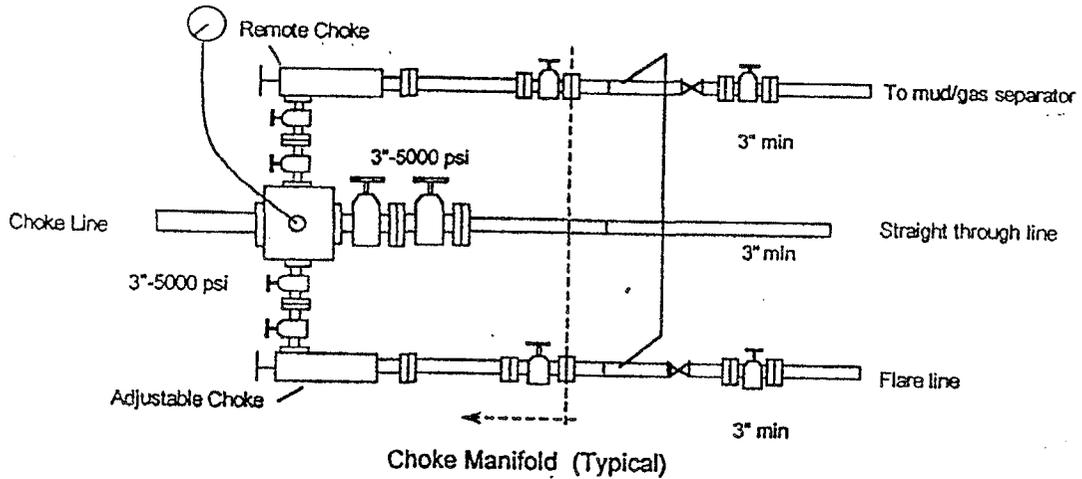
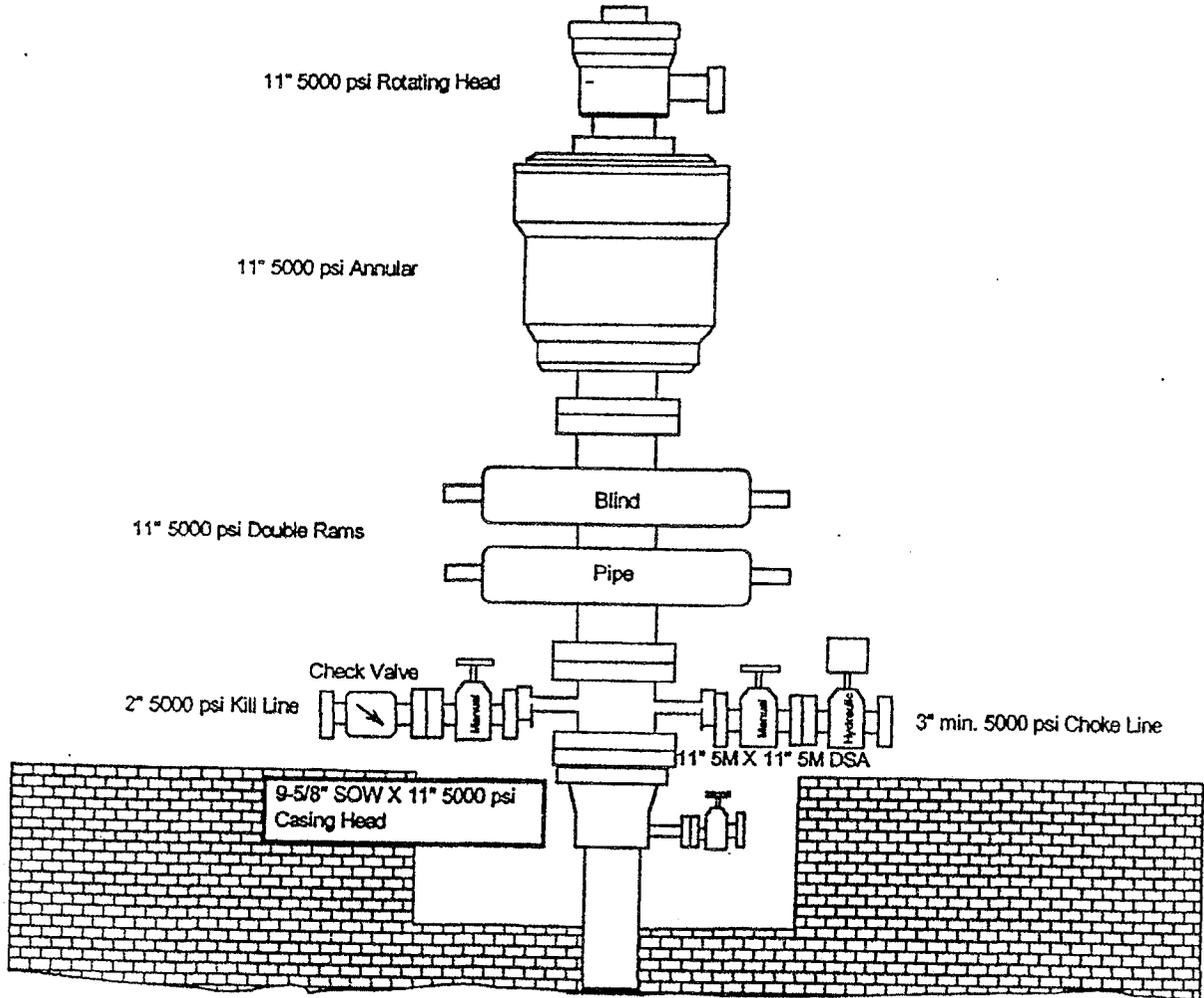
Production Cement Volume Calculation

	Top	Bottom	Ft/hole	Hole Volume Cuft	Hole Volume Bbls	Cement Amount sks	Cement Amount w/25% Excess sks
Lead	8800	7000	200	45	8	26	32
Lead	7000	10500	3500	797	142	461	576
						Total	608

Production Casing Cement Data

	Csg Size In.	Hole/Csg Size In.	Ft Hole	Coeff Cuft/ft	Coeff Bbls/ft	Annulus		Cuft/ft	Bbls/ft
						4.5 X 8 5/8	17#/36#	0.2235	0.0398
						4.5 X 7 7/8	20#/OH	0.2278	0.0406
Lead	4 1/2	8 5/8	200	0.2235	0.0398				
Lead	4 1/2	8 5/8	3500	0.2278	0.0406				

BOPE Diagram 5000 psi WP



Don Heidbrier
cell 281-389-6186
w/ Lone Star

THE HOUSTON EXPLORATION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

GUSHER 13-11-5-19

LOCATED IN SW ¼ SW ¼

SECTION 11, T.5S, R19E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: ML-47547

SURFACE OWNERSHIP: FEE

HUBER, MARVIN ALBERT AND GENEVIEVE

P O BOX 216

LAPoint, UT

84039

1. Existing Roads:

The Houston Exploration Company

Gusher 13-11-5-19

Section 11, T. 5S, R. 19E

Proceed in an easterly direction from Lapoint, Utah along State Highway 121 approximately 1.0 miles to junction of this road and a County D road. Exit right and proceed in a southeasterly direction along the class D County Road approximately 0.6 miles to the proposed well location Gusher 9-10-5-19. Continue on the County D road approximately 0.2 miles to the proposed access road. Follow road flags in a southeasterly direction approximately 105' to the proposed location.

Total distance from Lapoint, Utah to the proposed well location is approximately 1.82 miles.

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

2. Planned access road

The proposed access road will be approximately 560' of new construction on lease. The road will be graded once per year minimum and maintained. A county road maintenance agreement will be in place for the portions of road used by the

operator which are owned by the county.

- A) Approximate length 105 ft
- B) Right of Way width 30 ft
- C) Running surface 18 ft
- D) Surface material Native soil
- E) Maximum grade 8%
- F) Fence crossing None
- G) Culvert None
- H) Turnouts None
- I) Major cuts and fills None
- J) Road Flagged Yes
- K) Access road surface ownership Fee
- L) All new construction on lease Yes
- M) Pipe line crossing No

Please see the attached location plat for additional details.

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

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

3. Location of existing wells

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

- A) Producing well None
- B) Water well None
- C) Abandoned well None
- D) Temp. abandoned well None
- E) Disposal well None
- F) Drilling /Permitted well None
- G) Shut in wells None
- H) Injection well None
- I) Monitoring or observation well None

Please see the attached map for additional details.

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

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

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

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

The operator will adhere to all site security guidelines and regulation identified in 43 CFR 3126.7.

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

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

Approximately 31,780' of 3" steel surface gas gathering line would

be constructed on Federal, State and Fee Lands. The pipeline is proposed as surface due to topography and bedrock sandstone. The pipeline will tie into a proposed pipeline in Section 15, T 5S, R20E. The pipeline will be strung and boomed to the east of the location. A temporary construction width of 30' will be required for one week and a permanent width of 15' will be required.

An off lease right-of-way will be required for approximately 25,540' on Federal Surface, and approximately 5,270' of pipeline on State lands. Surface agreements will be in place with Fee land owner and state easements will be on file prior to construction of the pipeline. A right-of-way has been filed with the BLM, Vernal Field Office.

Please see the attached location diagrams for pipeline location.

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

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

proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from a Vernal City Tap at 355 S 1000 E (Dalbo/A-1 Tank.)

6. Source of construction materials

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

7. Methods for handling waste disposal

A) Pit construction and liners:

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

The reserve pit will be lined.

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

B) Produced fluids:

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

C) Garbage:

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

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

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

8. Ancillary facilities

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

9. Well-site layout

Location dimensions are as follows:

A) Pad length	345 ft.
B) Pad width	260 ft.
C) Pit depth	12 ft.
D) Pit length	150 ft.
E) Pit width	75 ft.
F) Max cut	17.9 ft.
G) Max fill	5.1 ft.
H) Total cut yds.	7,230 cu yds
I) Pit location	North end
J) Top soil location	North & South ends
K) Access road location	North end
L) Flare Pit	Corner C

Please see the attached location diagram for additional details.

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

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,500 cubic yards of material.

Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. **The unused portion of the location (the area outside**

the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

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

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

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

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

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

A) Seeding dates:

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

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

B) Interim Seed Mix

4#/acre Indian Rice Grass
4#/acre Crested Wheat Grass
4#/acre Needle & Thread Grass

11. Surface ownership:

Access road	Fee
Location	Fee
Pipeline	
	Federal, State & Fee

12. Other information:

A) Vegetation

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

B) Dwellings:

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

C) Archeology:

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

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

At least twenty-four (24) hours prior to running casing and cementing all casing strings.

- e) BOP and related equipment tests
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

D) Water:

The nearest water is Sand Wash, 1 mile to the Southeast.

E) Chemicals:

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

F) Notification:

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

G) Flare pit:

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

13. Lessees or Operator's representative and certification

A) Representative

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

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

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws,

regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

Date 8/1/06


William A. Ryan, Agent
Rocky Mountain Consulting

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

B) Certification:

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

Onsite Dates:

Statement of use of Hazardous Materials

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

If you require additional information please contact:

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

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



PHOTO VIEW: FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: Northeasterly



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: Easterly

THE HOUSTON EXPLORATION COMPANY

Gusher 13-11-5-19
SECTION 11, T5S, R19E, S.L.B.&M.
750' FSL & 812' FWL

LOCATION PHOTOS

TAKEN BY: PARTY

DRAWN BY: W.J.A.

