

FIML NATURAL RESOURCES, LLC

September 7, 2006

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114-5801

Attn.: Ms. Diana Whitney

RE: Ute Tribal #1-34-1319
NENE Sec 34 T13S R19E
Wildcat Field
Uintah County, Utah

Dear Ms. Whitney:

Enclosed is an original application to drill concerning the referenced proposed well.

FIML Natural Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or additional information is required, please contact Cassandra Parks at 303-893-5090 or me at 303-899-5608.

Sincerely,



Phyllis Sobotik
Operations Regulatory Manager

/ps
Enclosures:

RECEIVED
SEP 11 2006
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

Form
(August 2004)

**UTE INDIAN TRIBE
DEPARTMENT OF ENERGY AND MINERALS
APPLICATION FOR PERMIT TO DRILL OR REENTER**

FORM
Approved August 2004

5. Lease Serial No. or EDANO.
EDA Number UIT-EDA-001-000

6. Tribe Name
Ute

1a. Type of work: DRILL REENTER

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

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

8. Lease Name and Well No.
Ute Tribal 1-34-1319

2. Name of Operator
FIML Natural Resources, LLC

9. API Well No.

43-047-38604

3a. Address **410 17th St., 9th Floor, Denver, CO 80202**

3b. Phone No. (include area code)
(303) 893-5073

10. Field and Pool, or Exploratory

~~Unit~~ **Naval Reserve** 754

4. Location of Well (Report location clearly and in accordance with any State requirements.)* **39.648362**
At surface **NE/4 NE/4 602' FNL & 789' FEL Sec 34 T-13S R-19E**
At proposed prod. zone **Same 605594 X 4389244Y -109.769296**

11. Sec., T. R. M. or Blk. and Survey or Area
Sec 34, T-13S R-19E

14. Distance in miles and direction from nearest town or post office*
34 miles south southwest of Ouray, Utah

12. County
Uintah

13. State
UT

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **602'**

16. No. of acres in lease
640

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. **3,957'**

19. Proposed Depth
13,600'

20. State Bond #
8193-15-93

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6,696' GL

22. Approximate date work will start*
09/20/2006

23. Estimated duration
15 days

24. Attachments

The following shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Such other site specific information and/or plans as may be required by the Energy and Minerals Department.

25. Signature  Name (Printed/Typed) **Mark D. Bingham** Date **09/07/2006**

Title **Senior Vice President**

Approved by  Name (Printed/Typed) **BRADLEY G. HILL** Date **09-19-06**

Title **ENVIRONMENTAL MANAGER**

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

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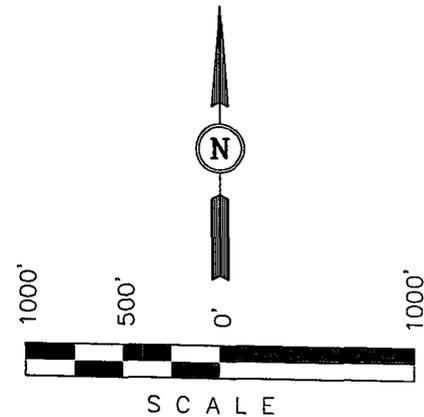
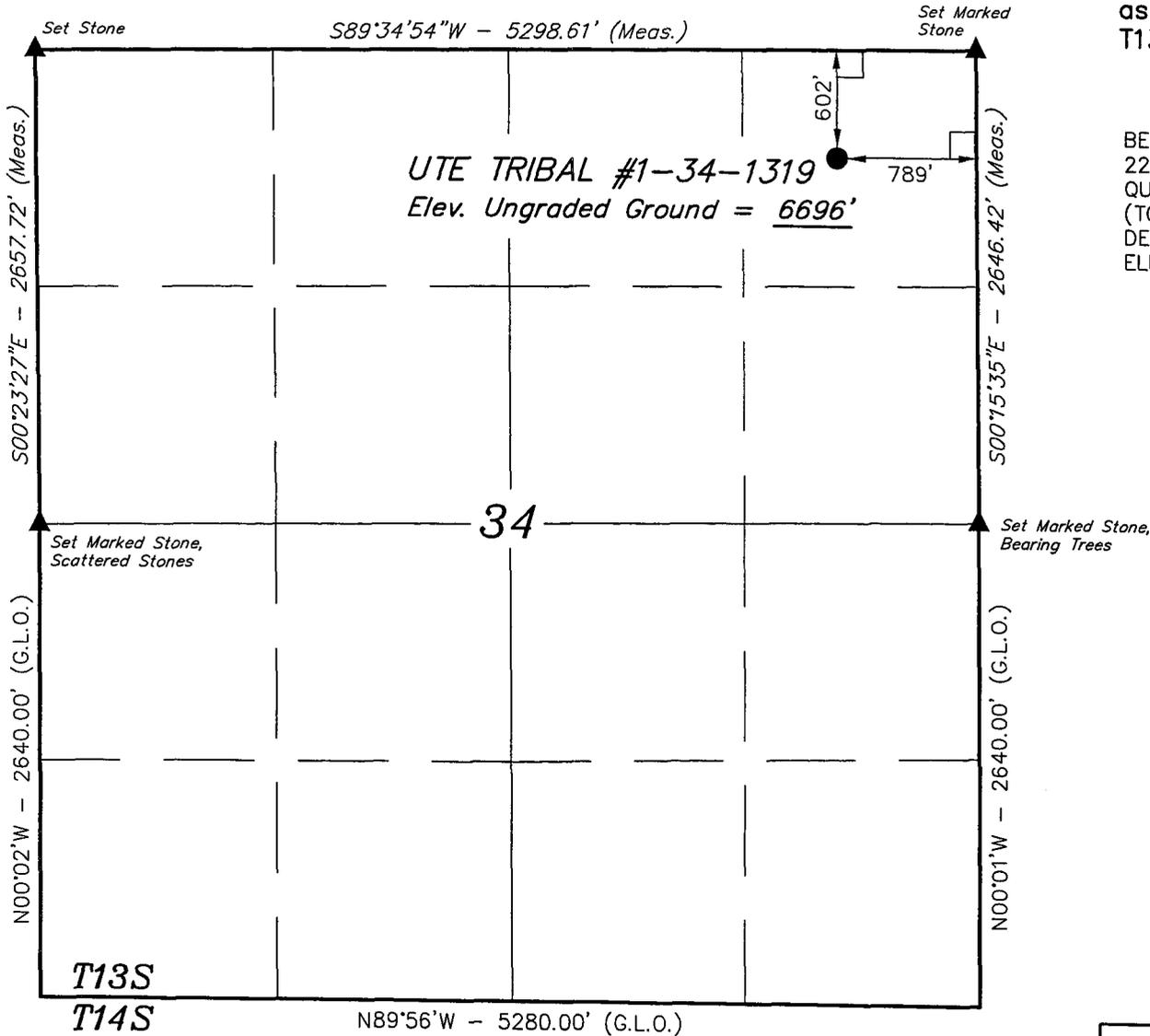
T13S, R19E, S.L.B.&M.

UTE/FNR LLC.

Well location, UTE TRIBAL #1-34-1319, located as shown in the NE 1/4 NE 1/4 of Section 34, T13S, R19E, S.L.B.&M., Uintah County, Utah.

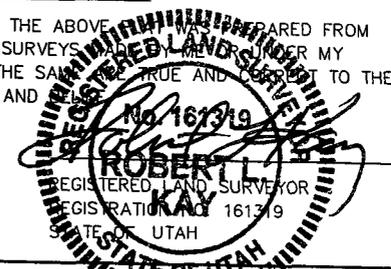
BASIS OF ELEVATION

BENCH MARK (47 WF) LOCATED IN THE NW 1/4 OF SECTION 22, T12S, R19E, S.L.B.&M. TAKEN FROM THE DOG KNOLL QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED ON CAP AS BEING 6473 FEET.



CERTIFICATE

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



BASIS OF BEARINGS

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

(AUTONOMOUS NAD 83)
 LATITUDE = 39°38'54.10" (39.648361)
 LONGITUDE = 109°46'11.55" (109.769875)
 (AUTONOMOUS NAD 27)
 LATITUDE = 39°38'54.23" (39.648397)
 LONGITUDE = 109°46'09.05" (109.769181)

LEGEND:

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

UINTAH ENGINEERING & LAND SURVEYING		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 8-15-06	DATE DRAWN: 8-16-06
PARTY B.H. F.Y. K.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE UTE/FNR LLC.	

