

STATE OF UTAH

FORM 3

DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF OIL, GAS AND MINING

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: ML 11004	6. SURFACE: STATE <i>Edup</i>
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
2. NAME OF OPERATOR: WEXPRO COMPANY		8. UNIT or CA AGREEMENT NAME: ISLAND UTU063026X	
3. ADDRESS OF OPERATOR: P.O. BOX 458 CITY ROCK SPRINGS STATE WY ZIP 82902		PHONE NUMBER: 307 382-9791	9. NAME OF WELL and NUMBER ISLAND UNIT WELL NO. 90
4. LOCATION OF WELLS (FOOTAGES) AT SURFACE: 606578x4424980y 39.970156 - 109.752020 AT PRODUCING ZONE: 606940x4425120y 317' FSL, 1939' FWL 39.971368 750' FSL, 2090' FEL SWSE - 109.747752		10. FIELD AND POOL, OR WILDCAT: <i>Natural Gas</i> ISLAND, Wasatch/Mesaverde	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: APPROXIMATELY 32 MILES FROM VERNAL, UTAH		12. COUNTY UINTAH	13. STATE UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 750' (BHL)	16. NUMBER OF ACRES IN LEASE: 745.69	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: N/A	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1318'	19. PROPOSED DEPTH: 11,460' (MD) 11,202' (TVD)	20. BOND DESCRIPTION: Nationwide Bond No. 965002976	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.) 5027' Ungraded	22. APPROXIMATE DATE WORK WILL START: December 1, 2008	23. ESTIMATED DURATION: 25 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
24"	20" - CORRUGATED CONDUCTOR	60'	40 CUBIC YARD CONSTRUCTION CEMENT
12-1/4"	9-5/8" 47#, N-80, LT&C	90'	SEE ATTACHED DRILLING PLAN
12-1/4"	9-5/8" 36#, J-55, LT&C	1,000'	SEE ATTACHED DRILLING PLAN
7-7/8"	4-1/2" 13.5#, P-110, LT&C	11,460' MD	SEE ATTACHED DRILLING PLAN

25. ATTACHMENTS

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

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER 49-2204 Ouray Brine	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER <i>Wwy</i>

NAME (PLEASE PRINT) G.T. NIMMO TITLE OPERATIONS MANAGER

SIGNATURE *G.T. Nimmo* DATE 072408

(This space for State use only)

API NUMBER ASSIGNED 43-047-40277

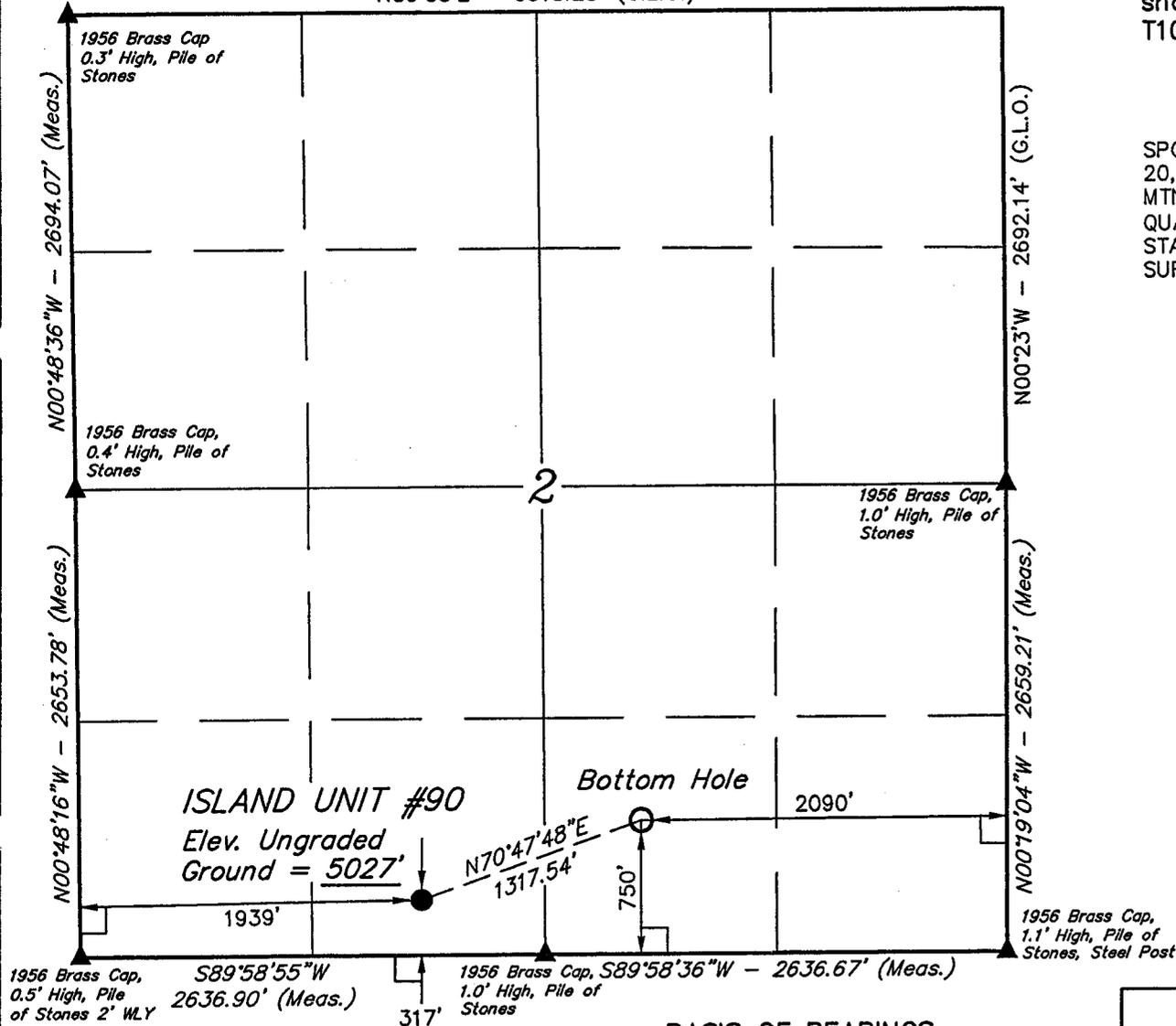
APPROVAL:

RECEIVED
JUL 31 2008

DIV. OF OIL, GAS & MINING

T10S, R19E, S.L.B.&M.

N89°53'E - 5318.28' (G.L.O.)



BASIS OF BEARINGS

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

LEGEND:

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

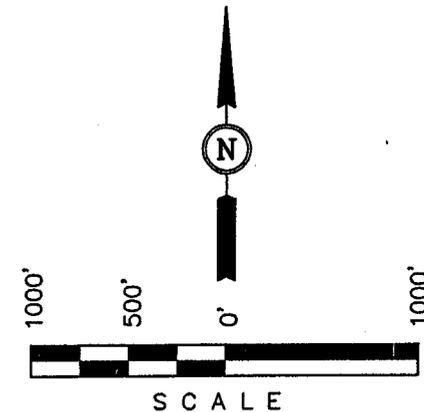
NAD 83 (TARGET BOTTOM HOLE)	NAD 83 (SURFACE LOCATION)
LATITUDE = 39°58'16.91" (39.971364)	LATITUDE = 39°58'12.63" (39.970175)
LONGITUDE = 109°44'54.33" (109.748425)	LONGITUDE = 109°45'10.30" (109.752861)
NAD 27 (TARGET BOTTOM HOLE)	NAD 27 (SURFACE LOCATION)
LATITUDE = 39°58'17.04" (39.971400)	LATITUDE = 39°58'12.76" (39.970211)
LONGITUDE = 109°44'51.83" (109.747731)	LONGITUDE = 109°45'07.80" (109.752167)

WEXPRO COMPANY

Well location, ISLAND UNIT #90, located as shown in the SE 1/4 SW 1/4 of Section 2, T10S, R19E, S.L.B.&M., Uintah County Utah.

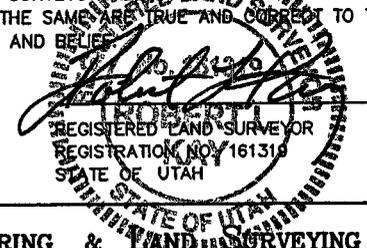
BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 20, T10S, R20E, S.L.B.&M., TAKEN FROM THE BIG PACK MTN. NW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5251 FEET.



CERTIFICATE

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



UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 02-27-08	DATE DRAWN: 03-06-08
PARTY D.R. A.W. C.C.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE WEXPRO COMPANY	

**Drilling Plan
Wexpro Company
Island Unit Well No. 90
Uintah County, Utah**

1. SURFACE FORMATION, ESTIMATED TOPS AND WATER, OIL, GAS OR MINERAL BEARING FORMATIONS:

Formation	Depth - MD	Depth - TVD	Remarks
Uinta	Surface	Surface	
Green River	1,850'	1,849'	
Bird's Nest	2,420'	2,399'	
Wasatch Tongue	4,725'	4,479'	
Green River Tongue	5,082'	4,825'	
Wasatch	5,228'	4,970'	Gas, Major Objective
Lower Wasatch	7,344'	7,086'	Gas, Major Objective
Mesaverde	8,425'	8,167'	Gas, Major Objective
Total Depth	11,460'	11,202'	

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected.

2. **PRESSURE CONTROL EQUIPMENT:** (See attached diagram) Operator's minimum specifications for pressure control equipment require an 11-inch 5000 psi double gate hydraulically operated blowout preventer and an 11-inch 5000 psi annular preventer. BOP equipment will be tested to its rated working pressure or 70-percent of the internal yield of the surface casing. The annular preventer will be tested at 50-percent of its rated working pressure.

NOTE: The surface casing will be pressure tested to a minimum of 1500 psi. BOP's will be checked daily as to mechanical operating condition and will be tested by rig equipment after each string of casing is run. All ram type preventers will have hand wheels which will be operative and accessible at the time the preventers are installed.

AUXILIARY EQUIPMENT:

- a. Manually operated kelly cock
- b. No floats at bit

- c. Monitoring of mud system will be with PVT system
- d. Full opening floor valves in the full open position, capable of fitting all drill stem connections manually operated
- e. Formation integrity test will be done 20' below surface casing shoe to 11.0 ppg

3. CASING PROGRAM:

Hole Size	Size	Top	Bottom	Weight	Grade	Thread	Condition
24"	20"	sfc	60'				Steel Conductor
12-1/4"	9-5/8"	sfc	90'	47	N80	LTC	New
12-1/4"	9-5/8"	90'	1000'	36	J55	LTC	New
7-7/8"	4-1/2"	sfc	11,460' MD	13.5	P110	LTC	New

Casing Strengths:				Collapse	Burst	Tensile (minimum)
9-5/8"	47 lb.	N80	LTC	4,760 psi	8,760 psi	905,000 lb.
9-5/8"	36 lb.	J55	LTC	2,020 psi	3,520 psi	453,000 lb.
4-1/2"	13.5 lb.	P110	LTC	10,680 psi	12,410 psi	338,000 lb

CEMENTING PROGRAMS:

9-5/8-inch Surface Casing: 646 cu.ft. of Class G with 2% CaCl₂ (1/4% celloflake will only be used if lost circulation is encountered).

4-1/2-inch Production Casing:

Lead: 1378 cu. ft. Light cement with retarder, reducer and fluid loss additives, if needed.

Tail: 1915 cu. ft. Light cement with retarder, reducer, and fluid loss additives, if needed.

4. MUD PROGRAM:

Surface to 1000 feet: Surface to be drilled with a dry hole rig.

Surface to TD: Fresh water with gels and polymer sweeps, as necessary from 100 feet to Total Depth. Mud up, mud weight of 9.0 - 10.0 ppg, and maintain this to total depth.

Sufficient mud materials to maintain mud properties, control lost circulation and to contain blowout will be available at the wellsite.