DATE TAKEN: 12-03-05

DATE DRAWN: 12-07-05

REVISED:

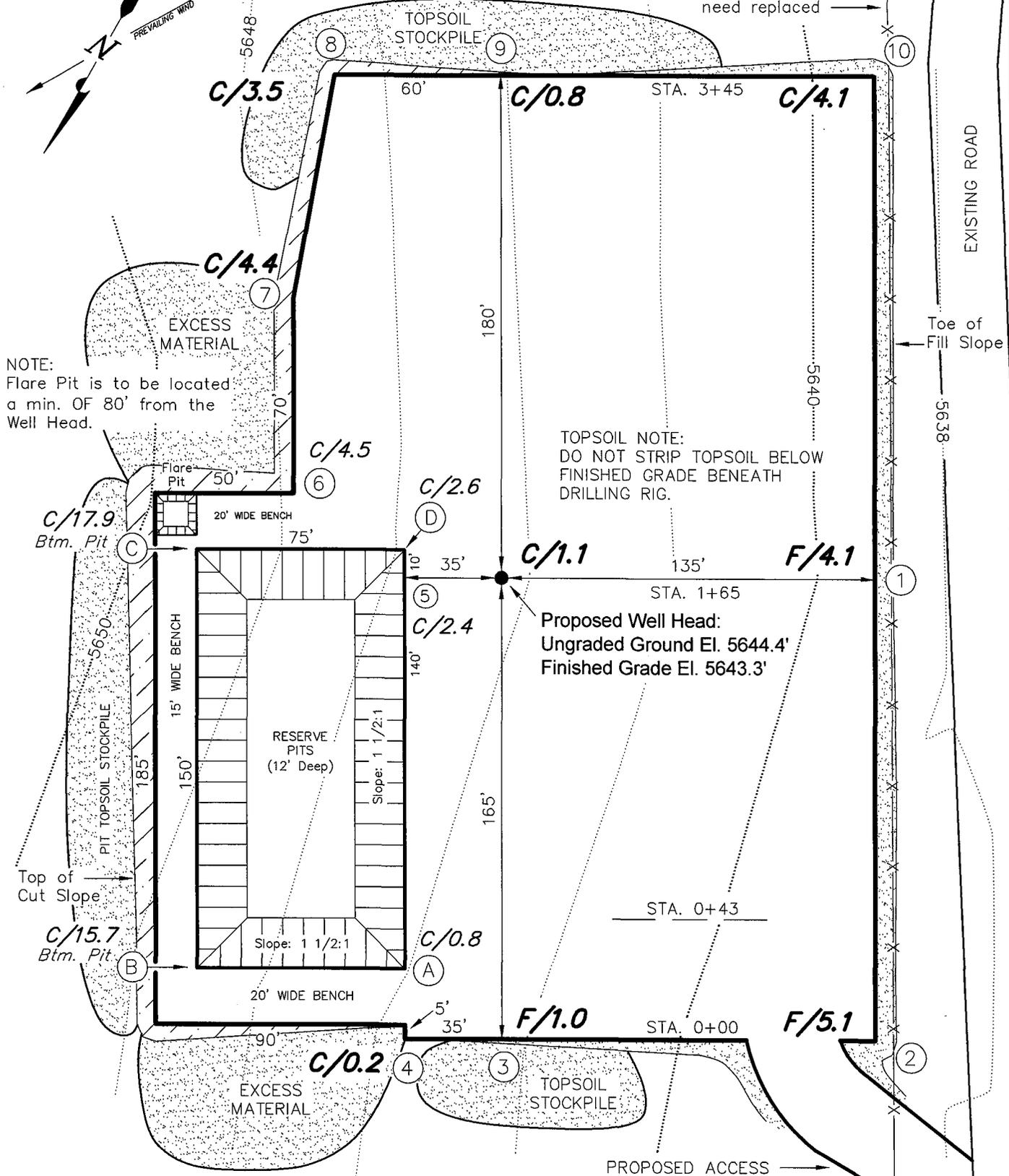
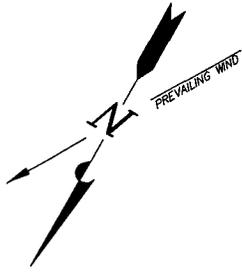
Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
1
OF 8

THE HOUSTON EXPLORATION COMPANY

CUT SHEET GUSHER 13-11-5-19

Fence Does not need replaced



NOTE:
Flare Pit is to be located a min. OF 80' from the Well Head.

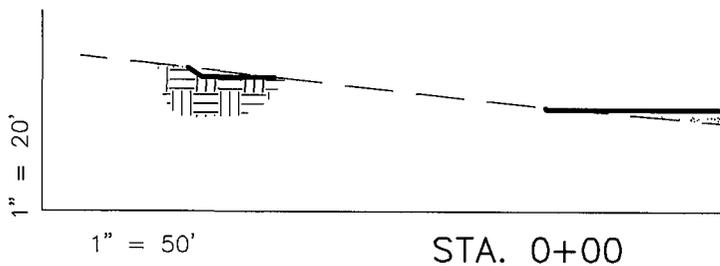
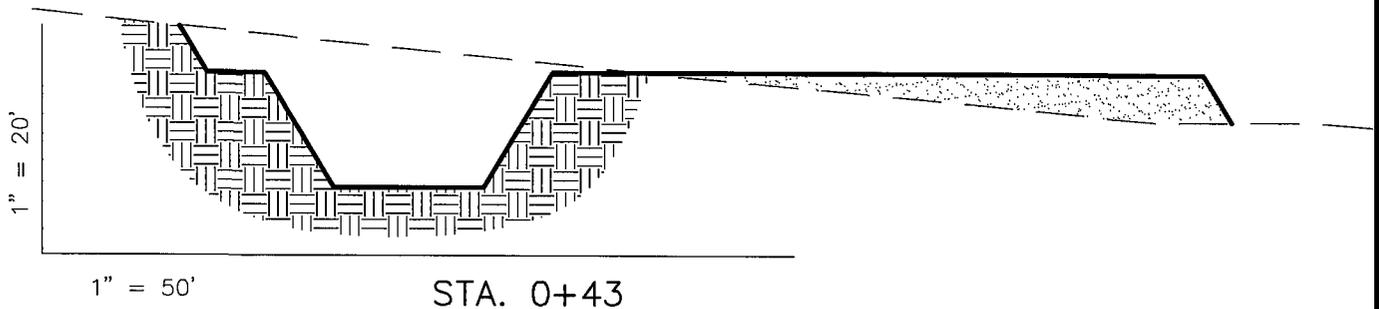
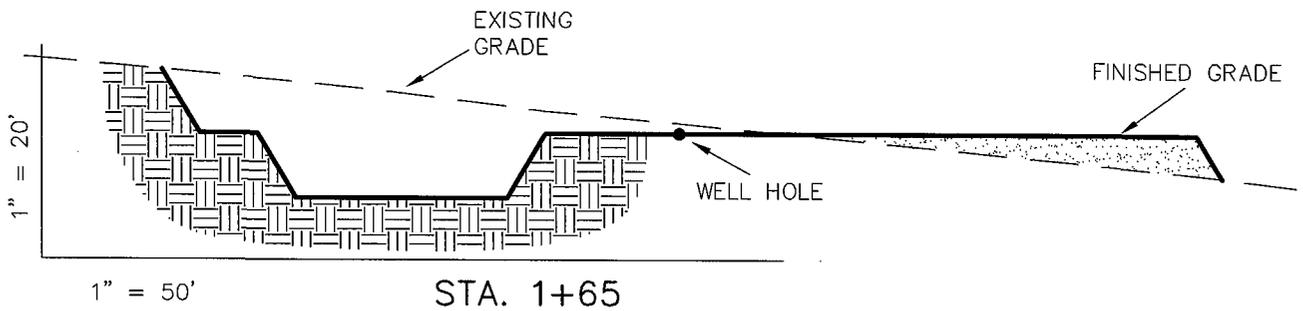
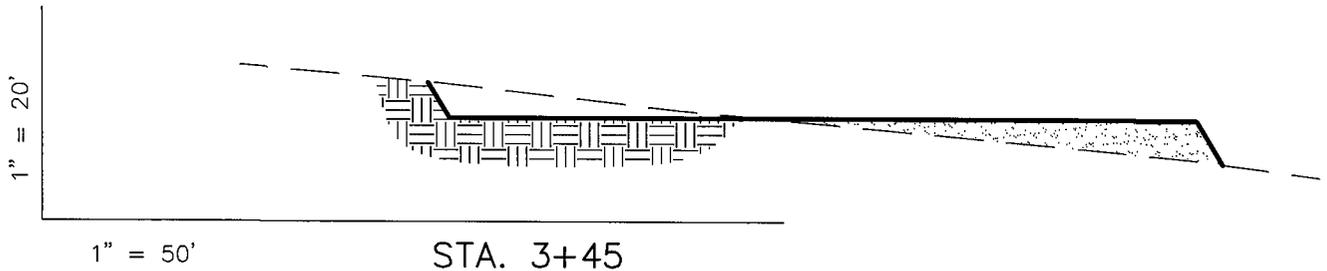
TOPSOIL NOTE:
DO NOT STRIP TOPSOIL BELOW FINISHED GRADE BENEATH DRILLING RIG.

CONTOUR INTERVAL = 2'

Section 11, T5S, R19E, S.L.B.&M.		Qtr/Qtr Location: SW SW	Footage Location: 750' FSL & 812' FWL
Date Surveyed: 12-03-05	Date Drawn: 12-05-05	Date Last Revision:	Timberline (435) 789-1365 Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: D.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'	
			SHEET 3 OF 8

THE HOUSTON EXPLORATION COMPANY

CROSS SECTIONS GUSHER 13-11-5-19



NOTE:
UNLESS OTHERWISE NOTED
ALL CUT/FILL SLOPES ARE
AT 1.5:1

Pit overburden is included in pad cut.

ESTIMATED EARTHWORK QUANTITIES
(No shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	3,890	3,890	Topsoil is not included in Pad Cut	0
PIT	3,340	0		3,340
TOTALS	7,230	3,890	1,500	3,340

Excess Material after Pit Rehabilitation = 0 Cu. Yds.

REFERENCE POINTS

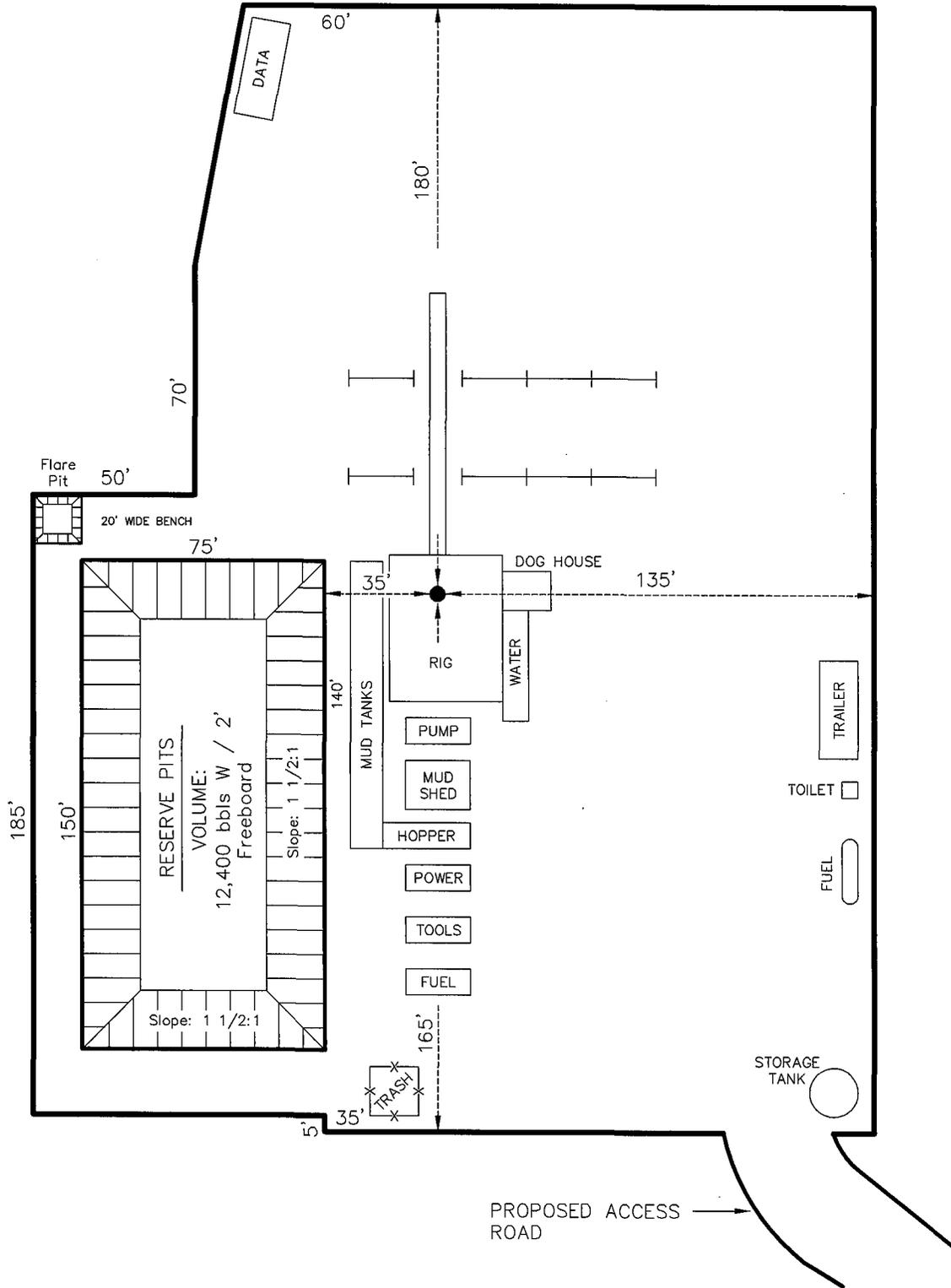
215' NORTHEASTERLY = 5642.2'

265' NORTHEASTERLY = 5643.4'

Section 11, T5S, R19E, S.L.B.&M.		Qtr/Qtr Location: SW SW	Footage Location: 750' FSL & 812' FWL
Date Surveyed: 12-03-05	Date Drawn: 12-05-05	Date Last Revision:	Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: D.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'	
			SHEET 4 OF 8

