Form 3160-3
(September 2001)

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU-30289

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

7. If Unit or CA Agreement, Name and No.
N/A

8. Lease Name and Well No.
Federal 3-21-6-21

1a. Type of Work: [x] DRILL [ ] REENTER

1b. Type of Well: [ ] Oil Well [x] Gas Well [ ] Other [x] Single Zone [ ] Multiple Zone

2. Name of Operator
Newfield Production Company

9. API Well No.
43 047-38478

3a. Address
Route #3 Box 3630, Myton UT 84052

3b. Phone No. *(include area code)*
(435) 646-3721

10. Field and Pool, or Exploratory
~~Horseshoe Bend~~ undesignated

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface NE/NW 608' FNL 1547' FWL 622021X 40.299175
At proposed prod. zone 4460720Y -109.564484

11. Sec., T., R., M., or Blk. and Survey or Area
NE/NW Sec. 21, T6S R21E

14. Distance in miles and direction from nearest town or post office*
Approximatley 17.5 miles southwest of Vernal, Utah

12. County or Parish
Uintah

13. State
UT

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) Approx. 608' f/lse, NA f/unit

16. No. of Acres in lease
517.81

17. Spacing Unit dedicated to this well
40 Acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx. 3,543'

19. Proposed Depth
3,970'

20. BLM/BIA Bond No. on file
UTB000192

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
4839' GL

22. Approximate date work will start*
4th Quarter 2006

23. Estimated duration
Approximately seven (7) days from spud to rig release.

24. Attachments

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

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

25. Signature: Mandie Crozier
Name *(Printed/Typed)*: Mandie Crozier
Date: 8/11/06

Title: Regulatory Specialist

Approved by *(Signature)*: Bradley G. Hill
Name *(Printed/Typed)*: BRADLEY G. HILL
Date: 08-17-06

Title: ENVIRONMENTAL MANAGER
Office:

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

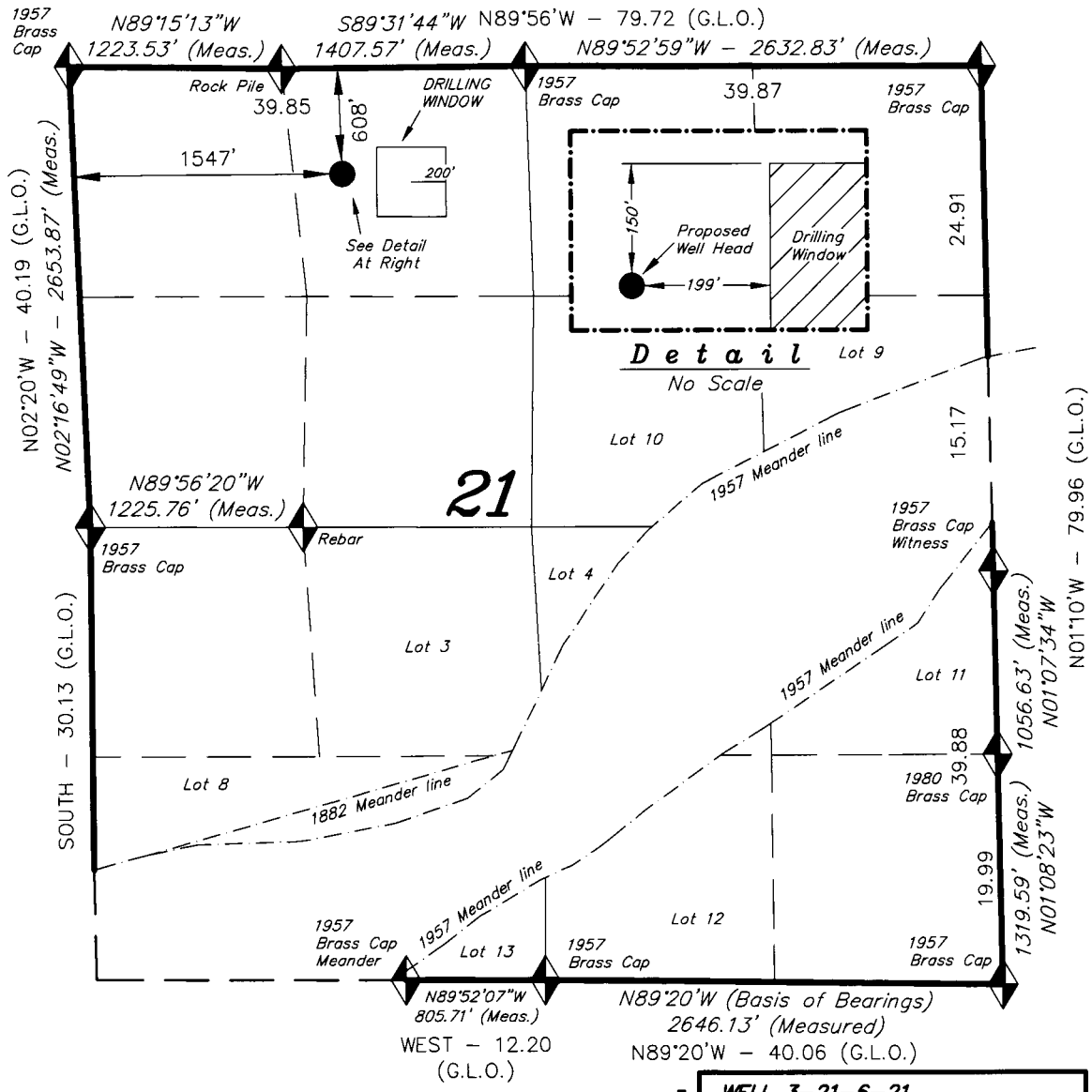
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**(Instructions on reverse)*

Federal Approval of this Action is Necessary

RECEIVED
AUG 15 2006
DIV. OF OIL, GAS & MINING

T6S, R21E, S.L.B.&M.



= SECTION CORNERS LOCATED

BASIS OF ELEV;
U.S.G.S. 7–1/2 min QUAD (VERNAL SE)

WELL 3–21–6–21
(Surface Location) NAD 83
LATITUDE = 40° 17' 23.75"
LONGITUDE = 109° 33' 54.72"

NEWFIELD PRODUCTION COMPANY

WELL LOCATION, WELL 3–21–6–21, LOCATED AS SHOWN IN THE NE 1/4 NW 1/4 OF SECTION 21, T6S, R21E, S.L.B.&M. UINTAH COUNTY, UTAH.

Note:
1. Some lots were not labeled due to the illegibility of the G.L.O. plat.

N

WELL LOCATION:
WELL 3–21–6–21
ELEV. UNGRADED GROUND = 4839.4'

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

REGISTERED LAND SURVEYOR No.189377 STATE OF UTAH

STACY W. STEWART
REGISTERED LAND SURVEYOR
REGISTRATION No. 189377
STATE OF UTAH

TRI STATE LAND SURVEYING & CONSULTING
180 NORTH VERNAL AVE. – VERNAL, UTAH 84078
(435) 781–2501

DATE SURVEYED: 06–11–06	SURVEYED BY: C.M.
DATE DRAWN: 06–14–06	DRAWN BY: F.T.M.
REVISED:	SCALE: 1" = 1000'

NEWFIELD

August 11, 2006

State of Utah
Division of Oil, Gas & Mining
Attn: Diana Whitney
1594 West North Temple - Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Applications for Permit
Federal 3-21-6-21
Federal 12-21-6-21
Federal 10-34-6-21

Dear Diana:

Enclosed find APD's on the above referenced wells. The proposed locations are also Exception Locations. Our Land Department will send you the required Exception Location Letters. If you have any questions, feel free to give either Shon Mckinnon or myself a call.

Sincerely,

Mandie Crozier
Regulatory Specialist

mc
enclosures

RECEIVED
AUG 15 2006
DIV. OF OIL, GAS & MINING

Newfield Exploration Company Route 3 Box 3630 Myton, UT 84052 (435) 646-3721 Fax (435) 646-3031

NEWFIELD PRODUCTION COMPANY
FEDERAL #3-21-6-21
NE/NW SECTION 21, T6S, R21E
UINTAH COUNTY, UTAH

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. GEOLOGIC SURFACE FORMATION:

Uinta formation of Upper Eocene Age

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Uinta	0' – 3,970'
Green River	3,970' +

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

Uinta Formation (Gas) 3,475' – 3,970'

Fresh water may be encountered in the Uinta Formation, but would not be expected below about 350'. All water shows and water bearing geologic units shall be reported to the geologic and engineering staff of the Vernal Office prior to running the next string of casing or before plugging orders are requested. All water shows must be reported within one (1) business day after being encountered.

All usable (<10,000 PPM TDS) water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth and adequately protected. This information shall be reported to the Vernal Office.

Detected water flows shall be sampled, analyzed, and reported to the geologic & engineering staff of the Vernal Office. The office may request additional water samples for further analysis. Usage of the State of Utah form *Report of Water Encountered* is acceptable, but not required.

The following information is requested for water shows and samples where applicable:

Location & Sampled Interval	Date Sampled
Flow Rate	Temperature
Hardness	pH
Water Classification (State of Utah)	Dissolved Calcium (Ca) (mg/l)
Dissolved Iron (Fe) (ug/l)	Dissolved Sodium (Na) (mg/l)
Dissolved Magnesium (Mg) (mg/l)	Dissolved Carbonate (CO_3) (mg/l)
Dissolved Bicarbonate ($NaHCO_3$) (mg/l)	Dissolved Chloride (Cl) (mg/l)
Dissolved Sulfate (SO_4) (mg/l)	Dissolved Total Solids (TDS) (mg/l)

4. *PROPOSED CASING PROGRAM*

a. Casing Design: Federal 3-21-6-21

SIZE	INTERVAL					DESIGN FACTORS		
	TOP	BTM.	WT.	GR.	CPLG	BURST	COLLAPSE	TENSION
*SurfaceCasing 8-5/8"	0	350	24	K-55	**Csg Ratings:** STC	**2950** 15.02	**1370** 12.3	**263000** 4.5
**Production Casing 5-1/2" Prod mode	0	3970	15.5	J55	**Csg Ratings:** LTC	**4810** 3.48	**4040** 2.88	**217000** 1.95
Stim mode						2.65	2.88	1.95

Assumptions:

1) Surf. Csg max anticipated surface pressure (MASP) = Fracture Gradient - Gas Gradient (0.115pis/ft*TVDshoe)
2) Surface Casing Collapse = Fully evacuated casing = Pore Pressure - Gas Gradient (0.115pis/ft*TVDshoe)
3) Surface Casing Tension = Air weight of casing + 50,000# overpull
4) Production Casing MASP (production mode) = Pore Pressure - Gas Gradient * TVDshoe)
4a) Prod csg MASP (stim mode) = Frac Gradient*TVDshoe+Perf Friction+Pipe Friction - Hydr. Pressure
5) Production Casing Collapse = Fully evacuated casing = Pore Pressure - Gas Gradient (0.115pis/ft*TVDshoe)
6) Production Casing Tension = Air weight of casing + 50,000# overpull

*Fracture Gradient at surface casing shoe =	13.00	Ppg
*Pore pressure at surface casing shoe =	8.33	Ppg
**Pore pressure at production casing shoe =	9.00	Ppg
**Fracture gradient at production casing shoe =	0.80	psi/ft
**Perforation Friction =	100.00	Psig
**Pipe Friction =	65.00	psi/1000ft
**Fracture treatment displacement fluid =	8.33	Ppg

All casing shall be new or, if used, inspected and tested. Used casing shall meet or exceed API standards for new casing.

All casing strings shall have a minimum of 1 (one) centralizer on each of the bottom three (3) joints.

b. Cementing Design: Federal 3-21-6-21

FT. OF FILL		DESCRIPTION	SACKS/FT^3	EXCESS*	WEIGHT	YIELD
Surface csg	350	Class G w/ 2% BWOC CaCl + 1/4#/sx celloflake.	161 / 188	30%	15.8	1.17
Prod. Csg.	3970	*50/50 poz G w/ 2% gel, 3% KCL, 0.5% EC1, ¼#/sx cello-flake or equivalent cement.	832 / 1032	50%	14.4	1.24

*Actual volume pumped will be 15% over caliper log

1) Compressive Strength of lcmt: 2500 psi @ 24 hrs

Waiting On Cement: A minimum of four (4) hours shall elapse prior to attempting any pressure testing of the BOP equipment which would subject the surface casing cement to pressure, and a minimum of six (6) hours shall elapse before drilling out of the wiper plug, cement, or shoe is begun. WOC time shall be recorded in the Driller's Log. Compressive Strength shall be a minimum of 500 psi prior to drilling out.