SELF CERTIFICATION STATEMENT

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that FIML Natural Resources, LLC is considered to be the operator of the following well.

Ute Tribal 1-34-1319
NE/4 NE/4 602' FNL 789' FEL Sec 34, T-13S, R-19E, S.L.B.&M.
EDA Number UIT-EDA-001-000
Uintah County, Utah

FIML Natural Resources, LLC is responsible under the terms of this lease for the operations conducted upon lease lands.



Rick L. Parks
Operations Manager
FIML Natural Resources, LLC
410 17th Street
9th Floor
Denver, Colorado 80202
(303) 893-5081

UTE/FNR LLC
Managed and Operated by FIML Natural Resources, LLC

Ute Tribal 1-34-1319
NE/4 NE/4 602' FNL 789' FEL Section 34 T-13S R-19E
Uintah County, Utah
EDA Number UIT-EDA-001-000

DRILLING PROGRAM
Revised 07/14/06

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

UTE/FNR LLC is responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" and the Standard Operating Procedures will be furnished to the field representative(s) to ensure compliance and will be on location during all construction and drilling operations.

Ute Tribe Energy and Minerals Department Notification Requirements:

Location Construction:	48 hours prior to construction of location and access roads.
Location Completion:	Prior to moving the drilling rig to the location.
Spud notice:	At least 24 hours prior to spudding the well.
Casing String & Cementing:	24 hours prior to running casing and cementing each casing string.
BOP & Related Equipment Tests:	At least 24 hours prior to initiating pressure tests.
First Production Notice:	Within 5 days after production from a new well begins or production resumes after an existing well has been off production for more than 90 days.

1. **Estimated Tops of Geological Markers:**

Formation	Depth
Green River	Surface
Wasatch	2,351'
Mesa Verde	4,964'
Mancos	7,483'
Dakota	11,465'
Entrada	12,529'
Chinle	13,425'
Total Depth	13,600'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Other Minerals:**

Substance	Formation	Depth
Oil/Gas	Wasatch	2,351'
Oil/Gas	Mesa Verde	4,964'
Oil/Gas	Mancos	7,483'
Oil/Gas	Dakota	11,465'
Oil/Gas	Entrada	12,529'
Oil/Gas	Chinle	13,425'

All usable water, having less than 10,000 ppm total dissolved solids, and any prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine their commercial potential. This information will be reported to the Ute Tribe Energy and Minerals Department.

All water shows and water bearing zones will be reported to the Ute Tribe Energy and Minerals Department within one (1) business day after being encountered. Filing of the State of Utah form 7 Report of Water Encountered is optional.

3. **Pressure Control Equipment:** (Schematic Attached)

FIML Natural Resources, LLC's minimum specifications for pressure control equipment are as follows:

The BOP and related equipment will meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 10,000 psi system, with a 5,000 psi hydril. All individual components shall be operable as designed. Chart recorders will be used for all pressure tests.

Test charts, with individual test results identified, will be maintained on location while drilling and shall be made available to a Ute Tribe Energy and Minerals Department upon request.

All required BOP tests and/or drills will be recorded in the IADC report.

The anticipated bottom hole pressure will be approximately 6,000 psi.

4. Proposed Casing and Cementing Program:

The proposed Casing Program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Type</u>	<u>Conn</u>	<u>Weight (lb/ft)</u>
Surface	1,000'	17-1/2"	13-3/8"	J-55	ST &C	54.5
Intermediate	5,200'	12-1/4"	9-5/8"	N-80	LT &C	40.0
Production	13,444'	8-1/2"	5-1/2"	P-110	LT &C	20.0

The proposed casing and cementing program will 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. Any isolating medium other than cement will receive approval prior to use. The casing setting depth will be calculated to position the casing seat opposite a competent formation, which will contain the maximum pressure to which it will be exposed during drilling operations. Determination of casing setting depth will be based on all relevant factors, including: presence/absence of hydrocarbons, fracture gradients, usable water zones, formation pressures, lost circulation zones, other minerals, or other unusual characteristics.

All casing, except conductor casing, will be new.

The surface casing will be cemented back to the surface either during the primary cement job or by remedial cementing.

All waiting on cement times will be adequate to achieve a minimum of five hundred (500) psi compressive strength at the casing shoe prior to drilling out.

As a minimum, usable water zones below the surface casing will 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 will be isolated and/or protected via the cementing program.

Surface casing will have centralizers on the bottom three joints, with a minimum of one (1) centralizer per joint.

Top plugs will be used to reduce contamination of cement by the displacement fluid. A bottom plug or other acceptable technique, such as a pre-flush fluid, will 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 will be pressure tested to 0.22 psi per foot of casing string length or to 1,500 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 will be taken.

The cementing program will be as follows:

<u>Surface</u>	<u>Cement Fill</u>	<u>Type and Amounts</u>
1,250' - 0'	1,250'	~465 sxs Halliburton CBM Light cement w/ 0.25 pps flocele. Weight 11.0 ppg. Yield 3.76 ft ³ /sx.
1,500' - 1,250'	250'	~245 sxs Halliburton Premium cement w/ 3.0% salt and 0.3% Versaset. Weight 14.5 ppg. Yield 1.42 ft ³ /sx.
<u>Intermediate</u>	<u>Cement Fill</u>	<u>Types and Amounts</u>
4,160' - 0'	4,160'	~1,080 sxs Halliburton Premium/Poz "A" cement w/ 2.0% bentonite, 0.2% CFR-3, 0.3% Halad 344, 5.0 pps silicate compacted, 0.2% Super CBL, 0.4% HR-5, and 0.25 pps flocele. Weight 13.0 ppg. Yield 1.62 ft ³ /sx.
5,200' - 4,160'	1,040'	~385 sxs Halliburton Premium cement w/ 0.3% CFR-3, 0.3% Halad 344 and 0.2% HR-5. Weight 15.8 ppg. Yield 1.15 ft ³ /sx. NOTE: Cement volumes and slurry composition may change in order to isolate any potential uphole zones of interest.
<u>Production</u>	<u>Cement Fill</u>	<u>Type and Amounts</u>
13,444' - 4,700'	8,744'	~1,580 sxs Halliburton Premium/Poz "A" cement w/ 2.0% bentonite, 0.2% CFR-3, 0.30% Halad 344, 5.0 pps silicate compacted, 0.2% Super CBL, 20.0% SSA-1, 0.60% HR-5 and 0.25 pps flocele. Weight 13.5 ppg. Yield 1.73 ft ³ /sx.

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used. The Ute Tribe Energy and Minerals Department will be notified, with sufficient lead time, in order to have a Ute Tribe Energy and Minerals Department representative on location while running all casing strings and cementing.

After cementing the surface casing and prior to commencing any test, FIML Natural Resources, LLC will wait long enough for the cement to have at least a compressive strength of 500 psi at the shoe. WOC time will be recorded in the Driller's log.

The spud date will be shown on the first report that is submitted.

A Sundry Notice will be filed with the Ute Tribe Energy and Minerals Department within 30 days after the work is completed. It will contain the following information:

The setting of each string showing the size, grade, weight of casing set, setting depth, amounts and types of cement used, whether the cement was circulated to surface or the top of cement behind casing, the depth of cementing tools used, casing testing methods and results, and the date the work was done. The spud date will be shown on the first report that is submitted.

The following auxiliary well equipment will be used:

A 3" choke manifold and pit level indicator.

An upper Kelly Cock will be kept in the drilling string at all times.

A stabbing valve will be available on the rig floor and will fit all rotary connections.

5. Drilling Fluids Program:

<u>Interval</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>Description</u>
0'-2,500'	Air/Mist 8.4-8.8 ppg	Air/Mist 26-42	N/A	Drill with air/mist using polymer sweeps to clean the hole if portions of this section must be drilled with water.
2,500'-8,200'	8.4 – 9.4	38-62	< 15 cc	Mix 6.0 ppb DAP (diammonium phosphate) in active mud system. Use EZ-Mud on connections for minor sweeps. Raise viscosity as hole conditions dictate.
8,200'-13,444'	8.9-9.4	38-62	< 15 cc	Maintain 6.0 ppb DAP in system. Use EZ-Mud on connections for minor sweeps. Raise viscosity as hole conditions dictate.

