

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

FORM 3

AMENDED REPORT
(highlight changes)

| | | | | |
|--|--|---|---|---------------------------|
| APPLICATION FOR PERMIT TO DRILL | | | 5. MINERAL LEASE NO: ML-47969 | 6. SURFACE: State |
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> | | | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> | | | 8. UNIT or CA AGREEMENT NAME: | |
| 2. NAME OF OPERATOR: The Houston Exploration Company | | | 9. WELL NAME and NUMBER: North Horseshoe 4-15-6-22 | |
| 3. ADDRESS OF OPERATOR: 1100 Louisiana Suite 20 CITY Houston STATE TX ZIP 77002 | | PHONE NUMBER: (713) 830-6800 | 10. FIELD AND POOL, OR WILDCAT: Undesignated Wildcat | |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 655' FNL & 849' FWL AT PROPOSED PRODUCING ZONE: Same as above | | | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 15 6S 22E | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 14.15 miles south of Vernal, UT | | | 12. COUNTY: Uintah | 13. STATE: UTAH |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 655' | 16. NUMBER OF ACRES IN LEASE: 2,240 Acres | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 Acres | | |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1,500' | 19. PROPOSED DEPTH: 9359' 9401' | 20. BOND DESCRIPTION: 104155044 | | |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4,747' GR | 22. APPROXIMATE DATE WORK WILL START: 7/1/2007 | 23. ESTIMATED DURATION: 30 Days | | |

24. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | | | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT | | | |
|--------------|---|------|-------|----------------------------------|---|---------|--------|---------|
| 11" | 8 5/8 | J-55 | 36# | 2,000 | Premium Lite II | 250 sks | 3.38cf | 11.0ppg |
| | | | | | Class "G" | 329 sks | 1.2cf | 15.6ppg |
| | | | | | Calcium Chloride | 200 sks | 1.1cf | 15.6ppg |
| 7 7/8 | 4 1/2 | N-80 | 11.6# | 9359' 9401' | Premium Lite II | 415 sks | 3.3cf | 11.0ppg |
| | | | | | Class "G" | 515 sks | 1.56cf | 14.3ppg |

25. ATTACHMENTS

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

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

NAME (PLEASE PRINT) William A. Ryan TITLE Agent

SIGNATURE _____ DATE 4/23/2007

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

RECEIVED

APR 30 2007

API NUMBER ASSIGNED: 43-047-39095

Date: 05-16-07

By: [Signature]

DIV. OF OIL, GAS & MINING

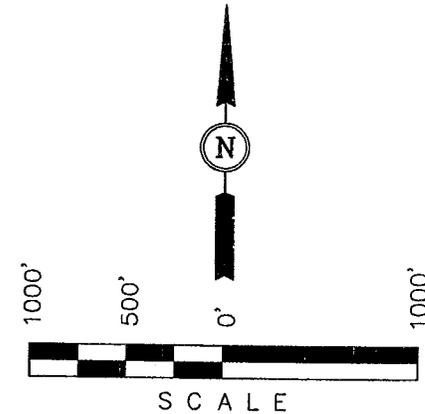
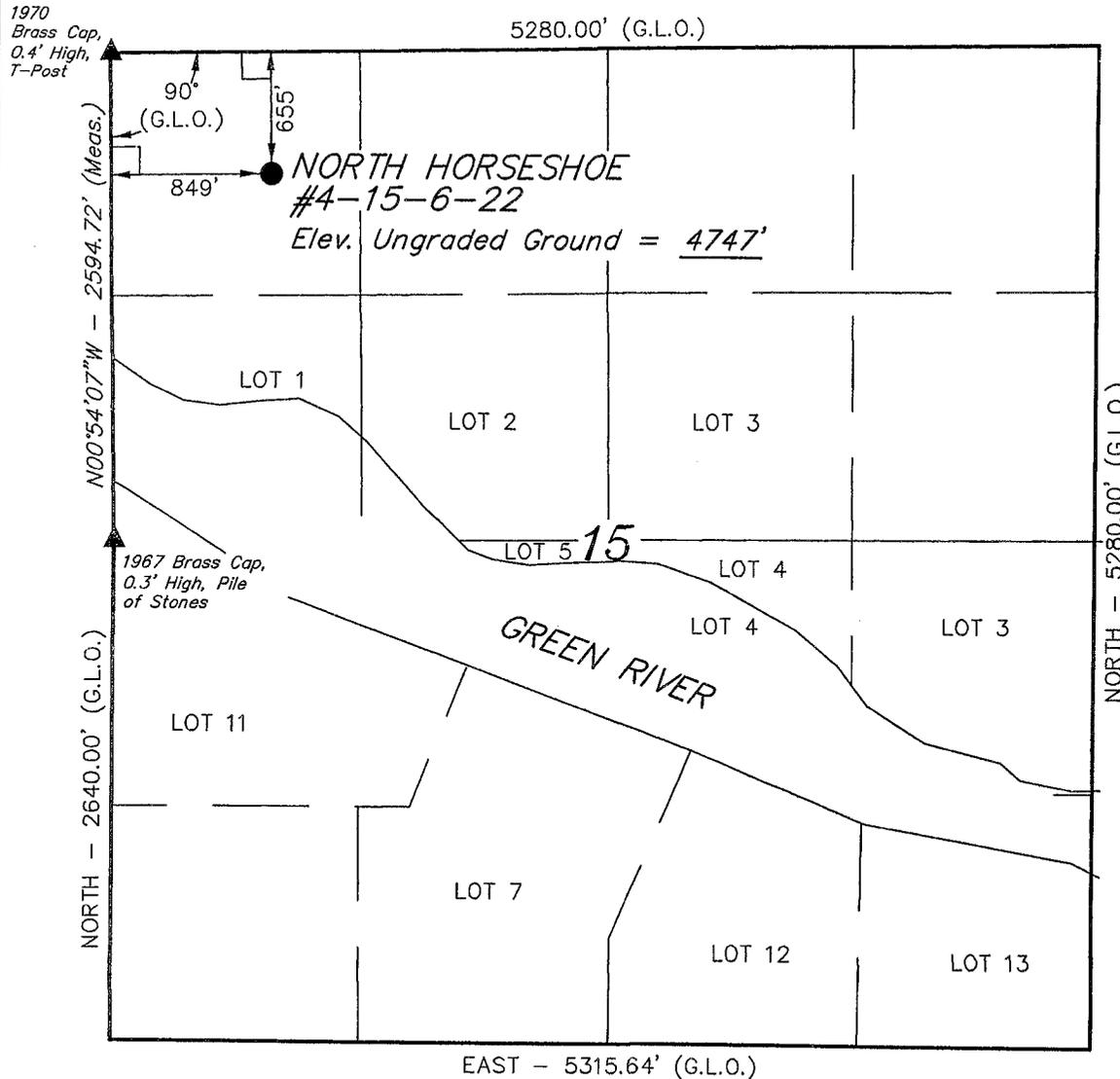
T6S, R22E, S.L.B.&M.

THE HOUSTON EXPLORATION COMPANY

Well location, NORTH HORSESHOE #4-15-6-22, located as shown in the NW 1/4 NW 1/4 of Section 15, T6S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A HILLTOP LOCATED IN THE SW 1/4 OF SECTION 11, T6S, R22E, S.L.B.&M. TAKEN FROM THE RASMUSSEN HOLLOW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4993 FEET.