The Vernal BLM Office shall be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

The 8-5/8" surface casing shall in all cases be cemented back to surface. In the event that during the primary surface cementing operation the cement does not circulate to surface, or if the cement level should fall back more than 8 feet from surface, then a remedial surface cementing operation shall be performed to insure adequate isolation and stabilization of the surface casing.

The production casing cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals.

As a minimum, usable water zones shall be isolated and/or protected by having a cement top for the production casing at least 200 feet above the base of the usable water. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc., shall be utilized to help isolate the cement from contamination by the mud being displaced ahead of the cement slurry.

All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or to 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action shall be taken.

A Form 3160-5, "Sundry Notices and Reports on Wells" shall be filed with the Vernal Office Manager within 30 days after the work is completed. This report must include the following information:

> Setting of each string of casing showing the size, grade, weight of casing set, depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of the cementing tools used, casing test method and results, and the date of the work done. Spud date will be shown on the first reports submitted.

5. *MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:*

The Company's Class III (3) 3M minimum specifications for pressure control equipment for a standard Uinta development well are as follows:

A 3000 psi WP hydraulic BOP stack consisting of two ram preventers (double or two singles) and an annular preventer per **Exhibit C**.

Connections - All components on the stack and choke and kill lines shall have either flanged, studded, clamp hub or equivalent proprietary connections except control line outlets and pressure gauges.

Annular Preventer - The annular shall be rated to a minimum 3000 psi WP, if one set of pipe rams is installed, and shall be installed at the top of the stack. If a 3 ram preventer and 2 preventers equipped with pipe rams are used, a 3000 psi WP is acceptable. A valve rated to full annular WP shall be mounted on the closing side using XX heavy fittings.

Rams and Position - The lower cavity shall contain pipe rams (master ram) to fit the upper section of the drill pipe in use. Casing rams are not required. The upper cavity shall contain blind rams for a 3 ram stack. A means shall be available to mechanically lock the rams closed.

BOP Side Outlets - The choke and kill lines outlets shall be a minimum 2 inches nominal and can be either in the BOP body between the rams or in a spool placed between the rams. Two gate valves rated to full BOP WP shall be installed on both outlets. The outside choke line valve shall be hydraulically operated.

Choke and Kill Lines - The lines shall be a minimum 2 inches nominal, made of seamless steel, seamless steel with Chiksan™ joints, or armored fire resistant hose rated to required BOP WP. The choke line shall be as straight as possible, and securely anchored. All turns shall be 90 degrees and "targeted." When hoses are used, they shall have a rated test pressure of at least 1.5 times the required BOP WP.

Secondary Kill Outlet - One outlet located below the lower rams either on the BOP stack or on the wellhead shall be fitted with two valves, a needle valve with adapter and pressure gauge, all rated to wellhead WP or greater. This outlet is not to be used in normal operations.

Closing Methods - At least three means of operating all the preventers shall be provided, consisting of any combination of the following:

a. An air and/or electrically operated hydraulic pump(s) capable of closing one ram preventer in 30 seconds.

b. An accumulator capable of closing all preventers and opening the hydraulic choke line valve, without requiring a recharge.

c. Manual method with closing handles and/or wheels to be located in an unobstructed area, away from the wellhead, or additional equipment per item "a" and item "b" to provide full redundancy to method.

d. Bottled nitrogen or other back-up storage system to equal accumulator capacity, manifolded to by-pass the accumulator and close the BOP directly.

Hydraulic Closing Unit - The closing unit shall be equipped with:

a. A control manifold with a control valve for each preventer and hydraulically operated valve; a regulator for the annular preventer; and interconnected steel piping. Each blowout preventer control valve should be turned to open position during drilling operations.

b. Control lines to BOPs of seamless steel, seamless steel lines with Chiksan joints, or fire resistant steel armored hose.

c. A remote control panel from which each preventer and hydraulic valve can be operated. If the remote panel becomes inoperable, it shall not interfere with the operation of the main closing unit.

Location - For land locations, the hydraulic closing unit shall be located in an unobstructed area outside the substructure at least 50 feet from the wellhead and the remote panel shall be located near the driller's position. For offshore installations, the location of the closing unit and remote panel shall be such that one is located near the driller position and the other is located away from the well area and is accessible from a logical evacuation route.

Choke Manifold - The minimum equipment requirements are shown in **Exhibit C**. The choke manifold shall be located at least 5 feet from the BOP stack, outside the substructure.

Connections - All components of the manifold shall be equipped with flanged, studded, clamped hub or equivalent proprietary connections (gauge connections exempted).

Flow Wings - Three flow wings shall be provided, capable of transmitting well returns through conduits that are a minimum 2 inches nominal. Two wings shall be equipped with chokes and one gate valve upstream of each choke; one gate valve ahead of the discharge manifold; and one valve downstream of each choke; at least one choke shall be adjustable. A gate valve shall be installed directly upstream of the cross if single valves are installed upstream of the chokes. One wing with one gate valve capable of transmitting well returns directly to the discharge manifold. The chokes, the valve(s) controlling the unchoked discharge wing, and all equipment upstream of these items shall be rated to required BOP WP.

Discharge Manifold - A discharge manifold (buffer tank), capable of diverting well returns overboard or to the blowdown/reserve pit; to the mud gas separator; and to the shaker tank is required. Lead-filled bull plugs (or equivalent erosion resistant components) shall be installed in the discharge manifold directly opposite the choked wings.

Pressure Monitoring - A means of monitoring the inlet pressure of the choke manifold shall be provided. The capability to isolate this outlet shall be provided.

Drillstring Control Devices - An upper and lower kelly valve, drillstring safety valve including correct closing handle, and an inside BOP shall be provided. The safety valve and inside BOP shall have connections or crossovers to fit all tubulars with OD to allow adequate clearance for running in the hole. All drillstring valves shall be rated to the required BOP WP.

Auxiliary Equipment - A kelly saver sub with casing protector larger than tool joints at top of drillstring (for kelly equipped rigs); a wear bushing or wear flange to protect the seal area of the wellhead while drilling; and a plug or cup type BOP test tool shall be provided.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 3M system, and individual components shall be operable as designed.

Function test of the BOP equipment shall be made daily. All required BOP tests and/or drills shall be recorded in the Driller's report.

Chart recorders will be used for all pressure tests. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to BLM representatives upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2 regarding air or gas shall be adhered to. If a mist system is being utilized, the requirement for a deduster shall be waived.

6. *TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:*

From surface to ± 3000 feet will be drilled with fresh water or an air/mist system, depending on the drilling contractor's preference. From approximately 3200 feet, or in the case of the air/mist system when hole conditions dictate, to TD, a fresh water system will be utilized. Clay inhibition and hole stability will be achieved with KCL or DAP polymer additive. This fresh water system

will typically contain Total Dissolved Solids (TDS) of less than 3000 PPM. Anticipated maximum mud weight is 9.3 lbs/gal based on the offset 4-14 Government well (API 43047301550000). If necessary to control formation fluids or pressure, the system will be weighted with the addition of bentonite gel, and if pressure conditions warrant, with barite.

No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh aquifers.

No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of this well.

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

7. *AUXILIARY SAFETY EQUIPMENT TO BE USED:*

None uless dictated by unanticipated well conditions.

8. *TESTING, LOGGING AND CORING PROGRAMS:*

a. Logging Program:
(the log types run may change at the discretion of the geologist)

FDC/CNL/GR/DIL/SONIC: TD - 2,500'

CBL: A cement bond log will be run from the surface casing shoe to surface and from TD to the cement top of the production casing. A field copy will be submitted to the Vernal BLM Office.

b. Cores: As deemed necessary.

c. Drill Stem Tests: No DSTs are planned in the Uinta/Green River section. It is possible that DST's may be required in the Uinta Formation.

Drill stem tests, if they are run, will adhere to the following requirements: Initial opening of the drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the Authorized Officer (AO). However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released but tripping shall not begin before daylight, unless prior approval is obtained from the AO. Closed chamber DSTs may be performed day or night.

Some means of reverse circulation shall be provided in case of flow to the surface showing evidence of hydrocarbons.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

If a DST is performed, all engines within 100 feet of the wellbore that are required to be operational during the test shall have spark arresters or water-cooled exhausts.

9. *ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:*

Possible abnormal temperatures and/or pressures are not anticipated in Uitna or Green River. No hydrogen sulfide has been encountered or is known to exist from previous drilling in the area at this depth. Maximum anticipated bottomhole pressure will be approximately equal total depth in feet multiplied by a 0.45 psi/foot gradient.

10. *ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:*

a. Drilling Activity

Anticipated Commencement Date:	Upon approval of the site specific APD.
Drilling Days:	Approximately 4 days.
Completion Days:	Approximately 4 days.

b. Notification of Operations

The Vernal BLM office will be notified at least 24 hours **prior** to the commencement of spudding the well (to be followed with a Sundry Notice, Form 3160-5), of initiating pressure tests of the blowout preventer and related equipment, and running casing and cementing of all casing strings. Notification will be made during regular work hours (7:45 a.m.-4:30 p.m., Monday - Friday except holidays).

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the appropriate regulations, Onshore Orders, or BLM policy.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in suspended status without prior approval from the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given to the BLM before resumption of operations.

Daily drilling and completion reports shall be submitted to the Vernal BLM Office on a weekly basis.

Whether the well is completed as a dry hole or a producer, the "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. One copy of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer (AO).

A completion rig will be used for completion operations after the wells are stimulated to run the production tubing.. All conditions of this approved plan will be applicable during all operations conducted with the completion rig.

Operator shall report production data to the MMS pursuant to 30 CFR 216.5 using form MMS/3160. In accordance with Onshore Oil and Gas Order No. 1, a well will be reported

on form 3160-6, "Monthly Report of Operations," starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM Office.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever occurs first; and for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is measured through permanent metering facilities, whichever occurs first.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by written communication not later than 5 days following the date when the well is placed on production.

Pursuant to Onshore Order No. 7, with the approval of the AO, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During this period, an application for approval of the permanent disposal method must be submitted to the AO.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not to exceed 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the AO and approval received for any venting/flaring of gas beyond the initial 30 days or authorized test period.

A schematic facilities diagram, as required by 43 CFR 3162.7-5(b.9.d), shall be submitted to the Vernal BLM Office within 60 days of installation or first production, whichever occurs first. All site security regulations, as specified in Onshore Oil & Gas Order No. 3, shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5(b.4).

Well abandonment operations shall not be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment", Form 3160-5, will be filed with the Authorized Officer within 30 days following completion of the well for abandonment. This report will indicate placement of the plugs and current status of the surface restoration. Final Abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO, or the appropriate surface managing agency.

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with the State and local laws, to the extent to which they are applicable, to operations on Federal or Indian lands.

NEWFIELD PRODUCTION COMPANY
FEDERAL #3-21-6-21
NE/NW SECTION 21, T6S, R21E
UINTAH COUNTY, UTAH

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. EXISTING ROADS

See attached Topographic Map "A"

To reach Newfield Production Company well location site Federal #3-21-6-21 located in the NE 1/4 NW 1/4 Section 21, T6S, R21E, Uintah County, Utah:

Proceed southwesterly out of Vernal, Utah along Highway 40 – 10.2 miles ± to the junction of this highway and an existing road to the southeast; proceed southeasterly – 5.5 miles ± to it's junction with an existing road to the northeast; proceed northeasterly – 1.8 miles ± to it's junction with the beginning of the proposed access road; proceed along the proposed access road – 1,980' ± to the proposed well location.

2. PLANNED ACCESS ROAD

See Topographic Map "B" for the location of the proposed access road.

3. LOCATION OF EXISTING WELLS

Refer to Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

The following guidelines will apply if the well is productive:

- A dike will be constructed completely around those production facilities that contain fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted subsoil, be impervious, hold 110% of the capacity of the largest tank, and be independent of the back cut. If a Spill Prevention, Control, and Countermeasure (SPCC) Plan is required by the Environmental Protection Agency, the containment dike may be expanded with approval from the AO to meet SPCC requirements. (The use of topsoil for the construction of dikes will not be allowed).

- All permanent (on site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors which are described by the five state Rocky Mountain Inter-Agency Committee. All facilities will be painted within six months of installation. The required color for this facility as determined by the AO will be Carlsbad Canyon.