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

- 5. LOGGING: DIL-GR-SFL - Total Depth to surface casing
MICRO-LOG - Total Depth to surface casing
FDC/CNL/GR/CAL - Total Depth to surface casing
BORE HOLE PROFILE LOG- Total Depth to surface casing

TESTING: None

CORING: None

- 6. ABNORMAL PRESSURE AND TEMPERATURE: No abnormal pressures are anticipated. A BHT of 200 degrees F.

- 7. ANTICIPATED STARTING DATE: December 1, 2008

DURATION OF OPERATION: 25 days

ISLAND UNIT WELL NO. 90 - CEMENT DESIGN

SURFACE CASING:

CASING:	9-5/8", 36#, K-55	0.4340 cu.ft./lin.ft	
ANNULUS:	12-1/4" (Guage Hole)	0.3132 cu.ft./lin.ft	
EXCESS:		100%	
CEMENT YIELD:	CLASS "G" NEAT	1.15 cu.ft./sack	15.2 ppg
	TAIL	1.15 cu.ft./sack	
TOTAL DEPTH		1,000 Feet	
TOP OF TAIL		0 Feet	(Surface)
TOP OF LEAD		0 Feet	(Surface)

LEAD SLURRY

CU.FT

ANN	0 TO	0	0.3132	0.00	
ANN EXCESS			100%	0.00	
				0.00	0 SACKS 0 CU.FT.

TAIL SLURRY

CU.FT

CSG	1,000 TO	955	0.4340	19.53	
ANN	1,000 TO	0	0.3132	313.2	
ANN EXCESS			100%	313.2	
				645.93	562 SACKS 646 CU.FT.
				DISPLACEMENT	73.8 BBLs

PRODUCTION CASING:

CASING:	4-1/2", 13.5#, P-110	0.0838 cu.ft./lin.ft	
ANNULUS:	8-1/8" (From Carbide Lag)	0.2496 cu.ft./lin.ft	
EXCESS:		15%	
CEMENT YIELD:	LEAD	2.83 cu.ft./sack	11.3 ppg
	TAIL	1.27 cu.ft./sack	15.2 ppg
TOTAL DEPTH		11,460 Feet-TVD	
TOP OF TAIL		4,800 Feet	(Top of Wasatch Tongue)
TOP OF LEAD		0 Feet	

LEAD SLURRY

CU.FT

ANN	4800 TO	0	0.2496	1198.08	
ANN EXCESS			15%	179.71	
				1377.79	487 SACKS 1378 CU.FT.

TAIL SLURRY

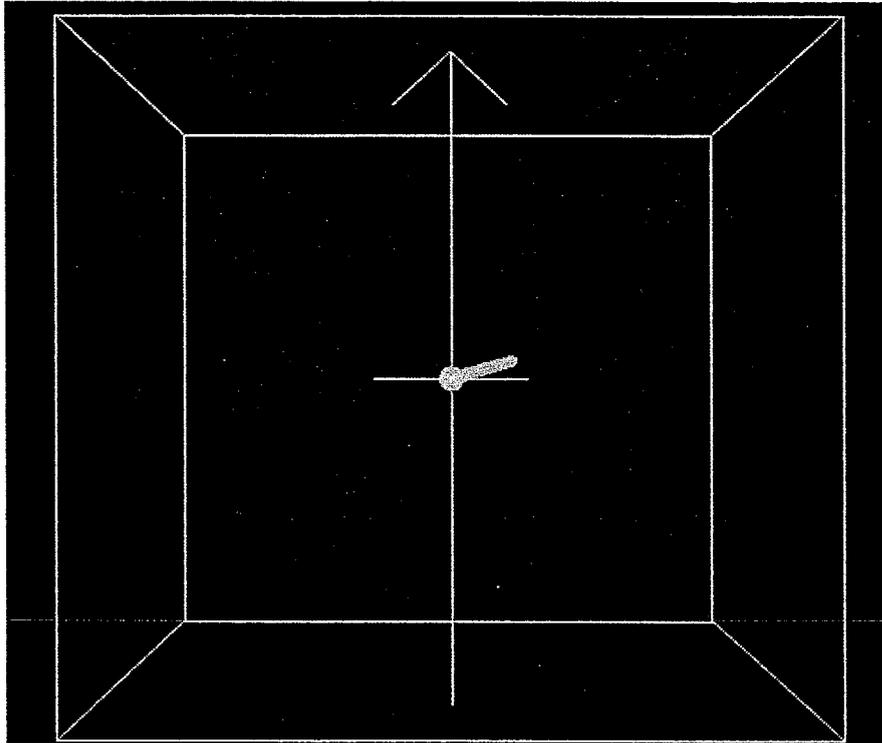
CU.FT

CSG	11,460 TO	11,415	0.0838	3.771	
ANN	11,460 TO	4,800	0.2496	1662.34	
ANN EXCESS			15%	249.35	
				1915.46	1508 SACKS 1915 CU.FT.
				DISPLACEMENT	170.4 BBLs

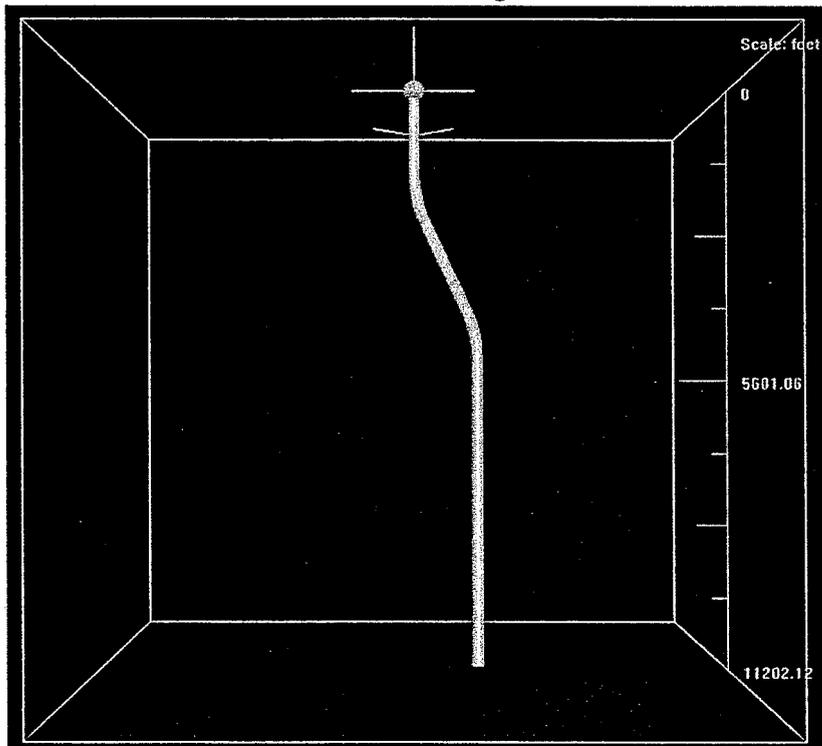
Island Unit 90
 Approximate Directional Plan
 (S. L. Russell 6-19-2008)

Measured Depth	TVD	Inclination	Azimuth	N/S Offset	E/W offset	Closure
0	0.00	0	68	0.00	0.00	0.00
500	500.00	0	68	0.00	0.00	0.00
1000	1000.00	0	68	0.00	0.00	0.00
1500	1500.00	0	68	0.00	0.00	0.00
1600	1599.98	2	68	0.65	1.62	1.75
1700	1699.84	4	68	2.61	6.47	6.98
1800	1799.45	6	68	5.88	14.55	15.69
1900	1898.70	8	68	10.44	25.85	27.88
2000	1997.47	10	68	16.30	40.35	43.52
2100	2095.45	13	68	23.77	58.84	63.46
2200	2192.25	16	68	33.15	82.05	88.49
2300	2287.61	19	68	44.41	109.93	118.56
2400	2381.27	22	68	57.53	142.39	153.57
2500	2472.96	25	68	72.47	179.36	193.45
2600	2563.22	26	68	88.59	219.28	236.50
2700	2653.10	26	68	105.02	259.92	280.33
2800	2742.98	26	68	121.44	300.57	324.18
2900	2832.86	26	68	137.86	341.21	368.01
3000	2922.74	26	68	154.28	381.86	411.85
4000	3821.53	26	68	318.50	788.31	850.22
4100	3911.41	26	68	334.92	828.95	894.05
4200	4001.29	26	68	351.34	869.60	937.89
4300	4091.17	26	68	367.76	910.24	981.73
4400	4181.05	26	68	384.18	950.89	1025.57
4500	4271.31	25	68	400.31	990.80	1068.61
4600	4362.66	23	68	415.55	1028.51	1109.29
4700	4455.69	20	68	429.27	1062.49	1145.93
4800	4550.51	17	68	441.16	1091.91	1177.66
4900	4646.86	14	68	451.17	1116.68	1204.38
5000	4744.48	11	68	459.28	1136.75	1226.03
5100	4843.10	8	68	465.46	1152.05	1242.53
5200	4942.44	5	68	469.70	1162.54	1253.84
5300	5042.19	3	68	472.31	1169.01	1260.82
5400	5142.13	1	68	473.62	1172.25	1264.31
5500	5242.12	0	68	473.95	1173.06	1265.19
5600	5342.12	0	68	473.95	1173.06	1265.19
5700	5442.12	0	68	473.95	1173.06	1265.19
5800	5542.12	0	68	473.95	1173.06	1265.19
5900	5642.12	0	68	473.95	1173.06	1265.19
6000	5742.12	0	68	473.95	1173.06	1265.19
11460	11202.12	0	68	473.95	1173.06	1265.19

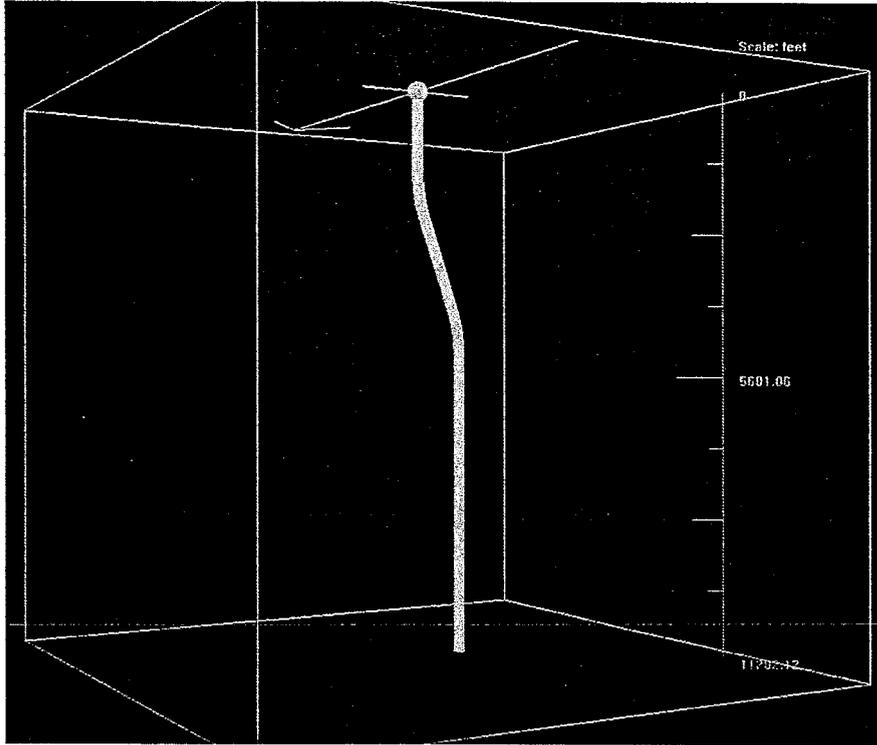
Map view



Side view looking North



Oblique view



Surface Use and Operations
Wexpro Company
Island Unit Well No. 90
(Island Unit Well 17, 88, 89, 90, 91 Pad)
Uintah County, Utah

1. Existing Road:
 - A. Proposed Well Site as Staked: Refer to well location plat and area map.
 - B. Proposed Access Route: Refer to general area map. All access roads are within lease boundaries.
 - C. Plans for Improvement and/or Maintenance: All existing roads utilized will be maintained in their present condition and no improvements will be made.