CERTIFICATE

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

John H. King
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

BASIS OF BEARINGS

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

LEGEND:

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

(AUTONOMOUS NAD 83)
LATITUDE = 40°18'14.48" (40.304022)
LONGITUDE = 109°26'06.13" (109.435036)

(AUTONOMOUS NAD 27)
LATITUDE = 40°18'14.61" (40.304058)
LONGITUDE = 109°26'03.65" (109.434347)

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

| | | |
|-------------------------|---|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 08-03-05 | DATE DRAWN: 08-10-05 |
| PARTY N.H. D.M. L.K. | REFERENCES G.L.O. PLAT | |
| WEATHER HOT | FILE THE HOUSTON EXPLORATION COMPANY | |

Ten Point Plan

The Houston Exploration Company

North Horseshoe 4-15-6-22

Surface Location NW ¼ NW ¼, Section 15, T. 6S., R. 22E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

| <u>Formation</u> | <u>Depth</u> | <u>Datum</u> |
|------------------|--------------|--------------|
| GR | Surface | 4,747' |
| KB | +12' | 4,759' |
| Green River | 3,659' | +1,100' |
| Wasatch | 6,759' | -2,000' |
| Mesaverda | 9,359' | -4,600' TD |

A 11" hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Producing Formation Depth:

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

Off set well information

Permitted/Drilled:

North Horseshoe #2-15-6-22

North Horseshoe #16-9-6-22

North Horseshoe #14-10-6-22

Abandoned Wells:

N #2

4. Proposed Casing:

| <u>Hole Size</u> | <u>Casing Size</u> | <u>Weight/FT</u> | <u>Grade</u> | <u>Coupling & Tread</u> | <u>Casing Depth</u> | <u>New/Used</u> |
|------------------|--------------------|------------------|--------------|-----------------------------|---------------------|-----------------|
| 11 | 8 5/8 | 36# | J-55 | STC | 2000 | NEW |
| 7 7/8 | 4 1/2 | 11.6# | N-80 | LTC | T.D. | NEW |

Cement Program:

The Surface Casing will be cemented to the Surface as follows:

| | <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|----------|--------------------|--|-----------------------|-------------------------|----------------------|
| Lead: | 8 5/8 | Premium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride | 250 sks. +/- | 3.38ft ³ /sk | 11.0 ppg |
| Tail: | 8 5/8 | Class "G" 2% Calcium Chloride .25#/sk Cello Flake | 329 sks. +/- | 1.2ft ³ /sk | 15.6 ppg |
| Top Job: | 8 5/8 | 4% Calcium Chloride .25#/sk Cello Flake | 200 sks. +/- | 1.10ft ³ /sk | 15.6 ppg |

Production casing will be cemented to 2,500' or higher as follows:

| <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|--------------------|---|-----------------------|-------------------------|----------------------|
| Lead: 4 1/2 | Premium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate | 415 sks +/- | 3.3ft ³ /sk | 11.0 ppg |
| Tail: 4 1/2 | Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite | 515 sks +/- | 1.56ft ³ /sk | 14.3 ppg |

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

| <u>Interval</u> | <u>Mud weight lbs./gal.</u> | <u>Viscosity Sec./OT.</u> | <u>Fluid Loss Ml/30 Mins.</u> | <u>Mud Type</u> |
|-----------------|---------------------------------|-------------------------------|-----------------------------------|-----------------|
| 0-2000 | Air/Clear Water | ----- | No Control | Water/Gel |
| 2000-T.D. | 8.4-12.0 | 30 | 8-10 | Water/Gel |

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

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

9. Abnormalities (including sour gas):

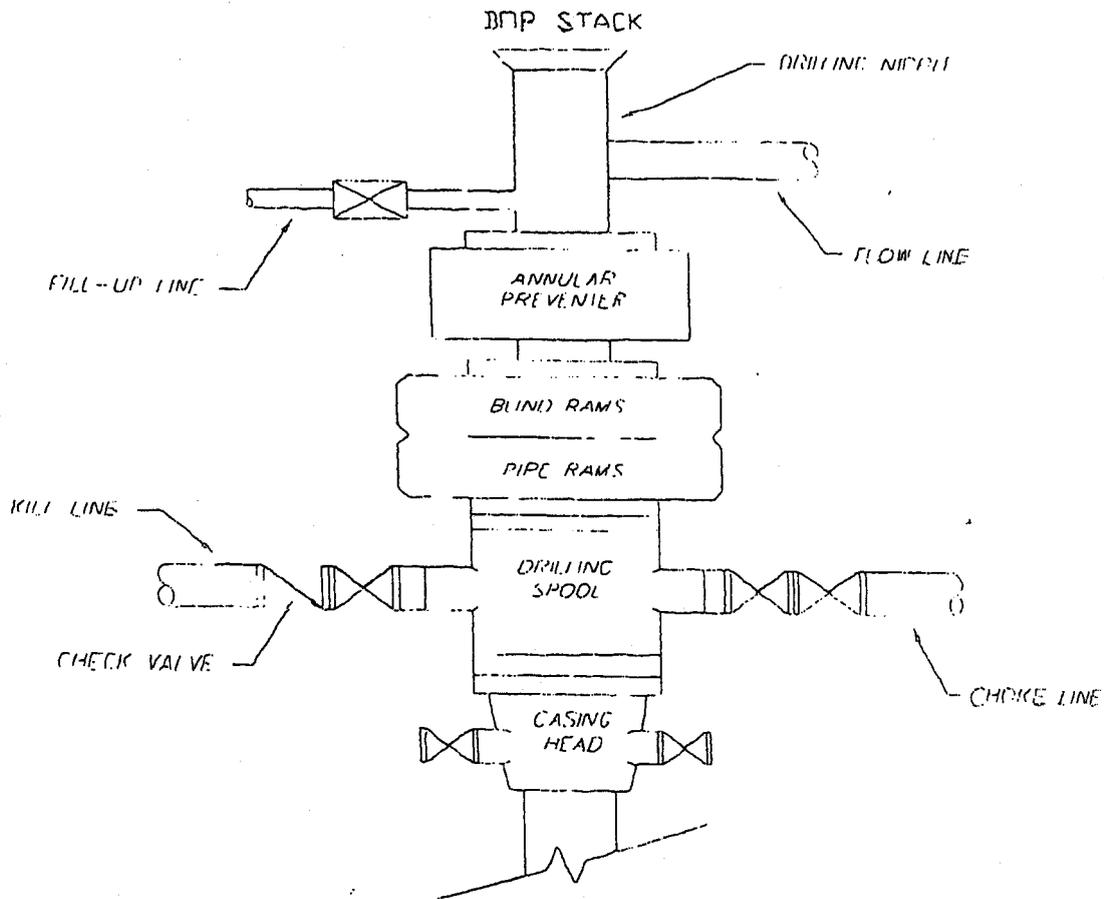
No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H2S.

10. Drilling Schedule:

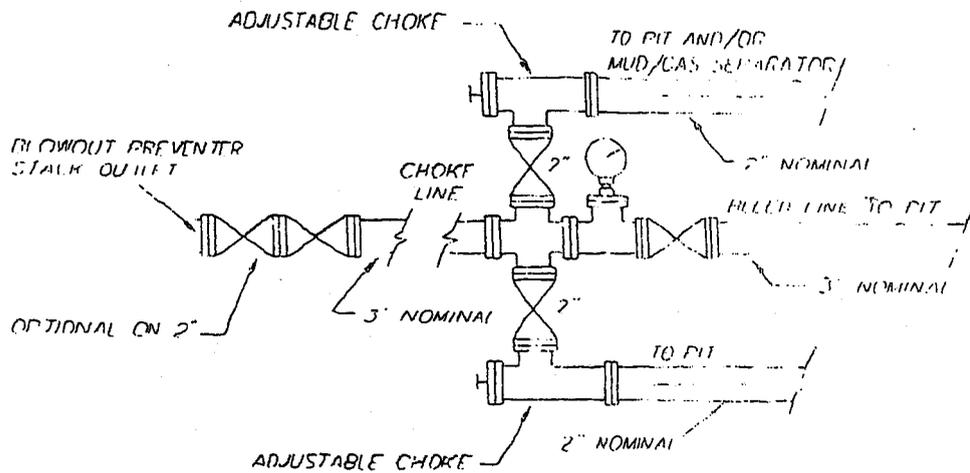
The anticipated starting date is 3/05/07. Duration of operations is expected to be 30 days.