THE HOUSTON EXPLORATION COMPANY

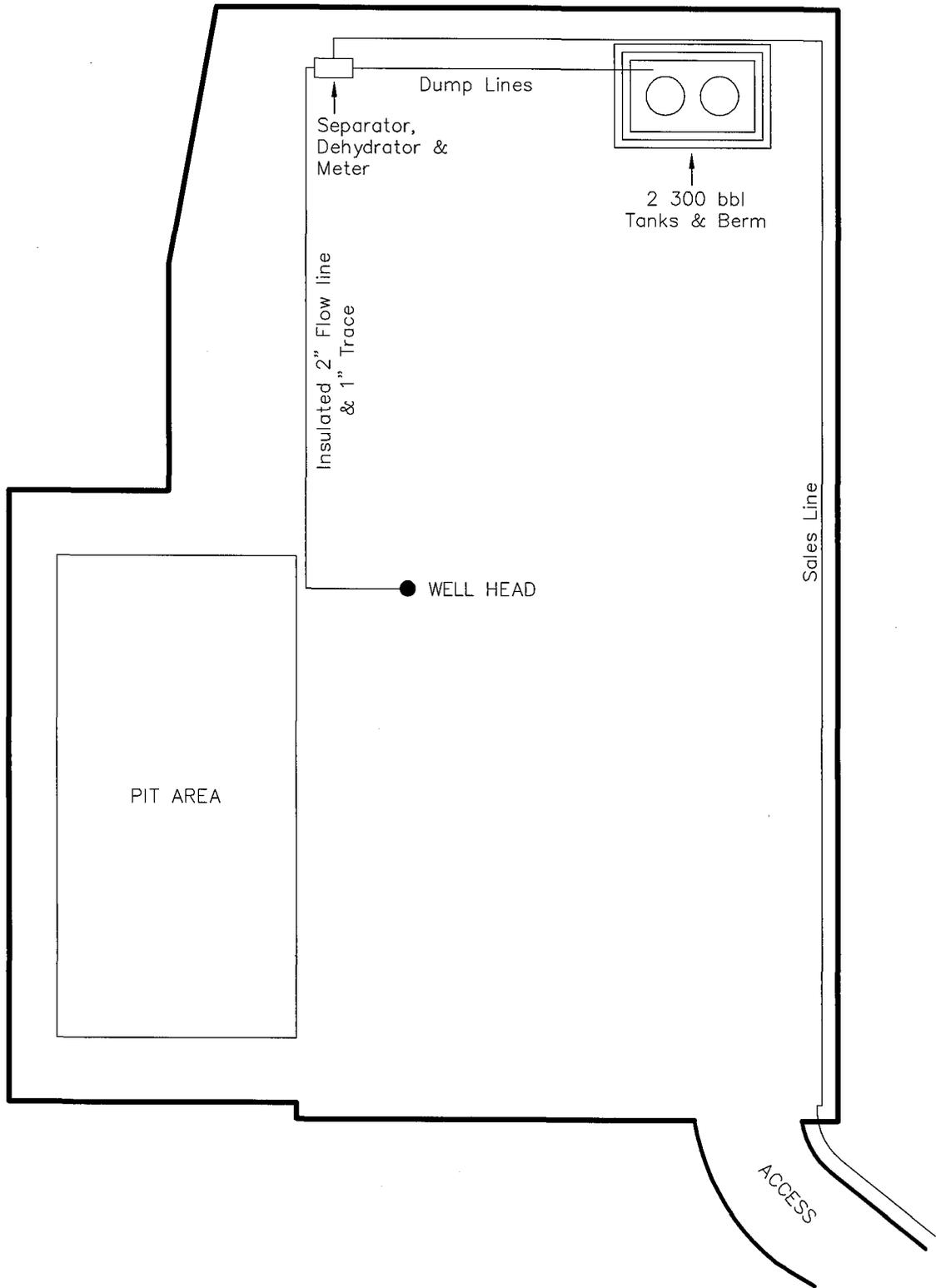
TYPICAL RIG LAYOUT GUSHER 13-11-5-19



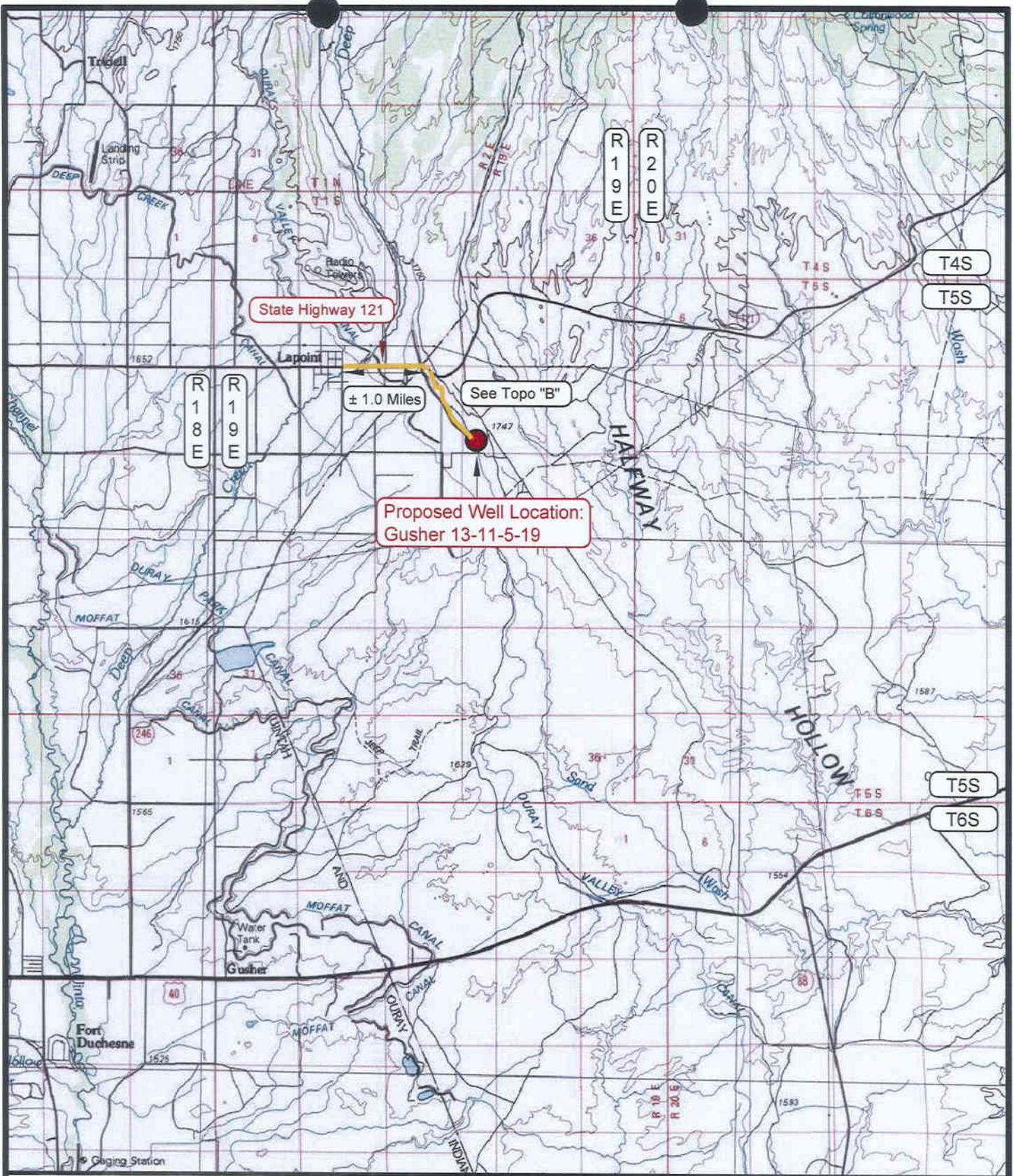
Section 11, T5S, R19E, S.L.B.&M.		Qtr/Qtr Location: SW SW	Footage Location: 750' FSL & 812' FWL
Date Surveyed: 12-03-05	Date Drawn: 12-05-05	Date Last Revision:	Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: D.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'	
			SHEET 5 OF 8

THE HOUSTON EXPLORATION COMPANY

TYPICAL PRODUCTION LAYOUT GUSHER 13-11-5-19



Section 11, T5S, R19E, S.L.B.&M.		Qtr/Qtr Location: SW SW	Footage Location: 750' FSL & 812' FWL
Date Surveyed: 06-19-06	Date Drawn: 06-22-06	Date Last Revision:	Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: B.J.Z.	Scale: 1" = 50'	



LEGEND

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- - - = PROPOSED ACCESS ROAD
- B-5460 = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "A"

DATE SURVEYED: 12-04-05

DATE DRAWN: 12-06-05

SCALE: 1:100,000

DRAWN BY: W.J.A.

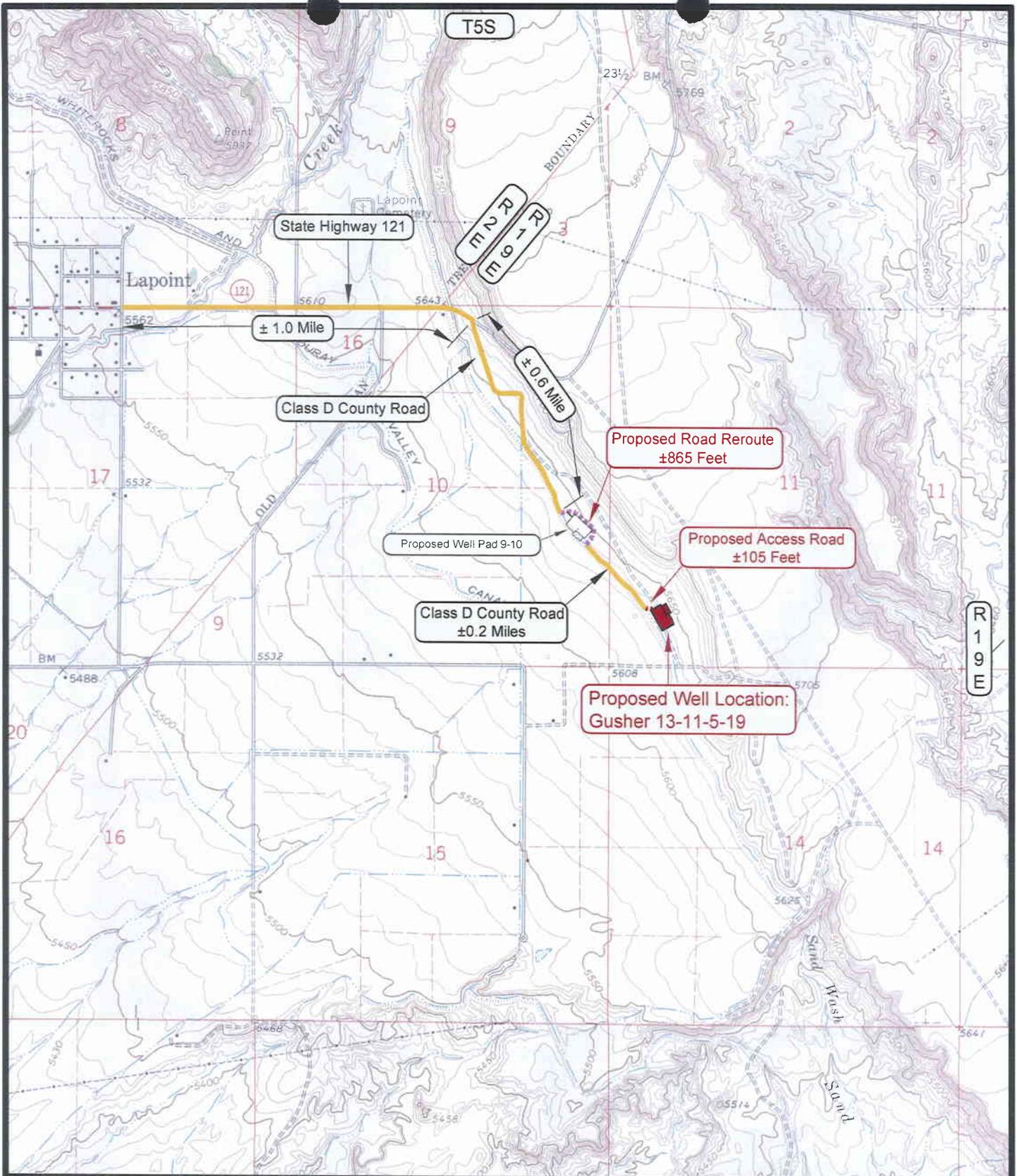
REVISED:

THE HOUSTON EXPLORATION COMPANY

Gusher 13-11-5-19
SECTION 11, T5S, R19E, S.L.B.&M.
750' FSL & 812' FWL

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
6
OF 8



LEGEND

- PROPOSED ACCESS ROAD
- ■ ■ ■ ■ = SUBJECT WELL
- ■ ■ ■ ■ = SHARED ACCESS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER
- = LEASE LINE AND / OR PROPERTY LINE

