

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/15/2008

API NO. ASSIGNED: 43-047-40452

WELL NAME: ISLAND U 97

OPERATOR: WEXPRO COMPANY (N1070)

PHONE NUMBER: 307-922-5600

CONTACT: G.T. NIMMO

PROPOSED LOCATION:

NESW 07 100S 200E
 SURFACE: 1485 FSL 3408 FWL
 BOTTOM: 1685 FSL 2520 FEL
 COUNTY: UINTAH
 LATITUDE: 39.95869 LONGITUDE: -109.7090
 UTM SURF EASTINGS: 610268 NORTHINGS: 4423760
 FIELD NAME: NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-4482
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 965002976)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-10610)
- 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- Federal Approval
2- Spacing Plan
3- Oil SHALE

API Number: 4304740452

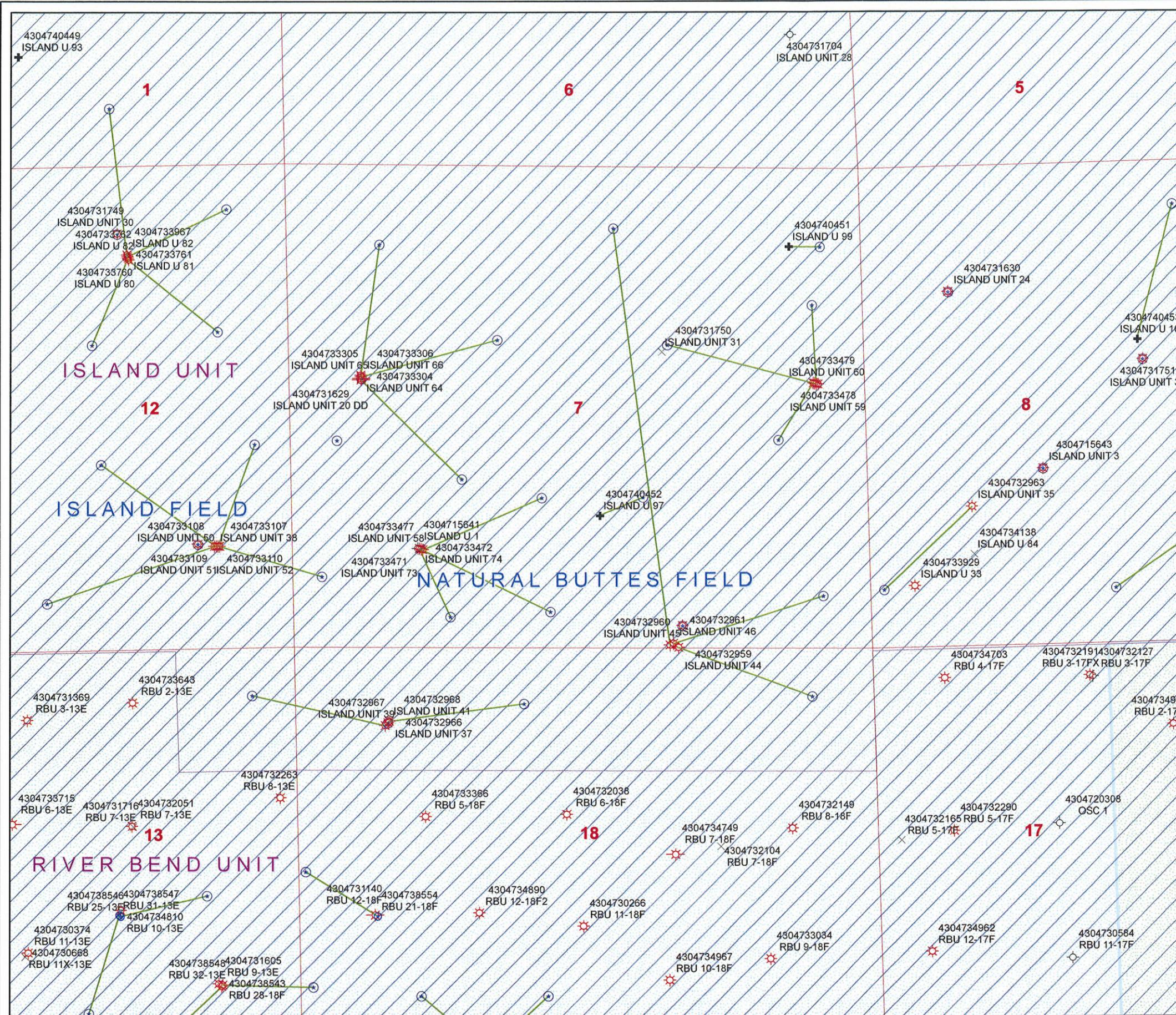
Well Name: ISLAND U 97

Township 10.0 S Range 20.0 E Section 07

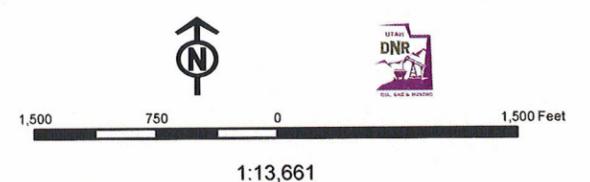
Meridian: SLBM

Operator: WEXPRO COMPANY

Map Prepared:
Map Produced by Diana Mason



Units	Wells Query Events
STATUS	✖ <all other values>
ACTIVE	GIS_STAT_TYPE
EXPLORATORY	<Null>
GAS STORAGE	APD
NF PP OIL	DRL
NF SECONDARY	GI
PI OIL	GS
PP GAS	LA
PP GEOTHERM	NEW
PP OIL	OPS
SECONDARY	PA
TERMINATED	PGW
Fields	POW
STATUS	RET
ACTIVE	SGW
COMBINED	SOW
Sections	TA
	TW
	WD
	WI
	WS



STATE OF UTAH

FORM 3

DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF OIL, GAS AND MINING

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: UTU-4482	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. IN ISLAND, WASATCH/MESAVERDE ISLAND UNIT WELL NO. 97	