THE HOUSTON EXPLORATION COMPANY

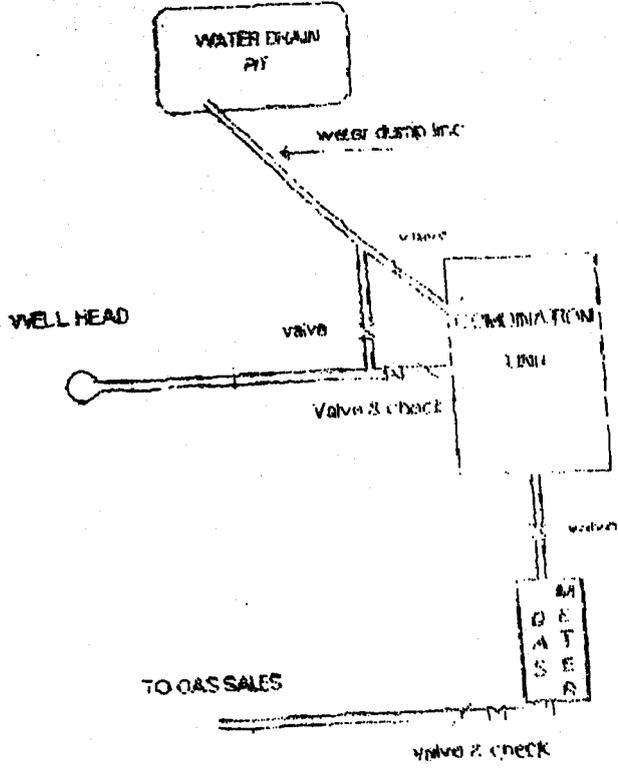
TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC



TYPICAL
CDS WELL



THE HOUSTON EXPLORATION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

NORTH HORSESHOE 4-15-6-22

LOCATED IN NW $\frac{1}{4}$ NW $\frac{1}{4}$

SECTION 15, T. 6S, R22E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: ML-47969

SURFACE OWNERSHIP: STATE

1. Existing Roads:

To reach The Houston Exploration Co. well North Horseshoe 4-15-6-22 in Section 15, T6S, R 22E, Starting in Vernal, Utah.

Proceed in an easterly, then southerly direction from Vernal, Utah along U.S. Highway 40 approximately 3.9 miles to the junction of this road and State Highway 45; exit right and proceed in a southerly, then southeasterly direction approximately 5.2 miles on State Highway 45 to the junction of this road and an existing road to the southeast, turn left and proceed in a southeasterly, then southerly direction approximately 4.5 miles to the beginning of the proposed access for the 14-10-6-22 to the west; follow road flags in a westerly direction approximately 0.15 miles to the proposed 14-10-6-22 and the beginning of the proposed access for the 16-9-6-22 to the west; follow road flags in a westerly direction approximately 0.1 miles to the beginning of the proposed access to the south; follow road flags in a southerly direction approximately 0.3 miles to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 14.15 miles.

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

2. Planned access road

The proposed access road will be approximately 1584' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

- A) Approximate length 1584 ft
- B) Right of Way width 30 ft
- C) Running surface 18 ft
- D) Surface material Native soil
- E) Maximum grade 5%
- F) Fence crossing None
- G) Culvert None
- H) Turnouts None
- I) Major cuts and fills None
- J) Road Flagged Yes
- K) Access road surface ownership State

L) All new construction on lease Yes

M) Pipe line crossing None
Please see the attached location plat for additional details.

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

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

3. Location of existing wells

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

- A) Producing well None
- B) Water well None
- C) Abandoned well N #2
- D) Temp. abandoned well None
- E) Disposal well None
- F) Drilling /Permitted well
North Horseshoe 2-15-6-22
North Horseshoe 16-9-6-22

Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from The Green River in Permit # T-76073.

6. Source of construction materials

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

7. Methods for handling waste disposal

A) Pit construction and liners:

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

The reserve pit will be lined.

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

fluids, chemicals, produced fluids, etc.

B) Produced fluids:

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

C) Garbage:

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

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

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

8. Ancillary facilities

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

9. Well-site layout

Location dimensions are as follows:

- A) Pad length **345 ft.**
- B) Pad width **245 ft.**
- C) Pit depth **12 ft.**
- D) Pit length **150 ft.**
- E) Pit width **75 ft.**
- F) Max cut **10.7 ft.**
- G) Max fill **4.7 ft.**
- H) Total cut yds. **6,000 cu yds**
- I) Pit location **South side**
- J) Top soil location **East end**
- K) Access road location **Southeast end**
- L) Flare Pit **corner C**

Please see the attached location diagram for additional details.

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

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately **1,630** cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

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

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

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

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

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

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

A) Seeding dates:

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

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

B) Seed Mix

To be determined by the Authorized Officer.

11. Surface ownership:

| | |
|--------------------|--------------|
| Access road | State |
| Location | State |
| Pipe line | State |

12. Other information:

A) Vegetation

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

B) Dwellings:

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

C) Archeology:

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

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

promptly to the surface management agency.

been off production for more than 90 days.

D) Water:

The nearest water is the Green River located 600' to the South.

E) Chemicals:

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

F) Notification:

- a) Location Construction
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion
Prior to moving on the drilling rig.
- c) Spud notice
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has

G) Flare pit:

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

13. Lessees or Operator's representative and certification

A) Representative

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

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

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

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

application will be filed for approval for any future operations.

B) Certification:

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

Date 3/9/07 _____


William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Dates:

THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #4-15-6-22

LOCATED IN UINTAH COUNTY, UTAH

SECTION 15, T6S, R22E, S.L.B.&M.