THE HOUSTON EXPLORATION COMPANY

Gusher 13-11-5-19
SECTION 11, T5S, R19E, S.L.B.&M.
750' FSL & 812' FWL

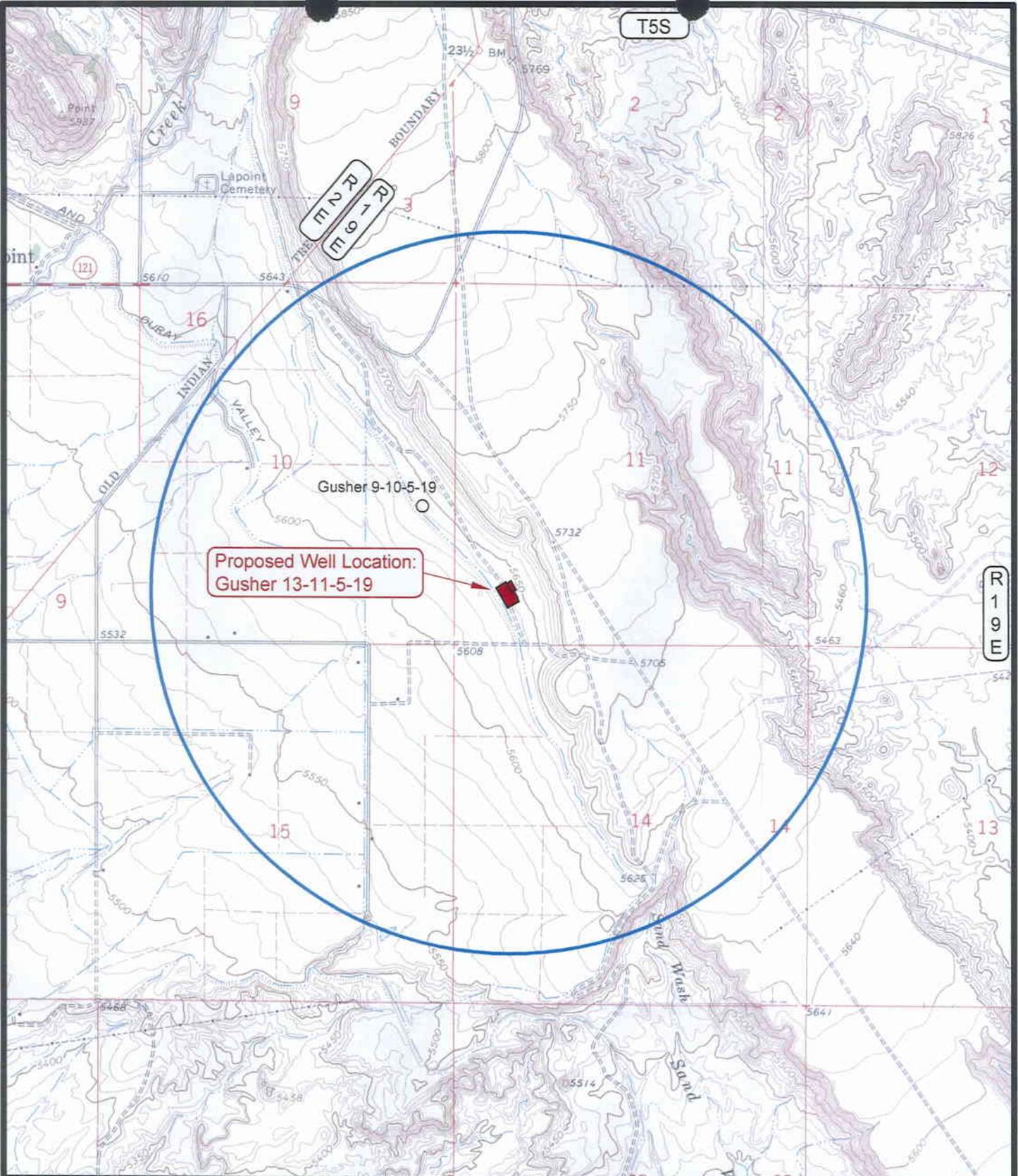
TOPOGRAPHIC MAP "B"

DATE SURVEYED: 12-04-05
 DATE DRAWN: 12-07-05
 REVISED:

SCALE: 1" = 2000' DRAWN BY: W.J.A.

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
7
OF 8



Proposed Well Location:
Gusher 13-11-5-19

LEGEND

- ⊘ = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- = PROPOSED WELL
- ⊘ = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL
- ⊘ = ABANDONED LOCATION

TOPOGRAPHIC MAP "C"

DATE SURVEYED: 12-04-05

DATE DRAWN: 12-07-05

SCALE: 1" = 2000'

DRAWN BY: W.J.A.

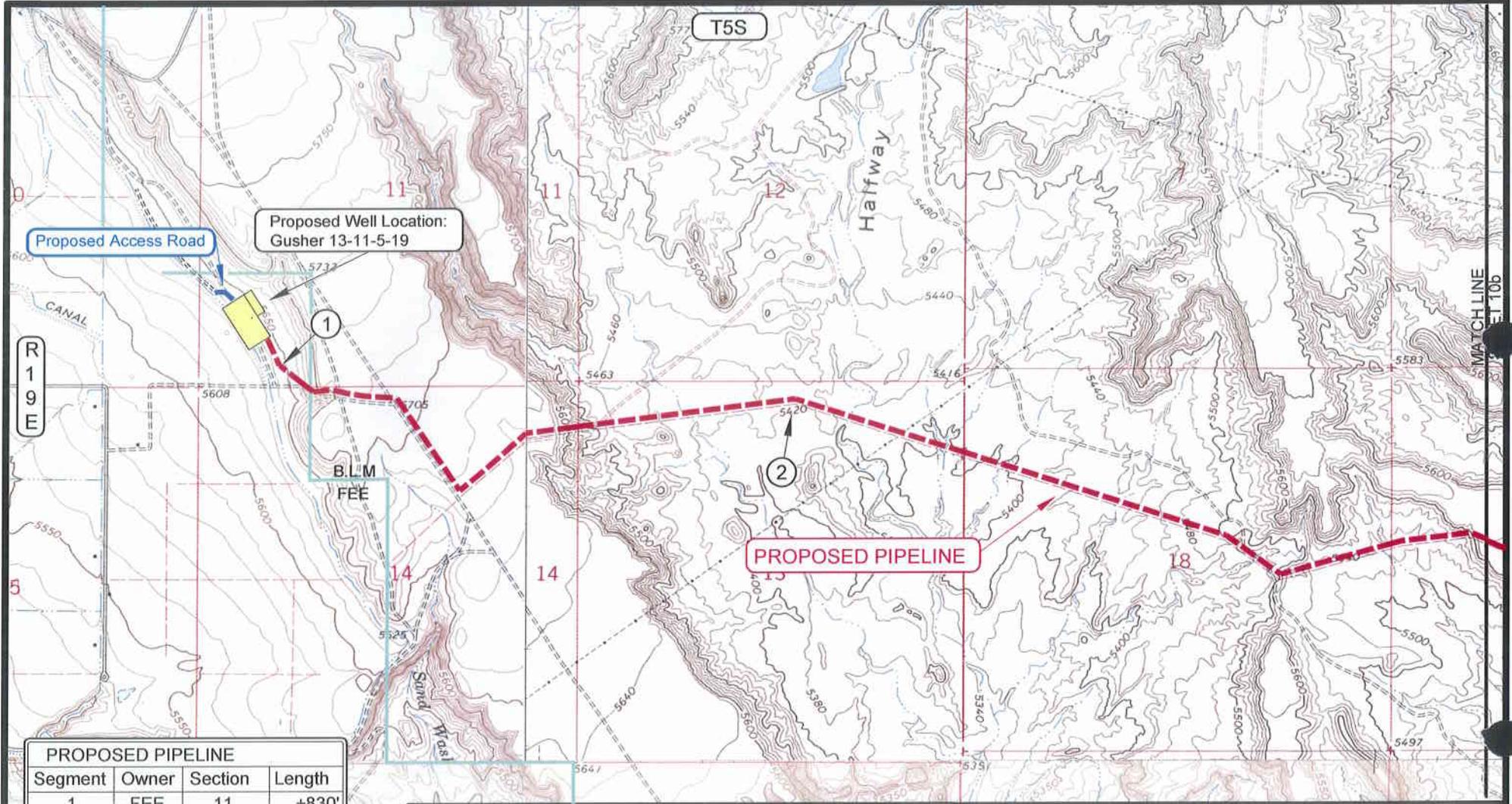
REVISED:

THE HOUSTON EXPLORATION COMPANY

Gusher 13-11-5-19
SECTION 11, T5S, R19E, S.L.B.&M.
750' FSL & 812' FWL

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
8
OF 8



PROPOSED PIPELINE			
Segment	Owner	Section	Length
1	FEE	11	±830'
1	FEE	14	±140'
Total Segment 1			±970'
2	BLM	14	±4,630'
2	BLM	13	±5,430'
2	BLM	18	±6,200'
2	BLM	17	±5,380'
Total Segment 2			±21,640'
3	State	16	±5,270'
4	BLM	15	±3,900'
TOTAL			±31,780'

LEGEND

- - - - - = PROPOSED PIPELINE
- - - - - = OTHER PIPELINE
- - - - - = PROPOSED ACCESS ROAD
- █ = SUBJECT WELL
- = OTHER WELLS
- = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "D1"

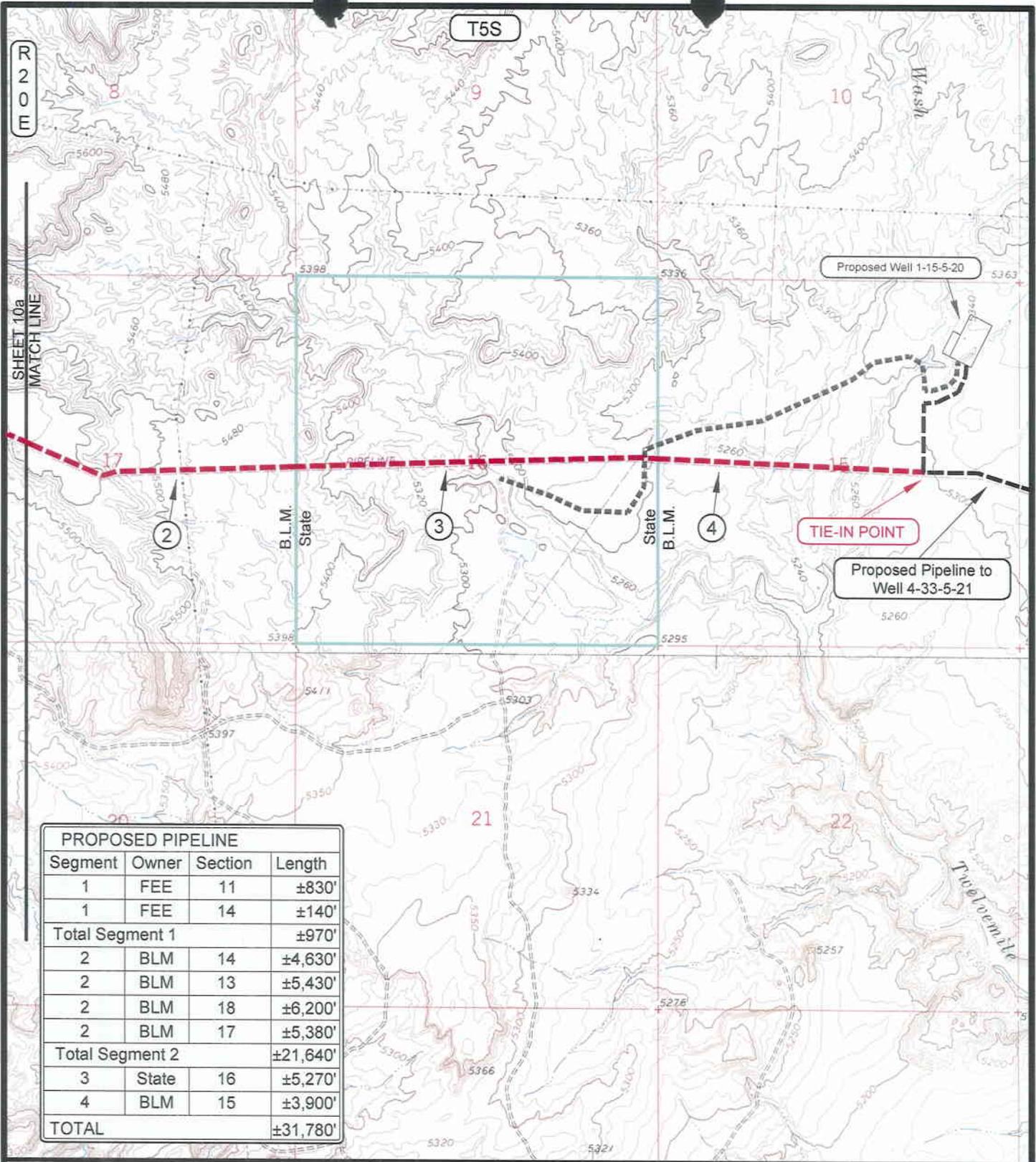
SCALE: 1" = 2000' DRAWN BY: B.J.Z. DATE SURVEYED: 06-19-06
 DATE DRAWN: 06-22-06 REVISED:

THE HOUSTON EXPLORATION COMPANY

Gusher 13-11-5-19
SECTION 11, T5S, R19E, S.L.B.&M.
750' FSL & 812' FWL

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
10a
OF 10



PROPOSED PIPELINE			
Segment	Owner	Section	Length
1	FEE	11	±830'
1	FEE	14	±140'
Total Segment 1			±970'
2	BLM	14	±4,630'
2	BLM	13	±5,430'
2	BLM	18	±6,200'
2	BLM	17	±5,380'
Total Segment 2			±21,640'
3	State	16	±5,270'
4	BLM	15	±3,900'
TOTAL			±31,780'

APPROXIMATE PIPELINE LENGTH = ±31,780 FEET

LEGEND

- - - - = PROPOSED PIPELINE
- - - - = OTHER PIPELINE
- - - - = PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = LEASE LINE AND / OR PROPERTY LINE

THE HOUSTON EXPLORATION COMPANY

Gusher 13-11-5-19
SECTION 11, T5S, R19E, S.L.B.&M.
750' FSL & 812' FWL

TOPOGRAPHIC MAP "D2"

DATE SURVEYED: 06-19-06

DATE DRAWN: 06-22-06

SCALE: 1" = 2000'

DRAWN BY: BJ.Z.