3. ADDRESS OF OPERATOR: P.O. BOX 458 CITY ROCK SPRINGS STATE WY ZIP 82902			PHONE NUMBER: 307 922-5600	10. FIELD AND POOL, OR WILDCAT: ISLAND, WASATCH/MESAVERDE
4. LOCATION OF WELLS (FOOTAGES) AT SURFACE: 610268X 44237604 39.958686 -109.709021 AT PRODUCING ZONE: 610414X 44238204 1485' FSL, 3408' FWL 39.959210 1685' FSL, 2520' FEL -109.707306			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NE SW 7-10S-20E, 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) 1685'		16. NUMBER OF ACRES IN LEASE: 1970.27	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: N/A	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2000'		19. PROPOSED DEPTH: 11,000' MD 10,943 TVD	20. BOND DESCRIPTION: Nationwide Bond No. 965002976	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.) 5095' ungraded		22. APPROXIMATE DATE WORK WILL START: July 1, 2009	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
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	1000'	SEE ATTACHED DRILLING PLAN
7-7/8"	4-1/2" 13.5#, P-110, LT&C	11,000'	SEE ATTACHED DRILLING PLAN

25. **ATTACHMENTS**

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

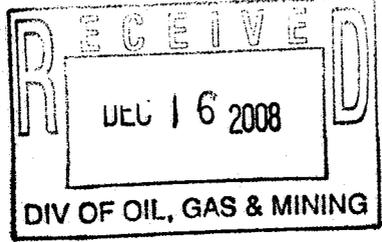
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY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

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

SIGNATURE [Signature] DATE 12/16/08

(This space for State use only)

API NUMBER ASSIGNED 43-047-4045 Approved by the Utah Division of Oil, Gas and Mining APPROVAL:
(See Instructions on Reverse Side)



(11/2001) Federal Approval is Necessary
Date: 12-22-08
By: [Signature]

T10S, R20E, S.L.B.&M.