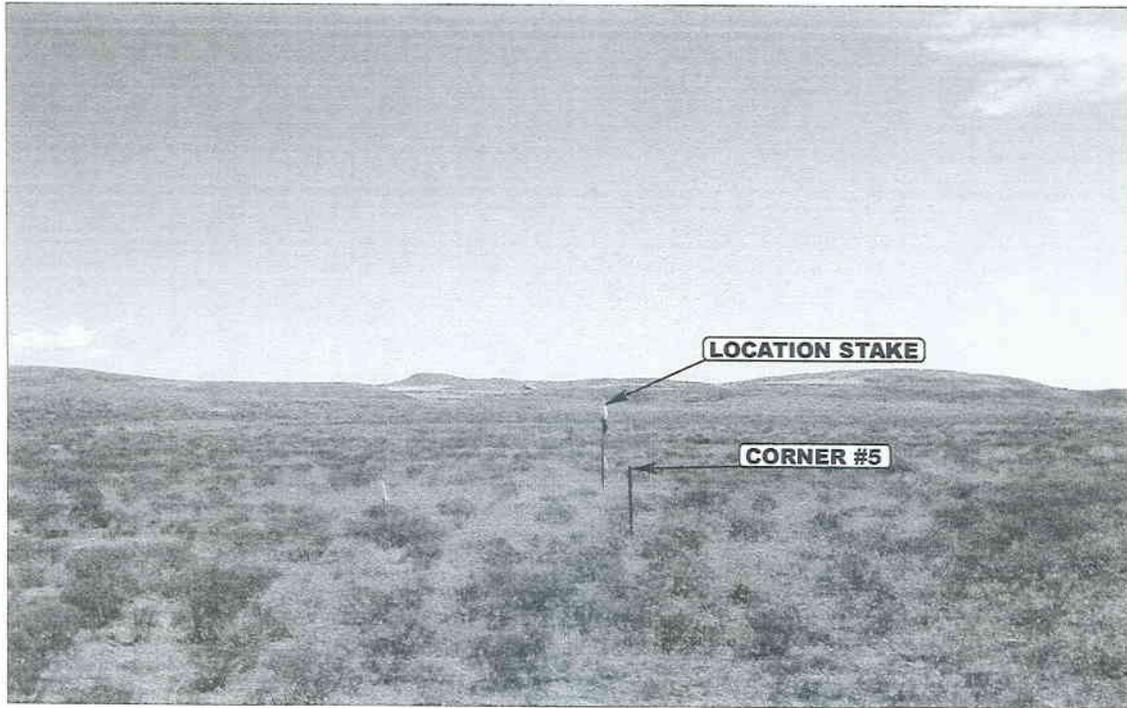


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

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

LOCATION PHOTOS

08 15 05
MONTH DAY YEAR

PHOTO

TAKEN BY: N.H. | DRAWN BY: C.P. | REVISED: 00-00-00

THE HOUSTON EXPLORATION COMPANY

FIGURE #1

LOCATION LAYOUT FOR

NORTH HORSESHOE #4-15-6-22
SECTION 15, T6S, R22E, S.L.B.&M.
655' FNL 849' FWL

Existing Drainage

Approx. Toe of Fill Slope

F-4.7'
El. 42.4'

Sta. 3+45

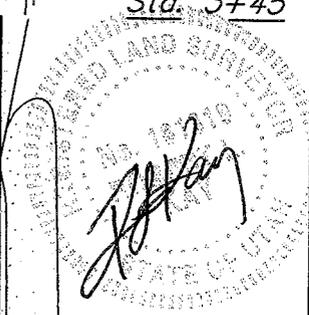
SCALE: 1" = 50'
DATE: 08-10-05
Drawn By: L.K.

NOTE:

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

NOTE:

Earthwork Calculations Require a Fill of 0.3' @ the Location Stake For Balance. All Fill is to be Compacted to a Minimum of 95% of the Maximum Dry Density Obtained by AASHTO Method t-99.



F-2.0'
El. 45.1'

Pit Topsoil

F-1.3'
El. 45.8'

F-0.9'
El. 46.2'

F-0.3'
El. 46.8'

El. 45.7'
C-10.6'
(btm. pit)

Reserve Pit Backfill & Spoils Stockpile

15' WIDE BENCH/DIKE
150'
Total Pit Capacity W/2' of Freeboard = 12,540 Bbls ±
Total Pit Volume = 3,390 Cu. Yrds
RESERVE PITS (12' Deep)
SLOPE = 1-1/2 : 1

F-0.8'
El. 46.3'

DOG HOUSE

Sta. 1+65

C-2.0'
El. 49.1'

RIG

WATER

PUMP

MUD TANKS

MUD SHED

HOPPER

POWER

TOOLS

FUEL

STORAGE TANK

TRAILER

TOILET

FUEL

Topsoil Stockpile

Sta. 0+00

C-4.0'
El. 51.1'

Approx. Top of Cut Slope

Proposed Access Road

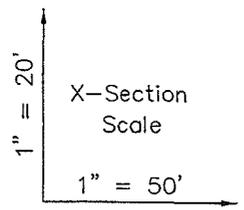
NOTES:

Elev. Ungraded Ground At Loc. Stake = 4746.8'
FINISHED GRADE ELEV. AT LOC. STAKE = 4747.1'

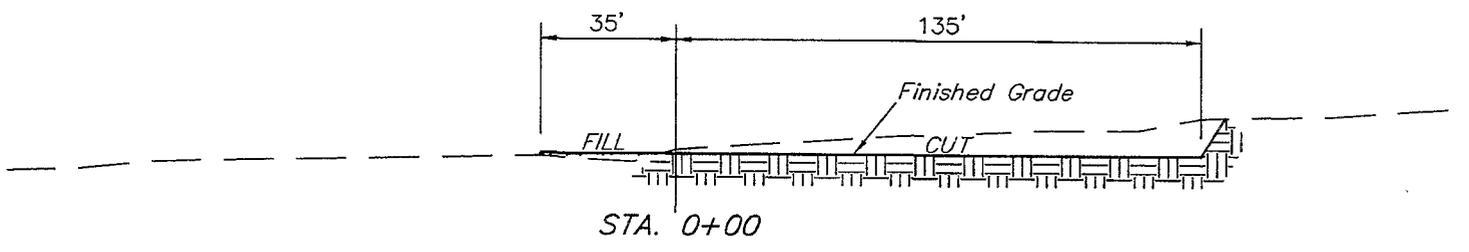
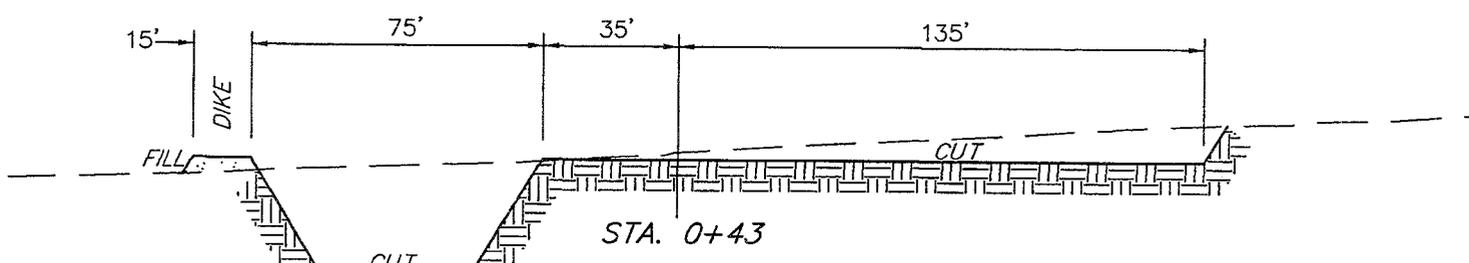
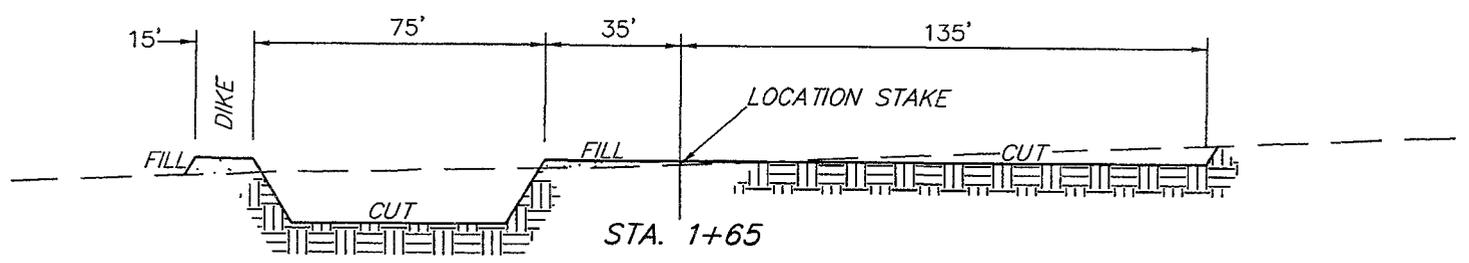
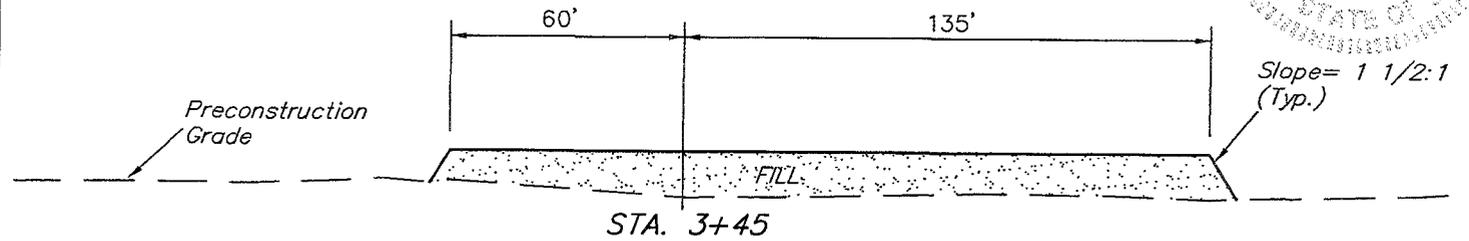
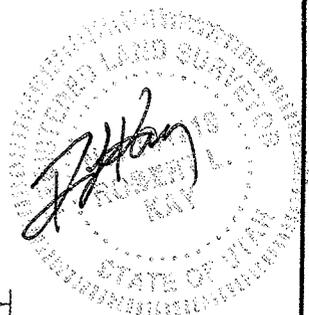
THE HOUSTON EXPLORATION COMPANY