2. Planned Access Roads:
 - A. The existing road and approximately 960 feet of newly constructed road connecting the existing road to the drilling pad will necessitate a 30-foot wide right-of-way (maximum disturbance).
 - B. Maximum grade: Will not exceed 10 percent.
 - C. Turnouts: Water turnouts will be constructed as required to divert runoff water from the road ditch in such a manner as to not cause erosion.
 - D. Location (centerline): Access road has been staked and flagged. Surface disturbance and vehicular travel will be limited to the approved access route, additional area needed will be approved in advance.
 - E. One 18" CMP is required where the access road leaves the location.
 - F. Surface materials: Surface materials will be obtained from cuts along the access road and location. Spot surfacing may be required to maintain the running surface.
 - G. Any topsoil (approximately 6-inches) removed in conjunction with road construction will be spread in the borrow ditches or windrowed to the side. Borrow areas will be seeded as discussed in reclamation procedures.

3. Location of Existing Wells: Refer to area map for the location of existing wells within a one-mile radius.

4. Location of Existing and/or Proposed Facilities: Refer to area maps. Facilities will be installed as detailed on the attached diagram.

All above ground structures not subject to safety requirements will be painted to blend with the natural colors of the landscape. The color chosen is Covert Green. All facilities will be painted as weather permits, but no later than one year after well is turned on for initial production.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 110% of the largest storage tank.

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

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from Authorized Officer.

Pipeline

Additional pipeline will not be required. All natural gas is to be transported via the current existing line serving Island Unit Well No. 17.

5. Location and Type of Water Supply: Water will be hauled by tank trucks from the Ouray Brine water well located in Section 9-T8S-R20E, Water Use Claim #43-10610.
6. Source of Construction Materials: All materials will be derived from cuts at the location and along the access road. Construction material will be located on lease.
7. Methods for Handling Water Disposal: Cuttings and drilling fluids will be placed in a lined mud pit which will be constructed with at least one half of its holding capacity below ground level. The mud pit will be fenced on three sides with a sheep-tight fence of woven wire prior to the onset of drilling. Immediately upon completion of drilling, the fourth side will be fenced and the liquids allowed to evaporate. The fence will be maintained until restoration. Any produced liquids will be contained in test tanks and hauled out by tank trucks. Garbage and other waste materials will be placed in a trash cage, the contents of which will be disposed of in the nearest legal landfill. Portable sewage facilities will be utilized for the disposal of human waste.

Produced waste water will be confined to a lined pit for a period not to exceed 90 days after initial production. Produced water will be confined to a 400 barrel tank on location and application is made at this time for approval of disposal of, the excess water produced, to be hauled to one of the following State of Utah approved disposal sites: RN Industries Inc, Sec 4-2S-2W, Bluebell; LaPoint Recycle & Storage, Sec 12-5S-19E, LaPoint; or to Dalbo, Inc, Sec 2-6S-20E, Vernal. All excess produced water will be hauled by tank truck over Unit, Tribal, County and State roads.

8. Ancillary Facilities: Camp facilities will not be required.

All above ground structures not subject to safety requirements will be painted to blend with the natural colors of the landscape. The color chosen is Covert Green. All facilities will be painted as weather permits, but no later than one year after well is turned on for initial production.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain one-and-a-half times the storage capacity of the battery.

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

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from Authorized Officer.

Pipeline

Additional pipeline will not be required. All natural gas is to be transported via the current existing line serving Island Unit Well No. 17.

5. Location and Type of Water Supply: Water will be hauled by tank trucks from the Ouray Brine water well located in Section 9-T8S-R20E, Water Use Claim #43-10610.
6. Source of Construction Materials: All materials will be derived from cuts at the location and along the access road. Construction material will be located on lease.
7. Methods for Handling Water Disposal: Cuttings and drilling fluids will be placed in a lined mud pit which will be constructed with at least one half of its holding capacity below ground level. The mud pit will be fenced on three sides with a sheep-tight fence of woven wire prior to the onset of drilling. Immediately upon completion of drilling, the fourth side will be fenced and the liquids allowed to evaporate. The fence will be maintained until restoration. Any produced liquids will be contained in test tanks and hauled out by tank trucks. Garbage and other waste materials will be placed in a trash cage, the contents of which will be disposed of in the nearest legal landfill. Portable sewage facilities will be utilized for the disposal of human waste.

Produced waste water will be confined to a lined pit for a period not to exceed 90 days after initial production. Produced water will be confined to a 400 barrel tank on location and application is made at this time for approval of disposal of, the excess water produced, to be hauled to one of the following State of Utah approved disposal sites: RN Industries Inc, Sec 4-2S-2W, Bluebell; LaPoint Recycle & Storage, Sec 12-5S-19E, LaPoint; or to Dalbo, Inc, Sec 2-6S-20E, Vernal. All excess produced water will be hauled by tank truck over Unit, Tribal, County and State roads.

8. Ancillary Facilities: Camp facilities will not be required.

9. Wellsite Layout: Refer to drawing.
10. Plans for Restoration of the Surface: During construction, all woody vegetation and the top six-inches of topsoil material will be removed from the pad and stockpiled separately. All pits will remain fenced until cleanup begins. Overhead flagging will be installed if oil is in the mud pit.

Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed. All disturbed areas will be re-contoured to the approximate natural contours to the satisfaction of the Authorized Officer.

The stockpiled topsoil will be evenly distributed over the disturbed areas. Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface. Reseeding will be done in the fall before ground frost.

A seed drill equipped with a regulator will be required. Seed will be drilled 1/4-1/2 inch deep on the contour using the following seed mixture specified by the Bureau of Land Management.

Species	lbs. PLS/acre
Shadscale	3 lbs PLS/acre
Gardner's Saltbush	3 lbs PLS/acre
Indian Rice Grass	3 lbs PLS/acre
Blue Bunchgrass	3 lbs PLS/acre

Where drilling is not possible a broadcast/rake method will be used doubling the seed mixture.

11. Surface and Mineral Ownership: Surface ownership along the access road is federal and surface ownership at the wellsite is federal. Mineral ownership is state.
12. Other Information: Anna Figueroa of the Bureau of Land Management, Vernal Field Office in Vernal, Utah will be notified at least 72-hours prior to commencement of both construction and reclamation operations.

A Class III Cultural Resource Inventory will be completed and the report forwarded to the Bureau of Land Management.

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

13. Lessee's or Operators Representative and Certification:

G. T. Nimmo, Operations Manager, P. O. Box 458, Rock Springs, Wyoming 82902, telephone number (307) 382-9791.

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 currently exist, that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Wexpro Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that Wexpro Company is considered to be the operator of Well No. 90; SE ¼, SW ¼, Section 2, Township 10S Range 19E; Lease ML-11004, Uintah County; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM Bond ESB000024, Nationwide Bond No. 965002976

Date:

08/20/08

Name



G. T. Nimmo, Operations Manager

WEXPRO COMPANY
ISLAND UNIT #88, 89, 90 & 91
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 2, T10S, R19E, S.L.B.&M.

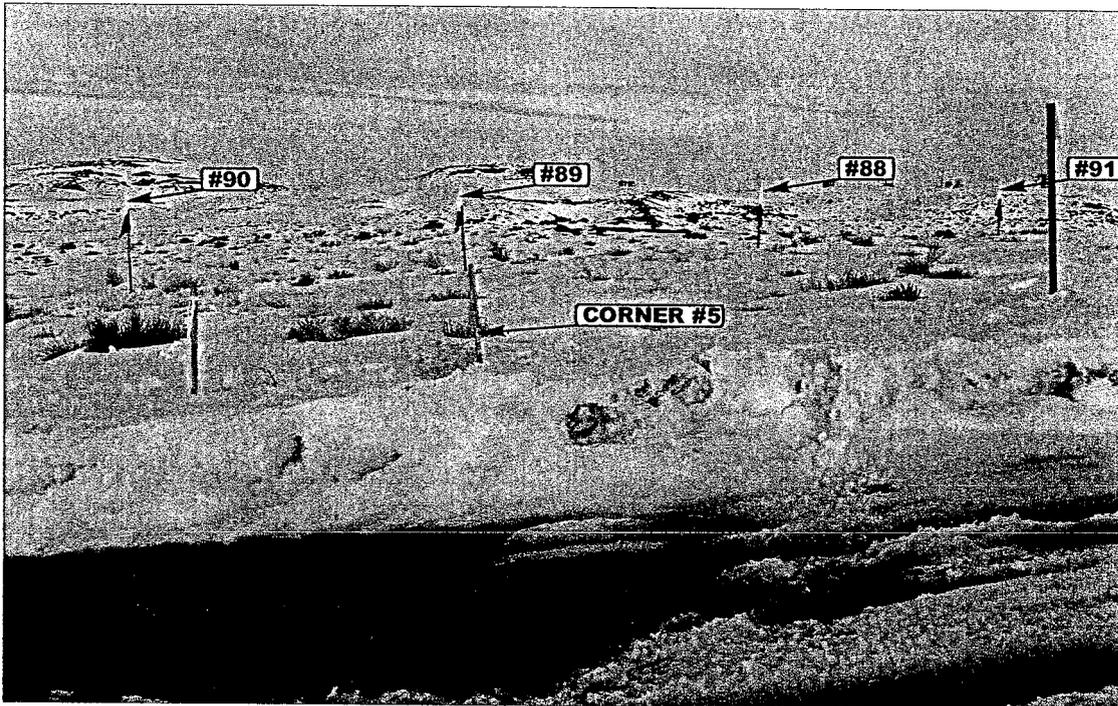


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKES

CAMERA ANGLE: EASTERLY

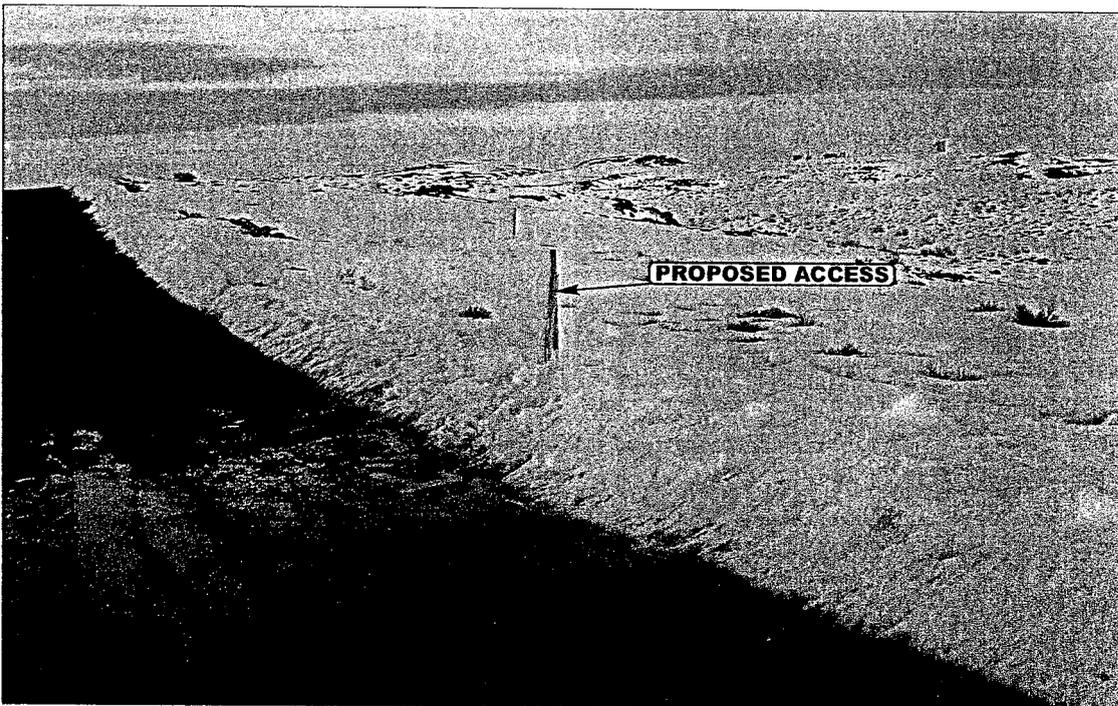


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



- Since 1964 -

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

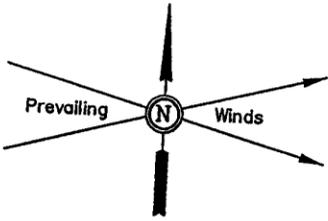
LOCATION PHOTOS			02	29	08	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: D.R.	DRAWN BY: C.P.	REVISED: 00-00-00				