REVISED:

Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
10b
OF 10

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: ML-47547	6. SURFACE: Fee
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: The Houston Exploration Company		8. UNIT or CA AGREEMENT NAME:	
3. ADDRESS OF OPERATOR: 1100 Louisiana, Suite 2C CITY Houston STATE TX ZIP 77002		PHONE NUMBER: (713) 830-6800	9. WELL NAME and NUMBER: Gusher 13-11-5-19
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 750' FSL & 812' FWL AT PROPOSED PRODUCING ZONE: Same as above		604944X 40.391507 4471735Y -109.763525	10. FIELD AND POOL, OR WILDCAT: Undesignated Wildcat 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 11 T5S 19E
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 1.9 miles southeast of Lapoint, Utah		12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 750'	16. NUMBER OF ACRES IN LEASE: 240	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) NA	19. PROPOSED DEPTH: 10,500	20. BOND DESCRIPTION: 104155044	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,644' GR	22. APPROXIMATE DATE WORK WILL START: 1/1/2007	23. ESTIMATED DURATION: 30 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			
30	26	A430	68.75#	40	Portland CMT	118 sks	1.15cf	15.8ppg
24	20	H-40	94#	350	Portland CMT	247sks	1.5cf	15.8ppg
17 1/2	13 3/8	N-80	72#	3,100	Premium 5	742sks	3.82cf	11ppg
17 1/2	13 3/8	N-80	72#	3,900	Class G	589sks	1.18cf	15.6ppg
11	8 5/8	K-55	36#	7,000	50/50 POZ' G CMT	1,361sks	1.25cf	14.35ppg
7 7/8	4 1/2	N-80	11.6#	7,700				
7 7/8	4 1/2	P110	13.5#	10,500	PREM.AG300	608SKS	1.73cf	13.5ppg

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) William A. Ryan TITLE Agent
SIGNATURE William A. Ryan DATE _____

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38462

APPROVAL: _____

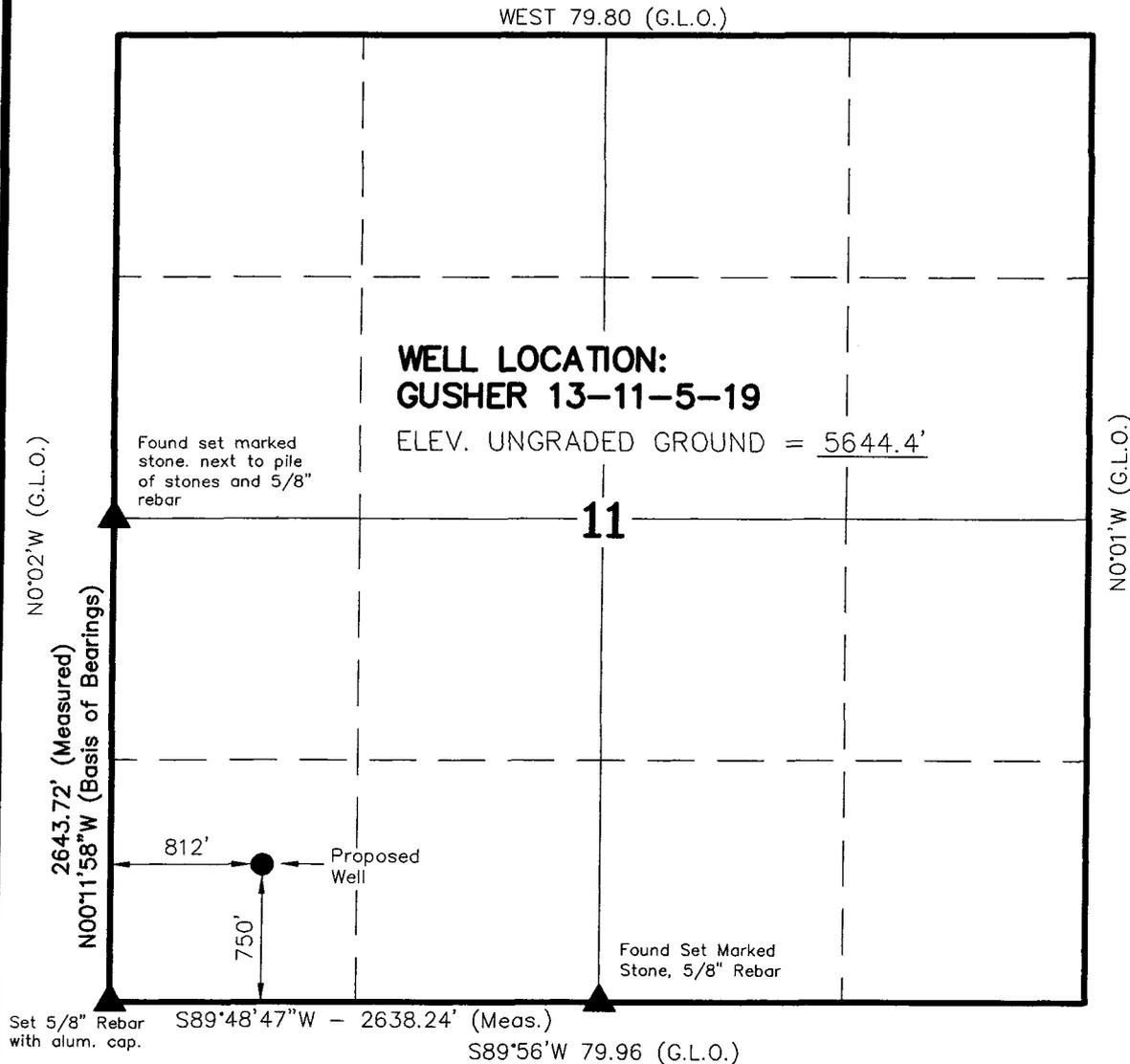
RECEIVED
AUG 09 2006

DIV. OF OIL, GAS & MINING

T5S, R19E, S.L.B.&M.

THE HOUSTON EXPLORATION COMPANY

WELL LOCATION, GUSHER 13-11-5-19,
 LOCATED AS SHOWN IN THE SW 1/4
 SW 1/4 OF SECTION 11, T5S, R19E,
 S.L.B.&M. UINTAH COUNTY, UTAH.



NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.



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

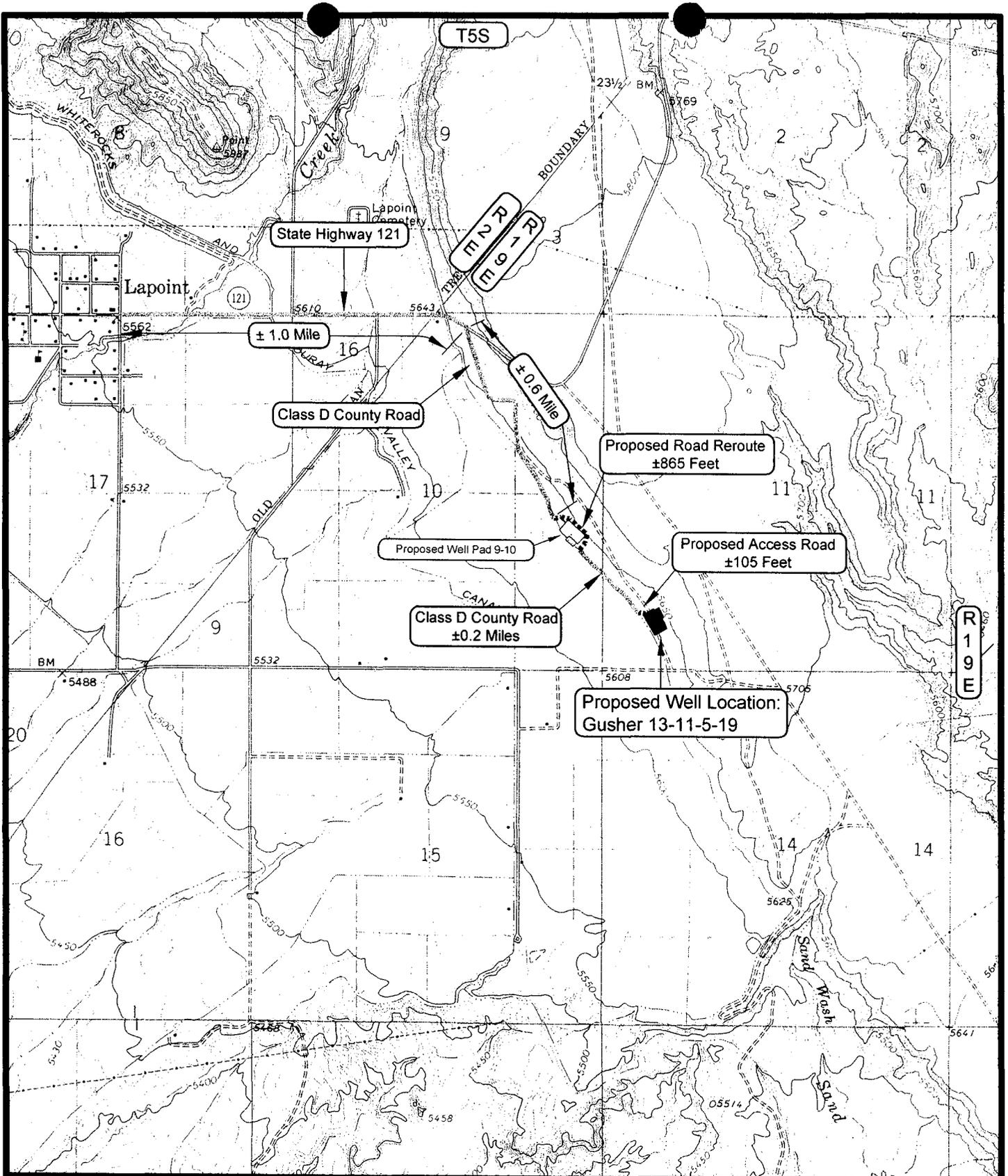
Kolby R. Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 362251
 STATE OF UTAH

▲ = SECTION CORNERS LOCATED
 BASIS OF ELEVATION IS A BLACK ELEVATION AT A ROAD INTERSECTION LOCATED IN THE SW 1/4 OF SECTION 11, T5S, R19E, S.L.B.&M. THE ELEVATION OF THE INTERSECTION IS SHOWN ON THE LAPOINT 7.5 MIN. QUADRANGLE AS BEING 5732'.

GUSHER 13-11-5-19
 (Proposed Well Head)
 NAD 83 Autonomous
 LATITUDE = 40° 23' 29.42"
 LONGITUDE = 109° 45' 51.17"

TIMBERLINE LAND SURVEYING, INC.
 38 WEST 100 NORTH. - VERNAL, UTAH 84078
 (435) 789-1365

DATE SURVEYED: 12-03-05	SURVEYED BY: D.J.S.	SHEET 2 OF 8
DATE DRAWN: 12-05-05	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised:	



LEGEND

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = SHARED ACCESS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER
- = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "B"

DATE SURVEYED: 12-04-05

DATE DRAWN: 12-07-05

SCALE: 1" = 2000'

DRAWN BY: W.J.A.