There will be sufficient mud inventory on location during drilling operations to control any adverse conditions which may arise.

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.

No chromate additives will be used in the mud system without prior approval of the Ute Tribe Energy and Minerals Department to ensure adequate protection of fresh water aquifers.

No chemicals subject to reporting under SARA Title III in any amount 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 the well. Furthermore, no 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 any wells.

6. Evaluation Program:

Logging Program:

Compensated Density/Neutron Log; Induction Log; Acoustic Sonic/GR Log. Logs will be run from Total Depth to the base of the surface casing.

A cement bond log (CBL) will be run from plug back total depth within the casing to the top of cement and it will be utilized to determine the bond quality for the production casing. A field copy of the CBL will be submitted to the Ute Tribe Energy and Minerals Department.

Sampling:

Dry samples will be taken every ten (30) feet from the base of surface casing to Total Depth.

Deviation Surveys:

Surveys will be run at least every five-hundred (500) feet. Surveys will also be taken on every trip.

Mud Logger:

A one person mud-logging unit will be on location from the base of surface casing to Total Depth.

Drill Stem Tests;

All Drill Stem Tests (DST) will be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the Ute Tribe Energy and Minerals Department. DST's 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 conditions). Packers can be released, but tripping will not begin before

daylight unless prior approval is obtained from the Ute Tribe Energy and Minerals Department.

Cores:

When necessary.

Completion:

The "Well Completion and Re-completion Report and Log" will be submitted no later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164, whether the well is completed as a dry hole or a producer. One copy of all logs, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations will be filed with the form report.

Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Ute Tribe Energy and Minerals Department.

7. **Abnormal Conditions:**

No abnormal conditions are anticipated.

8. **Anticipated Starting Dates and Notification of Operations:**

Drilling Activity:

Drilling activity will begin after the site specific APD has been approved, the access road and location have been built, and a drilling rig has been placed under contract.

If possible, the surface hole will be drilled and surface casing set and cemented with a rathole rig. The drilling rig will move in after surface casing has been set and will drill the hole to Total Depth. Approximately fifteen (50) working days will be required to drill the hole including the surface hole operation.

Longstring cement will set for a minimum of 72 hours. Well completion operations should take approximately fifteen (15) working days.

Notification of Operations:

The Ute Tribe Energy and Minerals Department will be notified at least 24 hours prior to the commencement of spudding the well, to be followed with a Sundry Notice, 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 (8:00 a.m. – 4:30 p.m., Monday – Thursday, except holidays).

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from the well to be placed in suspended status without prior approval from the Ute Tribe Energy and Minerals Department.

Prior approval of the Ute Tribe Energy and Minerals Department will be obtained and notification given before resumption of operations, if operations are to be suspended.

A completion rig will be used for completion operations.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

UTE/FNR LLC will report production data to the Ute Tribe Energy and Minerals Department and to the State of Utah in accordance with state regulations. Production reporting will start with the month in which operations commence and continue each month until the well is physically plugged and abandoned.

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 a well be successfully completed for production, the Ute Tribe Energy and Minerals Department will be notified when the well is placed in a producing status. Such notification will be sent by written communication no later than 5 days following the date when the well is placed on production.

In accordance with Onshore Order No. 7, with the approval of the Ute Tribe Energy and Minerals Department, 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 Ute Tribe Energy and Minerals Department.

In accordance with 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 Ute Tribe Energy and Minerals Department and approval received for any venting/flaring of gas beyond the initial 30 days or authorized test period.

A schematic facilities diagram, as required under 43 CFR 3162.7-5(d.1-3), will be submitted to the Ute Tribe Energy and Minerals Department within 60 days of installation or first production, whichever occurs first. All site security regulations, as specified in Onshore Oil & Gas Order No. 3, will 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 will not be commenced without the prior approval of the Ute Tribe Energy and Minerals Department. In the case of newly drilled dry

holes or failures, and in emergency situations, oral approval will be obtained from the Ute Tribe Energy and Minerals Department. A "Subsequent Report of Abandonment" will be filed with the UTE/FNR LLC within 30 days following completion of the well for abandonment. The 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 APD or approved abandonment notice has been completed to the satisfaction of the Ute Tribe Energy and Minerals Department.

In accordance with Onshore Oil and Gas Order No. 1, UTE/FNR LLC will ensure that its exploration, development, production, and construction operations are conducted in a manner which conforms with applicable laws and regulations.

9. Other Information:

All loading lines will be placed inside the berm surrounding the tank battery.

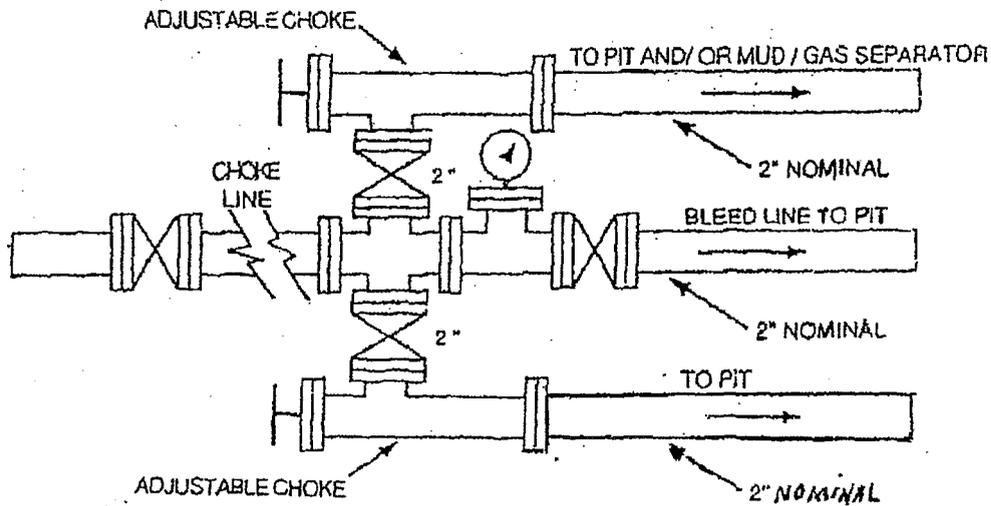
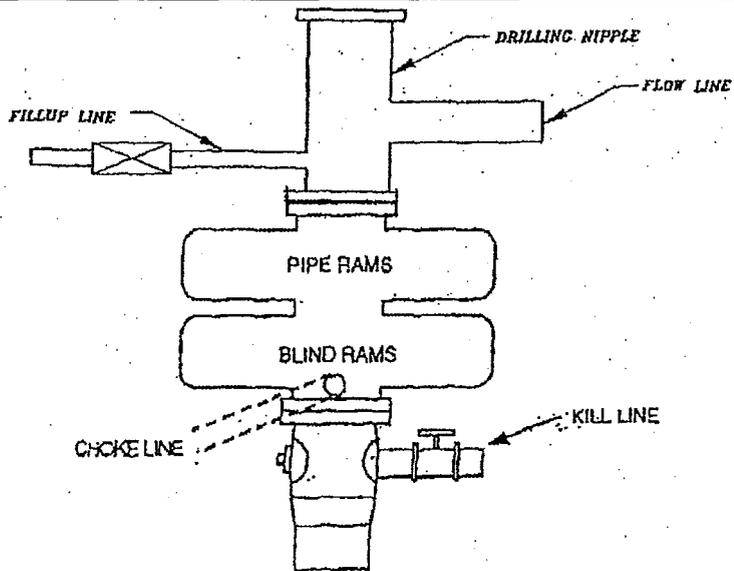
All off-lease storage, off-lease measurement, or co-mingling on-lease or off-lease will have prior written approval from the Ute Tribe Energy and Minerals Department.

The gas meter will be calibrated and any production tank will be strapped in place prior to any deliveries of gas or oil. Tests for meter accuracy will be conducted following the initial installation or following any repair and at least quarterly thereafter. The Ute Tribe Energy and Minerals Department 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 will be submitted to the Ute Tribe Energy and Minerals Department. All measurement facilities will conform to API and AGA standards, Onshore Oil & Gas Order No. 4, and Onshore Oil & Gas Order No. 5 for natural gas and liquid hydrocarbon measurements.