WEXPRO COMPANY

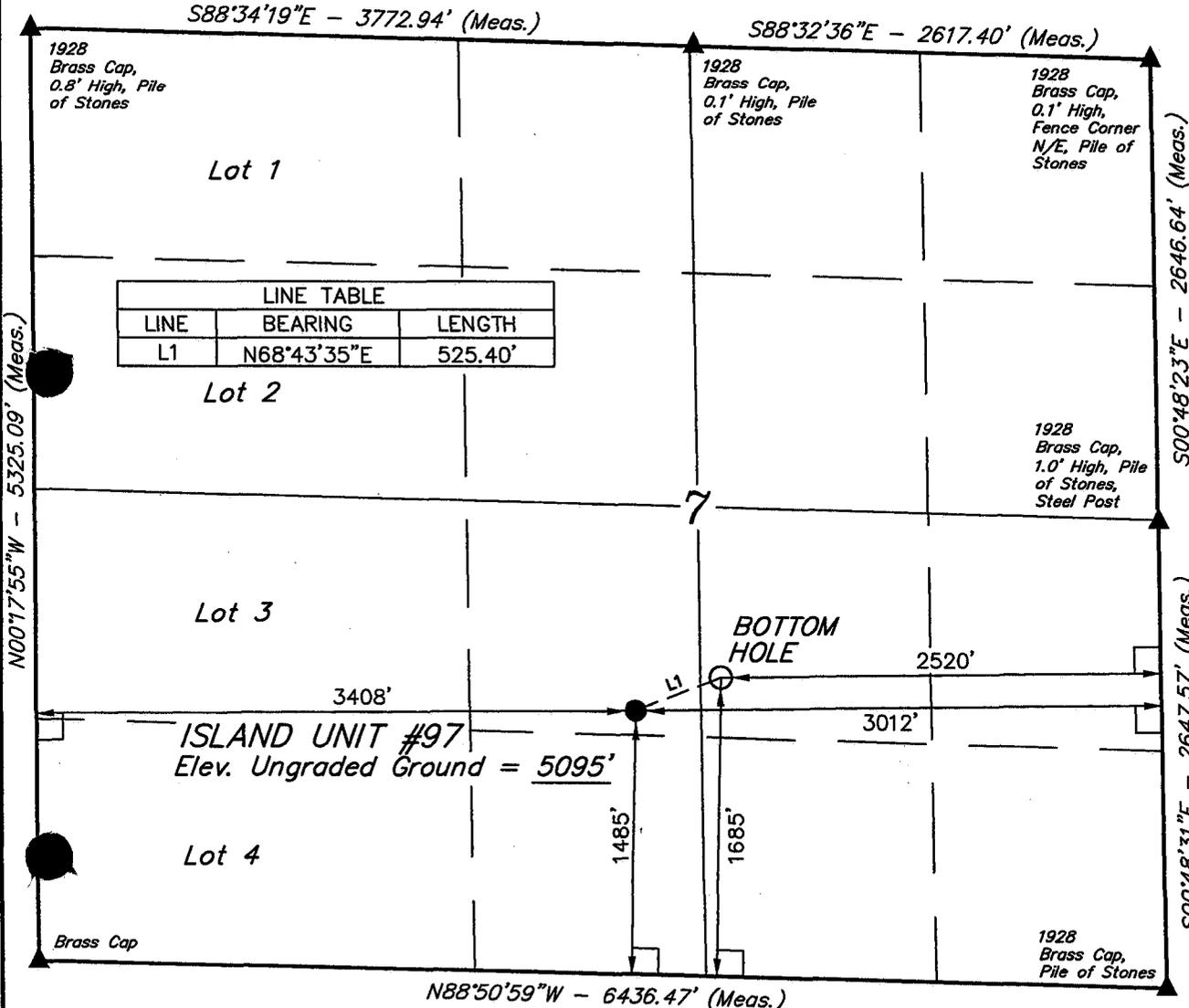
Well location, ISLAND UNIT #97, located as shown in the NE 1/4 SW 1/4 of Section 7, T10S, R20E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