WEXPRO COMPANY

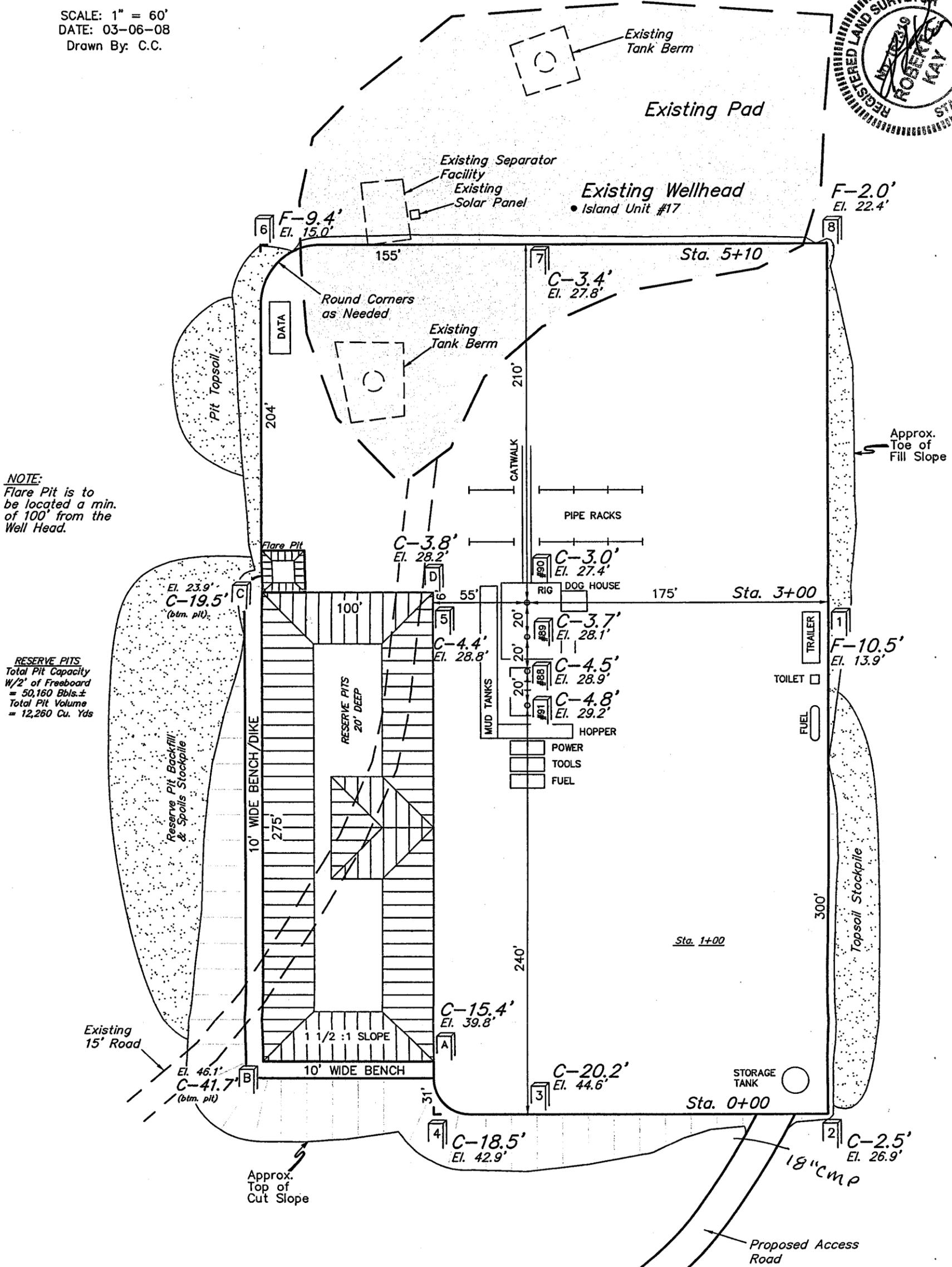
LOCATION LAYOUT FOR

ISLAND UNIT #88, #89, #90 & #91
SECTION 2, T10S, R19E, S.L.B.&M.
SE 1/4 SW 1/4

FIGURE #1



SCALE: 1" = 60'
DATE: 03-06-08
Drawn By: C.C.



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

RESERVE PITS
Total Pit Capacity
W/2' of Freeboard
= 50,160 Bbls.±
Total Pit Volume
= 12,260 Cu. Yds

Elev. Ungraded Ground at I.U. #90 Location Stake = 5027.4'
Elev. Graded Ground at Location Stake = 5024.4'

WEXPRO COMPANY

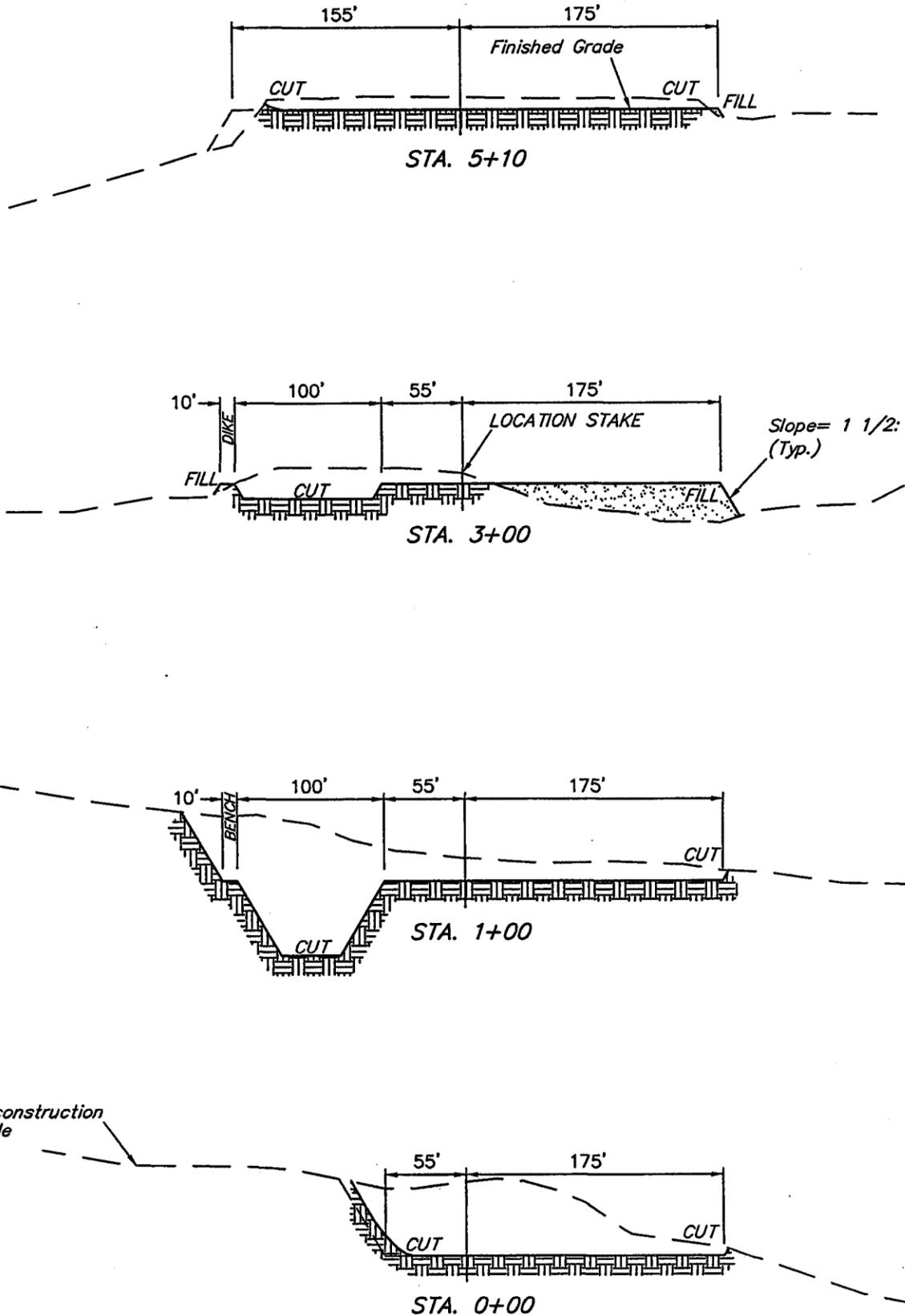
FIGURE #2

TYPICAL CROSS SECTIONS FOR

ISLAND UNIT #88, #89, #90 & #91
SECTION 2, T10S, R19E, S.L.B.&M.
SE 1/4 SW 1/4

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

DATE: 03-06-08
Drawn By: C.C.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

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

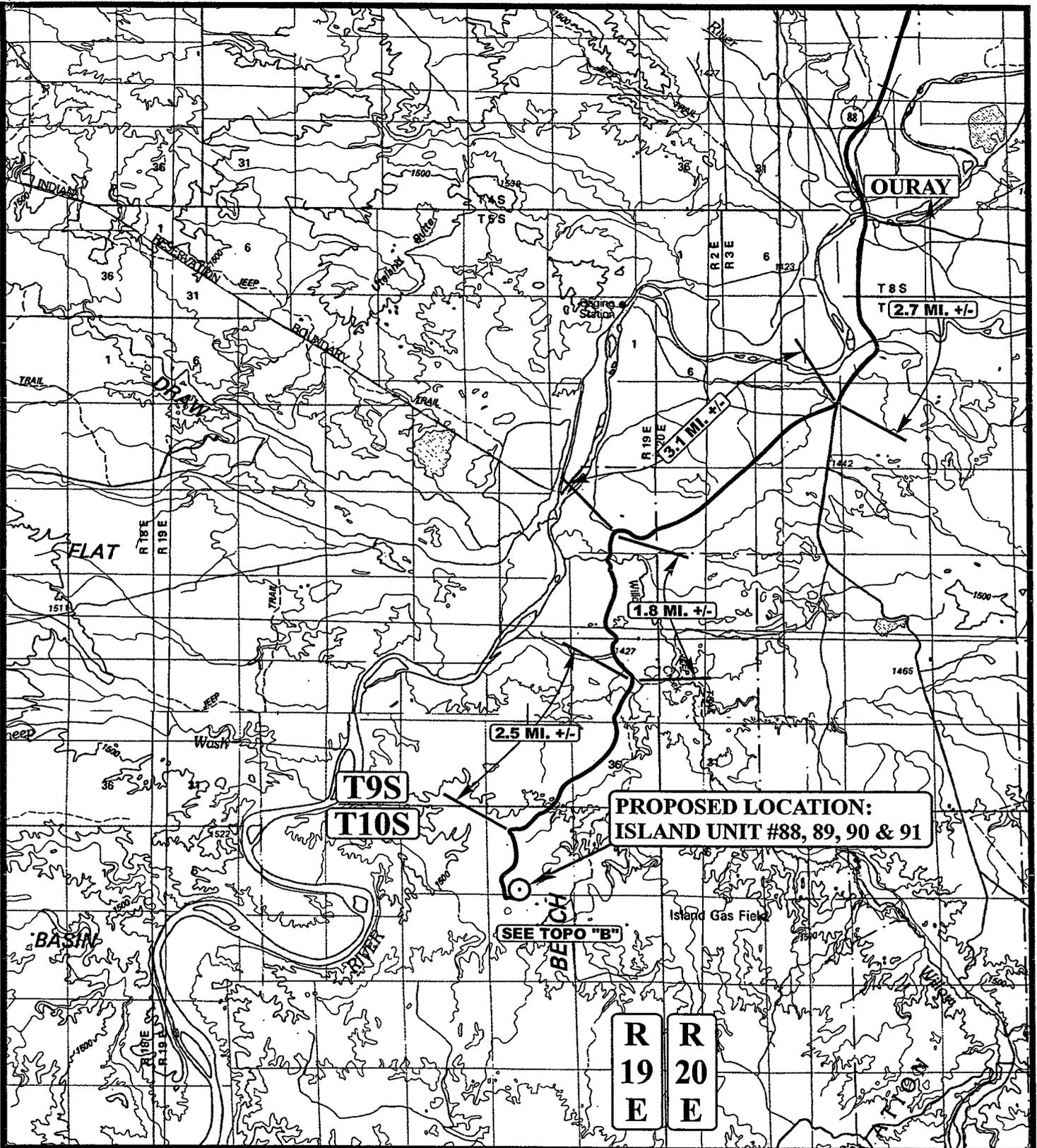
APPROXIMATE ACREAGES
WELL SITE DISTURBANCE = ±4.948 ACRES
ACCESS ROAD DISTURBANCE = ±0.664 ACRES
TOTAL = ±5.612 ACRES

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 3,720 Cu. Yds.
Remaining Location = 45,230 Cu. Yds.
TOTAL CUT = 48,950 CU.YDS.
FILL = 10,460 CU.YDS.