A description of the proposed pipelines are included. See to Topographic Map "C". Pipeline segments will be welded together on disturbed areas in or near the location (whenever possible), and dragged into place.

5. *LOCATION AND TYPE OF WATER SUPPLY*

Water for drilling and completion purposes will be obtained from one of the following sources. Refer to Exhibit "E" for a copy of the Water Use Authorization.

Owner: Target Trucking
2960 North 500 East
Vernal, Utah 84078
(435) 789-6850

Owner: AC/DC Fence and Roustabout Company
PO Box 1493
Roosevelt, Utah 84066
(435) 722-7673

Fresh water may also be purchased by Newfield Production from the Johnson Water District and trucked to the proposed location for the purpose of drilling.

6. *SOURCE OF CONSTRUCTION MATERIALS*

Surface and subsoil materials in the immediate area will be utilized. Any gravel will be obtained from the Company's privately owned source. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

7. *METHODS FOR HANDLING WASTE DISPOSAL*

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

The reserve pit will be constructed on the location and will not be located within natural drainage ways, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

Annular disposal of the drilling fluids may be requested as a disposal option. An application for an individual annular disposal permit will be made prior to disposing of any fluids in this manner.

Reserve pit leaks are considered an undesirable event and will be orally reported to the AO.

After first production, produced wastewater will be confined to the approved pit or storage tank, or removed and disposed of at an approved facility, for a period not to exceed 90 days. During the 90-day period, in accordance with Onshore Order # 7, an application for approval of a permanent disposal method and location will be submitted for the Authorized Officer's approval.

The indiscriminate dumping of produced fluids on roads, well sites, or other areas will not be allowed.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash will not be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of wells within the Horseshoe Bend Field. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of wells within the Horseshoe Bend Field. Specific APDs shall address any modifications from this policy.

Attachment 1 contains the EPA List of Nonexempt Exploration and Production Wastes.

8. ANCILLARY FACILITIES

Surface gas lines:

- No installation of surface gas lines will be performed during periods when the soil is too wet to adequately support installation equipment. If such equipment creates ruts in excess of three (3) inches deep, the soil will be deemed too wet to adequately support the equipment.

- Where possible, surface gas lines shall be placed as close to existing oil field roads as possible without interfering with normal road travel or road maintenance activities. For lines that are installed cross-country (not along access roads), travel along the lines will be infrequent and for maintenance needs only. If surface disturbance occurs along the lines, the operator will reclaim the land to the satisfaction of the AO of the appropriate surface management agency.

All surface lines will be either black or brown in color.

9. WELL SITE LAYOUT

See attached Location Layout Diagram.

10. PLANS FOR RESTORATION OF SURFACE

a. Producing Location:

Topsoil will be stripped from the location and places where it can most easily be recovered for inerim reclamation. The topsoil shall be respread over the entire location to a depth of at least four to six inches as soon as completion operations have been finished and recontouring of fill slopes is complete. At this point the production equipment can be set. Topsoil will be stockpiled separately from subsoil materials. Topsoil salvaged from the reserve pit will be stockpiled separately near the reserve pit. The areas of the location of the location not needed for production operation, including the reserve pits, shall be seeded.

Topsoil that will be stored more than one year before reclamation begins:

- will be windrowed, where possible, to a maximum depth of three (3) to four (4) feet near the margin of the well site:

- will be broadcast seeded with the seed mixture specified in the approved permit immediately after windrowing;

- will be "walked" with tracked heavy equipment to crimp the seeds into the soil.

Immediately upon well completion, the location and surrounding area will be cleared of trash and debris and all unused tubing and materials not required for production.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

If a synthetic, nylon-reinforced liner is used, the excess liner will be cut off and removed and the remaining liner will be torn and perforated while backfilling the reserve pit. Alternatively, the pit will be pumped dry, the liner folded into the pit, and the pit backfilled. The liner will be buried to a minimum of four (4) feet deep. The AO will provide a seed mixture to revegetate the reserve pit and other unused disturbed areas at the time of the onsite.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to approximate the natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion, weather permitting. This will be completed by the backfilling and crowning of the pit to prevent water from standing. Topsoil will be respread, and the pit area reseeded immediately following the respreading of the topsoil.

The following seed mixture will be used on the topsoil stockpile, to the recontoured surface of the reserve pit, and for final reclamation: (All poundages are in pure live seed)

Western Wheatgrass	*Pascopyrum Smithii*	6 lbs/acre
Galletta Grass	*Hilaria Jamesii*	6 lbs/acre

b. Dry Hole/Abandoned Location:

At the time of final abandonment, the intent of reclamation will be to return disturbed areas to near natural conditions in accordance with applicable federal and state laws, rules and regulations and agreements with private surface landowners. All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access roads to be performed within six (6) months, weather permitting, after final abandonment. The surface of disturbed areas will be recontoured to blend all cuts, fills, road berms, and borrow ditches to be natural in appearance as compared to the surrounding terrain. Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions may include the reestablishment of irrigation systems, the reestablishment of appropriate soil conditions, and the reestablishment of vegetation as specified.

After recontouring of disturbed areas, any stockpiled topsoil will be spread over the surface, and the area reseeded immediately. The location and access roads will be revegetated to the satisfaction of the AO of the appropriate surface management agency and in accordance with any applicable agreements with private surface landowners. The seed mixture will be that provided at the time of the onsite or, the AO will be contacted at the time of reclamation for the appropriate seed mixture. Seed will be drilled on the contour to an appropriate depth. Reseeding operations will be performed immediately after completion of reclamation operations.

Dry mulch may be considered as one method to enhance the re-establishment of desired native plant communities. If straw or hay mulch is used, the straw or hay must be certified "weed-free" and the certification documentation submitted to the AO prior to its application.

At final abandonment, the casing will be cut off at the base of the cellar or 3 feet below the final restored ground level, whichever is deeper. The Operator will cap the casing with a metal plate a minimum of 0.25 inches thick. The cap will be welded in place and the well location and identity will be permanently inscribed on the cap. The cap will be constructed with a weep hole.

11. ***SURFACE OWNERSHIP*** - Bureau Of Land Management (Proposed location and access roads leading to).

12. ***OTHER ADDITIONAL INFORMATION***

The Archaeological Resource Survey for this location will be forthcoming . The Paleontological Resource Survey for this location is attached. Paleontological Resource Survey prepared by, Wade E. Miller, 7/24/06. See attached report cover pages, Exhibit "D".

For the Federal #3-21-6-21 Newfield Production Company requests 1,980' of disturbed area be granted in Lease UTU-30289 to allow for construction of the proposed access road. **Refer to Topographic Map "B".** The proposed access road will be an 18' crown road (9' either side of the centerline) with drainage ditches along either side of the proposed road whether it is deemed necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum grade will be less than 8%. **There will be a culvert required along the main county road leading onto the secondary access road.** There will be barrow ditches and turnouts as needed along this road. There are no fences encountered along this proposed road. There will be no new gates or cattle guards required. All construction material for this access road will be borrowed material accumulated during construction of the access road.

Newfield Production Company requests 1,980' of disturbed area be granted in Lease UTU-30289 to allow for construction of the proposed gas lines. It is proposed that the disturbed area will be 50' wide to allow for construction of a 3" gas gathering line and a 2" poly fuel gas line. Both lines will tie in to the existing pipeline infrastructure . The proposed pipeline will follow existing developed roads or existing two track roads. In the areas that two tracks are followed, crews will set up on existing well pads for welding and a dozer will drag pipe across. There will be no surface disturbance and there will not be any road upgrades. **Refer to Topographic Map "C."**

Newfield Production Company requests 1,980' of disturbed area be granted in Lease UTU-30289 to allow for construction of the proposed water lines. It is proposed that the disturbed area will be 50' wide to allow for construction of a buried 3" steel water injection line and a buried 3" poly water return line. **Refer to Topographic Map "C."** For a ROW plan of development, please refer to the Monument Butte Field SOP.

Water Disposal
Immediately upon first production, all produced water will be confined to a steel storage tank. If the production water meets quality guidelines, it will be transported to a water disposal well in the Horseshoe Bend Area by company or contract trucks.

Water not meeting quality criteria, will be disposed of at State of Utah approved surface disposal facility.

Threatened, Endangered, And Other Sensitive Species
None for the proposed Federal 3-21-6-21.

Reserve Pit Liner
The reserve pit will be lined with a synthetic reinforced liner a minimum of 12-mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. Trash or scrap that could puncture the liner will not be disposed of in the pit.

Details of the On-Site Inspection
The proposed Federal #3-21-6-21 was on-sited on 6/15/06. The following were present; Shon McKinnon (Newfield Production), Chris Carusona (Bureau of Land Management), and Brandon McDonald (Bureau of Land Management). Conditions were clear and ground cover was 100 percent open.

13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Representative

Name:	Shon McKinnon
Address:	Route #3 Box 3630
	Myton, UT 84052
Telephone:	(435) 646-3721

Certification

Please be advised that NEWFIELD PRODUCTION COMPANY is considered to be the operator of well #3-21-6-21 NE/NW Section 21, Township 6S, Range 21E: Lease UTU-30289 Uintah County, Utah: and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by US Specialty Insurance #B001832.

I hereby certify that the proposed drillsite and access route have been inspected, and I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Newfield Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

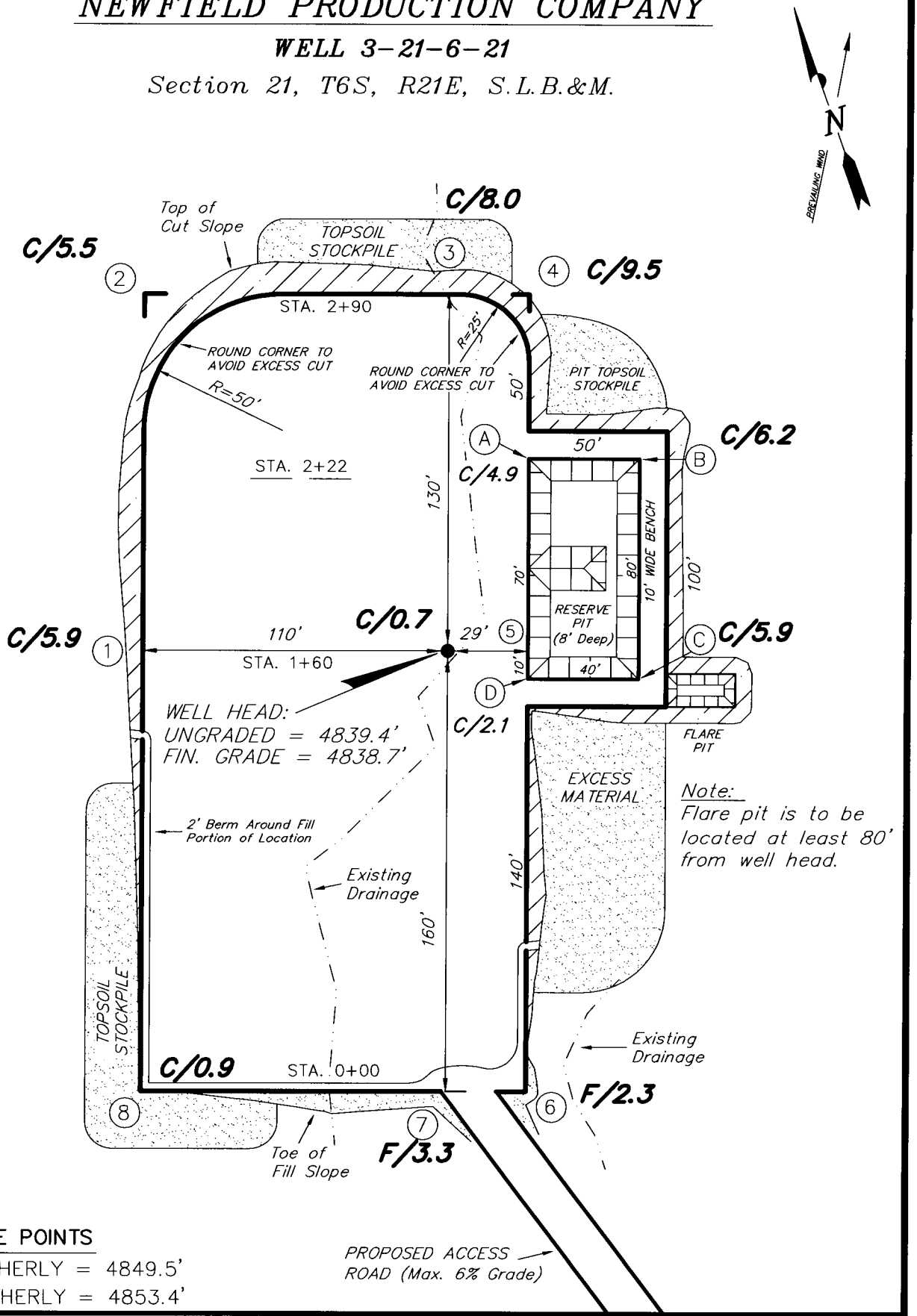
8/11/06
Date

Mandie Crozier
Regulatory Specialist

NEWFIELD PRODUCTION COMPANY

WELL 3-21-6-21

Section 21, T6S, R21E, S.L.B.&M.