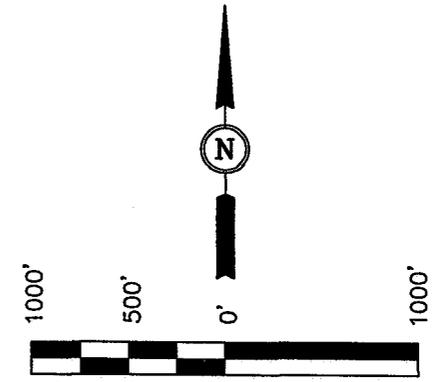
SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 20, T10S, R20E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN. NW QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5251 FEET.

BASIS OF BEARINGS

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

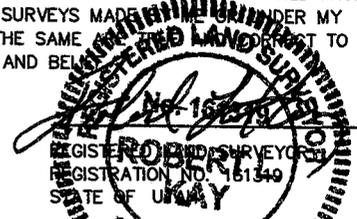


LINE TABLE		
LINE	BEARING	LENGTH
L1	N68°43'35"E	525.40'



SCALE
CERTIFICATE

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



REVISED: 07-10-08

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

LEGEND:

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

NAD 83 (TARGET BOTTOM HOLE)	NAD 83 (SURFACE LOCATION)
LATITUDE = 39°57'33.14" (39.959206)	LATITUDE = 39°57'31.26" (39.958683)
LONGITUDE = 109°42'28.66" (109.707961)	LONGITUDE = 109°42'34.95" (109.709708)
NAD 27 (TARGET BOTTOM HOLE)	NAD 27 (SURFACE LOCATION)
LATITUDE = 39°57'33.27" (39.959242)	LATITUDE = 39°57'31.39" (39.958719)
LONGITUDE = 109°42'26.16" (109.707267)	LONGITUDE = 109°42'32.45" (109.709014)

SCALE 1" = 1000'	DATE SURVEYED: 04-03-08	DATE DRAWN: 04-08-08
PARTY J.W. C.G. L.K.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE WEXPRO COMPANY	



December 18, 2008

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

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 #97 Well
SURFACE: 1485' FSL, 3408' FWL, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 7, T10S, R20E, SLM
BOTTOM HOLE: 1685' FSL, 2520' FEL, NW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 7, T10S, R20E, SLM
Lease No. U-4482

Dear Ms. Whitney:

In accordance with R649-3-3 and R649-3-11, Wexpro Company ("Wexpro") respectfully requests administrative approval for an exception location and for directional drilling, respectively. These approvals are for the Island Unit Well #97. 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 NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 7 and a proposed bottom hole location 1685' FSL and 2520' FEL in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 7. All of Section 7 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
Paul Jibson – Wexpro Company
Frank Nielsen – Questar Exploration and Production Company

**Drilling Plan
Wexpro Company
Island Unit Well No. 97
Uintah County, Utah**

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

Formation	Depth - MD	Depth - TVD	Remarks
Uinta	Surface	Surface	
Green River	1,873'	1,858'	
Bird's Nest	2,000'	2,000'	
Wasatch Tongue	4,418'	4,349'	
Green River Tongue	4,764'	4,692'	
Wasatch	4,917'	4,845'	Gas, Major Objective
Lower Wasatch	6,965'	6,893'	Gas, Major Objective
Mesaverde	7,960'	7,888'	Gas, Major Objective
Total Depth	11,000'	10,943'	

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

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:

Manually operated kelly cock
No floats at bit

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

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'	1,000'	36	J55	LTC	New
7-7/8"	4-1/2"	sfc	11,000'	13.5	P110	LTC	New

Casing Strengths:				Collapse	Burst	Tensile (minimum)
9-5/8"	47 lb.	N80	LTC	4,760 psi	6,870 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.