EXCESS MATERIAL = 38,490 Cu. Yds.
Topsoil & Pit Backfill = 9,850 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 28,640 Cu. Yds.
(After Interim Rehabilitation)

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



**PROPOSED LOCATION:
ISLAND UNIT #88, 89, 90 & 91**

SEE TOPO "B"

**R R
19 20
E E**

LEGEND:

○ PROPOSED LOCATION



WEXPRO COMPANY

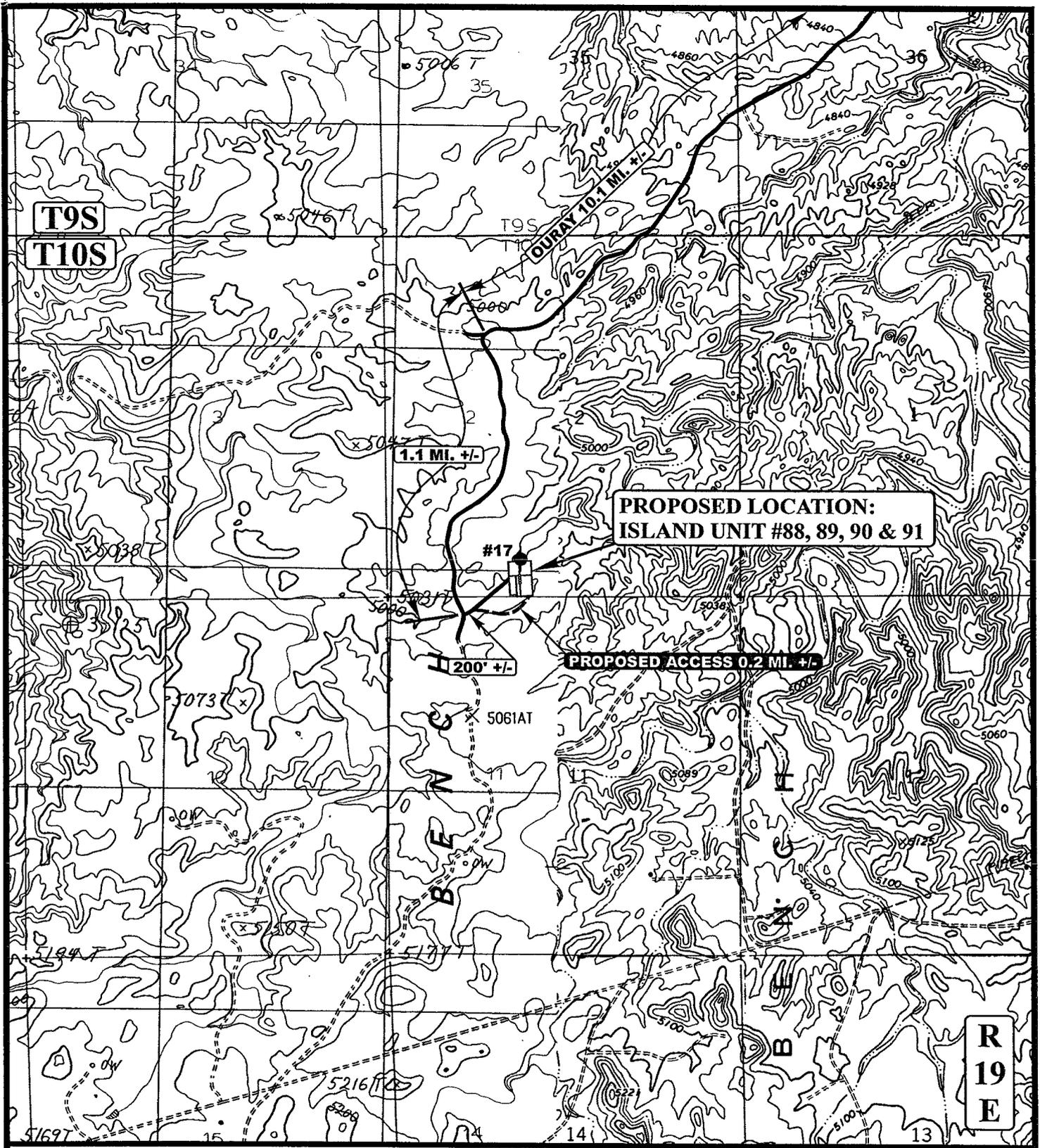
**ISLAND UNIT #88, 89, 90 & 91
SECTION 2, T10S, R19E, S.L.B.&M.
SE 1/4 SW 1/4**



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

TOPOGRAPHIC 02 29 08
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



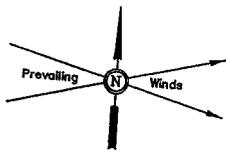
WEXPRO COMPANY

ISLAND UNIT #88, 89, 90 & 91
SECTION 2, T10S, R19E, S.L.B.&M.
SE 1/4 SW 1/4

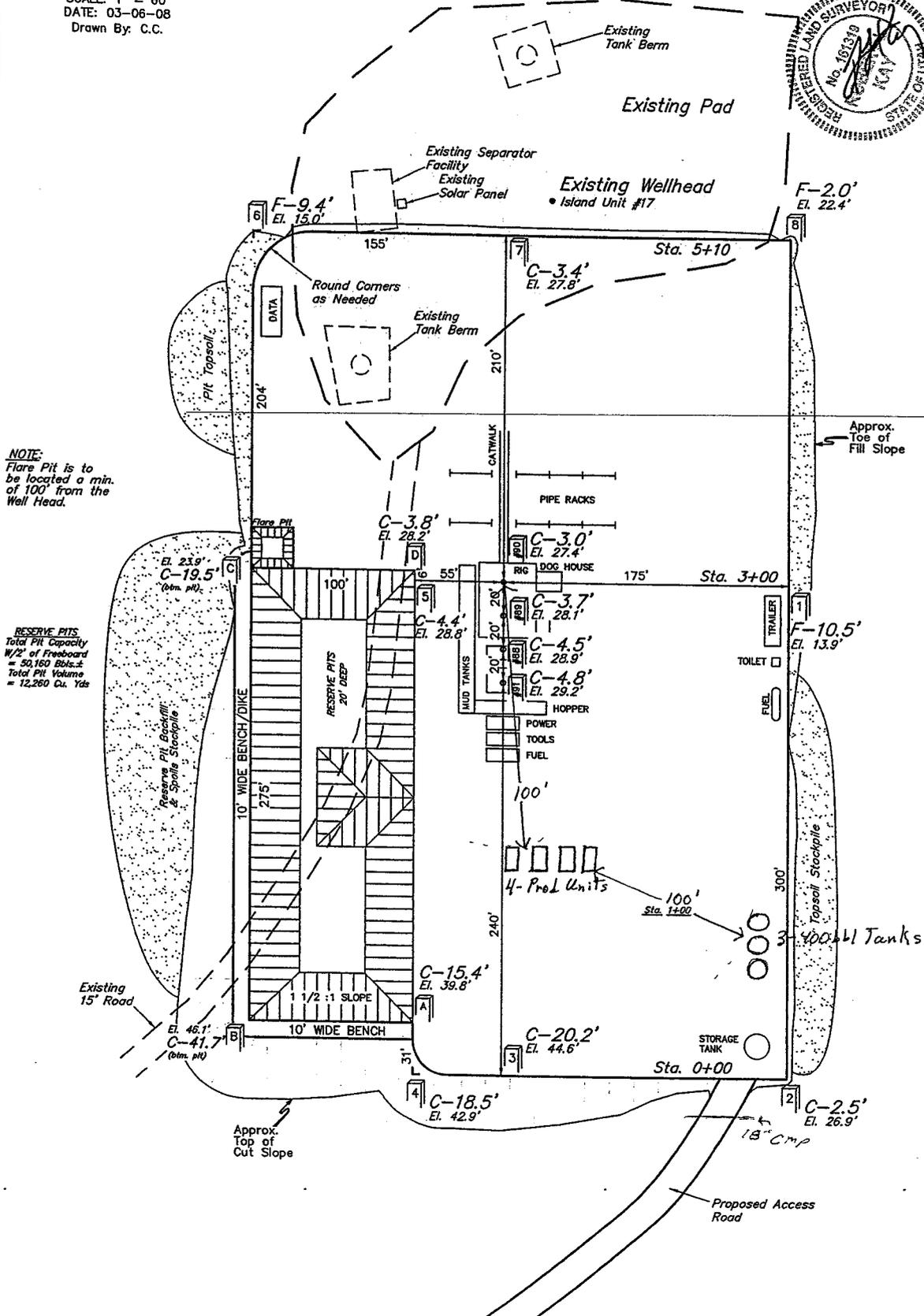
ELS	Uintah Engineering & Land Surveying
	85 South 200 East Vernal, Utah 84078 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	02	29	08	B TOPO
	MONTH	DAY	YEAR	
SCALE: 1" = 2000'		DRAWN BY: C.P.		REVISED: 00-00-00

ISLAND UNIT #88, #89, #90 & #91
SECTION 2, T10S, R19E, S.L.B.&M.
SE 1/4 SW 1/4



SCALE: 1" = 60'
DATE: 03-06-08
Drawn By: C.C.



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

RESERVE PITS
Total Pit Capacity
W/2' of Freeboard
= 50,160 Bbls.±
Total Pit Volume
= 12,260 Cu. Yds

Elev. Ungraded Ground at I.U. #90 Location Stake = 5027.4'
Elev. Graded Ground at Location Stake = 5024.4'

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 07/31/2008

API NO. ASSIGNED: 43-047-40277

WELL NAME: ISLAND U 90

OPERATOR: WEXPRO COMPANY (N1070)

PHONE NUMBER: 307-382-9791

CONTACT: G.T. NIMMO

PROPOSED LOCATION:

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKN	9/11/08
Geology		
Surface		

SESW 02 100S 190E

SURFACE: 0317 FSL 1939 FWL

BOTTOM: 0750 FSL 2090 FEL

COUNTY: UINTAH

LATITUDE: 39.97016 LONGITUDE: -109.7520

UTM SURF EASTINGS: 606578 NORTHINGS: 4424980

FIELD NAME: NATURAL BUTTES (630)

LEASE TYPE: 3 - State

LEASE NUMBER: ML 11004

PROPOSED FORMATION: WSMVD

SURFACE OWNER: 3 - ~~State~~ *feard*

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 965003033)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-2204)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS: _____

STIPULATIONS: 1- Spacing Strip
2- STATEMENT OF BASIS

Application for Permit to Drill

Statement of Basis

9/11/2008

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
890	43-047-40277-00-00		GW	S	No
Operator	WEXPRO COMPANY	Surface Owner-APD			
Well Name	ISLAND U 90	Unit	ISLAND		
Field	NATURAL BUTTES	Type of Work			
Location	SESW 2 10S 19E S	317 FSL 1939 FWL	GPS Coord (UTM) 606578E 4424980N		

Geologic Statement of Basis

Wexpro proposes to set 590 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 3,000 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 2. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing and cement should adequately protect any near surface aquifers. The production string cement should be brought up above the base of the moderately saline water to prevent it from mixing with fresher waters up hole.