REVISED:

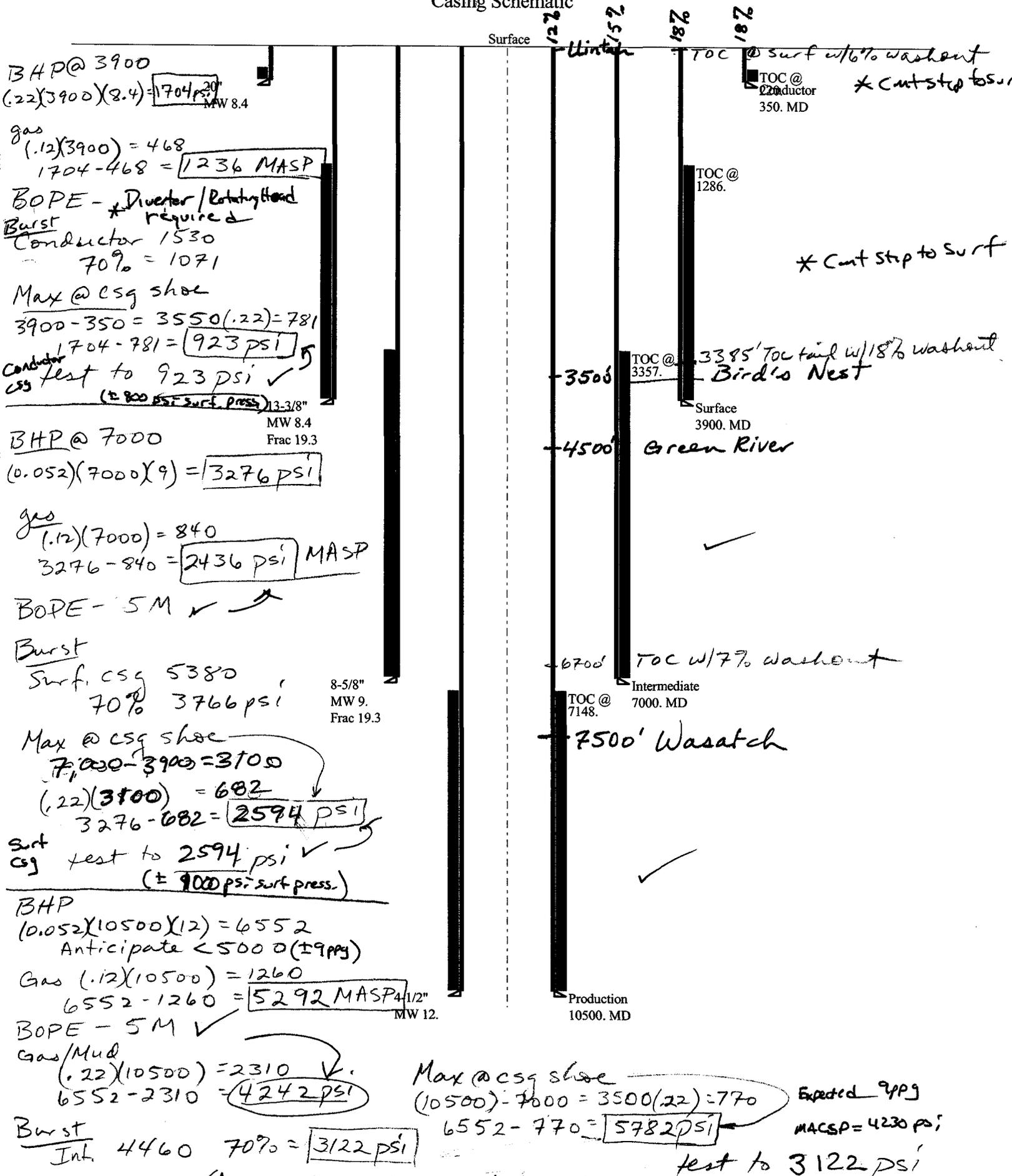
THE HOUSTON EXPLORATION COMPANY

Gusher 13-11-5-19
SECTION 11, T5S, R19E, S.L.B.&M.
750' FSL & 812' FWL

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
7
OF 8

Casing Schematic



✓ Adequate DWS 10/6/06 formed

Well name:

2006-09 Houston Gusher 13-11-5-19

Operator: The Houston Exploration Company

String type: Conductor

Project ID:

43-047-38462

Location: Uintah County

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 70 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 299 ft
Cement top: 220 ft

Burst

Max anticipated surface pressure: 111 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 153 psi

No backup mud specified.

Tension:

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

Non-directional string.

Tension is based on air weight.
Neutral point: 306 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	350	20	94.00	H-40	ST&C	350	350	18.999	698.2
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	153	520	3.405 ✓	153	1530	10.02 ✓	33	581	17.66 J ✓

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: (801) 538-5357
FAX: (801) 359-3940

Date: September 20, 2006
Salt Lake City, Utah

ENGINEERING STIPULATIONS -

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

Burst strength is not adjusted for tension.

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

Well name: **2006-09 Houston Gusher 13-11-5-19rev.**
 Operator: **The Houston Exploration Company**
 String type: **Intermediate** Project ID: **43-047-38462**
 Location: **Uintah County**

Design parameters:

Collapse
 Mud weight: 9.000 ppg
 Design is based on evacuated pipe.

Burst
 Max anticipated surface pressure: 2,872 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP: 4,412 psi
 No backup mud specified.

Minimum design factors:

Collapse:
 Design factor 1.125

Burst:
 Design factor 1.00

Tension:
 8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)
 Tension is based on buoyed weight.
 Neutral point: 6,060 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 163 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: 3,358 ft

Non-directional string.

Re subsequent strings:
 Next setting depth: 10,500 ft
 Next mud weight: 9.500 ppg
 Next setting BHP: 5,182 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 7,000 ft
 Injection pressure: 7,000 psi

pop expects 9 ppg

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	7000	8.625	36.00	K-55	LT&C	7000	7000	7.7	2337.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3273	3450	1.054	4412	4460	1.01	218	526	2.41 J

9 ppg
o.k. to 6550' with ev. hole
o.k. to TD w/ 9 ppg grad.
o.k. w/ 8.43 ppg
o.k.

12 ppg hydrostat
o.k.

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: (801) 538-5357
 FAX: (801) 359-3940

Date: October 6, 2006
 Salt Lake City, Utah

Remarks:
 Collapse is based on a vertical depth of 7000 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	2006-09 Houston Gusher 13-11-5-19		
Operator:	Houston Exploration Company		
String type:	Surface	Project ID:	43-047-38462
Location:	Uintah County		

Design parameters:

Collapse

Mud weight: 8,400 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 120 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 299 ft
 Cement top: 1,286 ft

Burst

Max anticipated surface pressure: 1,733 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP 2,591 psi

No backup mud specified.

Tension:

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

Tension is based on air weight.
 Neutral point: 3,409 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 7,000 ft
 Next mud weight: 9,000 ppg
 Next setting BHP: 3,273 psi
 Fracture mud wt: 19,250 ppg
 Fracture depth: 3,900 ft
 Injection pressure: 3,900 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	3900	13.375	72.00	N-80	ST&C	3900	3900	12.25	3242.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1702	2670	1.569 ✓	2591	5380	2.08 ✓	281	1040	3.70 J ✓

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: (801) 538-5357
 FAX: (801) 359-3940

Date: September 20, 2006
 Salt Lake City, Utah

ENGINEERING STIPULATIONS -

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

Burst strength is not adjusted for tension.

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

Well name:	2006-09 Houston Gusher 13-11-5-19		
Operator:	The Houston Exploration Company		
String type:	Production	Project ID:	43-047-38462
Location:	Uintah County		

Design parameters:

Collapse

Mud weight: 12,000 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 212 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: 7,148 ft

Burst

Max anticipated surface pressure: 4,235 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP 6,545 psi

No backup mud specified.

Tension:

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

Non-directional string.

Tension is based on buoyed weight.
 Neutral point: 8,817 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
2	7700	4.5	11.60	N-80	LT&C	7700	7700	3.875	672
1	2800	4.5	13.50	P-110	LT&C	10500	10500	3.795	234.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
2	4800	6058	1.262 ✓	5929	7780	1.31 ✓	104	223	2.14 J ✓
1	6545	10680	1.632 ✓	6545	12410	1.90 ✓	15	338	22.41 J ✓

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: (801) 538-5357
 FAX: (801)359-3940

Date: September 21, 2006
 Salt Lake City, Utah

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

Burst strength is not adjusted for tension.

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

From: Robert Clark
To: Whitney, Diana
Date: 8/28/2006 2:49:59 PM
Subject: RDCC short turn around responses

THEEC
43-047-38462

The following comments are provided in response to short turn around items **RDCC #6950** through **RDCC #6952**, and **RDCC #6988** through **RDCC # 6990**.

RDCC #6950, Comments begin: The Houston Exploration Company's proposal to drill the **Squaw Ridge 14-16-7-25** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm. The proposed project, in Uintah County, is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

RDCC # 6951, Comments begin: The Enduring Resources, LLC proposal to drill the **Southam Canyon 10-25-44-32** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm. The proposed project, in Uintah County, is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments End.**

RDCC #6952, Comments begin: The Enduring Resources, LLC proposal to drill the **Buck Camp 12-22-14-2** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm. The proposed project, in Uintah County, is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

RDCC #6988, Comments begin: The Houston Exploration Company's proposal to drill the **Gusher 13-11-5-19** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm. The proposed project, in Uintah County, is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an

area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end. RDCC # 6989, Comments begin:** The Enduring Resources, LLC proposal to drill the **Buck Camp 12-22-23-2** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm . The proposed project, in Uintah County, is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm **Comments end. RDCC # 6990, Comments begin:** The RBDR, LLC proposal to drill the **Crazy "R" Ranch #1** wildcat well, in Sevier County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm . The proposed project, in Uintah County, is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm **Comments end.** Robert Clark Division of Air Quality 536-4435

CC: McNeill, Dave; Wright, Carolyn

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/09/2006

API NO. ASSIGNED: 43-047-38462

WELL NAME: GUSHER 13-11-5-19
 OPERATOR: HOUSTON EXPLORATION CO, (N2525)
 CONTACT: BILL RYAN

PHONE NUMBER: 713-830-6800

PROPOSED LOCATION:

SWSW 11 050S 190E
 SURFACE: 0750 FSL 0812 FWL
 BOTTOM: 0750 FSL 0812 FWL
 COUNTY: UINTAH
 LATITUDE: 40.39151 LONGITUDE: -109.7635
 UTM SURF EASTINGS: 604944 NORTHINGS: 4471735
 FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	10/6/06
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-47547
 SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: WSTC
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

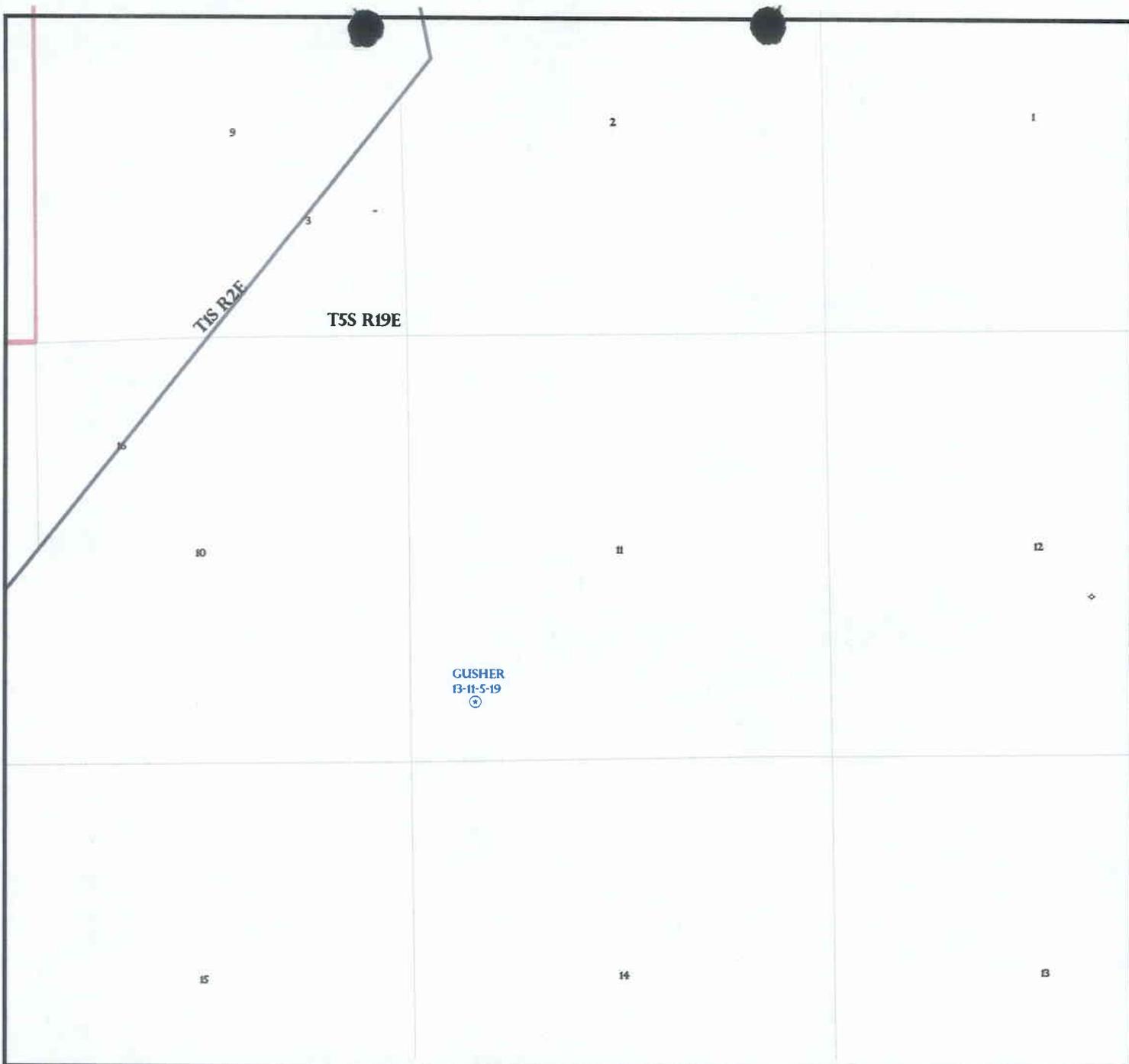
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 104155044)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. MUNICIPAL)
- RDCC Review (Y/N)
(Date: 09/01/2006)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS: Needs Permit (08-24-06)