Deviations from the proposed drilling and/or workover program will be approved by the Ute Tribe Energy and Minerals Department. Safe drilling and operating practices will be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.

A "Sundry Notice and Report in Wells" will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

3M SYSTEM
BLOWOUT PREVENTER FOR HIGH PRESSURE
WELLS
3,000# PSI W.P.
BOP 11,000 X 3,000 PSI



UTE/FNR LLC
Managed and Operated by FIML Natural Resources, LLC

Ute Tribal 1-34-1319
NE/4 NE/4 602' FNL 789' FEL Section 34 T-13S R-19E
Uintah County, Utah
EDA Number UIT-EDA-001-000

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads

- A. Proceed in a westerly direction from Vernal, Utah along U.S. Highway 40 approximately 14.0 miles to the junction of State Highway 88. Turn left and proceed in a southerly direction approximately 17.0 miles to Ouray, Utah. Proceed in a southerly, then southeasterly direction approximately 9.1 miles on the Seep Ridge Road to the junction of this road and an existing road to the south. Turn right and proceed in a southerly direction approximately 2.8 miles to the junction of this road and an existing road to the west. Turn right and proceed in a westerly, then southwesterly, then southerly direction approximately 28.4 miles. Continue south and east approximately 1.7 miles to the existing two track road. Proceed southwest on the two track road for approximately 0.8 miles. Turn northeast for approximately 0.4 miles to the proposed access road for the Ute Tribal 1-34-1319. Turn left and continue for 0.15 miles to the proposed Ute Tribal 1-34-1319 well location.
- B. The proposed well site is located approximately 43 miles south southwest of Ouray, Utah – See attached Topographic Map “A”.
- C. Refer to attached Topographic Map “A”.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. Planned Access Roads

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

3. Location of existing wells within a one mile radius of proposed well location

See Topographic Map “C” for the location of existing wells within a one-mile radius.

4. Location of Existing and /or Proposed Facilities

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

5. Location and Type of Water Supply

- A. Water supply will be from the Kenneth Joe Batty water well. The State Water Right number is 43-10447 and the well is located in Section 9, T-8S, R-20E, Uintah County, Utah.
- B. Water will be hauled by JN Trucking, Inc.
- C. A water well will be drilled on the lease.

6. Source of Construction Materials

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

7. Method of Handling Waste Materials

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

8. Ancillary Facilities

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

9. Well Site Layout

The attached Location Layout diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, pipe racks, trailer parking, spoil dirt stockpile(s) and top soil stockpile(s).

10. Plans for Restoration of the Surface

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

11. Surface Ownership

Access Road: Ute Indian Tribe
Location: Ute Indian Tribe

12. Other Information

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

13. Operator's Representative and Certification

Name: Rick L. Parks
Address: 410 17th Street
Suite 900
Denver, Colorado 80202
Phone No. 303-893-5081
Cellular No. 303-229-7689

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations and Onshore Oil and Gas Orders. FIML Natural Resources, LLC is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge and belief, true and correct; and that the work associated with operations proposed herein will be performed by FIML Natural Resources, LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it was approved.

9/7/2006
Date


Rick L. Parks
Operations Manager
FIML Natural Resources, LLC

EPA's LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide waste
- Radioactive tracer wastes
- Drums, insulation, and miscellaneous solids

UTE/FNR LLC.
UTE TRIBAL #1-34-1319
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 34, T13S, R19E, S.L.B.&M.

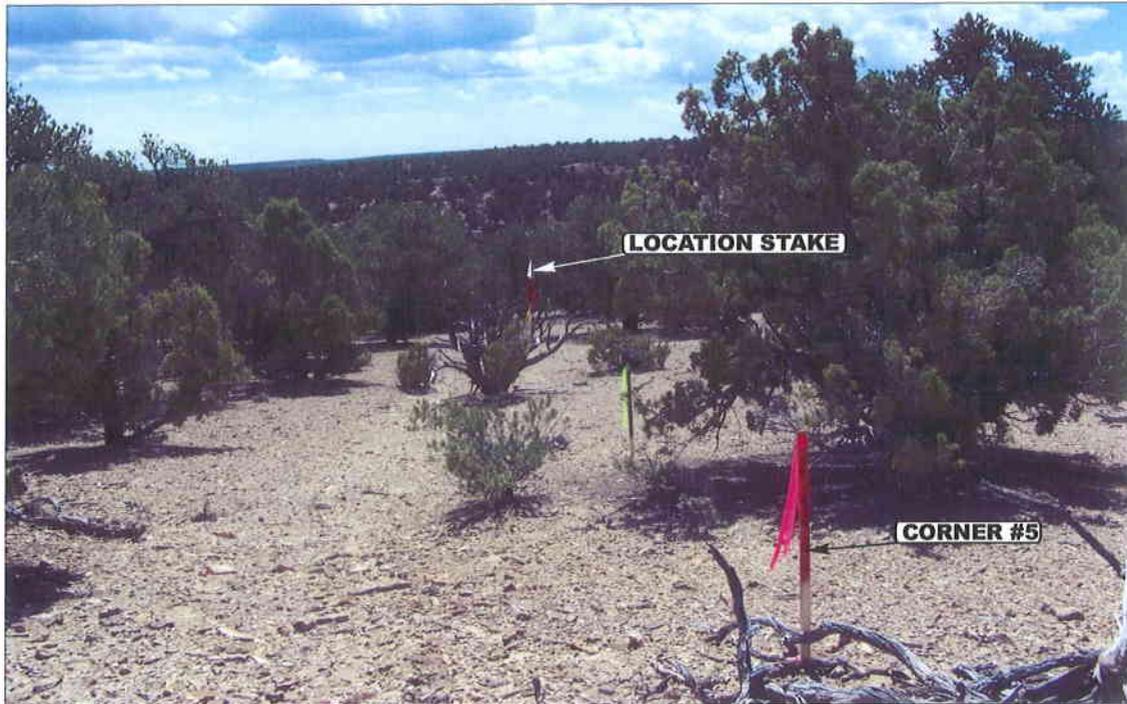


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS

08 16 06
 MONTH DAY YEAR

PHOTO

TAKEN BY: B.H.

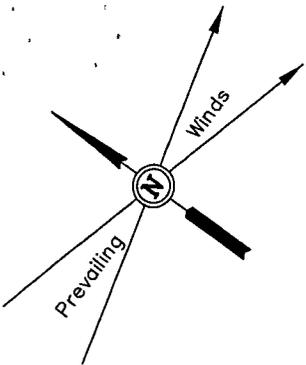
DRAWN BY: C.P.

REVISED: 00-00-00

UTE/FNR LLC.