Note:
Flare pit is to be located at least 80' from well head.

REFERENCE POINTS
180' NORTHERLY = 4849.5'
230' NORTHERLY = 4853.4'

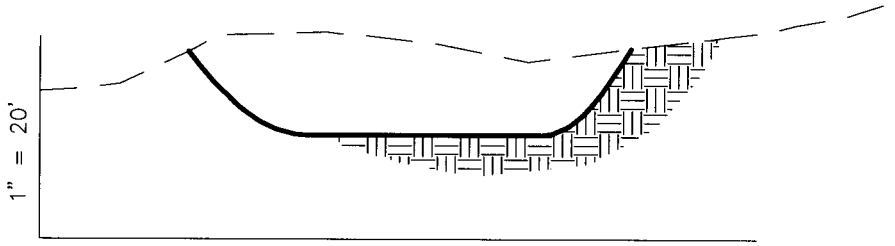
SURVEYED BY: C.M.		SCALE:	1" = 50'
DRAWN BY: F.T.M.		DATE:	06-13-06

Tri State Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078
(435) 781-2501

NEWFIELD PRODUCTION COMPANY

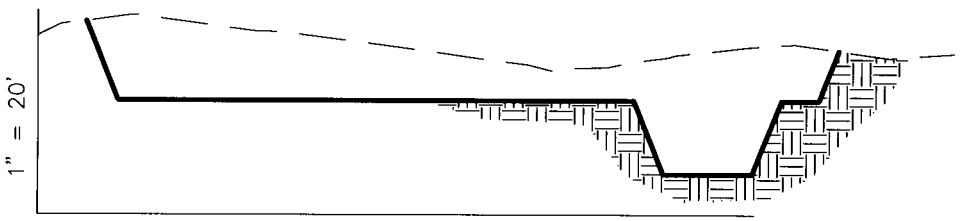
CROSS SECTIONS

WELL 3-21-6-21



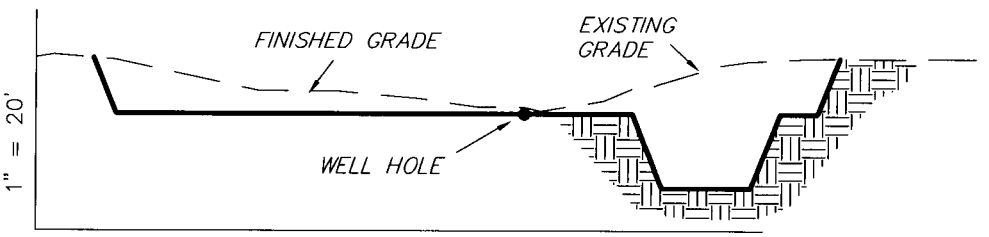
1" = 50'

STA. 2+90



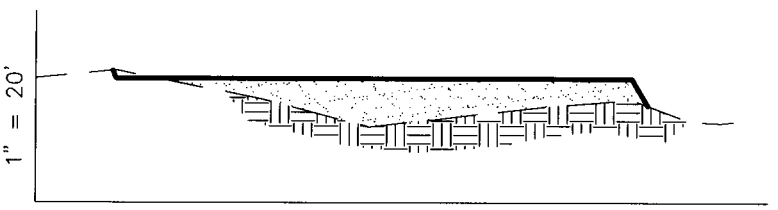
1" = 50'

STA. 2+22



1" = 50'

STA. 1+60



1" = 50'

STA. 0+00

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

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

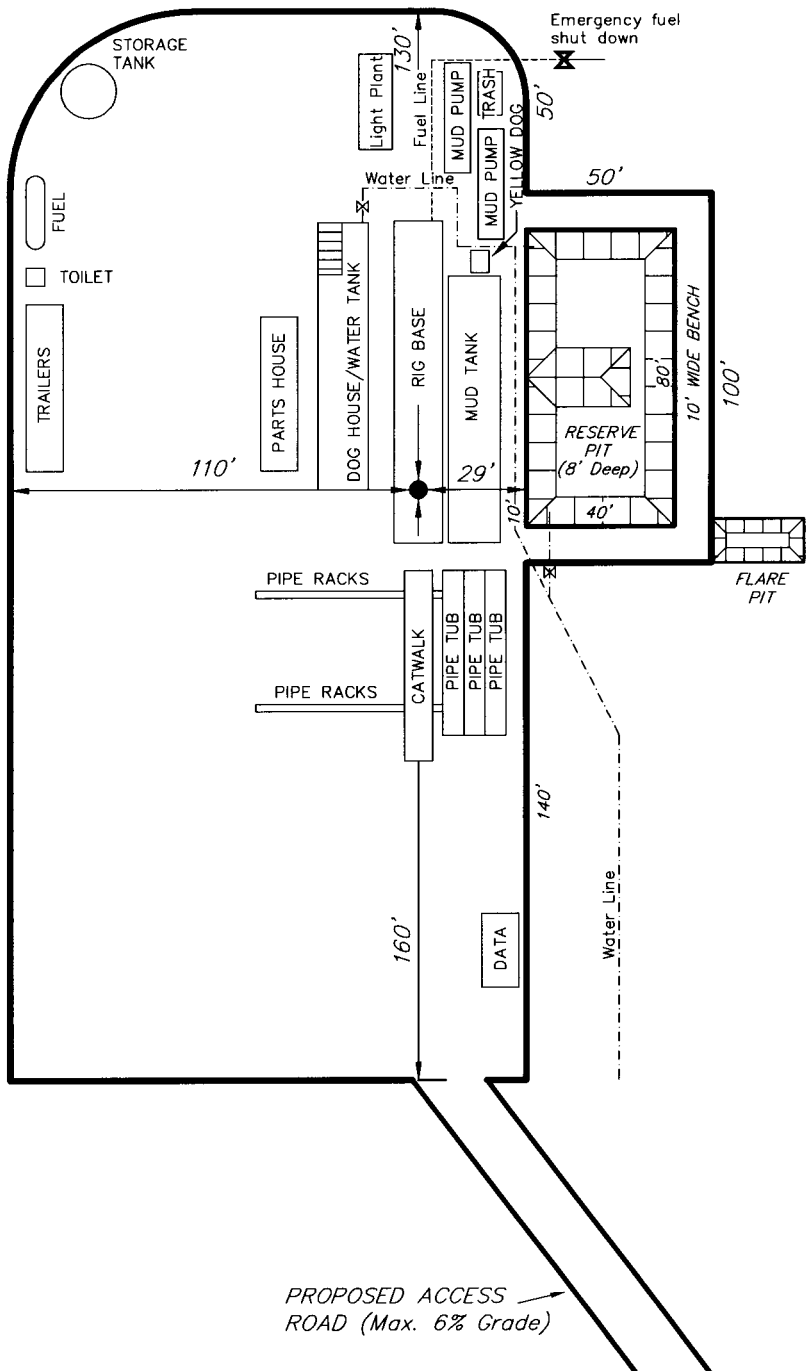
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	5,470	1,030	Topsoil is not included in Pad Cut	4,440
PIT	640	0		640
TOTALS	6,110	1,030	940	5,080

SURVEYED BY: C.M.	SCALE: 1" = 50'	Tri State Land Surveying, Inc.	(435) 781-2501
DRAWN BY: F.T.M.	DATE: 06-13-06	180 NORTH VERNAL AVE. VERNAL, UTAH 84078	

NEWFIELD PRODUCTION COMPANY

TYPICAL RIG LAYOUT

WELL 3-21-6-21



SURVEYED BY:	C.M.	SCALE:	1" = 50'	Tri State Land Surveying, Inc. (435) 781-2501
DRAWN BY:	F.T.M.	DATE:	06-13-06	180 NORTH VERNAL AVE. VERNAL, UTAH 84078

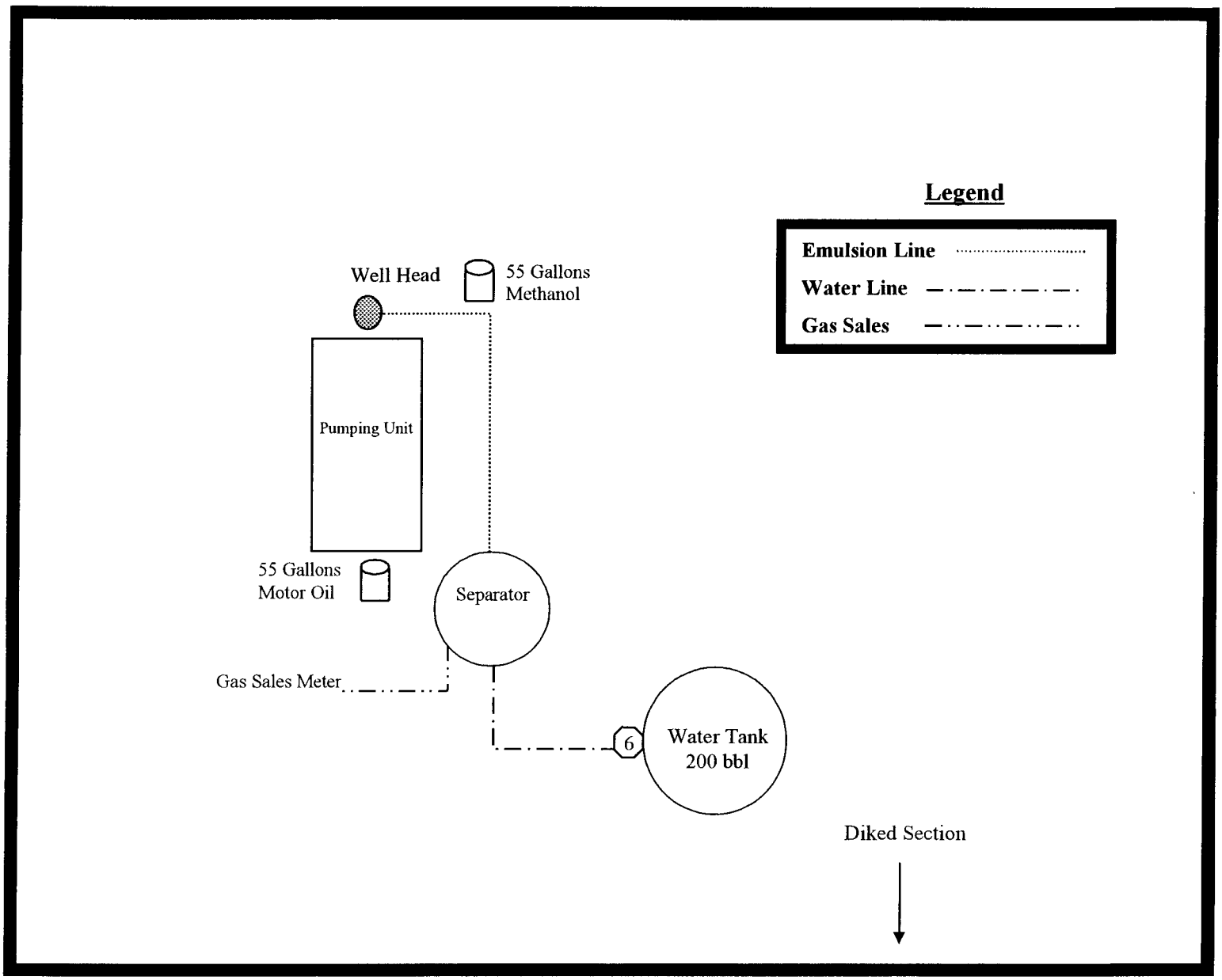
Newfield Production Company
Proposed Site Facility Diagram