Wexpro 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 well bore: 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.

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: 1377 cu. ft. Light cement with retarder, reducer and fluid loss additives, if needed.

Tail: 1783 cu. ft. Light cement with retarder, reducer, and fluid loss additives, if needed.

MUD PROGRAM:

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

1000 feet to TD: Fresh water with gels and polymer sweeps, as necessary from 1000 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.

LOGGING: DIL-GR-SF - 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

ABNORMAL PRESSURE AND TEMPERATURE: A BHP of 3670 is anticipated. A BHT of 200 degrees F

ANTICIPATED STARTING DATE: July 1, 2009

DURATION OF OPERATION: 30 days

Surface Use and Operations
Wexpro Company
Island Unit Well No. 96
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 proposed approximately 1811 feet of newly constructed road 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. No Culverts will be required.
 - 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

The proposed pipeline will be constructed and operated by Questar Gas Management Company. The pipeline will be approximately 25' in length. The proposed surface pipeline will be 3.5 O.D., Grade B or X-42 with a 0.188-inch wall thickness. The width of the right-of-way requested is 50 feet for construction and will revert to 30 feet for operation and maintenance purposes.

The maximum operating pressure that the natural gas pipeline is designed for is 1170 psig. Associated facilities include above ground valves and piping at the lateral junctions

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 or free water will be transferred to other reserve pits, within the Unit, for drilling purposes. 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 reseeded, 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 and wellsite is Federal. Mineral ownership is Federal.

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 and Paleontological report has been completed and 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. 97; NE ¼, SW ¼, Section 7, Township 10S Range 20E; Lease U-4482, 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:

12/04/08

Name

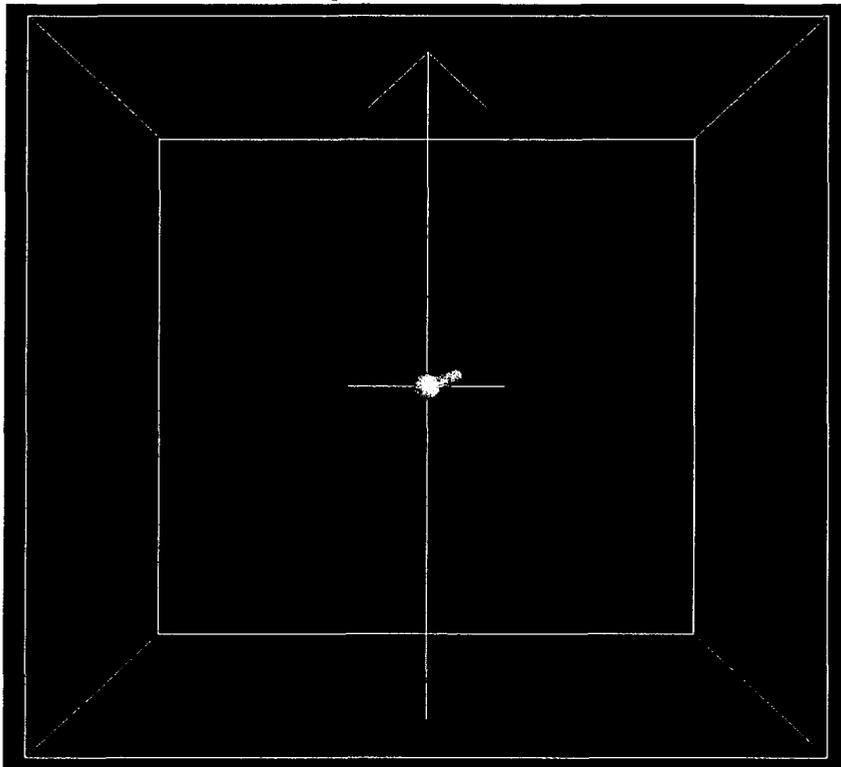


G. T. Nimmo, Operations Manager

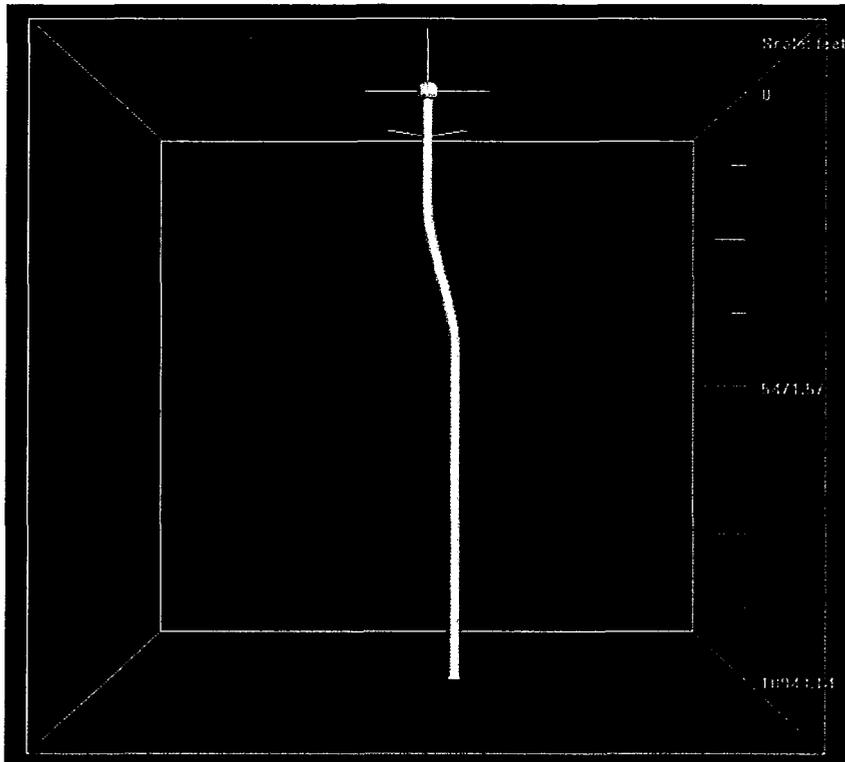
Island Unit #97
 Approximate Directional Plan
 (S.L. Russell 7-1-2008)

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
2000	2000.00	0	68	0.00	0.00	0.00
2100	2099.99	1	68	0.33	0.81	0.87
2200	2199.93	3	68	1.63	4.04	4.36
2300	2299.68	5	68	4.25	10.51	11.34
2400	2399.13	7	68	8.16	20.20	21.79
2500	2498.15	9	68	13.38	33.11	35.71
2600	2596.62	11	68	19.88	49.21	53.07
2700	2694.43	13	68	27.67	68.48	73.86
2800	2791.67	14	68	36.41	90.13	97.21
3000	2985.73	14	68	54.54	134.99	145.59
3100	3082.76	14	68	63.60	157.42	169.78
3200	3179.79	14	68	72.66	179.85	193.97
3300	3276.82	14	68	81.73	202.28	218.17
3400	3373.85	14	68	90.79	224.71	242.36
3500	3470.88	14	68	99.85	247.14	266.55
4000	3956.03	14	68	145.16	359.29	387.51
4100	4053.05	14	68	154.23	381.72	411.70
4200	4150.08	14	68	163.29	404.16	435.90
4300	4247.52	12	68	171.72	425.01	458.39
4400	4345.67	10	68	178.86	442.70	477.47
4500	4444.44	8	68	184.72	457.21	493.12
4600	4543.69	6	68	189.29	468.50	505.29
4700	4643.30	4	68	192.55	476.59	514.02
4800	4743.16	2	68	194.51	481.44	519.25
4900	4843.14	0	68	195.17	483.06	521.00
5000	4943.14	0	68	195.17	483.06	521.00
5500	5443.14	0	68	195.17	483.06	521.00
6000	5943.14	0	68	195.17	483.06	521.00
6500	6443.14	0	68	195.17	483.06	521.00
7000	6943.14	0	68	195.17	483.06	521.00
7500	7443.14	0	68	195.17	483.06	521.00
8000	7943.14	0	68	195.17	483.06	521.00
8500	8443.14	0	68	195.17	483.06	521.00
9000	8943.14	0	68	195.17	483.06	521.00
10000	9943.14	0	68	195.17	483.06	521.00
11000	10943.14	0	68	195.17	483.06	521.00