FIGURE #1

LOCATION LAYOUT FOR
 UTE TRIBAL #1-34-1319
 SECTION 34, T13S, R19E, S.L.B.&M.
 602' FNL 789' FEL

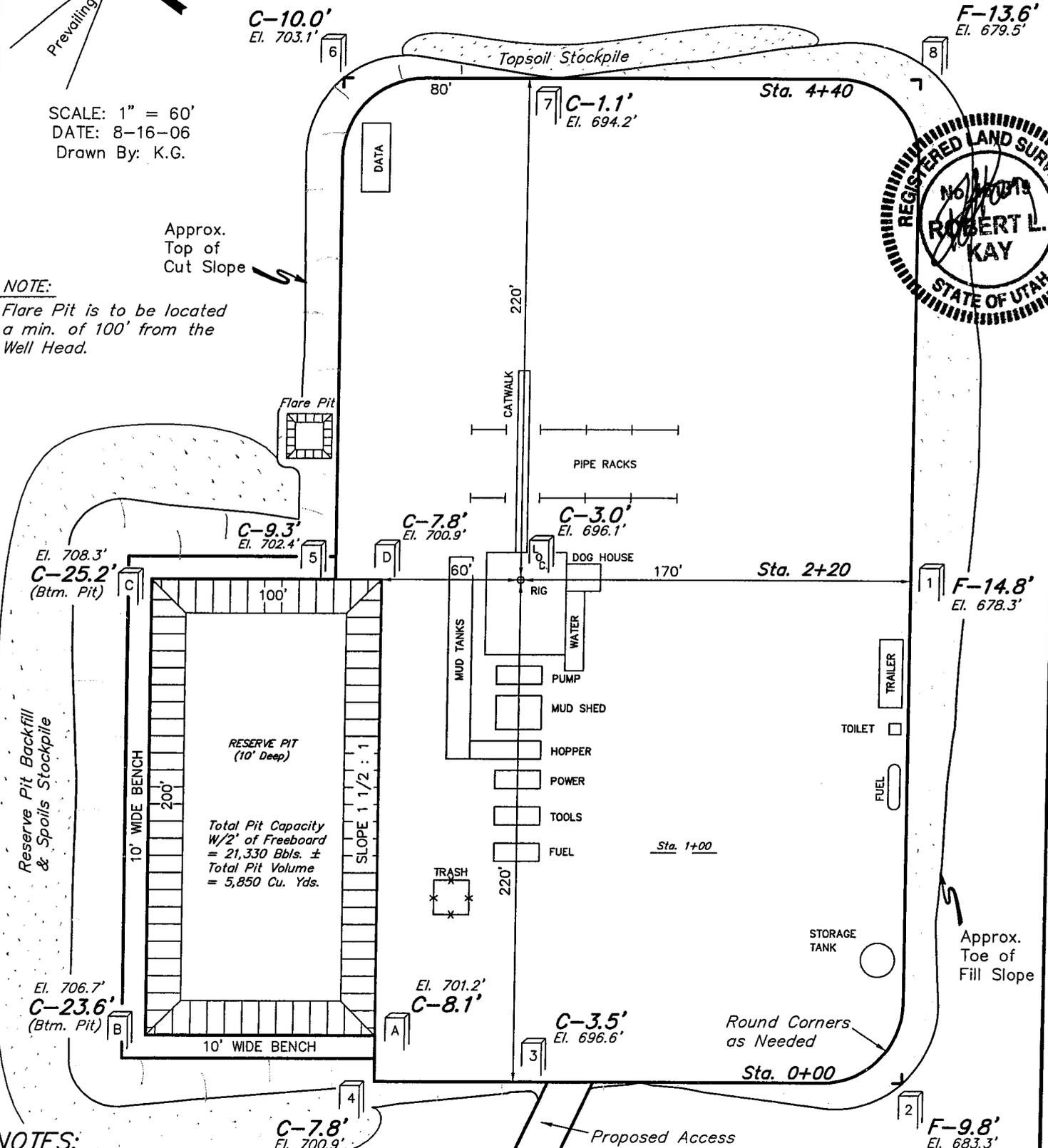


SCALE: 1" = 60'
 DATE: 8-16-06
 Drawn By: K.G.



NOTE:

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 6696.1'
 FINISHED GRADE ELEV. AT LOC. STAKE = 6693.1'

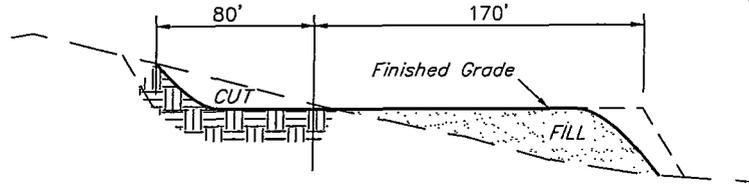
UINTAH ENGINEERING & LAND SURVEYING
 85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

UTE/FNR LLC.

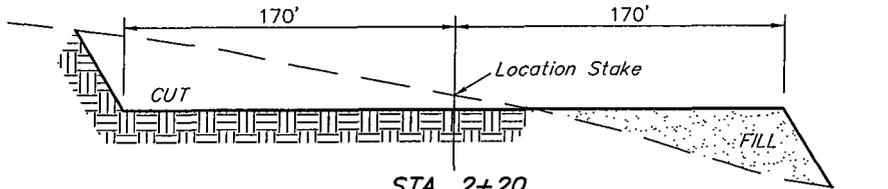
FIGURE #2

TYPICAL CROSS SECTIONS FOR
 UTE TRIBAL #1-34-1319
 SECTION 34, T13S, R19E, S.L.B.&M.
 602' FNL 789' FEL

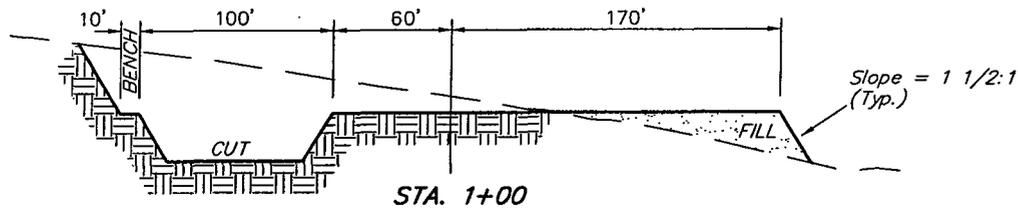
1" = 40'
 X-Section
 Scale
 1" = 100'
 DATE: 8-16-06
 Drawn By: K.G.



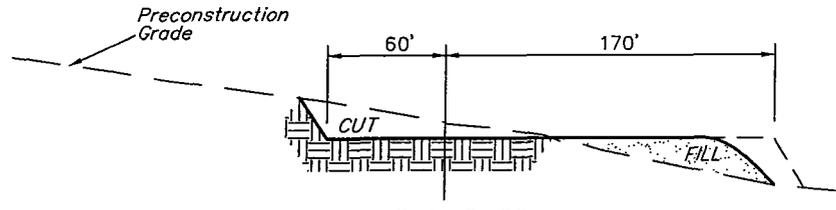
STA. 4+40



STA. 2+20



STA. 1+00



STA. 0+00

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

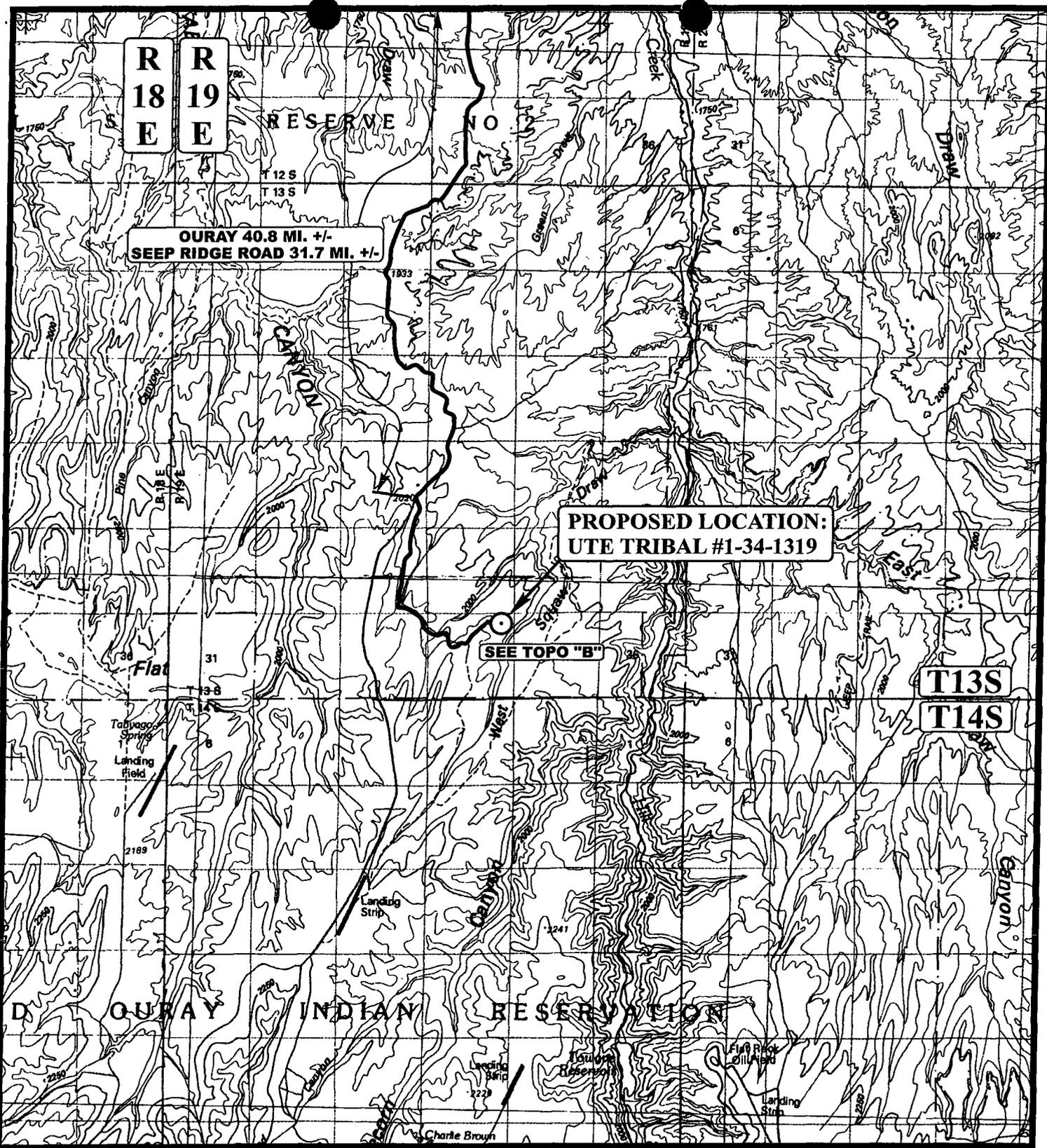
* NOTE:
 FILL QUANTITY INCLUDES
 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 5,980 Cu. Yds.
Remaining Location	= 22,790 Cu. Yds.
TOTAL CUT	= 28,770 CU.YDS.
FILL	= 19,860 CU.YDS.