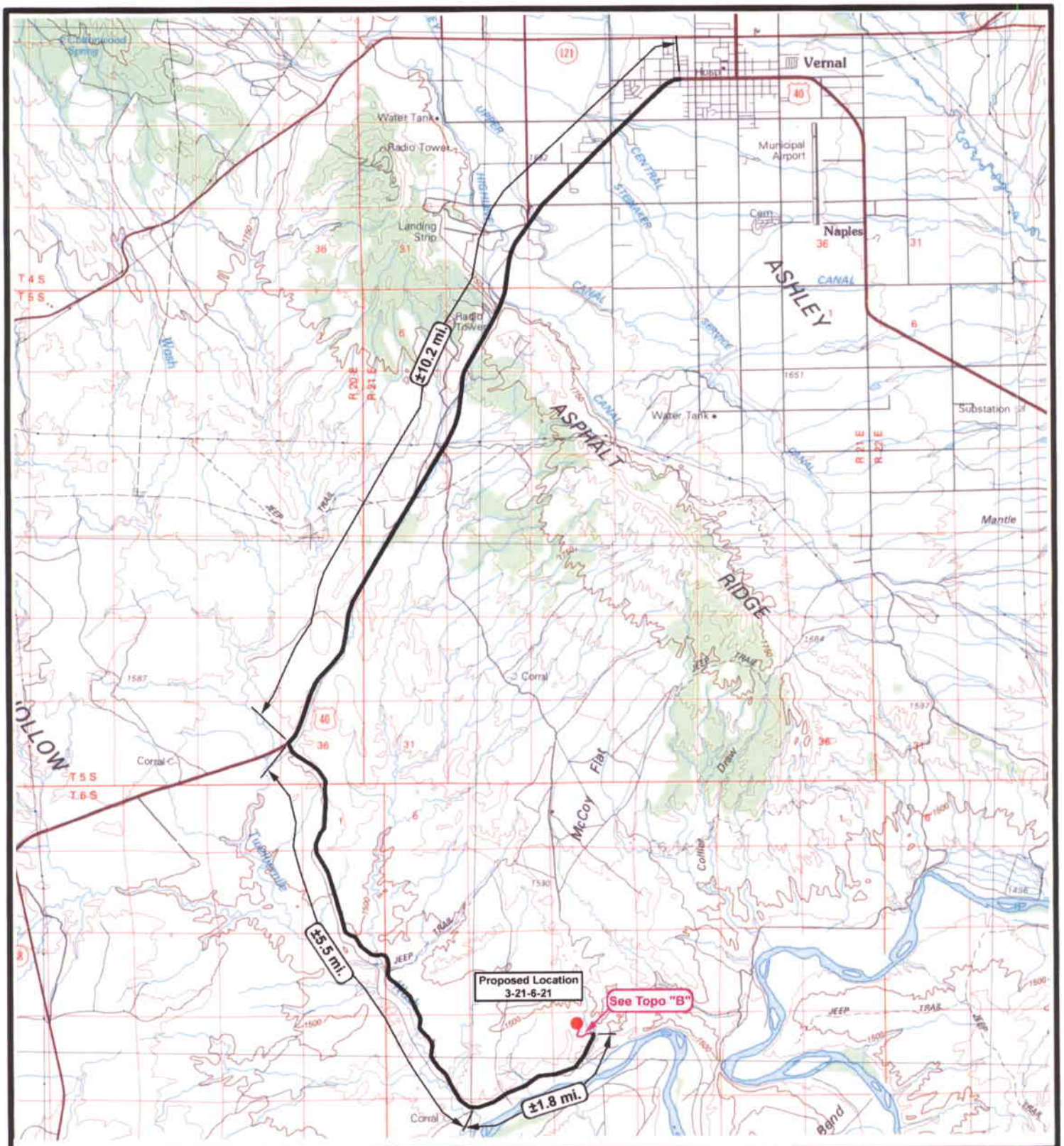
Federal 3-21-6-21

NE/NW Sec. 21, T6S, 21E

Uintah County, Utah

UTU-30289





NEWFIELD
Exploration Company

3-21-6-21
SEC. 21, T6S, R21E, S.L.B.&M.

N

Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE:	1 = 100,000
DRAWN BY:	mw
DATE:	06-14-2006

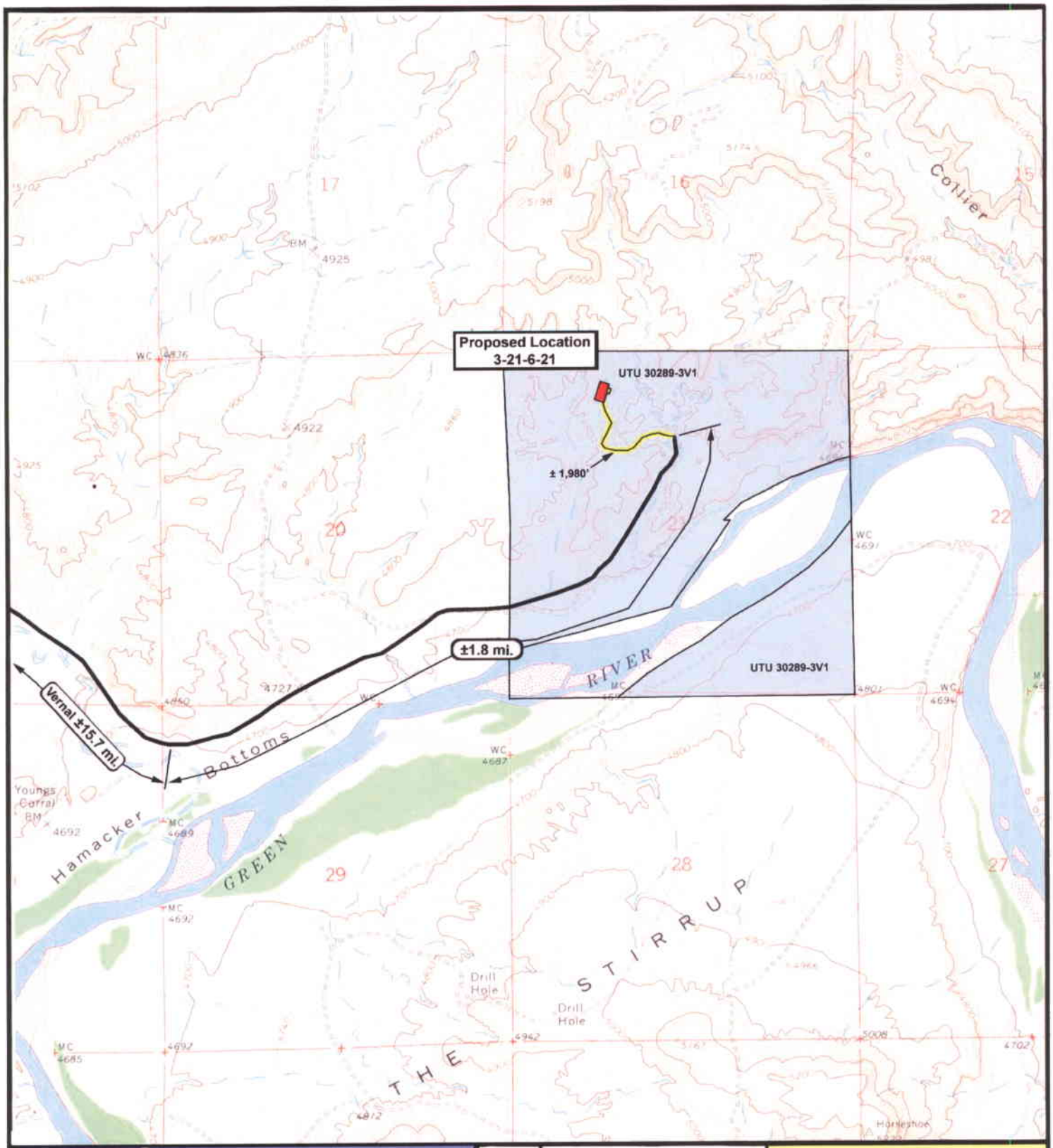
Legend

Existing Road

Proposed Access

TOPOGRAPHIC MAP

"A"



NEWFIELD
Exploration Company

3-21-6-21
SEC. 21, T6S, R21E, S.L.B.&M.

N

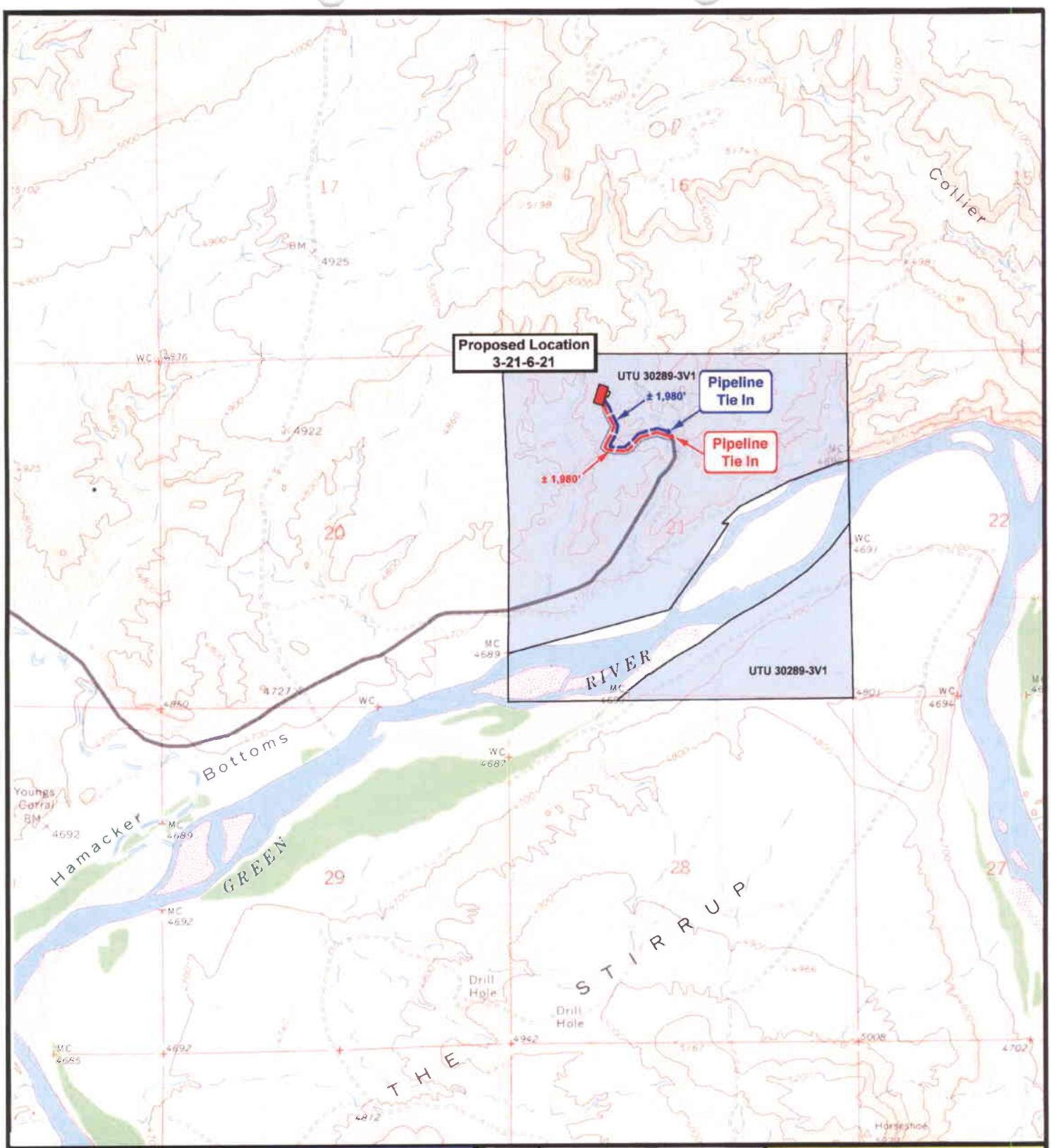
Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 06-14-2006

Legend

Existing Road
Proposed Access

TOPOGRAPHIC MAP
"B"



NEWFIELD
Exploration Company

3-21-6-21
SEC. 21, T6S, R21E, S.L.B.&M.