FIGURE #2

TYPICAL CROSS SECTIONS FOR
 NORTH HORSESHOE #4-15-6-22
 SECTION 15, T6S, R22E, S.L.B.&M.
 655' FNL 849' FWL



DATE: 08-10-05
 Drawn By: L.K.



* NOTE:
 FILL QUANTITY INCLUDES
 5% FOR COMPACTION

APPROXIMATE YARDAGES

| | |
|------------------------|------------------------|
| CUT | |
| (6") Topsoil Stripping | = 1,630 Cu. Yds. |
| Remaining Location | = 4,370 Cu. Yds. |
| TOTAL CUT | = 6,000 CU.YDS. |
| FILL | = 2,670 CU.YDS. |

| | |
|--|------------------|
| EXCESS MATERIAL | = 3,330 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,330 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds. |



LEGEND:

⊙ PROPOSED LOCATION

THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #4-15-6-22
SECTION 15, T6S, R22E, S.L.B.&M.
655' FNL 849' FWL

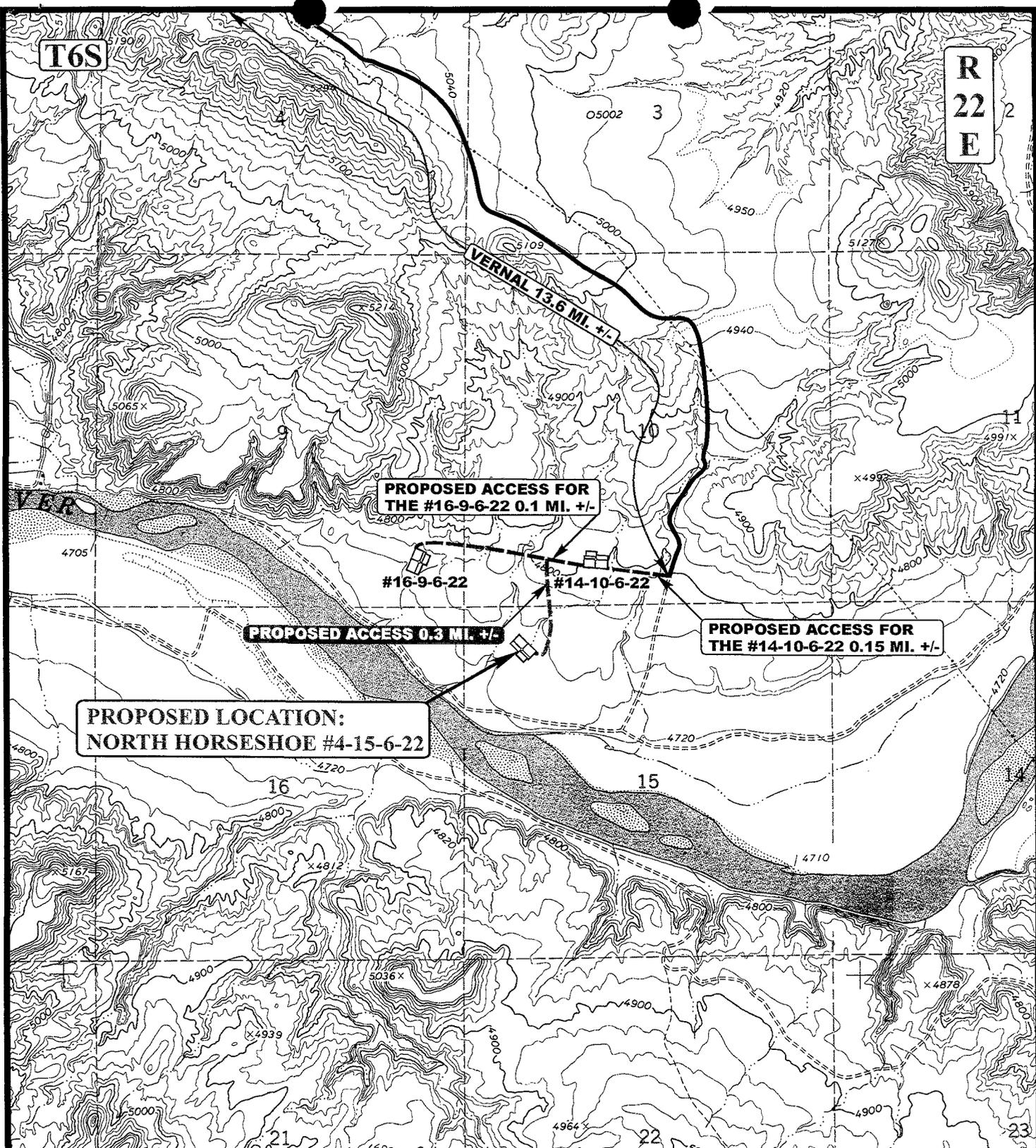


Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP
08 15 05
MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD



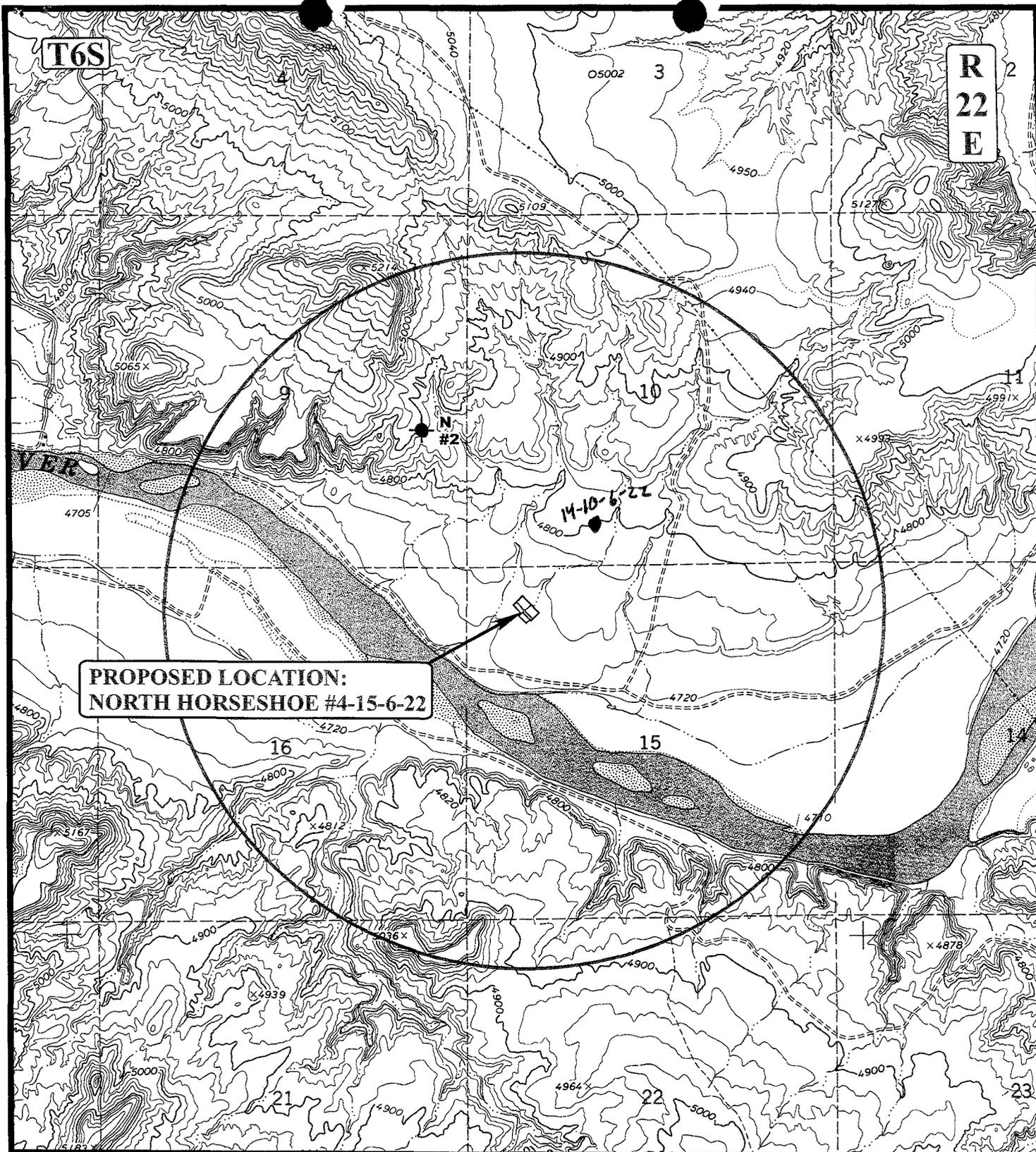
THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #4-15-6-22
SECTION 15, T6S, R22E, S.L.B.&M.
655' FNL 849' FWL



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

| | | | | |
|--------------------|----------------|-----------|-------------------|-------------|
| TOPOGRAPHIC | 08 | 15 | 05 | B |
| MAP | MONTH | DAY | YEAR | |
| SCALE: 1" = 2000' | DRAWN BY: C.P. | | REVISED: 00-00-00 | TOPO |



**PROPOSED LOCATION:
NORTH HORSESHOE #4-15-6-22**

LEGEND:

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

THE HOUSTON EXPLORATION COMPANY

**NORTH HORSESHOE #4-15-6-22
SECTION 15, T6S, R22E, S.L.B.&M.
655' FNL 849' FWL**



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

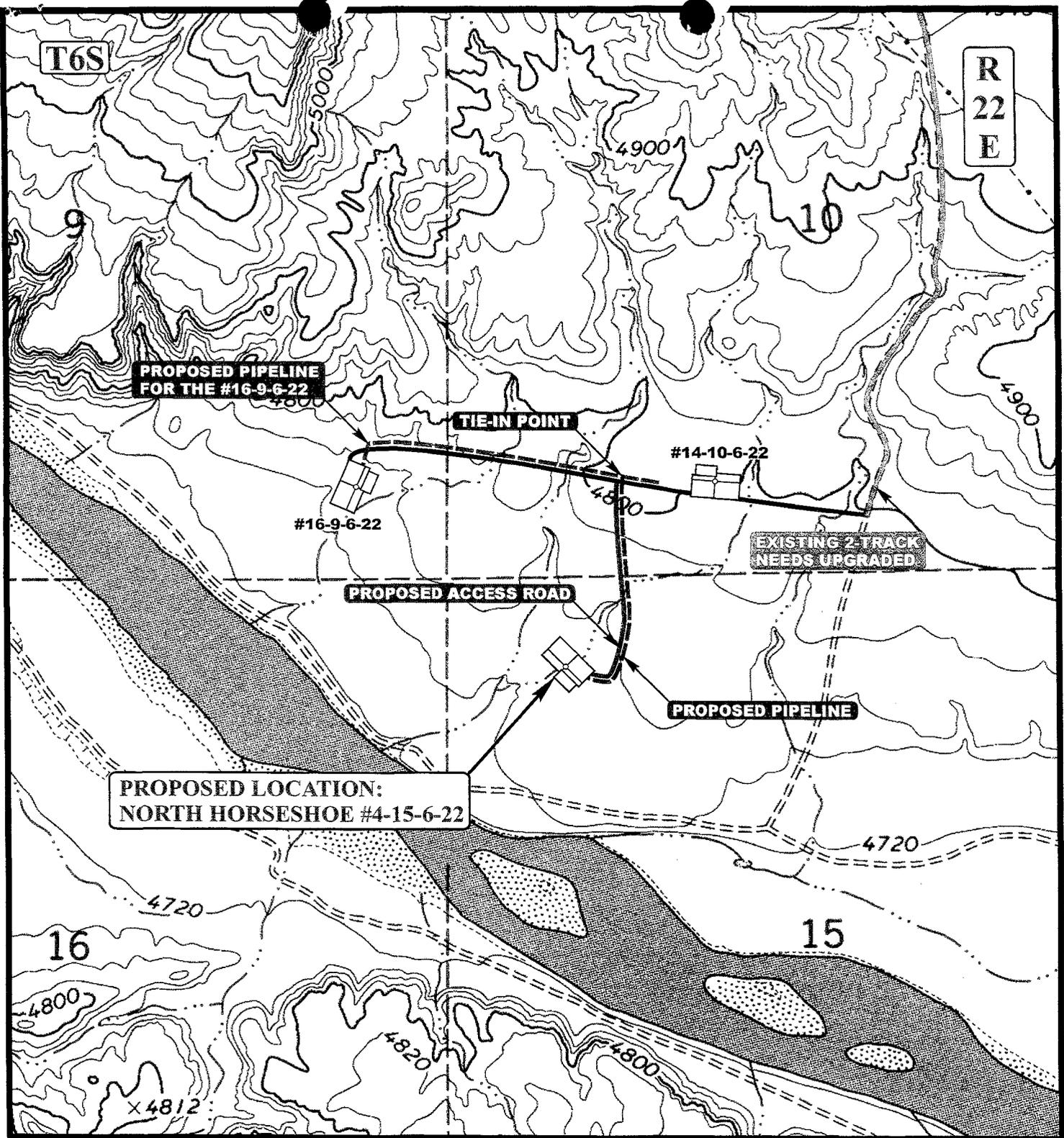


TOPOGRAPHIC MAP

08 15 05
MONTH DAY YEAR

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





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,750' +/-

LEGEND:

| | |
|--|---|
| | PROPOSED ACCESS ROAD |
| | PROPOSED PIPELINE |
| | PROPOSED PIPELINE (SERVICING OTHER WELLS) |

THE HOUSTON EXPLORATION COMPANY
NORTH HORSESHOE #4-15-6-22
SECTION 15, T6S, R22E, S.L.B.&M.
655' FNL 849' FWL

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



| | | | | |
|--------------------|----------------|-----------|-------------------|-------------------------|
| TOPOGRAPHIC | 08 | 15 | 05 | D TOPO |
| MAP | MONTH | DAY | YEAR | |
| SCALE: 1" = 1000' | DRAWN BY: C.P. | | REVISED: 00-00-00 | |

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 03/14/2007

| |
|--------------------------------|
| API NO. ASSIGNED: 43-047-39095 |
|--------------------------------|

WELL NAME: N HORSESHOE 4-15-6-22
 OPERATOR: HOUSTON EXPLORATION CO, (N2525)
 CONTACT: BILL RYAN

PHONE NUMBER: 713-830-6800

PROPOSED LOCATION:

NWNW 15 060S 220E
 SURFACE: 0655 FNL 0849 FWL
 BOTTOM: 0655 FNL 0849 FWL
 COUNTY: UINTAH
 LATITUDE: 40.30480 LONGITUDE: -109.4343
 UTM SURF EASTINGS: 633055 NORTHINGS: 4462553
 FIELD NAME: WILDCAT (1)

| INSPECT LOCATN BY: / / | | |
|------------------------|----------|---------|
| Tech Review | Initials | Date |
| Engineering | DAD | 5/16/07 |
| Geology | | |
| Surface | | |

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-47969
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: MVRD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 104155044)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. T-76073)
- RDCC Review (Y/N)
(Date: 12/15/05)
- 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: Permit (11-29-05)

STIPULATIONS: 1- Spacing Strip
2- STATEMENT OF BASIS

T6S R22E

9

10

NAPOLEON 2

N HORSESHOE
16-9-6-22
N HORSESHOE
16-9-6-22

N HORSESHOE
14-10-6-22
N HORSESHOE
14-10-6-22

N HORSESHOE
4-15-6-22
N HORSESHOE
4-15-6-22

N HORSESHOE
2-15-6-22
N HORSESHOE
2-15-6-22

N HORSESHOE
5-16-6-22

16

15

N HORSESHOE
3-21-6-22

OPERATOR: THE HOUSTON EXPL (N2525)

SEC: 9,10,15 T.6S R. 22E

FIELD: WILDCAT (001)

COUNTY: UINTAH

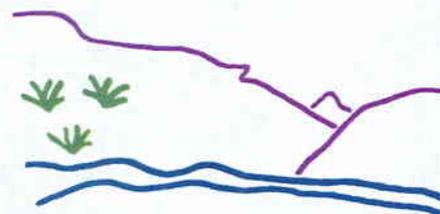
SPACING: R649-3-2 / GENERAL SITING

Field Status
 [Black Box] ABANDONED
 [Purple Box] ACTIVE
 [Light Purple Box] COMBINED
 [Pink Box] INACTIVE
 [Blue Box] PROPOSED
 [Light Blue Box] STORAGE
 [White Box] TERMINATED

Unit Status
 [White Box] EXPLORATORY
 [Light Blue Box] GAS STORAGE
 [Light Green Box] NF PP OIL
 [Light Blue Box] NF SECONDARY
 [Light Blue Box] PENDING
 [Green Box] PI OIL
 [Red Box] PP GAS
 [Red Box] PP GEOTHERML
 [Green Box] PP OIL
 [Light Blue Box] SECONDARY
 [White Box] TERMINATED

Wells Status

- [Red X] GAS INJECTION
- [Red X] GAS STORAGE
- [Red X] LOCATION ABANDONED
- [Blue Circle] NEW LOCATION
- [Red X] PLUGGED & ABANDONED
- [Red X] PRODUCING GAS
- [Green Circle] PRODUCING OIL
- [Red X] SHUT-IN GAS
- [Green Circle] SHUT-IN OIL
- [Red X] TEMP. ABANDONED
- [Blue Circle] TEST WELL
- [Blue Triangle] WATER INJECTION
- [Blue Circle] WATER SUPPLY
- [Blue Circle] WATER DISPOSAL
- [Red Circle] DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
 DATE: 22-MARCH-2007

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

OPERATOR: THE HOUSTON EXPLORATION COMPANY
WELL NAME & NUMBER: NORTH HORSESHOE 4-15-6-22
API NUMBER: 43-047-37396
LOCATION: 1/4,1/4 NW/NW sec:15 TWP: 6S RNG: 22E, 655 FNL 849 FWL

Geology/Ground Water:

The Houston Ex. Co. proposes to set 2000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 1,700 feet. A search of Division of Water Rights records shows two water wells within a 10,000 foot radius of the center of Section 15. These wells are approximately .5 miles and 1 mile NW of the proposed well. The nearest well produces water from an unknown depth and is listed as industrial use. The farther well is 120 feet deep and is used for domestic and stock watering. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

Reviewer: Brad Hill **Date:** 12-06-05

Surface:

The predrill investigation of the surface was performed on 11/29/05. Ben Williams with UDWR and Jim Davis with SITLA were invited to this investigation by email on 11/22/05. Both were present.

Mr. Williams representing the UDWR stated the area is classified as high value yearlong habitat for antelope and critical value yearlong habitat for deer(relative to its vicinity to the Green River). He did not recommend any restriction periods or actions to the Operator or SITLA for these species. He stated no other wildlife species are expected to be significantly affected. Mr. Williams also gave Ms. Stringham and Mr. Davis a UDWR recommended seed mix to be used when reserve pit and location are reclaimed.

The location is in a drainage about .500 feet upslope from the Green River floodplain. Proper installation and maintenance of a liner in the reserve pit is essential during drilling operations.

This site is on State surface, with State minerals, and appears to be the best site for a location in the immediate area.

Reviewer: Floyd Bartlett **Date:** 11/30/05

Conditions of Approval/Application for Permit to Drill:

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

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

| | |
|---|--|
| 1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801 | 2. Approximate date project will start: Upon Approval or December 2, 2005 |
| 3. Title of proposed action: Application for Permit to Drill | |
| 4. Description of Project: The Houston Exploration Company proposes to drill the North Horseshoe 4-15-6-22 well (wildcat) on a State lease ML-47969, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence. | |
| 5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 655' FNL 849' FWL, NW/4 NW/4, Section 15, Township 6 South, Range 22 East, Uintah County, Utah | |
| 6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed. | |
| 7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted? | |
| 8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A | |
| 9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Governments | |
| 10. For further information, contact: Diana Whitney Phone: (801) 538-5312 | 11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: November 18, 2005 |

Casing Schematic

Surface

BAP $0.052(9359)12 = 5840 \text{ psi}$
anticipate $< 3000 \text{ psi}$

Gas $.12(9359) = 1123$
 $5840 - 1123 = 4717 \text{ psi}$

Gas/and MASD = 3781 psi
max allowed press. @ shoe = 2000 psi
8-5/8" MW 8.4
Frac 19.3

BOPE 3M ✓

Burst 4460
70% 3122 psi

Max P @ surf. shoe
 $.22(7359) = 1619$
 $5840 - 1619 = 4221 \text{ psi}$
Max pressure allowed @ shoe = 2000 psi ✓
Test to 3122 psi ✓

~~BOPE ?~~
BOPE ? O.K.

✓ Adequate DAD 5/16/07

4-1/2" MW 12.

18'

TOC @ 0. ✓
Susquesne River

1800' ± BMSW
2088' Surface TOC w/10% w/o
2000. MD

TOC @ 2436.

3659 Green River

6759' Wasatch

9359' Mesaverde
Production 9359. MD

4747
-2900
1847

| | | |
|--------------|---|-----------------------------|
| Well name: | 2007-04 Houston N. Horseshoe 4-15-6-22 | |
| Operator: | The Houston Exploration Co. | |
| String type: | Surface | Project ID: 43-047-39095 |
| Location: | Uintah County, Utah | |

Design parameters:

Collapse

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

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 103 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 1,760 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,000 psi

No backup mud specified.