Brad Hill
APD Evaluator

9/11/2008
Date / Time

Surface Statement of Basis

The surface rights at the proposed location are owned by the Federal Government. The operator is responsible for obtaining all required surface permits and rights-of-way from the BLM.

Brad Hill
Onsite Evaluator

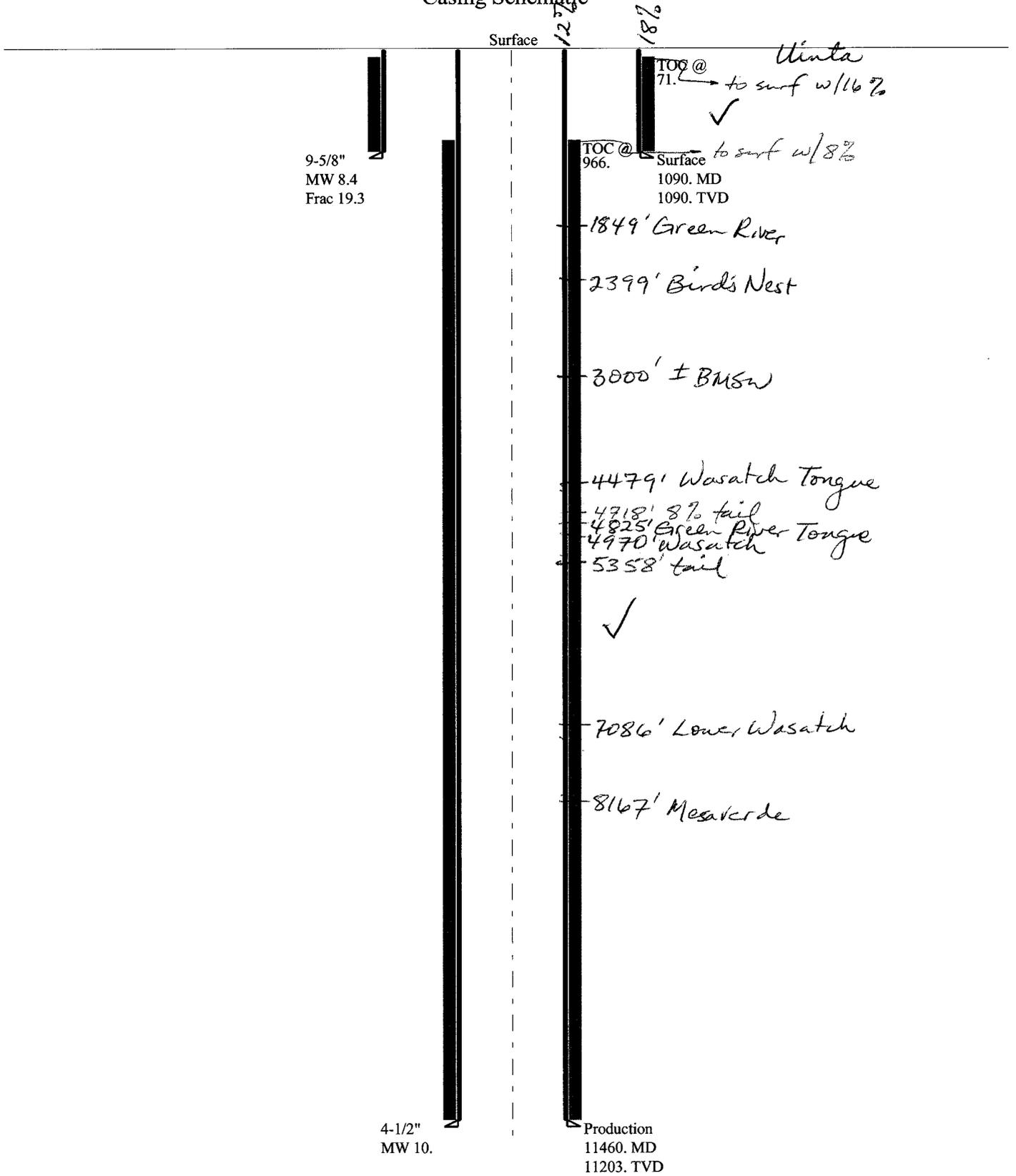
9/11/2008
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
	None

43047402770000 Island U 90

Casing Schematic



Well name:	43047402770000 Island U 90	
Operator:	Wexpro Company	Project ID:
String type:	Surface	43-047-40277-0000
Location:	Uintah County	

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 959 psi
Internal gradient: 0.120 psi/ft
Calculated BHP: 1,090 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

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

Tension is based on air weight.
Neutral point: 950 ft

Environment:

H2S considered?: No
Surface temperature: 65 °F
Bottom hole temperature: 80 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 185 ft

Cement top: 71 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 11,203 ft
Next mud weight: 10.000 ppg
Next setting BHP: 5,820 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 1,090 ft
Injection pressure: 1,090 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)
2	100	9.625	47.00	N-80	LT&C	100	100	8.625	41.1
1	990	9.625	36.00	J-55	LT&C	1090	1090	8.796	429.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
2	44	4716	99.990	971	6870	7.07	40	905	22.43 J
1	476	2020	4.247	1090	3520	3.23	36	453	12.71 J

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

Phone: 810-538-5357

Date: August 27, 2008
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 1090 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

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

Well name:

43047402770000 Island U 90

Operator: **Wexpro Company**

String type: Production

Project ID:

43-047-40277-0000

Location: Uintah County

Design parameters:

Collapse

Mud weight: 10.000 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 222 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 966 ft

Burst

Max anticipated surface pressure: 3,355 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 5,820 psi

No backup mud specified.

Tension:

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

Tension is based on air weight.
Neutral point: 9,807 ft

Directional Info - Build & Drop

Kick-off point 1500 ft
Departure at shoe: 1280 ft
Maximum dogleg: 2.36 °/100ft
Inclination at shoe: 0 °

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	11460	4.5	13.50	P-110	LT&C	11203	11460	3.795	960.5
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	5820	10680	1.835	5820	12410	2.13	151	338	2.23 J

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

Phone: 810-538-5357

Date: August 27, 2008
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 11203 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

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

BOPE REVIEW

Wexpro Island Unit 90

43-047-40277-0000

INPUT

Well Name

Wexpro Island Unit 90		43-047-40277-0000	
String 1	String 2		
9 5/8	4 1/2		
1090	11202		
60	1090		
8.4	10		
0	5000		
3520	12410		
5925	10	8.3	ppg

Casing Size (")

Setting Depth (TVD)

Previous Shoe Setting Depth (TVD)

Max Mud Weight (ppg)

BOPE Proposed (psi)

Casing Internal Yield (psi)

Operators Max Anticipated Pressure (psi)

Calculations

String 1 **9 5/8 "**

Max BHP [psi]	$.052 * \text{Setting Depth} * \text{MW} =$	476	
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	345	BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	236	NO Reasonable data Drilled dry
			NO No expected pressure
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	250	*Can Full Expected Pressure Be Held At Previous Shoe?
			NO O.K.
Required Casing/BOPE Test Pressure		1090 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		60 psi	*Assumes 1psi/ft frac gradient

Calculations

String 2 **4 1/2 "**

Max BHP [psi]	$.052 * \text{Setting Depth} * \text{MW} =$	5825	
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	4481	BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	3361	YES ✓
			YES
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	3600	*Can Full Expected Pressure Be Held At Previous Shoe?
			NO
Required Casing/BOPE Test Pressure		5000 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		1090 psi	*Assumes 1psi/ft frac gradient

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:
3160
(UT-922)

August 4, 2008

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2008 Plan of Development Island Unit, Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2008 within the Island Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
	Proposed PZ Wasatch/MesaVerde)	
43-047-40277	Island U 90 Sec 02 T10S R19E 0317 FSL 1939 FWL	BHL Sec 02 T10S R19E 0750 FSL 2090 FEL
43-047-40279	Island U 95 Sec 12 T10S R19E 1094 FSL 1631 FWL	BHL Sec 12 T10S R19E 2520 FNL 2160 FWL
43-047-40281	Island U 87 Sec 12 T10S R19E 1084 FSL 1648 FWL	BHL Sec 12 T10S R19E 0560 FSL 1675 FWL
	(Proposed PZ Wasatch)	
43-047-40280	Island U 91 Sec 02 T10S R19E 0257 FSL 1942 FWL	BHL Sec 11 T10S R19E 0170 FNL 1830 FWL
43-047-40276	Island U 88 Sec 02 T10S R19E 0277 FSL 1941 FWL	BHL Sec 02 T10S R19E 1110 FSL 0530 FWL
43-047-40278	Island U 89 Sec 02 T10S R19E 0297 FSL 1940 FWL	BHL Sec 02 T10S R19E 1670 FSL 1770 FWL

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

/s/ Michael L. Coulthard

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML 11004	6. SURFACE: FEDERAL
1A. TYPE OF WORK DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
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: ISLAND UTU063026X	
2. NAME OF OPERATOR: WEXPRO COMPANY				9. NAME OF WELL and NUMBER ISLAND UNIT WELL NO. 90	
3. ADDRESS OF OPERATOR: P.O. BOX 458 CITY ROCK SPRINGS STATE WY ZIP 82902			PHONE NUMBER: 307 382-9791	10. FIELD AND POOL, OR WILDCAT: ISLAND, Wasatch/Mesaverde	
4. LOCATION OF WELLS (FOOTAGES) AT SURFACE: 317' FSL, 1939' FWL AT PRODUCING ZONE: 750' FSL, 2090' FEL				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE SW 2-10S-19E, SLB&M	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: APPROXIMATELY 32 MILES FROM VERNAL, UTAH				12. COUNTY UINTAH	13. STATE UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 750' (BHL)		16. NUMBER OF ACRES IN LEASE: 645.79	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: N/A		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1318'		19. PROPOSED DEPTH: 11,460' (MD) 11,202' (TVD)	20. BOND DESCRIPTION: Nationwide Bond No. 965002976		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.) 5027' Ungraded		22. APPROXIMATE DATE WORK WILL START: December 1, 2008	23. ESTIMATED DURATION: 25 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
24"	20" - CORRUGATED CONDUCTOR	60'	40 CUBIC YARD CONSTRUCTION CEMENT
12-1/4"	9-5/8" 47#, N-80, LT&C	90'	SEE ATTACHED DRILLING PLAN
12-1/4"	9-5/8" 36#, J-55, LT&C	1,000'	SEE ATTACHED DRILLING PLAN
7-7/8"	4-1/2" 13.5#, P-110, LT&C	11,460' MD	SEE ATTACHED DRILLING PLAN

25. **ATTACHMENTS**

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

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER 49-2204 Ouray Brine	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) G. T. NIMMO TITLE OPERATIONS MANAGER

SIGNATURE *G.T. Nimmo* DATE 08/20/08

(This space for State use only)

API NUMBER ASSIGNED 43-047-40277 APPROVAL: **Approved by the Utah Division of Oil, Gas and Mining**

RECEIVED
AUG 13 2008
DIV. OF OIL, GAS & MINING



Wexpro Company

180 East 100 South
P.O. Box 45601
Salt Lake City, UT 84145-0601
Tel 801 324 2600 • Fax 801 324 2637

August 14, 2008

Ms. Diane Mason
State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

43-047-4 0277

Re: Request for Exception Location and for Approval of Directional Drilling
Island Unit #90 Well
SURFACE: 317' FSL, 1939' FWL, SE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 2, T10S, R19E, SLM
BOTTOM HOLE: 750' FSL, 2090' FEL, SW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 2, T10S, R19E, SLM
Lease No. U-4481

Dear Ms. Whitney:

In accordance with R649-3-3, Wexpro Company ("Wexpro") respectfully requests administrative approval for an exception location and for directional drilling of the Island Unit Well #90. As reflected on the plats included with the attached Application for Permit to Drill ("APD"), the captioned well is to be drilled directionally with a surface location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ and a proposed bottom hole location 750' FSL and 2090' FEL in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 2. All of Section 2 is committed to the Island Unit which is a Federal Exploratory Unit with Wexpro currently serving as the Unit Operator for the Unit.