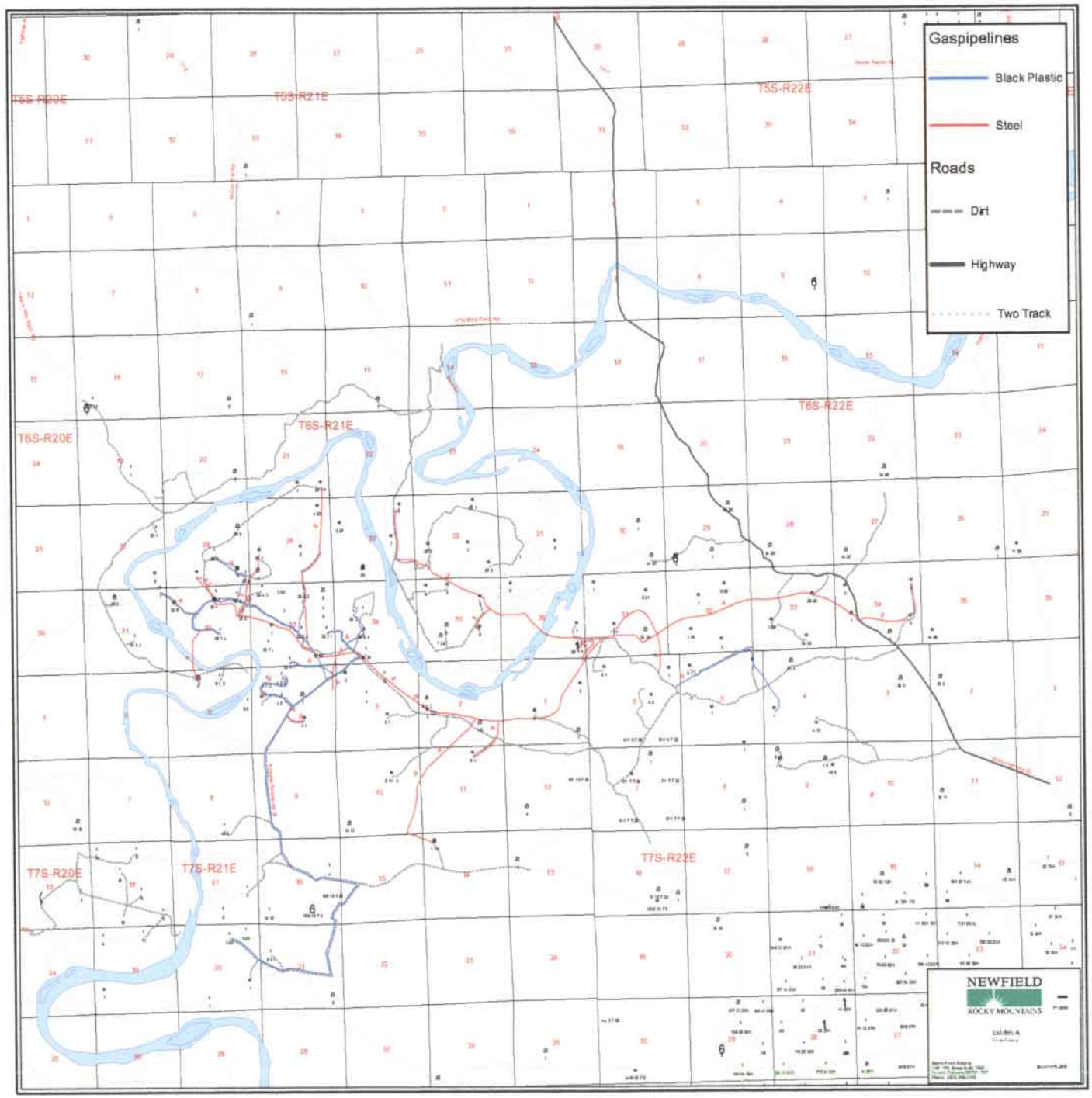
N

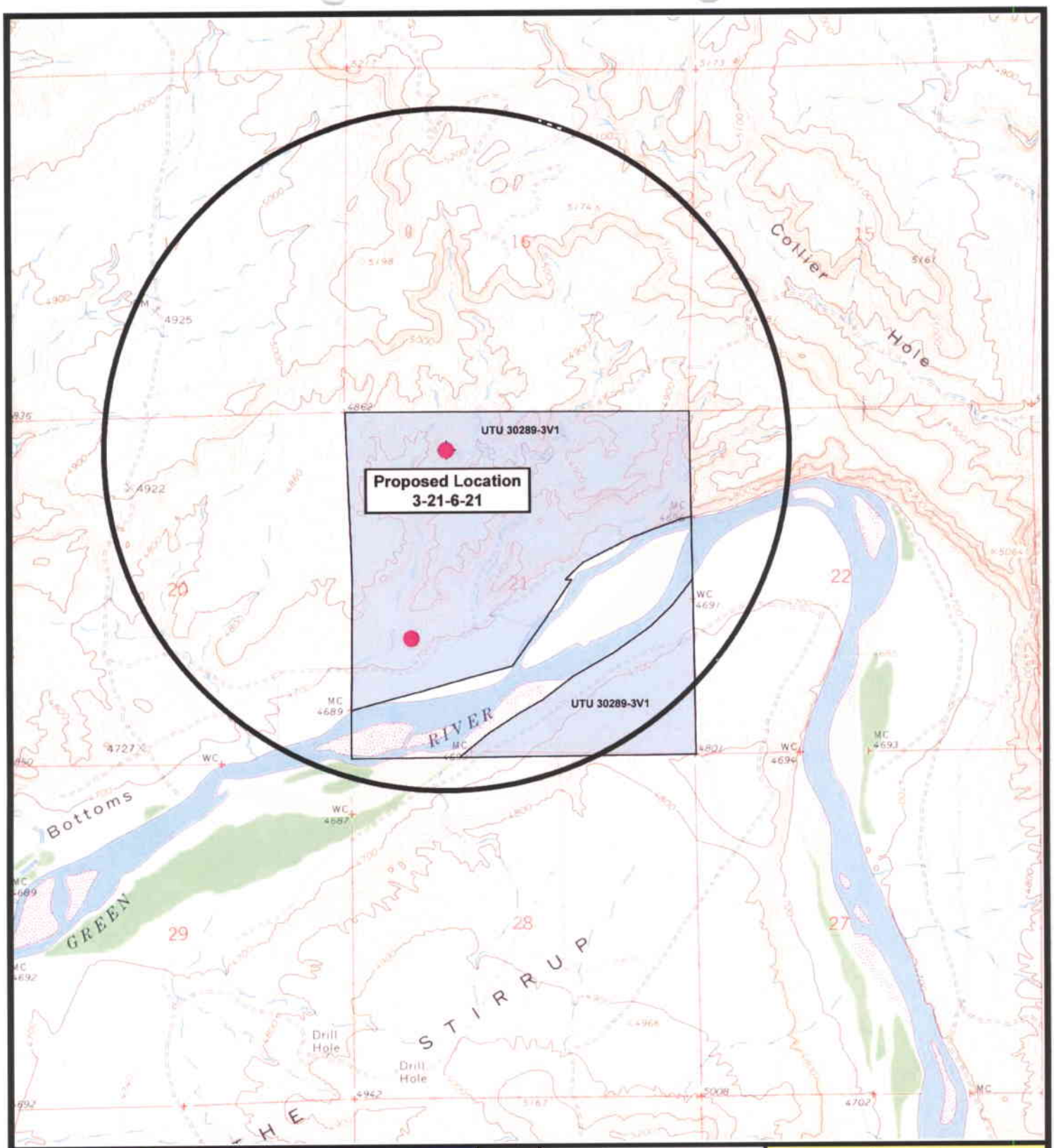
Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 06-14-2006

Legend
- Roads
- Proposed Gas Line
- Proposed Water Line

TOPOGRAPHIC MAP
"C"


Gaspipelines
Black Plastic
Steel
Roads
Dirt
Highway
Two Track
T5S-R20E
T5S-R21E
T5S-R22E
T6S-R20E
T6S-R21E
T6S-R22E
T7S-R20E
T7S-R21E
T7S-R22E
NEWFIELD
ROCKY MOUNTAINS



NEWFIELD
Exploration Company

3-21-6-21
SEC. 21, T6S, R21E, S.L.B.&M.

N

Tri-State
Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 06-14-2006

Legend
- Location
- One-Mile Radius

Exhibit "B"

3-M SYSTEM
Blowout Prevention Equipment Systems

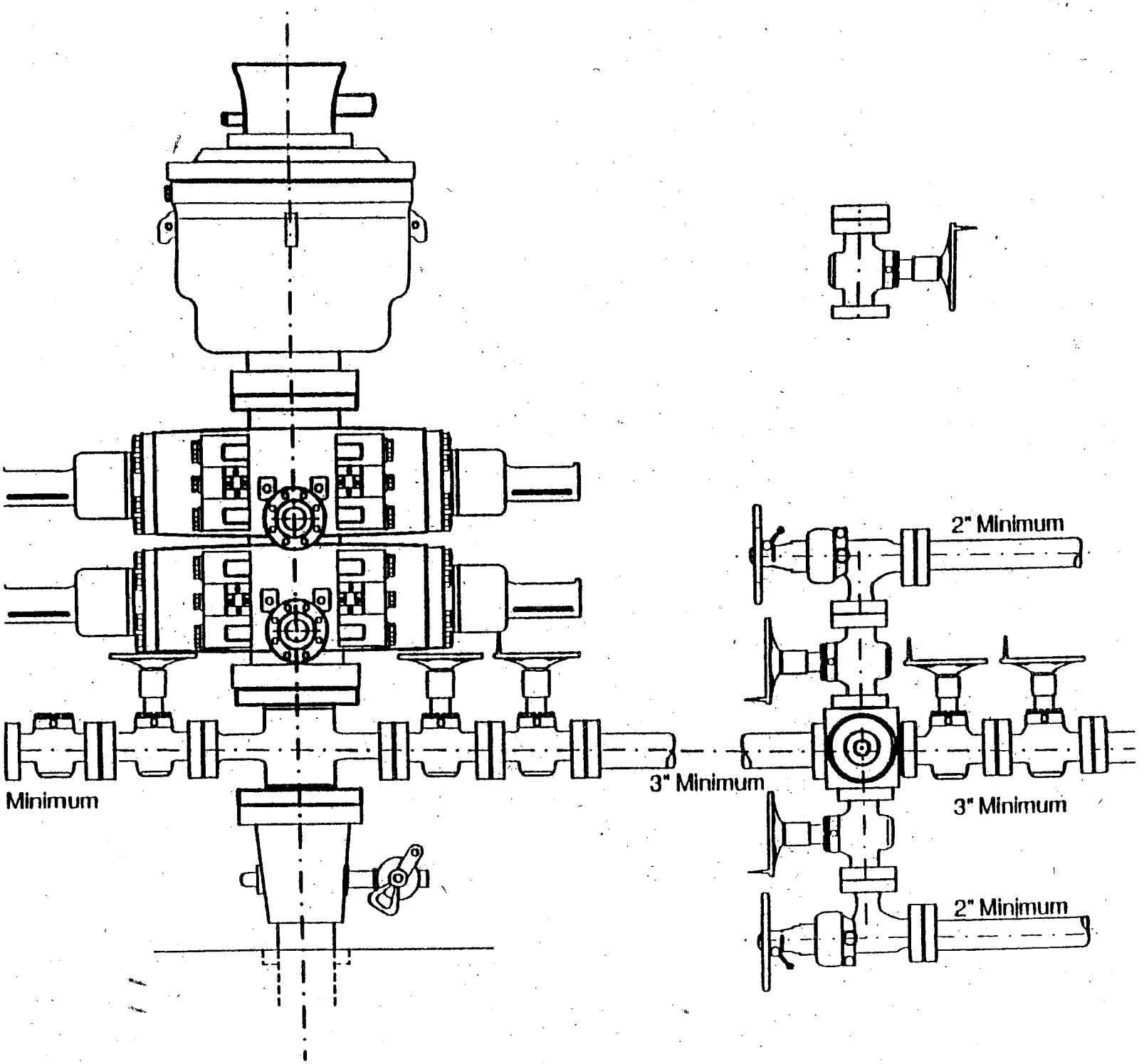


EXHIBIT C

Exhibit "D"

NEWFIELD PRODUCTION COMPANY

PALEONTOLOGICAL FIELD SURVEY OF PROPOSED PRODUCTION DEVELOPMENT AREAS, UINTAH AND DUCHESNE COUNTIES, UTAH

(NE 1/4, NW 1/4, Section 21, and NW 1/4, SE 1/4, Section 34, T 6 S, R 21 E, Horseshoe Bend Area; NE 1/4 & SE 1/4, Section 19, T 8 S, R 17 E, NE 1/4 & NW 1/4, NE, and NE 1/4 & NW 1/4, NW 1/4, and SW 1/4, NW 1/4, and NW 1/4, SW 1/4, Section 20 T 8 S, R 17 E; NE 1/4, & NW 1/4, NE 1/4, and NE 1/4, & NW 1/4, NW 1/4, Section 21, T 8 S, R 17 E, Greater Boundary Unit)

REPORT OF SURVEY

Prepared for:

Newfield Production Company

Prepared by:

Wade E. Miller
Consulting Paleontologist
July 24, 2006

Exhibit E

1 of 3

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Robert L. Morgan
State Engineer

1594 West North Temple, Suite 220
PO Box 146300
Salt Lake City, Utah 84114-6300
801-538-7240
801-538-7467 (Fax)

August 11, 2000

Target Trucking 43-10988
Dan McKee or R.C. Hacking
3960 North 500 East
Vernal, UT 84078

Dear Applicant:

RE: APPROVED APPLICATION
NUMBER 43-10988 (F72511)

This is your authority to develop the water under the above referenced application which under Sections 73-3-10 and 73-3-12, Utah Code Annotated, 1953, as amended, must be diligently prosecuted to completion. The water must be put to beneficial use and proof of beneficial use be made to the State Engineer on or before August 31, 2003; otherwise, the application will be lapsed.