Tension:

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

Tension is based on buoyed weight.
Neutral point: 1,749 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 9,359 ft
Next mud weight: 12.000 ppg
Next setting BHP: 5,834 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure: 2,000 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-----------|-------------------------|-------|------------|----------------------|---------------------|---------------------|-------------------------|
| 1 | 2000 | 8.625 | 36.00 | J-55 | ST&C | 2000 | 2000 | 7.7 | 667.9 |

| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
|---------|---------------------|-------------------------|------------------------|------------------|----------------------|---------------------|---------------------|-------------------------|-----------------------|
| 1 | 873 | 3450 | 3.953 | 2000 | 4460 | 2.23 | 63 | 434 | 6.89 J |

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

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

Date: April 12, 2007
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

| | | |
|--------------|---|--------------|
| Well name: | 2007-04 Houston N. Horseshoe 4-15-6-22 | |
| Operator: | The Houston Exploration Co. | Project ID: |
| String type: | Production | 43-047-39095 |
| Location: | Uintah County, Utah | |

Design parameters:

Collapse

Mud weight: 12.000 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 206 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: 5,268 ft

Burst

Max anticipated surface pressure: 3,775 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP 5,834 psi

No backup mud specified.

Tension:

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

Non-directional string.

Tension is based on buoyed weight.
 Neutral point: 7,680 ft

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 9359 | 4.5 | 11.60 | N-80 | LT&C | 9359 | 9359 | 3.875 | 816.7 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 5834 | 6350 | 1.088 | 5834 | 7780 | 1.33 | 89 | 223 | 2.50 J |

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

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

Date: April 12, 2007
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 9359 ft, a mud weight of 12 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Project Number: 5948 Sponsor: Division of Oil, Gas and Mining
SLB&M: Sec. 15, T6S, R22E Counties Affected: Uintah
Description: Application for Permit to Drill - proposal to drill a wildcat well the North
Horseshoe 4-15-6-22 on a State lease ML-47969

Comments: Wellpad placement disturbs soils. Vegetative and/or structural measures to control erosion shall be implemented within 60 days of initial soil disturbance to prevent erosion leaving the site from exceeding the tolerable rate as determined by the local office of USDA/NRCS.

Further, if vegetation surrounding the wellpad does not provide at least 60% ground cover within 60 days of creating the wellpad, engineering practices shall be implemented within 60 days to control erosion. Such measures may include mulching, use of fiber mats, cross slope trenching, contour furrows, rock dams, terracing or such other erosion control practices as are required to prevent erosion from exceeding the tolerable rate.

In addition, no negative disturbance or degradation to or of surrounding or nearby soils, vegetation, or riparian areas shall be permitted.

In addition, no spills of chemicals including hydrocarbons, lubricants, salt water, antifreeze, or other potentially damaging materials shall be permitted.

From: Robert Clark
To: Whitney, Diana
Date: 11/28/2005 9:17:07 AM
Subject: RDCC short turn around responses

The following comments are being submitted directly to DOG&M due to their short turn around status.

The following comments are submitted for **RDCC #5944-5949**. The comments pertain to all projects. **Comments begin:** The proposed *North Horseshoe 12-7-6-22, 16-9-6-22, 14-10-6-22, 2-15-6-22, 4-15-6-22, and 3-16-6-21* well drilling projects in Uintah County may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are constructed at the site. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The proposed project is also subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**

The following comments are submitted for **RDCC #5950-5952**. The comments pertain to all projects. **Comments begin:** The proposed *Thurston 5-15-9-24, 13-29-9-24, and 10-15-9-24* well drilling projects in Uintah County may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are constructed at the site. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The proposed project is also subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**

Robert Clark

Division of Air Quality
536-4435

CC: Mcneill, Dave; Wright, Carolyn

From: Ed Bonner
To: Whitney, Diana
Date: 12/20/2005 9:54:05 AM
Subject: Well Clearance

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

Enduring Resources, LLC
Big Pack 12-21-11-2
Big Pack 12-21-13-2
Big Pack 12-21-24-2

EOG Resources, Inc
Chapita Wells Unit 695-32

The Houston Exploration Company
North Walker Hollow 2-32-6-23
North Walker Hollow 8-32-6-23
North Walker Hollow 10-32-6-23
North Walker Hollow 12-32-6-23
North Walker Hollow 16-32-6-23
North Horseshoe 12-7-6-22
North Horseshoe 16-9-6-22
North Horseshoe 14-10-6-22
North Horseshoe 2-15-6-22
North Horseshoe 4-15-6-22

Westport Oil & Gas Company
NBU 1022-20N
NBU 1022-20L
NBU 1022-20F
NBU 1022-20D

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

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



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

May 16, 2007

Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002

Re: North Horseshoe 4-15-6-22 Well, 655' FNL, 849' FWL, NW NW, Sec. 15,
T. 6 South, R. 22 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 43-047-39095.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Page 2

43-047-39095

May 16, 2007

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. 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.
7. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

- | |
|--------|
| 1. DJJ |
| 2. CDW |

Change of Operator (Well Sold)

X - Operator Merger

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

6/1/2007

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

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

| | | |
|---|--|---|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: See Attached List |
| 2. NAME OF OPERATOR: Forest Oil Corporation N6965 | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 707 17th Street, #3600 CITY Denver, STATE CO ZIP 80202 | | 7. UNIT or CA AGREEMENT NAME: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached list | | 8. WELL NAME and NUMBER: See Attached List |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ | | 9. API NUMBER: various |
| STATE: UTAH | | 10. FIELD AND POOL, OR WILDCAT: |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input 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 checked="" 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>Change of Operator</u> |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

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

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

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

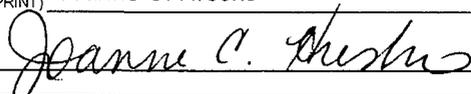
Please send all future correspondence to Forest Oil Corporation at the above listed address.

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



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

7-5-07
Date

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

(This space for State use only)

APPROVED 8/12/07

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

All wells with APD or New status

(See Instructions on Reverse Side)

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

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

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

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

Request to Transfer Application or Permit to Drill

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

| | |
|---|---|
| Well name: | N Horseshoe 4-15-6-22 |
| API number: | 4304739095 |
| Location: | Qtr-Qtr: NWNW Section: 15 Township: 6S Range: 22E |
| Company that filed original application: | The Houston Exploration Company |
| Date original permit was issued: | 05/16/2007 |
| Company that permit was issued to: | The Houston Exploration Company |

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

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

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

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

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

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

FORM 9

| | | |
|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47969 |
| 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: NA |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: NA |
| 2. NAME OF OPERATOR: Forest Oil Corporation | | 8. WELL NAME and NUMBER: North Horseshoe 4-15-6-22 |
| 3. ADDRESS OF OPERATOR: 707 17th ST Suite 3600 CITY Denver STATE CO ZIP 80202 | | 9. API NUMBER: 4304739095 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 655' FNL & 849' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 15 6S 22E | | 10. FIELD AND POOL, OR WILDCAT: Exploratory 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: _____ | <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>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.

The Operator respectfully requests a one year approval extension for the subject location.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 04-29-08
By: [Signature]

COPY SENT TO OPERATOR

Date: 5-1-2008
Initials: KS

| | |
|--|-----------------------|
| NAME (PLEASE PRINT) <u>Ginger Bowden</u> | TITLE <u>Agent</u> |
| SIGNATURE <u>[Signature]</u> | DATE <u>4/16/2008</u> |

(This space for State use only)

RECEIVED

APR 28 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: 4304739095
Well Name: North Horseshoe 4-15-6-22
Location: Section 15, Township 6 South Range 22 East NWNW
Company Permit Issued to: Forest Oil Corporation (Houston Exploration Co)
Date Original Permit Issued: 5/16/2007

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

Justin Bowden
Signature

4/16/2008
Date

Title: Agent

Representing: Forest Oil Corporation



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 13, 2009

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

Re: APD Rescinded – N Walker Hollow 4-15-6-22, Sec.15, T.6S, R.22E
Uintah County, Utah API No. 43-047-39095

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 May 16, 2007. On April 29, 2008, 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 July 1, 2009.

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

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

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