EXCESS MATERIAL	= 8,910 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 8,910 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

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



R 18 E
R 19 E

OURAY 40.8 MI. +/-
SEEP RIDGE ROAD 31.7 MI. +/-

PROPOSED LOCATION:
UTE TRIBAL #1-34-1319

SEE TOPO "B"

T13S
T14S

LEGEND:

○ PROPOSED LOCATION



UTE/FNR LLC.

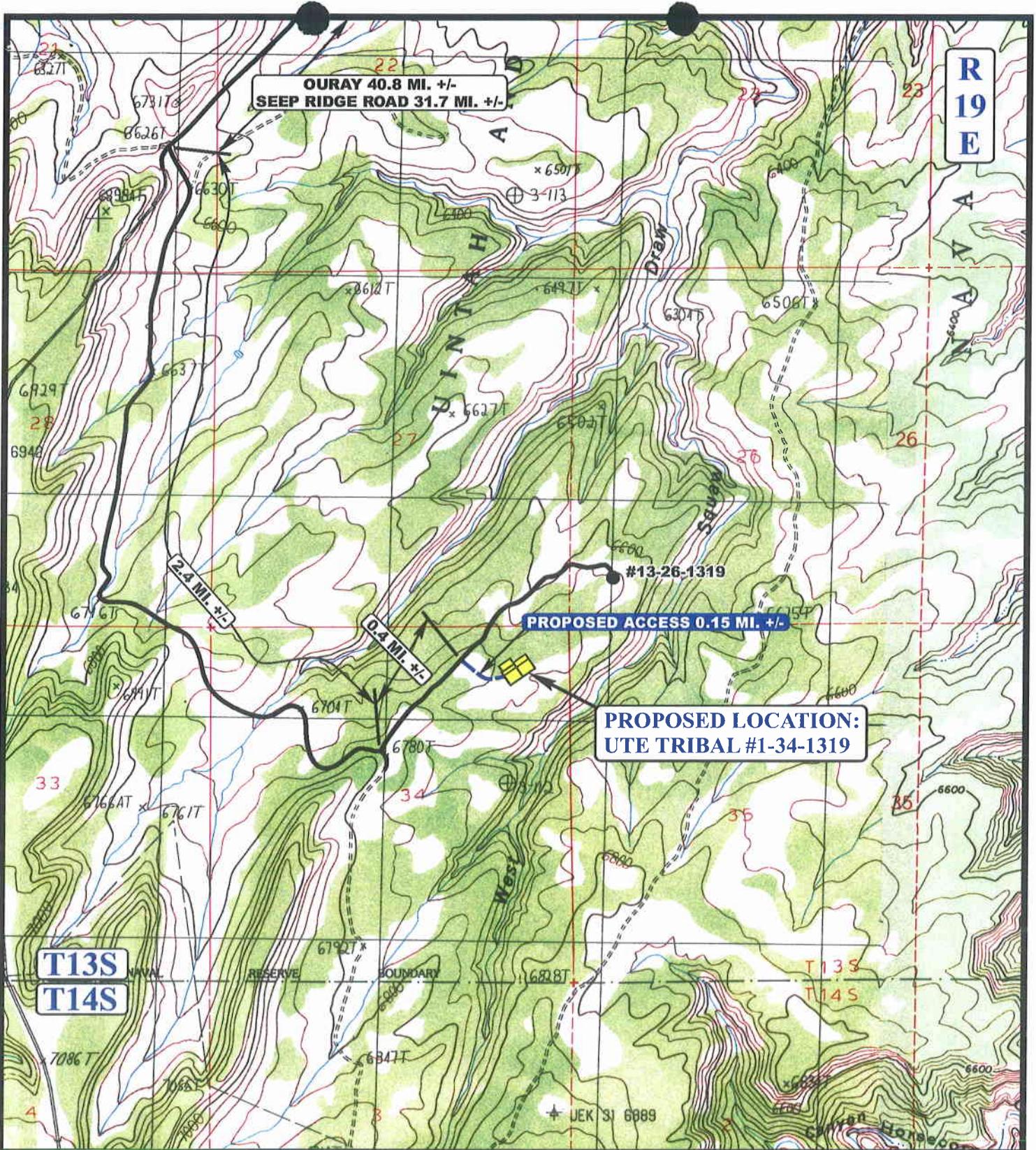
UTE TRIBAL #1-34-1319
SECTION 34, T13S, R19E, S.L.B.&M.
602' FNL 789' FEL



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

TOPOGRAPHIC 08 16 06
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD



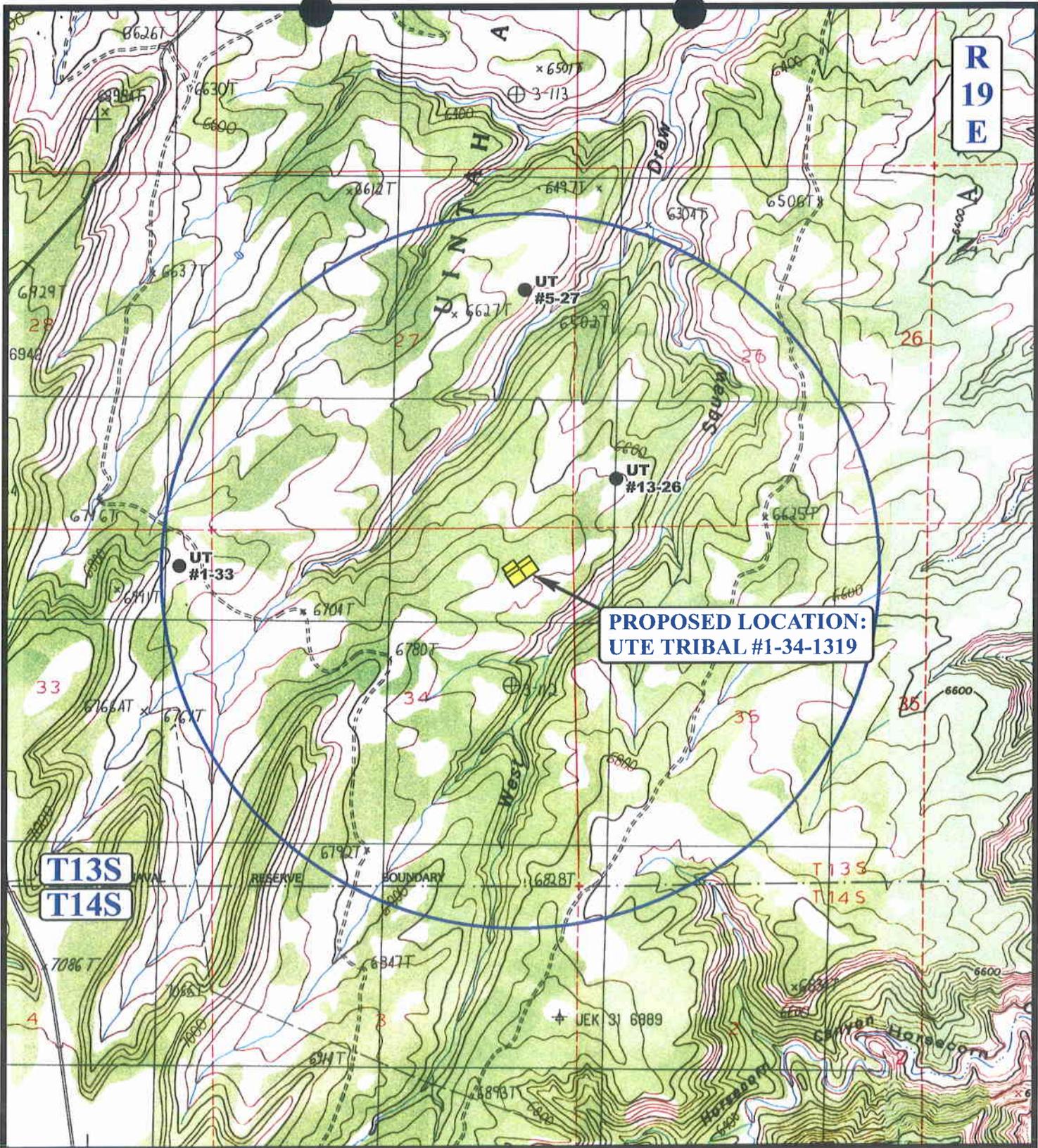
UTE/FNR LLC.