Proof of beneficial use is evidence to the State Engineer that the water has been placed to its full intended beneficial use. By law, it must be prepared by a registered engineer or land surveyor, who will certify to the location and the uses for the water. Your proof of beneficial use will become the basis for the extent of your water right.

Failure on your part to comply with the requirements of the statutes may result in forfeiture of this application. **It is the applicant's obligation to maintain a current address with this office. Please notify this office immediately of any change.**

Also enclosed are two post cards. You must give the Driller (Start) Card to the licensed driller with whom you contract to construct the well(s). The other card is the Applicant Card which is your responsibility to sign and return to this office immediately after final completion of the well. CAUTION: There may be local health department requirements for the actual siting of your well. Please check with the proper local authority before construction begins.

Your contact with this office, should you need it, is with the Vernal Regional Office. The telephone number is (435)781-5327.

Sincerely,

Robert L. Morgan

Robert L. Morgan, P.E.
State Engineer

RLM:et
Encl.: Memorandum Decision

Resolution No. 05-05-209
Uintah and Ouray Agency
Fort Duchesne, UT

WHEREAS, the Ute Tribal Business Committee, has the right to approve or [illegible] sale, disposition, lease or encumbrance of Tribal Lands, interest in Tribal lands or other Tribal assets, which may be authorized or execute by officials or Agency of the Government, provides that no Tribal lands shall ever be encumbered or sold, except leases for mining purposes or on [illegible] land may be made for such longer periods as may be authorized by law;

WHEREAS, Energy producers Reservation wide have a need for industrial water to drill oil and gas wells; and

WHEREAS, AC/DC Fence and Roustabout Company proposes to pump water out and to build French drains, if needed, from Reservation wide to supply industrial water to the energy producers for the purpose of drilling oil and gas wells; and

WHEREAS, Energy producers within the boundaries of the U & O reservation; have a need for industrial water to drill oil and gas wells. Also, to build French drains, as needed; and

WHEREAS, AC/DC Fencing and Roustabout Company, proposes to pay the Ute Indian Tribe a reasonable market value of five (.5) cents for each barrel of water sold to energy producers through their company, and twenty-five (.25) cents to AC/DC for a total of [illegible] (.75) cents per barrel,

NOW, THEREFORE, BE IT RESOLVED BY THE TRIBAL BUSINESS COMMITTEE OF THE UTE INDIAN TRIBE OF THE UINTAH AND OURAY RESERVATION, UTAH, in order to promote independent business among tribal members, and to foster the economic welfare of tribal members and to develop if needed Group VI water rights of the Ute Indian Tribe, the Ute Indian Tribe hereby grants authority to AC/DC Fence and Roustabout Company to develop resources Reservation wide for the purpose of energy development.

BE IT FURTHER RESOLVED, that AC/DC Fence and Roustabout pay a reasonable market value for all water sold through their company for a period of two (2) year.

M. Maxine Natchees, Chairman

ABSENT
T. Smiley Arrowchis, Vice-Chairman

Frances Poowegup, Member

Ronald A. Groves, Member

Irene Cuch, Member

Richard Jenks Jr, Member

IFICATION

I hereby cert[illegible] Resolution was adopt[illegible] by the [illegible]siness Committee of the Ute Indian Tri[illegible] Uintah and Ouray Reservation, Ut[illegible] at a duly called meet[illegible], Utah, on the 13 day of July, [illegible] time a quorum was [illegible] 5 FOR, 0 AGAINST, 0 [illegible]G, and 1 ABSENT.

Secretary of the Tribal Business [illegible]ittee

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/15/2006

API NO. ASSIGNED: 43-047-38478

WELL NAME: FEDERAL 3-21-6-21
OPERATOR: NEWFIELD PRODUCTION (N2695)
CONTACT: MANDIE CROZIER

PHONE NUMBER: 435-646-3721

PROPOSED LOCATION:
NENW 21 060S 210E
SURFACE: 0608 FNL 1547 FWL
BOTTOM: 0608 FNL 1547 FWL
COUNTY: UINTAH
LATITUDE: 40.28998 LONGITUDE: -109.5645
UTM SURF EASTINGS: 622021 NORTHINGS: 4460720
FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-30289
SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: UNTA
COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat
✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB000192)
N Potash (Y/N)
N Oil Shale 190-5 (B) or 190-3 or 190-13
✓ Water Permit
(No. MUNICIPAL)
N RDCC Review (Y/N)
(Date:)
N/A Fee Surf Agreement (Y/N)
N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: ___

___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

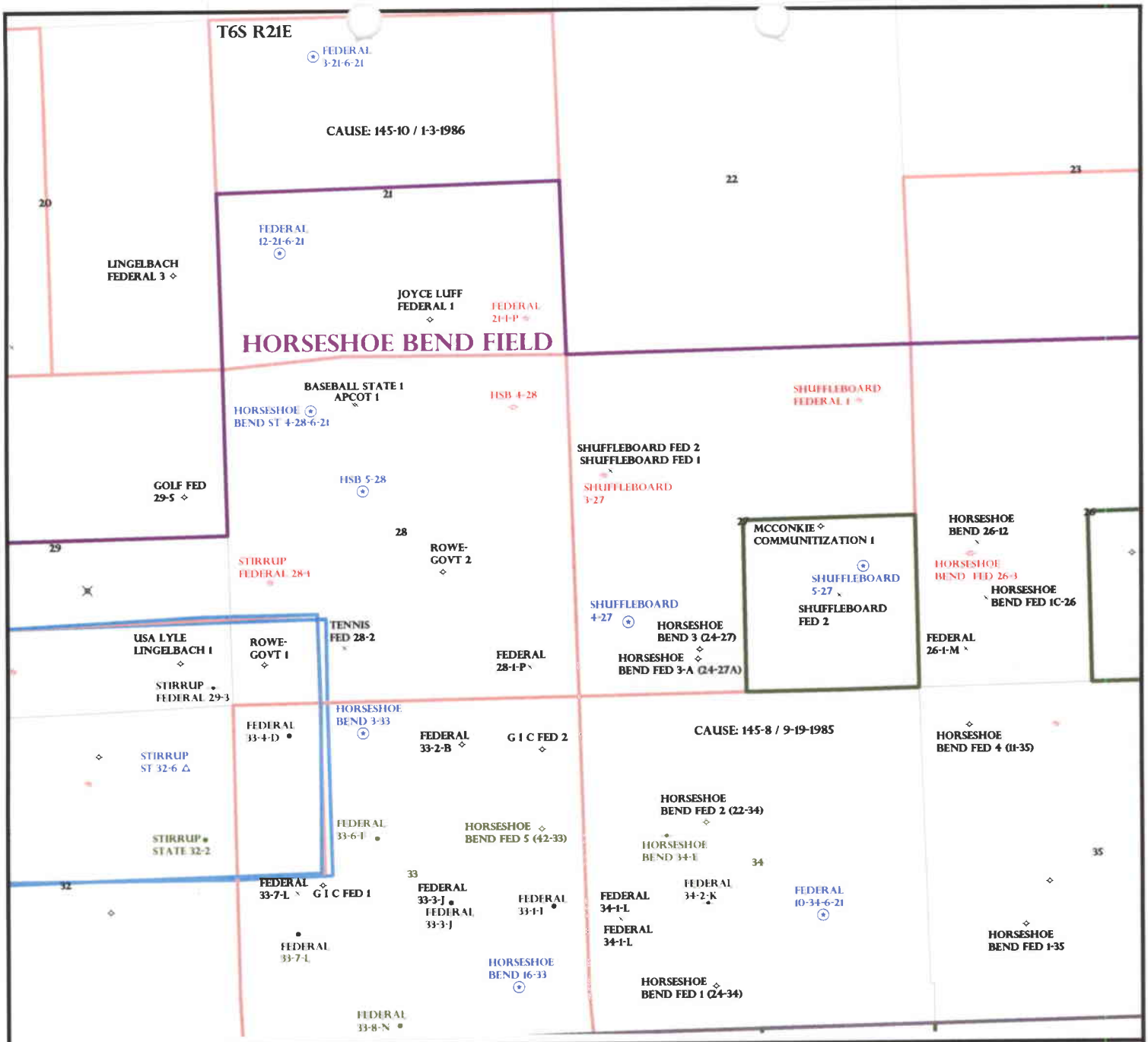
___ R649-3-3. Exception

✓ Drilling Unit
Board Cause No: 145-10
Eff Date: 1-3-1986
Siting: 500' fr boundary of 1/4 Section

___ R649-3-11. Directional Drill

COMMENTS: ___

STIPULATIONS: 1. Federal Approval



OPERATOR: NEWFIELD PROD CO (N2695)

SEC: 21 T.6S R. 21E

FIELD: UNDESIGNATED (002)

COUNTY: UINTAH

CAUSE: 145-10 / 1-3-1986

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

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

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

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY

DATE: 16-AUGUST-2006

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

August 17, 2006

Newfield Production Company
Rt. #3, Box 3630
Myton, UT 84052

Re: Federal 3-21-6-21 Well, 608' FNL, 1547' FWL, NE NW, Sec. 21, T. 6 South, R. 21 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 43-047-38478.

Sincerely,

for Gil Hunt
Associate Director

pab
Enclosures

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Operator: Newfield Production Company

Well Name & Number Federal 3-21-6-21

API Number: 43-047-38478

Lease: UTU-30289

Location: NE NW **Sec.** 21 **T.** 6 South **R.** 21 East

Conditions of Approval

1. General

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

2. Notification Requirements

   Notify the Division within 24 hours of spudding the well.

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

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

   - Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

FORM 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.
UTU-30289

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
NA

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
FEDERAL 3-21-6-21

9. API Well No.
43-047-38478

2. Name of Operator
NEWFIELD PRODUCTION COMPANY

10. Field and Pool, or Exploratory Area
HORSESHOE BEND

3. Address and Telephone No.
Rt. 3 Box 3630, Myton Utah, 84052 435-646-3721

11. County or Parish, State
UINTAH COUNTY, UT.

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)
608 FNL 1547 FWL NE/NW Section 21, T6S R21E

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

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other **Permit Extension**	[ ] Dispose Water

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

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

Newfield Production Company requests to extend the Permit to Drill this well for one year. The original approval date was 8/17/06 (expiration 8/17/07).

This APD has not been approved yet by the BLM.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 08-14-07
By: [signature]

8-15-07
RM

RECEIVED
AUG 14 2007
DIV. OF OIL, GAS & MINING

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

Signed [signature] Title Regulatory Specialist Date 8/10/2007
Mandie Crozier

CC: UTAH DOGM

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

CC: Utah DOGM

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

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-38478
Well Name: Federal 3-21-6-21
Location: NE/NW Section 21,T6S R21E
Company Permit Issued to: Newfield Production Company
Date Original Permit Issued: 8/17/2006

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

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

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

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

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

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

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

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

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

Signature

8/10/2007
Date

Title: Regulatory Specialist

Representing: Newfield Production Company

RECEIVED
AUG 14 2007
DIV. OF OIL, GAS & MINING

FORM 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.
UTU-30289

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
NA

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
FEDERAL 3-21-6-21

9. API Well No.
43-047-38478

2. Name of Operator
NEWFIELD PRODUCTION COMPANY

10. Field and Pool, or Exploratory Area
HORSESHOE BEND

3. Address and Telephone No.
Rt. 3 Box 3630, Myton Utah, 84052 435-646-3721

11. County or Parish, State
UINTAH COUNTY, UT.

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)
608 FNL 1547 FWL NE/NW Section 21, T6S R21E

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

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other **Permit Extension**	[ ] Dispose Water

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

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

Newfield Production Company requests to extend the Permit to Drill this well for one year. The original approval date was 8/17/06.