STIPULATIONS: 1- Spacing WSP
2- STATEMENT OF BASIS
3- Cement Stip #4 (20" and 13 3/8")



OPERATOR: THE HOUSTON EXPL CO (N2525)
 SEC: 11 T.5S R.19E
 FIELD: WILDCAT (001)
 COUNTY: UINTAH
 SPACING: R649-3-2 / GENERAL SITING

Field Status	Unit Status
ABANDONED	EXPLORATORY
ACTIVE	GAS STORAGE
COMBINED	NF PP OIL
INACTIVE	NF SECONDARY
PROPOSED	PENDING
STORAGE	PI OIL
TERMINATED	PP GAS
	PP GEOTHERML
	PP OIL
	SECONDARY
	TERMINATED

Wells Status

	GAS INJECTION
	GAS STORAGE
	LOCATION ABANDONED
	NEW LOCATION
	PLUGGED & ABANDONED
	PRODUCING GAS
	PRODUCING OIL
	SHUT-IN GAS
	SHUT-IN OIL
	TEMP. ABANDONED
	TEST WELL
	WATER INJECTION
	WATER SUPPLY
	WATER DISPOSAL
	DRILLING



PREPARED BY: DIANA WHITNEY
 DATE: 17-AUGUST-2006

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

OPERATOR: THE HOUSTON EXPLORATION COMPANY
WELL NAME & NUMBER: GUSHER 13-11-5-19
API NUMBER: 43-047-38462
LOCATION: SW/SW 1/41/4, SEC: 11 TWP: 5S RNG: 19E, 750 FSL 812 FWL

Geology/Ground Water:

Houston proposes to set 40 feet or 350 feet of conductor casing and 3,900 feet of surface casing with both being cemented to the surface. The base of the moderately saline water is estimated at 6,600 feet. A search of Division of Water Rights records shows over 20 water wells within a 10,000 foot radius of the proposed location. The closest well is approximately .5 miles from the proposed location. Most of the wells are over a mile to the west. This well is 29 feet in depth and its listed use is for oilfield drilling. Other wells range from very shallow up to 400 feet in depth. Water use is listed as domestic, irrigation and stock watering. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. Production casing cement should be brought up above the base of the moderately saline water. The proposed surface casing should adequately protect any near surface aquifers.

Reviewer: Brad Hill **Date:** 06/29/06 Mr. ?

Surface:

The pre-drill investigation of the surface was performed on August 24, 2006. This site is on private surface, with State minerals, and appears to be the best site for a location in the immediate area. Jim Davis and Ed Bonner with SITLA were invited to this investigation by email on August 15, 2006. Mr. Davis sent an email on August 22, 2006 stating SITLA would not be represented. Ms. Ginger Stringham, a Permit Agent for Houston Exploration, represented the operator. Marvin Huber, the Land Owner, was present. Mr. The proposed location is 1.9 miles south east of the community of Lapoint Utah. It is accessed by Utah State Highway 121 a distance of 1 mile then southeast 1.0 mile on a Uintah County Class D road. From this road approximately 100 feet of new road will be constructed. Spot betterment will be needed on short sections of the Uintah County road. Lands to the north and east are federal lands administered by the BLM. Concerns exist with the access road to the proposed location. Mr. Huber fenced his property a few years ago and to avoid three gates on the historic Uintah County road, he moved the road a short distance to the west where it would primarily be through his property with only a short section on the BLM. Permission to move the road was not obtained from the BLM or Uintah County. The County has no concerns with his moving the road but the BLM informed Ginger Stringham that this was willful trespass and Mr. Huber could be fined \$250,000 for this action. Although the moved road better serves all involved, the BLM will not issue a ROW for the moved location.

Reviewer: Floyd Bartlett **Date:** 8/25/2006

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.

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

OPERATOR: THE HOUSTON EXPLORATION COMPANY

WELL NAME & NUMBER: GUSHER 13-11-5-19

API NUMBER: 43-047-38462

LEASE: ML-47547 **FIELD/UNIT:** Undesignated

LOCATION: SW/SW 1/41/4, SEC: 11 TWP: 5S RNG: 19E, 750 FSL 812 FWL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): 604949 E 4471741 N **SURFACE OWNER:** Marvin Huber

PARTICIPANTS

Floyd Bartlett (DOG M), Ginger Stringham (Permit Agent for Houston Exploration), Gary Gerber (Stubbs & Stubbs Construction), Kolby Kay, (Timberline Land Surveying), Marvin Huber (Land Owner)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

The proposed location is 1.9 miles south east of the community of Lapoint Utah. It is accessed by Utah State Highway 121 a distance of 1 mile then southeast 1.0 mile on a Uintah County Class D road. From this road approximately 100 feet of new road will be constructed. Spot betterment will be needed on short sections of the Uintah County road. The location is on private land owned by Marvin Huber of Lapoint, Utah. Lands to the north and east are federal lands administered by the BLM.

The proposed Gusher 13-11-5-19 well lies on a gentle slope, which slopes to the west extending from the higher Lapoint bench about ¼ mile to the east. No drainages intersect the site. Immediately east of the planned location is an irrigation ditch which delivers water to the adjacent west irrigated fields and to the south to other irrigated farmlands. The ditch only transmits water for short periods during the irrigation season. No other water in springs or seeps occurs in the immediate area.

SURFACE USE PLAN

CURRENT SURFACE USE: The landowner grazes sheep and horses in the area and adjacent grass pasture.

PROPOSED SURFACE DISTURBANCE: Betterment of the existing Uintah County road and construction of approximately 100 feet of new road. Construction of well location 345'x 210' plus reserve pit and soil stockpile storage outside the described area.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: None but another well is planned about ¼ mile to the northwest.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling the well. The proposed pipeline will be laid overland in an easterly direction 31,780 feet to a tie-in point with a pipeline proposed for the 4-33-5-21 well. A short portion of this pipeline will be on fee land, about 1

mile on SITLA land and the remainder of the BLM.

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

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? EXPLAIN: Unlikely. The location is on private land. No dwellings exist or other uses occur in the immediate area.

WASTE MANAGEMENT PLAN:

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

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None. The irrigation ditch along the west side of the location should not be affected. The same landowner owns this ditch.

FLORA/FAUNA: Proposed location is on an area, which is primarily bare because of the sheep grazing. Scattered sagebrush, cheatgrass, broom snakeweed, Russian thistle and prickly pear occur. Dominant fauna is domestic sheep, horses and cattle with pronghorn, rodents, songbirds, , bobcat, coyote, and small mammals also occurring..

SOIL TYPE AND CHARACTERISTICS: Deep sandy loam with probably a gravelly subsurface.

EROSION/SEDIMENTATION/STABILITY: No stability problems are anticipated with the construction and operation of the location.

PALEONTOLOGICAL POTENTIAL: none observed.

RESERVE PIT

CHARACTERISTICS: 150' by 75' and 12' deep. The reserve pit is planned in an area of cut on the north east side of the location. No stabilization problems are expected.

LINER REQUIREMENTS (Site Ranking Form attached): Sensitivity Level I. A liner is required. The operator routinely installs a 16 mil liner to conserve water and such will be required for this well.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER LANDOWNER AGREEMENT.

SURFACE AGREEMENT: Houston has a signed agreement with Marvin Huber, the land owner.

CULTURAL RESOURCES/ARCHAEOLOGY: None required. Fee land.

OTHER OBSERVATIONS/COMMENTS

Concerns exist with the access road to the proposed location. Mr. Huber fenced his property a few years ago and to avoid three gates on the historic Uintah County road, he moved the road to the west where it would primarily be through his property with only a short section on the BLM. Permission to move the road was not obtained from the BLM or Uintah County. The County has no concerns with his moving the road but the BLM informed Ginger Stringham that this was willful trespass and Mr. Huber could be fined \$250,000 for this action. Although the moved road better serves all involved, the BLM will not issue a ROW for the moved location. Mr. Huber's Land Owner Agreement with Houston provides for using the road in its original location and installation of three cattle guards in approximately 3/8 mile distance. He would still like to avoid the three cattle guards but said since he had signed the agreement he would live with it if an agreement could not be obtained from the BLM.

ATTACHMENTS

Photos of site have been taken and placed on file.

Floyd Bartlett
DOGM REPRESENTATIVE

8/24/2006 08:15 AM
DATE/TIME

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

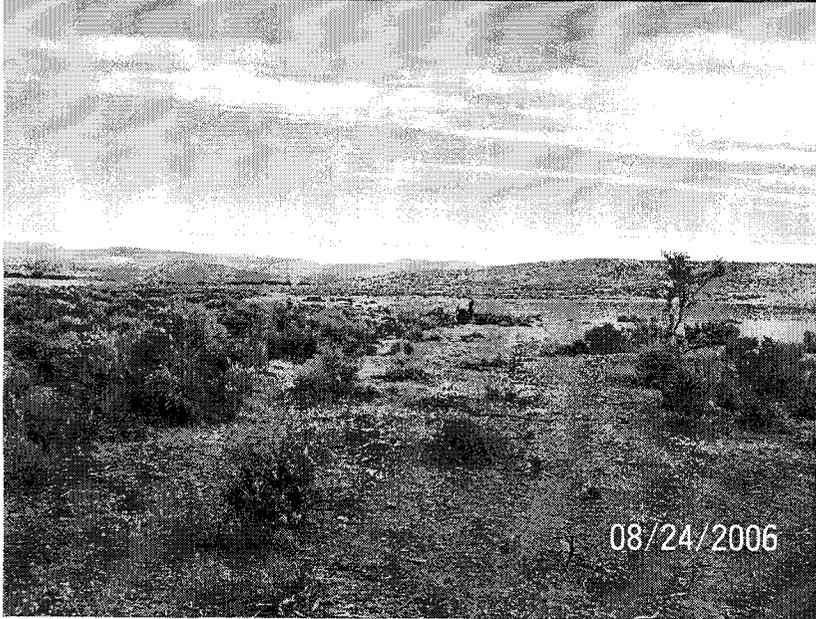
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	5
<25 or recharge area	20	
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>15</u>
Distance to Nearest Municipal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

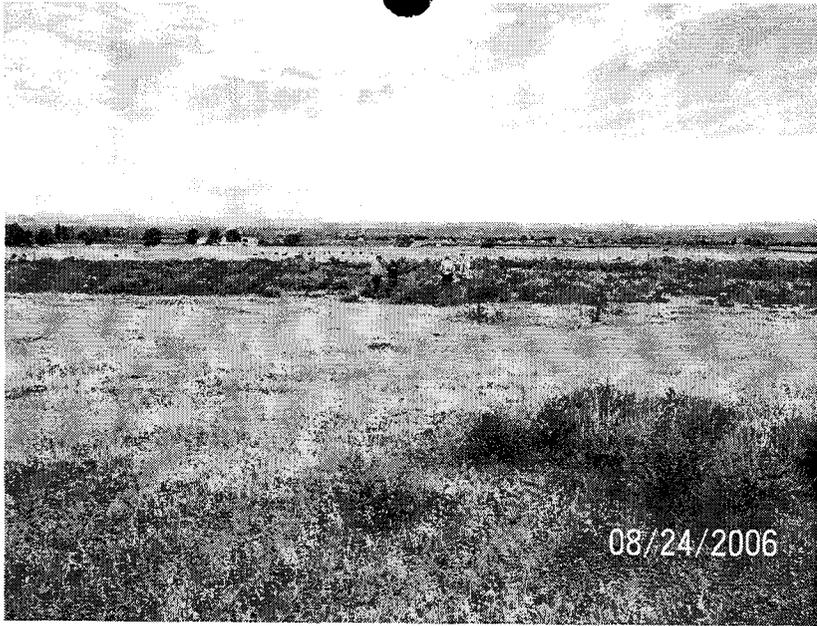
Final Score 35 (Level I Sensitivity)