UTE TRIBAL #1-34-1319
SECTION 34, T13S, R19E, S.L.B.&M.
602' FNL 789' FEL

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

TOPOGRAPHIC	08	16	06
MAP	MONTH	DAY	YEAR
SCALE: 1" = 2000'	DRAWN BY: C.P.		REVISED: 00-00-00





LEGEND:

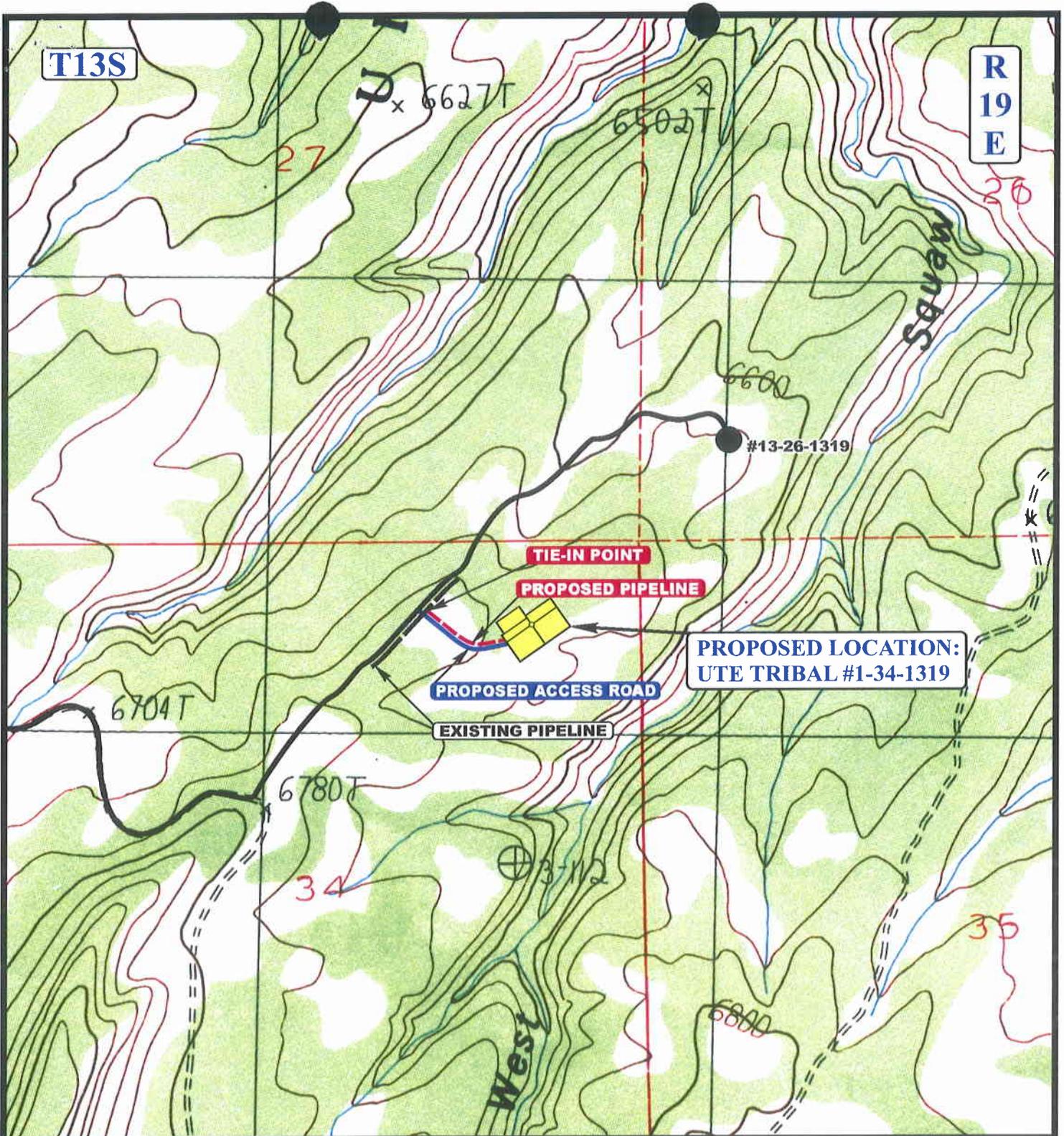
- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- ⊖ SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



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

UTE/FNR LLC.
UTE TRIBAL #1-34-1319
SECTION 34, T13S, R19E, S.L.B.&M.
602' FNL 789' FEL

TOPOGRAPHIC	08	16	06	C TOPO
MAP	MONTH	DAY	YEAR	
SCALE: 1" = 2000'	DRAWN BY: C.P.		REVISED: 00-00-00	



**PROPOSED LOCATION:
UTE TRIBAL #1-34-1319**

APPROXIMATE TOTAL PIPELINE DISTANCE = 685' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



UTE/FNR LLC.

**UTE TRIBAL #1-34-1319
SECTION 34, T13S, R19E, S.L.B.&M.
602' FNL 789' FEL**



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

TOPOGRAPHIC MAP

08 16 06
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/11/2006

API NO. ASSIGNED: 43-047-38604

WELL NAME: UTE TRIBAL 1-34-1319
 OPERATOR: FIML NATURAL RESOURCES (N2530)
 CONTACT: MARK BINGHAM

PHONE NUMBER: 303-893-5073

PROPOSED LOCATION:

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

NENE 34 130S 190E
 SURFACE: 0602 FNL 0789 FEL
 BOTTOM: 0602 FNL 0789 FEL
 COUNTY: UINTAH
 LATITUDE: 39.64836 LONGITUDE: -109.7693
 UTM SURF EASTINGS: 605594 NORTHINGS: 4389244
 FIELD NAME: NAVAL RESERVE (794)

LEASE TYPE: 2 - Indian
 LEASE NUMBER: UIT-EDA-001-000
 SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: ENRD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[2] Sta[] Fee[]
(No. 8193-15-93)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-10447)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS: See Separate file

STIPULATIONS: ~~1- Land Approval~~
2- Spacing Study

UTE TRIBAL
13-27-1319

UTE TRIBAL
13-26-1319

T13S R19E

UTE TRIBAL
1-33-1319

UTE TRIBAL
1-34-1319

NAVAL RESERVE FIELD

UTE TRIBAL
5-34-1319

34

T14S R19E

OPERATOR: FIML NAT RES LLC (N2530)

SEC: 34 T.13S R.19E

FIELD: NAVAL RESERVE (794)

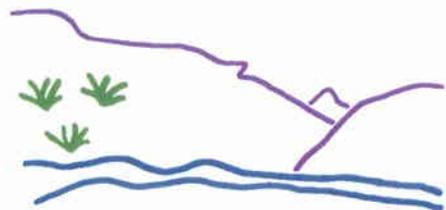
COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

- 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



PREPARED BY: DIANA WHITNEY
DATE: 19-SEPTEMBER-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