This APD has not yet been approved by the BLM.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 07-31-08
By: [signature]

COPY SENT TO OPERATOR
Date: 8-4-2008
Initials: KS

14. I hereby certify that the foregoing is true and correct
Signed [signature] Title Regulatory Specialist Date 7/28/2008
Mandie Crozier

CC: UTAH DOGM

(This space for Federal or State office use)
Approved by _____ Title _____ Date _____
Conditions of approval, if any:

CC: Utah DOGM

RECEIVED
JUL 29 2008
DIV OF OIL, GAS & MINING

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

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-38478
Well Name: Federal 3-21-6-21
Location: NE/NW Section 21,T6S R21E
Company Permit Issued to: Newfield Production Company
Date Original Permit Issued: 8/17/2006

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

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

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

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

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

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

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

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

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

Mandie Crozier
Signature

7/28/2008
Date

Title: Regulatory Specialist

Representing: Newfield Production Company

RECEIVED
JUL 29 2008
DIV. OF OIL, GAS & MINING

Form 3160-3
(September 2001)

RECEIVED
AUG 15 2006

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU-30289

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

7. If Unit or CA Agreement, Name and No.
N/A

8. Lease Name and Well No.
Federal 3-21-6-21

1a. Type of Work: [x] DRILL [ ] REENTER

1b. Type of Well: [ ] Oil Well [x] Gas Well [ ] Other [x] Single Zone [ ] Multiple Zone

2. Name of Operator
Newfield Production Company

9. API Well No.
43 047 38478

3a. Address
Route #3 Box 3630, Myton UT 84052

3b. Phone No. *(include area code)*
(435) 646-3721

10. Field and Pool, or Exploratory
Horseshoe Bend

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface NE/NW 608' FNL 1547' FWL
At proposed prod. zone 6S 21E 21

11. Sec., T., R., M., or Blk. and Survey or Area
NE/NW Sec. 21, T6S R21E

14. Distance in miles and direction from nearest town or post office*
Approximatley 17.5 miles southwest of Vernal, Utah

12. County or Parish
Uintah

13. State
UT

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) Approx. 608' f/lse, NA f/unit

16. No. of Acres in lease
618
~~517.81~~

17. Spacing Unit dedicated to this well
40 Acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx. 3,543'

19. Proposed Depth
3,970'

20. BLM/BIA Bond No. on file
UTB000192

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
4839' GL

22. Approximate date work will start*
4th Quarter 2006

23. Estimated duration
Approximately seven (7) days from spud to rig release.

24. Attachments

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

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

25. Signature Mandie Crozier
Name *(Printed/Typed)* Mandie Crozier
Date 8/11/06

Title Regulatory Specialist

Approved by *(Signature)*
Name *(Printed/Typed)* Jerry Kenczka
Date DEC 15 2008

Title Assistant Field Manager Lands & Mineral Resources
Office VERNAL FIELD OFFICE

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached. CONDITIONS OF APPROVAL ATTACHED

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

(Instructions on reverse)

UDOGM

NOTICE OF APPROVAL

RECEIVED
DEC 30 2008
DIV. OF OIL, GAS & MINING

07SX5071A

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**Newfield Production Company**	**Location:**	**NENW, Sec. 21, T6S, R21E**
Well No:	**Federal 3-21-6-21**	**Lease No:**	**UTU-30289**
API No:	**43-047-38478**	**Agreement:**	**N/A**

Title	**Name**	**Office Phone Number**	**Cell Phone Number**
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Envori Scientist:	David Gordon	(435) 781-4424	
		Fax: (435) 781-3420	

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

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

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.

- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC COAs:

- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim/Final Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.

- Notify the Authorized Officer 48 hours prior to surface disturbing activities.

Interim Reclamation:

The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be re-contoured and the topsoil re-spread, and the area shall be seeded using a rangeland drill. Seeding depth as per AO, or seed distributor. If portions of the site are too steep (>40%), or rocky, that portion may be broadcast seeded. If broadcasting seed, the seed shall be walked into the soil with a dozer immediately after the seeding is completed, or covered by soil using a drag chain. Seeding shall occur in the fall (August 1st until snow or ground is frozen) with the following seed mix: *(Seed mix may change if current mix does establish itself).*

Seed mix:

Common name	Latin name	lbs/acre	Recommended seed planting depth
Squirreltail grass	*Elymus elymoides*	3.0	¼ - ½"
Siberian wheatgrass	*Agropyron fragile*	1.0	½"
Shadscale saltbush	*Atriplex confertifolia*	0.50	½"
Four-wing saltbush	*Atriplex canescens*	0.50	½"
Gardner's saltbush	*Atriplex gardneri*	0.50	½"
Scarlet globemallow	*Sphaeralcea coccinea*	0.10	⅛ – ¼"

- All pounds are pure live seed.
- All seed and mulch will be certified weed free.
- Rates are set for drill seeding; double rate if broadcasting.
- Reseeding may be required if initial seeding is not successful.

- **Final reclamation:**

  Once the location is plugged and abandoned, the well location, access, and any disturbed areas shall be re-contoured to natural topography, topsoil shall be re-spread, and the entire location shall be seeded following guidelines in the seed mix bullet statement above. Final seed mix: same as interim unless otherwise instructed.

- Noxious and/or invasive weeds will be controlled along access roads, pipelines, well sites, and all other applicable facilities. Any noxious and/or invasive weeds outbreak, directly attributed to the activities of the Operator, will be the responsibility of the Operator to control. On BLM administered land, a Pesticide Use Proposal (PUP) must be submitted and approved prior to the application of herbicides, pesticides, or other possibly hazardous chemicals.

- The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be re-contoured and the topsoil re-spread, and the area shall be seeded in the same manner as the location topsoil.

- Once the location is plugged and abandoned, it shall be re-contoured to natural topology, topsoil shall be re-spread, and the entire location shall be seeded with a seed mix recommended by the AO (see above). Seed application will follow all guidelines in the interim seed mix bullet statement above. If reclamation seeding should take place using the broadcast method, the seed at a minimum will be walked into the soil with a dozer immediately after the seeding is completed.

DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- 3M BOPE shall be installed and tested on the 8-5/8" surface casing.
- Production casing cement shall be brought to surface.
- **Newfield Production Co. shall adhere to all referenced requirements in the SOP along with all Oil and Gas rules and requirements listed in the Code of Federal Regulations and all Federal On-shore Oil and Gas Orders. A complete angular deviation and directional survey report shall be submitted to the Vernal BLM field office within 30 days following the completion of the well.**

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

- No aggressive/fresh hard-banded drill pipe shall be used within casing.

- **Cement baskets shall not be run on surface casing.**

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.

    - Well name and number.

    - Well location (¼¼, Sec., Twn, Rng, and P.M.).

    - Date well was placed in a producing status (date of first production for which royalty will be paid).

    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).

    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.

    - Unit agreement and/or participating area name and number, if applicable.

    - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

API Well No: 43047384780000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-30289

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: Gas Well

8. WELL NAME and NUMBER: FEDERAL 3-21-6-21

2. NAME OF OPERATOR: NEWFIELD PRODUCTION COMPANY

9. API NUMBER: 43047384780000

3. ADDRESS OF OPERATOR: Rt 3 Box 3630 , Myton, UT, 84052

PHONE NUMBER: 435 646-4825 Ext

9. FIELD and POOL or WILDCAT: UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
0608 FNL 1547 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NENW Section: 21 Township: 06.0S Range: 21.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 7/31/2009	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

Newfield requests to extend the Permit to Drill this well for one year.

Approved by the Utah Division of Oil, Gas and Mining

Date: June 30, 2009

By: [signature]

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Mandie Crozier	435 646-4825	Regulatory Tech
SIGNATURE		**DATE**
N/A		6/29/2009

RECEIVED June 29, 2009

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047384780000

API: 43047384780000
Well Name: FEDERAL 3-21-6-21
Location: 0608 FNL 1547 FWL QTR NENW SEC 21 TWNP 060S RNG 210E MER S
Company Permit Issued to: NEWFIELD PRODUCTION COMPANY
Date Original Permit Issued: 8/17/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ◉ **Yes** ○ **No**
- **Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?** ○ **Yes** ◉ **No**
- **Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?** ○ **Yes** ◉ **No**
- **Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?** ○ **Yes** ◉ **No**
- **Has the approved source of water for drilling changed?** ○ **Yes** ◉ **No**
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Approved by the Utah Division of Oil, Gas and Mining

Signature: Mandie Crozier **Date:** 6/29/2009
Title: Regulatory Tech **Representing:** NEWFIELD PRODUCTION COMPANY

Date: June 30, 2009
By:

RECEIVED June 29, 2009

API Well No: 43047384780000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-30289

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: Gas Well

8. WELL NAME and NUMBER: FEDERAL 3-21-6-21

2. NAME OF OPERATOR: NEWFIELD PRODUCTION COMPANY

9. API NUMBER: 43047384780000

3. ADDRESS OF OPERATOR: Rt 3 Box 3630 , Myton, UT, 84052

PHONE NUMBER: 435 646-4825 Ext

9. FIELD and POOL or WILDCAT: UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0608 FNL 1547 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 21 Township: 06.0S Range: 21.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 8/17/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

Newfield requests to extend the permit to drill this well for one year.

Approved by the Utah Division of Oil, Gas and Mining

Date: August 23, 2010

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Mandie Crozier	435 646-4825	Regulatory Tech

SIGNATURE	DATE
N/A	8/13/2010

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047384780000

API: 43047384780000
Well Name: FEDERAL 3-21-6-21
Location: 0608 FNL 1547 FWL QTR NENW SEC 21 TWNP 060S RNG 210E MER S
Company Permit Issued to: NEWFIELD PRODUCTION COMPANY
Date Original Permit Issued: 8/17/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ○ **Yes** ◉ **No**
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- **Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?** ○ **Yes** ◉ **No**
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- **Has the approved source of water for drilling changed?** ○ **Yes** ◉ **No**
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Approved by the Utah Division of Oil, Gas and Mining

Signature: Mandie Crozier **Date:** 8/13/2010
Title: Regulatory Tech **Representing:** NEWFIELD PRODUCTION COMPANY

Date: August 23, 2010
By:

RECEIVED August 13, 2010

GARY R. HERBERT
Governor

GREG BELL
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

December 7, 2010

Mandie Crozier
Newfield Production Co
Route 3 Box 3630
Myton, UT 84052

Re: APD Rescinded – Federal 3-21-6-21, Sec. 7, T.6S, R.21E
Uintah County, Utah API No. 43-047-38478

Dear Ms. Crozier:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on August 17, 2006. On August 14, 2007, July 31, 2008, June 30, 2009 and August 23, 2010 the Division granted a one-year APD extension. On December 6, 2010, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective December 6, 2010.

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

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

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District-Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
http://www.blm.gov/ut/st/en/fo/vernal.html

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JAN 18 2011

IN REPLY REFER TO:
3160 (UTG011)

Mandie Crozier
Newfield Production Company
Route 3, Box 3630
Myton, UT 84052

43 047 38478

Re: Request to Rescind Approved APD
And Notice of Expiration
Well No. Federal 3-21-6-21
NENW, Sec. 21, T6S, R21E
Uintah County, Utah
Lease No. UTU-30289

Dear Ms. Crozier:

The Application for Permit to Drill (APD) for the above-referenced well was approved on December 15, 2008. This office is rescinding its approval of the referenced Application for Permit to Drill per your request to this office in an email message to Land Law Examiner Cindy Severson received on December 6, 2010. The APD approval also expired on December 15, 2010. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding APD processing, please contact Cindy Severson at (435) 781-4455.

Sincerely,

RECEIVED
FEB 01 2011
DIV. OF OIL, GAS & MINING

James H. Sparger
Acting Assistant Field Manager
Lands & Mineral Resources

cc: UDOGM