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

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

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





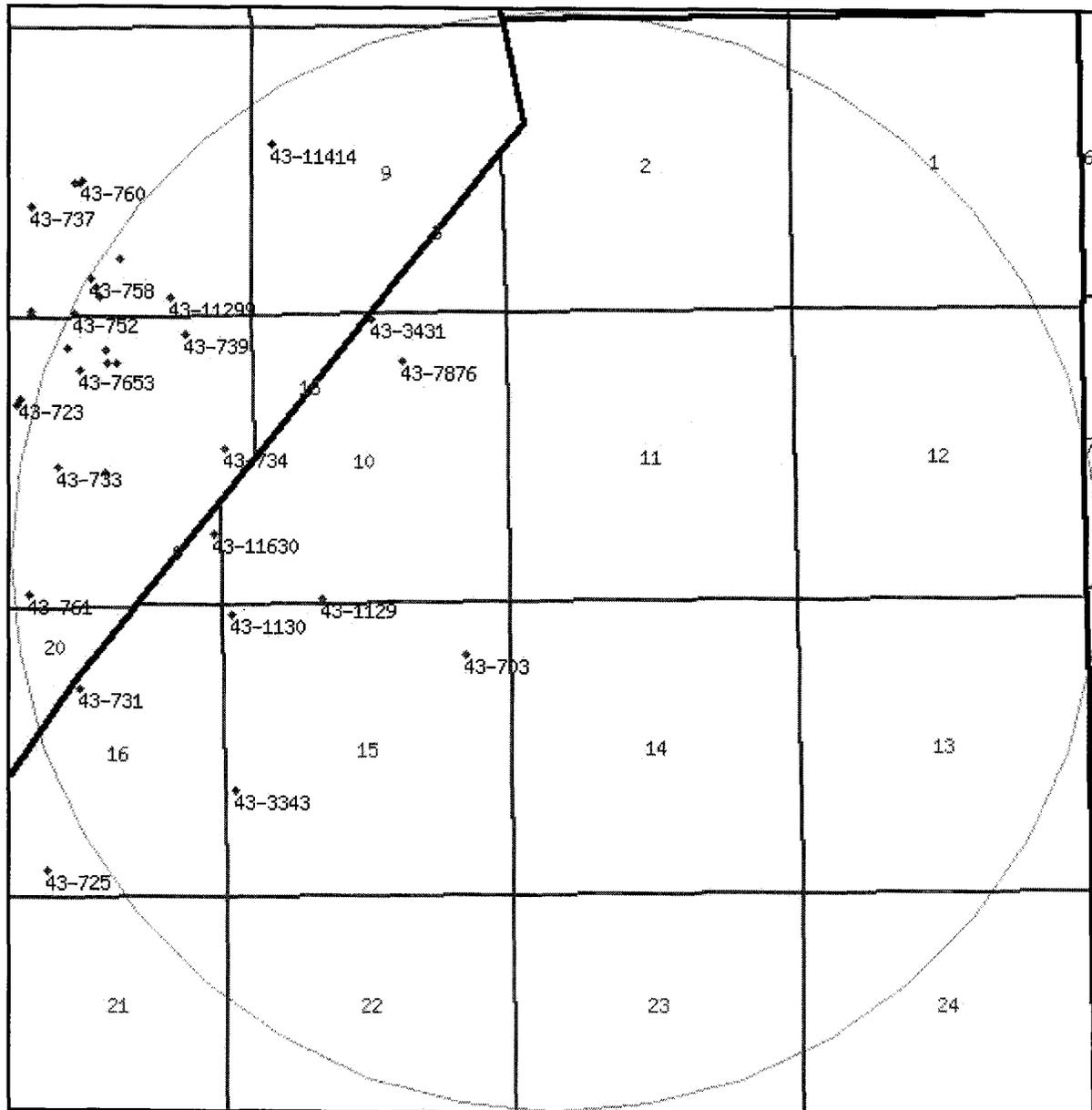
[utah gov](#)
[Online Services](#)
[Agency List](#)
[Business](#)
[Google](#)

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 08/29/2006 10:10 AM

Radius search of 10000 feet from a point N750 E812 from the SW corner, section 11, Township 5S, Range 19E, SL b&m Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



0 1300 2600 3900 5200 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner
<u>43-11</u>	Underground N200 E1220 SE 07 1S 2E US	<u>well info</u>	P	19630625	DIS	0.015	0.000	G. E. NYBERG LAPOINT UT 84039
<u>43-11111</u>	Underground S100 E2050 W4 08 1S 2E US		A	20010116	DIS	0.000	3.730	LARRY J. & DEBR 13165 LA SIERRA
<u>43-1129</u>	Underground N100 W800 S4 10 5S 19E SL		P	19460612	DS	0.015	0.000	LORIS WOOLEY LAPOINT UT 84039
<u>43-11299</u>	Underground N350 W1525 SE 08 1S 2E US	<u>well info</u>	A	20020912	DIS	0.000	1.480	MACLAIN LUCK RR 3 BOX 3570
<u>43-1130</u>	Underground S170 E175 NW 15 5S 19E SL		P	19451029	DOS	0.010	0.000	LEROY HUBER LAPOINT UT 84039
<u>43-11414</u>	Underground N525 E355 W4 09 1S 2E US		A	20030319	DI	0.000	1.200	KENT & KATHRYN P.O. BOX 173
<u>43-11423</u>	Underground S1520 E950 NW 17 1S 2E US	<u>well info</u>	A	20030422	DIS	0.000	1.480	SHIRLEY OWENS P. O. BOX 232
<u>43-11630</u>	Underground N1275 W175 SE 09 5S 19E SL	<u>well info</u>	A	20050426	DIS	0.000	1.480	RICHARD Z. MECI P.O. BOX 1595
<u>43-1433</u>	Underground N125 E1205 SW 08 1S 2E US		P	19270000	DIS	0.015	0.000	ORVILLE H. & CR LAPOINT UT
<u>43-2526</u>	Underground S550 W70 N4 17 1S 2E US		P	19610725	DIS	0.015	0.000	CHARLES R. TYLC LAPOINT UT 3354
<u>43-3</u>	Underground N570 W220 S4 08 1S 2E US	<u>well info</u>	P	19620808	DIS	0.015	0.000	J. FLOYD PERRY LAPOINT UT 84039
<u>43-3343</u>	Underground N1933 E131 SW 15 5S		P	19461106	D	0.015	0.000	FRANK E. HUBER LAPOINT UT 84039

<u>43-3431</u>	19E SL Underground S115 E34 NW 10 5S 19E SL	P	19510403 D	0.015 0.000	DEAN HUBER LAPOINT UT 84039
<u>43-703</u>	Underground S955 W830 NE 15 5S 19E SL	<u>well</u> <u>info</u> P	19450824 DS	0.015 0.000	ELMER HUBER C/O MARVIN HUB
<u>43-723</u>	Underground N1240 E945 W4 17 1S 2E US	P	19450928 DIS	0.020 0.000	ROBERT B. STEEL LAPOINT UT 84039
<u>43-724</u>	Underground S800 W30 N4 17 1S 2E US	P	19451105 DIS	0.010 0.000	HARVEY TAYLOR LAPOINT UT 84039
<u>43-725</u>	Underground S1452 E709 W4 16 5S 19E SL	P	19451201 DIS	0.002 0.000	ARCHIE MCCONK LAPOINT UT 84039
<u>43-731</u>	Underground N3800 W80 S4 16 5S 19E SL	P	19520507 IS	0.015 0.000	KENNETH HARTL LAPOINT UT 84039
<u>43-732</u>	Underground S90 E2520 W4 17 1S 2E US	P	19520509 DIS	0.015 0.000	TRAVERS NIELSO LAPOINT UT 84039
<u>43-733</u>	Underground N2600 E100 S4 17 1S 2E US	P	19520524 DIS	0.015 0.000	EARL WARBURTC LAPOINT UT 84039
<u>43-734</u>	Underground S2400 W500 NE 17 1S 2E US	P	19520528 S	0.015 0.000	CHARLES R. TAYI LAPOINT UT 84039
<u>43-737</u>	Underground S550 E1245 W4 08 1S 2E US	P	19520902 DIS	0.015 0.000	JOHN ARDEN HAC LAPOINT UT 84039
<u>43-738</u>	Underground S805 E140 N4 17 1S 2E US	P	19540115 S	0.015 0.000	CHARLES TAYLO LAPOINT UT 84039
<u>43-739</u>	Underground S250 E1400 N4 17 1S 2E US	P	19540115 S	0.015 0.000	HARVEY TAYLOR LAPOINT UT 84039
<u>43-740</u>	Underground S520 W770 N4 17 1S 2E US	P	19550613 DIS	0.015 0.000	DELLA BURTON LAPOINT UT 84039
<u>43-752</u>	Underground N110 W620 S4 08 1S 2E US	P	19590908 DI	0.015 0.000	ADRIAN R. KUMP LAPOINT UT 84039

<u>43-753</u>	Underground S550 W60 N4 17 1S 2E US		P	19591002 S	0.015 0.000	CHARLES R. TAYLOR LAPOINT UT 84039
<u>43-756</u>	Underground N410 W165 S4 08 1S 2E US	well info	P	19600418 DIS	0.015 0.000	GEORGE F. BIGELOW LAPOINT UT 84039
<u>43-757</u>	Underground N1120 E200 S4 08 1S 2E US	well info	P	19621025 DS	0.100 0.000	GOLDEN WINN LAPOINT UT 84039
<u>43-758</u>	Underground N730 W330 S4 08 1S 2E US	well info	P	19610124 DIS	0.015 0.000	VERA C. BIGELOW LAPOINT UT 84039
<u>43-759</u>	Underground S115 E2125 W4 08 1S 2E US	well info	P	19340813 DS	0.330 0.000	ROBERT SATHER C/O CRAIG AND D MITCHELL
<u>43-760</u>	Underground N2504 W498 S4 08 1S 2E US	well info	P	19340628 DS	0.030 0.000	LAPOINT WATER ASSOCIATION LAPOINT UT 84039
<u>43-761</u>	Underground N260 W420 S4 17 1S 2E US		P	19310700 S	0.077 0.000	ROYAL AND PARI C/O TRAVERS N. / NIELSON - WUC
<u>43-7653</u>	Underground S930 W520 N4 17 1S 2E US	well info	P	19741210 IS	0.015 0.000	PERRY, LELAND & LAPOINT UT 84039
<u>43-7876</u>	Underground S920 W1920 NE 10 5S 19E SL	well info	P	19760527 DIS	0.015 0.000	NELS EARL CARL POST OFFICE BOX

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

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

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or August 31, 2006
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: The Houston Exploration Company proposes to drill the Gusher 13-11-5-19 well (wildcat) on a Fee lease ML-47547, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 750' FSL 812' FWL, SW/4 SW/4, Section 11, Township 5 South, Range 19 East, Uintah County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Governments	
10. For further information, contact: Diana Whitney Phone: (801) 538-5312	11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: August 17, 2006

From: Ed Bonner
To: Mason, Diana
Date: 11/21/2006 10:14 AM
Subject: Well Clearance

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

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

Cabot Oil & Gas Corporation

Gusher 13-36-5-19 (API 43 047 38538)
Gusher 14-36-5-19 (API 43 047 38539)

Dominion E&P, Inc

AP 11-2J (API 43 047 38786)
AP 13-2J (API 43 047 38787)
Kings Canyon 6-32E (API 43 047 38781)
Kings Canyon 15-32E (API 43 047 38782)

EOG Resources, Inc

Chapita Wells Unit 554-2F (API 43 047 36935)
Chapita Wells Unit 1218-2 (API 43 047 38320)

The Houston Exploration Company

Gusher 13-11-5-19 (API 43 047 38462)
Squaw Ridge 14-16-7-25 (API 43 047 38461)

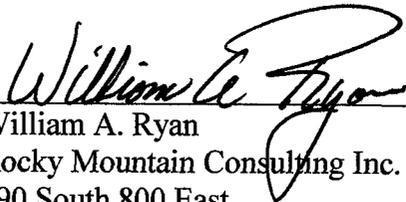
QEP Uinta Basin Inc

GB 4SG-36-8-21 (API 43 047 38764)

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

AFFIDAVIT OF SURFACE OWNER USE AGREEMENT

The Houston Exploration Company has in place, agreements with the surface owners of the following lands: Gusher 13-11-5-19 SW ¼ of the SW ¼ of Section 11, Township 5 South, and Range 19 East The Houston Exploration Company is the operator and makes this certification that the agreements provide for management of the Fee surface lands under development.



William A. Ryan
Rocky Mountain Consulting Inc.
290 South 800 East
Vernal, UT 84078
(435)789-0968

RECEIVED

JAN 11 2007

DIV. OF OIL, GAS & MINING



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

January 16, 2007

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

Re: Gusher 13-11-5-19 Well, 750' FSL, 812' FWL, SW SW, Sec. 11, T. 5 South,
R. 19 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 43-047-38462.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor (via e-mail)
SITLA

Operator: Houston Exploration Company
Well Name & Number Gusher 13-11-5-19
API Number: 43-047-38462
Lease: ML-47547

Location: SW SW Sec. 11 T. 5 South R. 19 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

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

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
7. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.
8. Cement volumes for the 20" and 13 3/8" casing strings shall be determined from actual hole diameters in order to place cement from the pipe setting depths back to the surface.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

Change of Operator (Well Sold)

X - Operator Merger

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

6/1/2007

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

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

FORM 9

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

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

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

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

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

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

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

J.C. Ridens

 J. C. Ridens, Senior Vice President - Western Region

7-5-07

 Date

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

(This space for State use only)

APPROVED 8127107
Earlene Russell
 (5/2000) **Earlene Russell, Engineering Technician**

All wells with APD or New status

(See Instructions on Reverse Side)

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

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

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

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

Request to Transfer Application or Permit to Drill

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

Well name:	Gusher 13-11-5-19
API number:	4304738462
Location:	Qtr-Qtr: SWSW Section: 11 Township: 5S Range: 19E
Company that filed original application:	The Houston Exploration Company
Date original permit was issued:	01/16/2007
Company that permit was issued to:	The Houston Exploration Company

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

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

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

Name (please print) Tami Hofmann Title Regulatory Specialist
 Signature *Tami Hofmann* Date 08/06/2007
 Representing (company name) Forest Oil Corporation

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



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 15, 2008

The Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002-6800

Re: APD Rescinded – Gusher 13-11-5-19, Sec. 11, T. 5S, R. 19E
Uintah County, Utah API No. 43-047-38462

Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 16, 2007. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective February 15, 2008.

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

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

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