September 19, 2006

FIML Natural Resources, LLC
410 17th St., 9th Floor
Denver, CO 80202

Re: Ute Tribal 1-34-1319 Well, 602' FNL, 789' FEL, NE NE, Sec. 34, T. 13 South,
R. 19 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38604.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: FIML Natural Resources, LLC
Well Name & Number Ute Tribal 1-34-1319
API Number: 43-047-38604
Lease: UIT-EDA-001-000

Location: NE NE Sec. 34 T. 13 South R. 19 East

Conditions of Approval

1. General

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

2. Notification Requirements

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. The lands subject to this application and the associated mineral rights have been transferred to the Ute Indian Tribe as fee lands, and not as part of the reservation lands pursuant to Public Law 106-398, the Floyd D Spence National Defense Authorization Act for Fiscal Year 2001. The Division on behalf of the State of Utah has been directed by Utah Code §§40-6-1 *et seq.* to exercise jurisdiction over all oil and gas exploration and development on all lands within the State of Utah, in order to promote the greatest economic recovery of oil and gas, and to protect the interests of the general public in the natural resources of the state. **The operator is responsible for obtaining the proper permits from both the State of Utah, Division of Oil Gas and Mining, and from the Ute Indian Tribe for all oil and gas related activities that may be permitted and under the regulations of the State of Utah or the Ute Indian Tribe.**

Page 2

43-047-38604

September 19, 2006

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

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

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UIT-EDA-001-000
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tribe
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: FIML Natural Resources, LLC		8. WELL NAME and NUMBER: Ute Tribal 1-34-1319
3. ADDRESS OF OPERATOR: 410 17th Street Ste. 900 CITY Denver STATE CO ZIP 80202		9. API NUMBER: 4304738604
4. LOCATION OF WELL FOOTAGES AT SURFACE: 602' FNL 789' FEL		10. FIELD AND POOL, OR WILDCAT: Naval Reserve
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 34 13S 19E		COUNTY: Uintah
		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>1/1/2008</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Permit Extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 FIML Natural Resources, LLC is requesting a permit extension for the Ute Tribal 1-34-1319. Further evaluation of the area is needed prior to drilling this well.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-17-07
By: [Signature]

NAME (PLEASE PRINT) <u>Cassandra Parks</u>	TITLE <u>Operations Assistant</u>
SIGNATURE <u>[Signature]</u>	DATE <u>9/10/2007</u>

(This space for State use only)

9-10-07
PM

RECEIVED
SEP 12 2007

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

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

API: 43-047-38604
Well Name: Ute Tribal 1-34-1319
Location: 602' FNL 789' FEL Sec 34 T-13S R-19E
Company Permit Issued to: FIML Natural Resources, LLC
Date Original Permit Issued: 9/19/2006

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

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

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

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

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

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

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

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

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


Signature

9/10/2007
Date

Title: Operations Assistant

Representing: FIML Natural Resources, LLC

RECEIVED
SEP 12 2007
DIV. OF OIL, GAS & MINING

FIML NATURAL RESOURCES, LLC

September 10, 2007

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114-5801

Attn.: Ms. Diana Mason

RE: Ute Tribal 1-34-1319
NENE Sec 34 T-13S R-19E
Uintah County, Utah

Dear Ms. Mason:

FIML Natural Resources, LLC water for drilling operations will now be hauled by Betts Trucking. It will come from Duchesne City, Utah. The water right number is 43-3651.

If any questions arise or need additional information is required, please contact the undersigned at 303-893-5090.

Sincerely,



Cassandra Parks
Operations Assistant

/cp

RECEIVED
SEP 12 2007

DIV. OF OIL, GAS & MINING

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

FORM 9

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:
UIT-EDA-001-000

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Ute Tribe

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Ute Tribal 1-34-1319

9. API NUMBER:
4304738604

10. FIELD AND POOL, OR WILDCAT:
Naval Reserve

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
FIML Natural Resources, LLC

3. ADDRESS OF OPERATOR:
410 17th Street Ste. 900 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 899-5603

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 602' FNL 789' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 34 13S 19E

STATE: UTAH

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

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

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

FIML Natural Resources, LLC is requesting a permit extension for the Ute Tribal 1-34-1319. Further evaluation of the area is needed prior to drilling this well. Request for permit extension validation is attached.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-16-08
By: [Signature]

NAME (PLEASE PRINT) Elaine Winick

TITLE Drilling Technician

SIGNATURE [Signature]

DATE 9/12/2008

(This space for State use only)

COPY SENT TO OPERATOR

Date: 9.17.2008

Initials: KS

(5/2000)

(See Instructions on Reverse Side)

RECEIVED
SEP 15 2008

DIV. OF OIL, GAS & MINING

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

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

API: 43-047-38604
Well Name: Ute Tribal 1-34-1319
Location: 602' FNL 789' FEL Sec 34 T-13S R-19E
Company Permit Issued to: FIML Natural Resources, LLC
Date Original Permit Issued: 9/19/2006

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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

Elaine Winick
Signature

9/12/2008

Date

Title: Drilling Technician

Representing: FIML Natural Resources, LLC

RECEIVED

SEP 15 2008

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UIT-EDA-001-000
2. NAME OF OPERATOR: FIML Natural Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tribe
3. ADDRESS OF OPERATOR: 410 17th Street Ste. 900 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 602' FNL 789' FEL		8. WELL NAME and NUMBER: Ute Tribal 1-34-1319
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 34 13S 19E		9. API NUMBER: 4304738604
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Naval Reserve
STATE: UTAH		

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

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

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

FIML Natural Resources, LLC is requesting a permit extension for the Ute Tribal 1-34-1319. Further evaluation of the area is needed prior to drilling this well. Request for permit extension validation is attached.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-17-09
By: [Signature]

COPY SENT TO OPERATOR

Date: 9.21.2009
Initials: KS

NAME (PLEASE PRINT) <u>Elaine Winick</u>	TITLE <u>Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>9/11/2009</u>

(This space for State use only)

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SEP 15 2009
DIV. OF OIL, GAS & MINING

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

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

API: 43-047-38604
Well Name: Ute Tribal 1-34-1319
Location: 602' FNL 789' FEL Sec 34 T-13S R-19E
Company Permit Issued to: FIML Natural Resources, LLC
Date Original Permit Issued: 9/19/2006

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

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

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

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

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

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

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

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

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

Elaine Minter
Signature

9/11/2009
Date

Title: Regulatory Specialist

Representing: FIML Natural Resources, LLC

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SEP 15 2009

DIV. OF OIL, GAS & MINING

Earlene Russell - Drill Permits in the "Naval Reserve"

From: Earlene Russell
To: Elaine Winick; Mark Bingham
Date: 5/12/2010 10:28 AM
Subject: Drill Permits in the "Naval Reserve"
CC: Brad Hill; Diana Mason; Jean Sweet; Randy Thackeray
Attachments: Naval Reserve Bond.pdf

Dear Elaine and Mark,

Years ago the "Naval Reserve Area" was given to the Tribe by the United States Government as FEE SIMPLE property and it includes the minerals. A separate blanket bond was provided by FIML for these wells. DOGM monitors the permitting for this area to insure the wells are properly cased, etc.

The APDs FIML submits in this area (Uintah County, Townships 12S and 13S, Range 19E) should be submitted as Fee minerals, rather than Indian minerals. The bond number for the wells in the Naval Reserve is bond number 81918314 (copy attached) and bond type is State/Fee (5).

Based on the above information, DOGM's database has been changed to show fee minerals and the bond number 81918314. This includes the two new pending permits "Horn Frog".

If you have any questions, please call me at (801) 538-5336.

Earlene Russell
Division of Oil, Gas & Mining
PO Box 145801
Salt Lake City, UT 84114-5801
or
1594 W North Temple, Suite 1210
Salt Lake City, UT 84116
Phone (801) 538-5336
Fax (801) 359-3940
e-mail earlenerussell@utah.gov



GARY R. HERBERT
Governor

GREGORY S. 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

September 29, 2010

FIML Natural Resources
410 17th Street, Suite 900
Denver, Colorado 80202

Re: APD Rescinded – Ute Tribal 1-34-1319, Sec. 34, T.13S, R.19E,
Uintah County, Utah API No. 43-047-38604

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 19, 2006. On September 17, 2007, September 16, 2008 and September 17, 2009 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 29, 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