Wexpro is permitting this well as a directional well due to topographic reasons. The surface location is from a shared well pad with the directional drilling required to reach the targeted bottom hole location. Pursuant to R649-3-11, Wexpro requests approval to drill the above-referenced well directionally. Ownership within 460' of the entire length of the proposed wellbore is owned 100% by Wexpro and its affiliate Questar Exploration and Production Company, thereby not requiring the approval of other parties for our intended operation.

We respectfully request the Division of Oil, Gas and Mining approve the APD as described in this letter. Should you have any questions, please call me at 801-324-5938.

Sincerely,

Wexpro Company

By: 
Jonathan M. Duke
Coordinator: Contracts and Land

cc: Bureau of Land Management
Dee Findlay – Wexpro Company
Frank Nielsen – Questar Exploration and Production Company

RECEIVED
AUG 19 2008

DRAFT

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

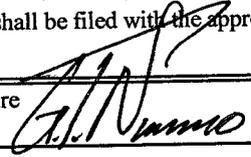
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. ML 11004
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name n/a
2. Name of Operator WEXPRO COMPANY		7. If Unit or CA Agreement, Name and No. ISLAND UNIT UTU063026X
3a. Address P.O. BOX 458, ROCK SPRINGS, WY 82902		8. Lease Name and Well No. ISLAND UNIT NO. 90
3b. Phone No. (include area code) 307 382-9791		9. API Well No. PENDING
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 317' FSL 1939' FWL SE SW Lat. 39.970175 Long. 109.752861 At proposed prod. zone 750' FSL 2090' FEL SW SE		10. Field and Pool, or Exploratory ISLAND, Wasatch/Mesaverde
14. Distance in miles and direction from the nearest town or post office* APPROXIMATELY 32 MILES FROM VERNAL, UTAH		11. Sec., T., R., M., or Blk. and Survey or Area 2 T 10S R 19E S.L.B. &M.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) 750' (BHL)	16. No. of acres in lease 645.79	13. State UTAH
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1318'	17. Spacing Unit dedicated to this well N/A	12. County or Parish UINTAH
21. Elevations (Show whether DF, RT, GR, etc.) 5027' ungraded	19. Proposed Depth 11,460 (MD) 11,202' (TVD)	20. BLM/ BIA Bond No. on file Nationwide Bond No. 965002976
22. Approximate date work will start* December 1, 2008	23. Estimated duration 25 days	

24. Attachments

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

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

25. Signature 	Name (Printed/ Typed) G. T. NIMMO	Date 08/20/08
Title OPERATIONS MANAGER		
Approved By (Signature)	Name (Printed/ Typed)	Date
Title	Office	

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

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

(Continued on page 2)

RECEIVED

AUG 19 2008

DIV. OF OIL, GAS & MINING

* (Instructions on page 2)

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF OIL, GAS AND MINING

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: ML 11004	6. SURFACE: FEDERAL
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
2. NAME OF OPERATOR: WEXPRO COMPANY		8. UNIT or CA AGREEMENT NAME: ISLAND UTU063026X	
3. ADDRESS OF OPERATOR: P.O. BOX 458 CITY ROCK SPRINGS STATE WY ZIP 82902		PHONE NUMBER: 307 382-9791	9. NAME OF WELL and NUMBER ISLAND UNIT WELL NO. 90
4. LOCATION OF WELLS (FOOTAGES) AT SURFACE: 317' FSL, 1939' FWL AT PRODUCING ZONE: 750' FSL, 2090' FEL		10. FIELD AND POOL, OR WILDCAT: ISLAND, Wasatch/Mesaverde	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: APPROXIMATELY 32 MILES FROM VERNAL, UTAH		12. COUNTY UINTAH	13. STATE UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 750' (BHL)	16. NUMBER OF ACRES IN LEASE: 645.79	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: N/A	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1318'	19. PROPOSED DEPTH: 11,460' (MD) 11,202' (TVD)	20. BOND DESCRIPTION: Nationwide Bond No. 965002976	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.) 5027' Ungraded	22. APPROXIMATE DATE WORK WILL START: December 1, 2008	23. ESTIMATED DURATION: 25 DAYS	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
24"	20" - CORRUGATED CONDUCTOR	60'	40 CUBIC YARD CONSTRUCTION CEMENT
12-1/4"	9-5/8" 47#, N-80, LT&C	90'	SEE ATTACHED DRILLING PLAN
12-1/4"	9-5/8" 36#, J-55, LT&C	1,000'	SEE ATTACHED DRILLING PLAN
7-7/8"	4-1/2" 13.5#, P-110, LT&C	11,460' MD	SEE ATTACHED DRILLING PLAN

ATTACHMENTS

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

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
49-2204 Ouray Brine
- COMPLETE DRILLING PLAN
- FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) G. T. NIMMO TITLE OPERATIONS MANAGER

SIGNATURE *G.T. Nimmo* DATE 05/20/08

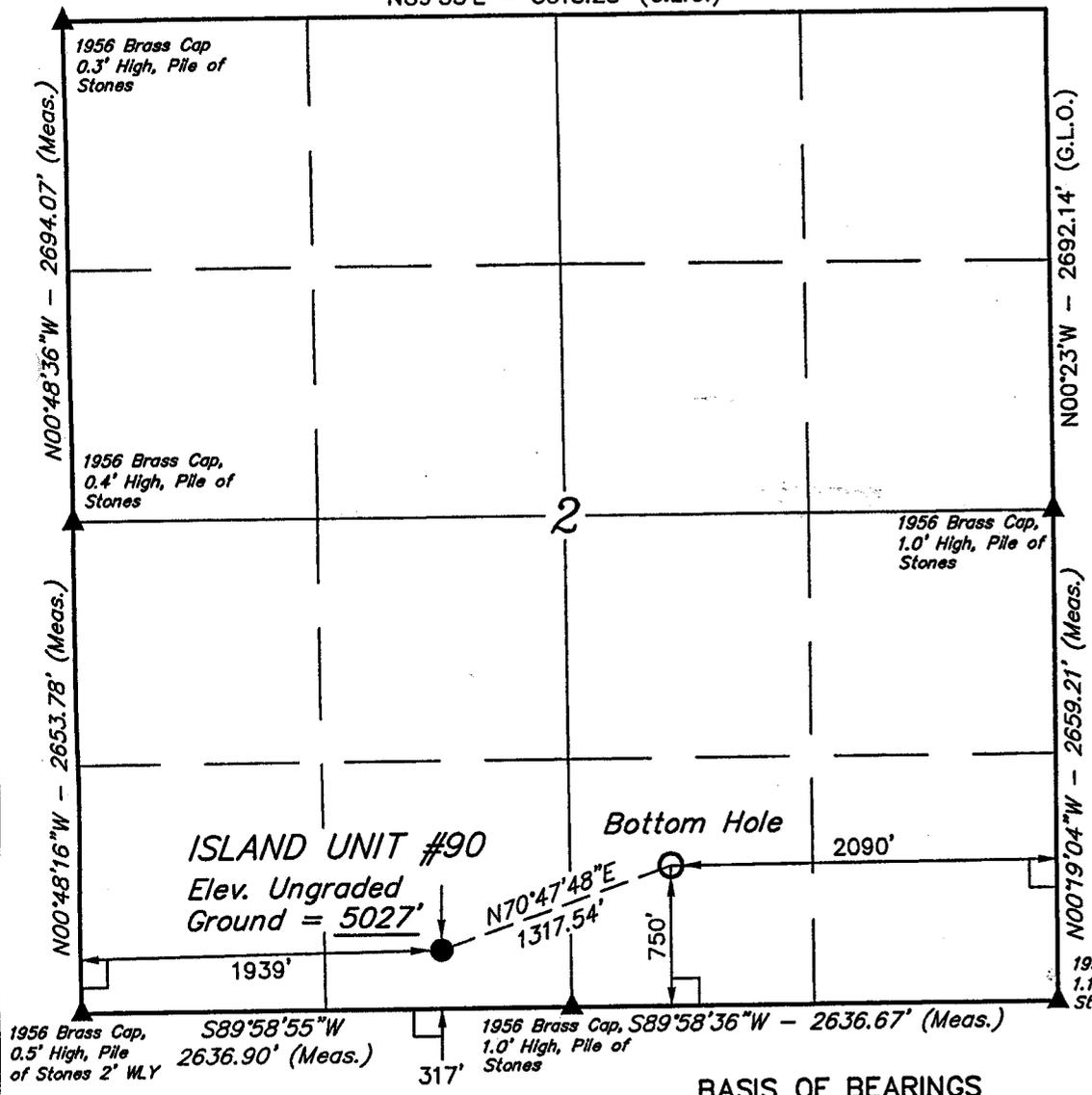
(This space for State use only)

API NUMBER ASSIGNED _____ APPROVAL: _____

FedEx 8/12/08

T10S, R19E, S.L.B.&M.

N89°53'E - 5318.28' (G.L.O.)

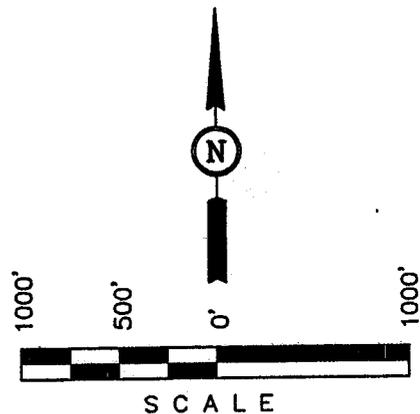


WEXPRO COMPANY

Well location, ISLAND UNIT #90, located as shown in the SE 1/4 SW 1/4 of Section 2, T10S, R19E, S.L.B.&M., Uintah County Utah.

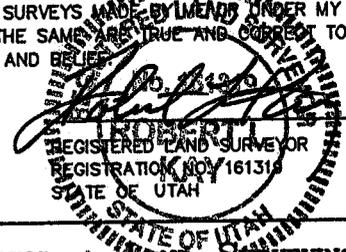
BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 20, T10S, R20E, S.L.B.&M., TAKEN FROM THE BIG PACK MTN. NW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5251 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME AND 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.

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

NAD 83 (TARGET BOTTOM HOLE)	NAD 83 (SURFACE LOCATION)
LATITUDE = 39°58'16.91" (39.971364)	LATITUDE = 39°58'12.63" (39.970175)
LONGITUDE = 109°44'54.33" (109.748425)	LONGITUDE = 109°45'10.30" (109.752861)
NAD 27 (TARGET BOTTOM HOLE)	NAD 27 (SURFACE LOCATION)
LATITUDE = 39°58'17.04" (39.971400)	LATITUDE = 39°58'12.76" (39.970211)
LONGITUDE = 109°44'51.83" (109.747731)	LONGITUDE = 109°45'07.80" (109.752167)

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 02-27-08	DATE DRAWN: 03-06-08
PARTY D.R. A.W. C.C.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE WEXPRO COMPANY	



Wexpro Company

180 East 100 South
P.O. Box 45601
Salt Lake City, UT 84145-0601
Tel 801 324 2600 • Fax 801 324 2637

August 14, 2008

Ms. Diane Mason
State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Re: Request for Exception Location and for Approval of Directional Drilling
Island Unit #90 Well
SURFACE: 317' FSL, 1939' FWL, SE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 2, T10S, R19E, SLM
BOTTOM HOLE: 750' FSL, 2090' FEL, SW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 2, T10S, R19E, SLM
Lease No. U-4481

Dear Ms. Whitney:

In accordance with R649-3-3, Wexpro Company ("Wexpro") respectfully requests administrative approval for an exception location and for directional drilling of the Island Unit Well #90. As reflected on the plats included with the attached Application for Permit to Drill ("APD"), the captioned well is to be drilled directionally with a surface location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ and a proposed bottom hole location 750' FSL and 2090' FEL in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 2. All of Section 2 is committed to the Island Unit which is a Federal Exploratory Unit with Wexpro currently serving as the Unit Operator for the Unit.

Wexpro is permitting this well as a directional well due to topographic reasons. The surface location is from a shared well pad with the directional drilling required to reach the targeted bottom hole location. Pursuant to R649-3-11, Wexpro requests approval to drill the above-referenced well directionally. Ownership within 460' of the entire length of the proposed wellbore is owned 100% by Wexpro and its affiliate Questar Exploration and Production Company, thereby not requiring the approval of other parties for our intended operation.

We respectfully request the Division of Oil, Gas and Mining approve the APD as described in this letter. Should you have any questions, please call me at 801-324-5938.

Sincerely,

Wexpro Company

By: 

Jonathan M. Duke
Coordinator: Contracts and Land

cc: Bureau of Land Management
Dee Findlay – Wexpro Company
Frank Nielsen – Questar Exploration and Production Company

DRAFT

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

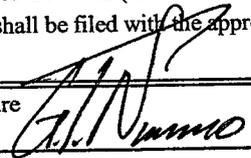
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. ML 11004
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name n/a
2. Name of Operator WEXPRO COMPANY		7. If Unit or CA Agreement, Name and No. ISLAND UNIT UTU063026X
3a. Address P.O. BOX 458, ROCK SPRINGS, WY 82902		8. Lease Name and Well No. ISLAND UNIT NO. 90
3b. Phone No. (include area code) 307 382-9791		9. API Well No. PENDING
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 317' FSL 1939' FWL SE SW Lat. 39.970175 Long. 109.752861 At proposed prod. zone 750' FSL 2090' FEL SW SE		10. Field and Pool, or Exploratory ISLAND, Wasatch/Mesaverde
14. Distance in miles and direction from the nearest town or post office* APPROXIMATELY 32 MILES FROM VERNAL, UTAH		11. Sec., T., R., M., or Blk. and Survey or Area 2 T 10S R 19E S.L.B. &M.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) 750' (BHL)	16. No. of acres in lease 645.79	12. County or Parish UINTAH
17. Spacing Unit dedicated to this well N/A	13. State UTAH	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1318'
19. Proposed Depth 11,460 (MD) 11,202' (TVD)	20. BLM/ BIA Bond No. on file Nationwide Bond No. 965002976	21. Elevations (Show whether DF, RT, GR, etc.) 5027' ungraded
22. Approximate date work will start* December 1, 2008	23. Estimated duration 25 days	24. Attachments

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

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

25. Signature 	Name (Printed/ Typed) G. T. NIMMO	Date 08/20/08
Title OPERATIONS MANAGER		
Approved By (Signature)	Name (Printed/ Typed)	Date
Title	Office	

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

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

TATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF OIL, GAS AND MINING

AMENDED REPORT [X]
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK DRILL [X] REENTER [] DEEPEN []
B. TYPE OF WELL: OIL [] GAS [X] OTHER [] SINGLE ZONE [] MULTIPLE ZONE [X]
2. NAME OF OPERATOR: WEXPRO COMPANY
3. ADDRESS OF OPERATOR: P.O. BOX 458 CITY ROCK SPRINGS STATE WY ZIP 82902 PHONE NUMBER: 307 382-9791
4. LOCATION OF WELLS (FOOTAGES) AT SURFACE: 317' FSL, 1939' FWL AT PRODUCING ZONE: 750' FSL, 2090' FEL
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: APPROXIMATELY 32 MILES FROM VERNAL, UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 750' (BHL)
16. NUMBER OF ACRES IN LEASE: 645.79
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: N/A
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1318'
19. PROPOSED DEPTH: 11,460' (MD) 11,202' (TVD)
20. BOND DESCRIPTION: Nationwide Bond No. 965002976
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.) 5027' Ungraded
22. APPROXIMATE DATE WORK WILL START: December 1, 2008
23. ESTIMATED DURATION: 25 DAYS

24. PROPOSED CASING AND CEMENTING PROGRAM
Table with 4 columns: SIZE OF HOLE, CASING SIZE, GRADE, AND WEIGHT PER FOOT, SETTING DEPTH, CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT.
Rows include 24" hole with 20" casing, 12-1/4" hole with 9-5/8" casing, 12-1/4" hole with 9-5/8" casing, and 7-7/8" hole with 4-1/2" casing.

25. ATTACHMENTS

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

- [X] WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
[X] COMPLETE DRILLING PLAN
[X] EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
49-2204 Ouray Brine
[] FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) G. T. NIMMO TITLE OPERATIONS MANAGER
SIGNATURE [Signature] DATE 08/20/08

(This space for State use only)

API NUMBER ASSIGNED APPROVAL:

FedEx 8/20/08



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

September 11, 2008

Wexpro Company
P O Box 458
Rock Springs, WY 82902

Re: Island Unit Well No. 90 Well, 317' FSL, 1939' FWL, SE SW, Sec. 2, T. 10 South,
R. 19 East, Bottom Location 750' FSL, 2090' FEL, SW SE, Sec. 2, T. 10 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 43-047-40277.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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



Operator: Wexpro Company
Well Name & Number Island Unit Well No. 90
API Number: 43-047-40277
Lease: ML 11004

Location: SE SW Sec. 2 T. 10 South R. 19 East
Bottom Location: SW SE Sec. 2 T. 10 South R. 19 East

Conditions of Approval

1. General

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

2. Notification Requirements

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

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

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

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

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

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.
7. 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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: ML 11004
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: UTU063026X
8. WELL NAME and NUMBER: Island Unit 90
9. API NUMBER: 4304740277
10. FIELD AND POOL, OR WILDCAT: Wasatch

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 checked="" type="checkbox"/> OTHER _____	
2. NAME OF OPERATOR: Wexpro Company	
3. ADDRESS OF OPERATOR: P.O. Box 458 CITY Rock Springs STATE WY ZIP 82902	PHONE NUMBER: (307) 922-5647
4. LOCATION OF WELL FOOTAGES AT SURFACE: 317' FSL, 1939' FWL COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 2 10S 19E STATE: UTAH	

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>Air Rig Variance</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.

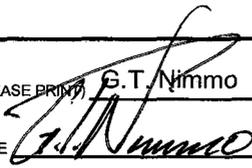
Wexpro Company requests a variance from 43 CFR 3160 Onshore Oil and Gas Order #2, Section III requirements, subsection E - Special Drilling Operations for the specific operation of drill and setting surface casing with a truck mounted air rig.

The Variance to Onshore #2 is requested because surface casing depth for this well is 500' and high pressure is not expected. A properly lubricated and maintained rotating head: A diverter bowl will be utilized in place of a rotating head. The diverter bowl will force the air and cutting returns to the reserve pit as it is used to drill the surface casing.

Blooiie line discharge will be 100 feet from the well bore and securely anchored: The blooiie line discharge for this operation will be located 50 to 70 feet from the wellhead.

Automatic ignitor or continuous pilot light on the blooiie line: A diffuser will be used rather than an automatic pilot/ignitor. Water is injected into the compressed air and eliminates the need for the pilot light and the need for dust suppression equipment.

Compressor located in the direction from the blooiie line is a minimum of 100' from the wellbore: Truck mounted air compressors will be located within 50 feet on the opposite side of the wellhead from the blooiie line and equipped with a (1) emergency kill switch on the driller's console, (2) pressure relief valve on the compressor and (3) spark arrestors on the motors.

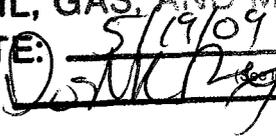
NAME (PLEASE PRINT) <u>G.T. Nimmo</u>	TITLE <u>Operations Manager</u>
SIGNATURE 	DATE <u>5/4/2009</u>

(This space for State use only)

COPY SENT TO OPERATOR

Date: 6.3.2009
(5/2000)
Initials: KS

**APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING**

DATE: 5/19/09
BY:  (See Instructions on Reverse Side)

**RECEIVED
MAY 07 2009
DIV. OF OIL, GAS & MINING**

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML 11004
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: ISLAND
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: ISLAND U 90
2. NAME OF OPERATOR: WEXPRO COMPANY	9. API NUMBER: 43047402770000
3. ADDRESS OF OPERATOR: P.O. Box 458 , Rock Springs, WY, 82902	PHONE NUMBER: 307 922-5612 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0317 FSL 1939 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 02 Township: 10.0S Range: 19.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

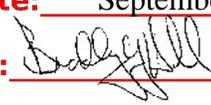
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 9/10/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

The Island Unit #90 APD was originally approved on 9/11/2008 for a period of one year. Wexpro Company requests a renewal of the APD for an additional one year.

Approved by the
 Utah Division of
 Oil, Gas and Mining

Date: September 03, 2009
 By: 

NAME (PLEASE PRINT) Paul Jibson	PHONE NUMBER 307 922-5647	TITLE Associate Permit Agent
SIGNATURE N/A		DATE 9/3/2009



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047402770000

API: 43047402770000

Well Name: ISLAND U 90

Location: 0317 FSL 1939 FWL QTR SESW SEC 02 TWP 100S RNG 190E MER S

Company Permit Issued to: WEXPRO COMPANY

Date Original Permit Issued: 9/11/2008

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

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

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

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

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

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

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

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

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

Signature: Paul Jibson

Date: 9/3/2009

Title: Associate Permit Agent **Representing:** WEXPRO COMPANY

Date: September 03, 2009

By: 

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML 11004
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: ISLAND
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: ISLAND U 90
2. NAME OF OPERATOR: WEXPRO COMPANY	9. API NUMBER: 43047402770000
3. ADDRESS OF OPERATOR: P.O. Box 458 , Rock Springs, WY, 82902	PHONE NUMBER: 307 922-5612 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0317 FSL 1939 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 02 Township: 10.0S Range: 19.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES 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 Approximate date work will start: 9/1/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

The Island Unit #90 APD was originally approved on 9/11/2008 for a period of one year. An APD extension was approved on 9/3/2009 for an additional one year. At this time Wexpro Company request an additional one year APD extension.

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

Date: August 31, 2010
 By: 

NAME (PLEASE PRINT) Paul Jibson	PHONE NUMBER 307 922-5647	TITLE Permit Agent
SIGNATURE N/A		DATE 8/24/2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047402770000

API: 43047402770000

Well Name: ISLAND U 90

Location: 0317 FSL 1939 FWL QTR SESW SEC 02 TWP 100S RNG 190E MER S

Company Permit Issued to: WEXPRO COMPANY

Date Original Permit Issued: 9/11/2008

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

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

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

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

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

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

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

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

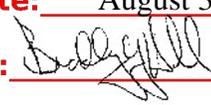
**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Paul Jibson

Date: 8/24/2010

Title: Permit Agent **Representing:** WEXPRO COMPANY

Date: August 31, 2010

By: 

RECEIVED August 24, 2010



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 23, 2011

Wexpro Company
P.O. Box 458
Rock Springs, WY 82902

Re: APD Rescinded – Island U 90, Sec. 2, T.10S, R.19E,
Uintah County, Utah API No. 43-047-40277

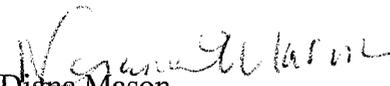
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 11, 2008. On September 3, 2009 and August 31, 2010 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 23, 2011;

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
Bureau of Land Management, Vernal