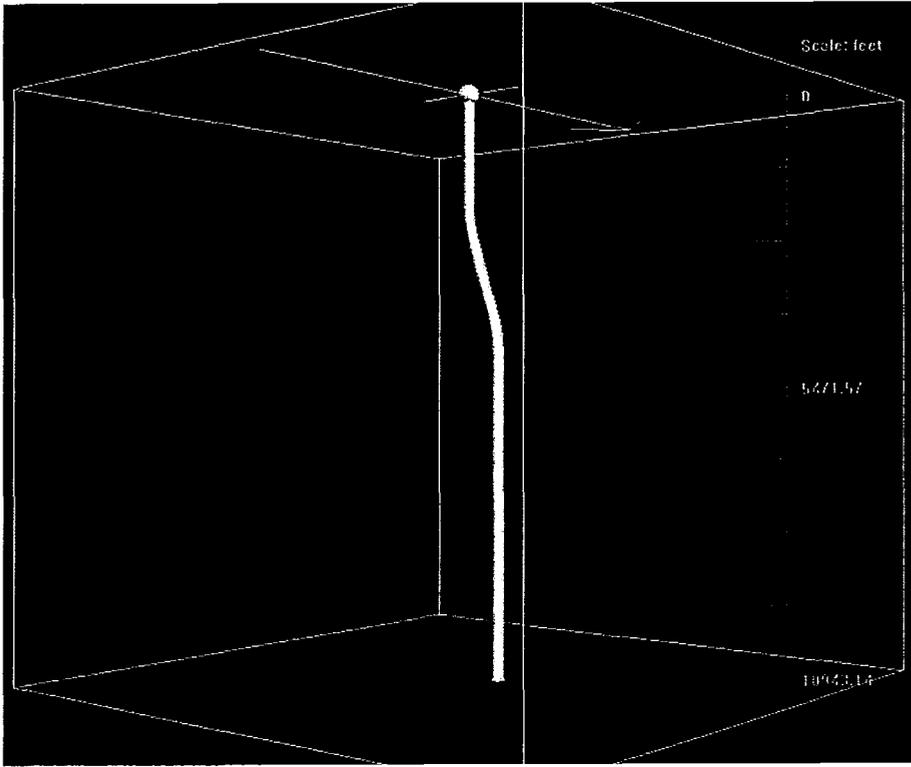
Map view



Side view looking North



Oblique view



ISLAND UNIT WELL NO. 97 - CEMENT DESIGN

SURFACE CASING:

CASING:	9-5/8", 36#, K-55	0.4340 cu.ft./lin.ft	
ANNULUS:	12-1/4" (Gauge 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		11,000 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 1377.792 CU.FT.

TAIL SLURRY

CU.FT

CSG	11,000 TO 10,955	0.0838	3.771	
ANN	11,000 TO 4,800	0.2496	1547.52	
ANN EXCESS		15%	232.13	
			1783.42	1404 SACKS 1783.419 CU.FT.
			DISPLACEMENT	163.5 BBLs

WEXPRO COMPANY
ISLAND UNIT #97
LOCATED IN UINTAH COUNTY, UTAH
SECTION 7, T10S, R20E, S.L.B.&M.

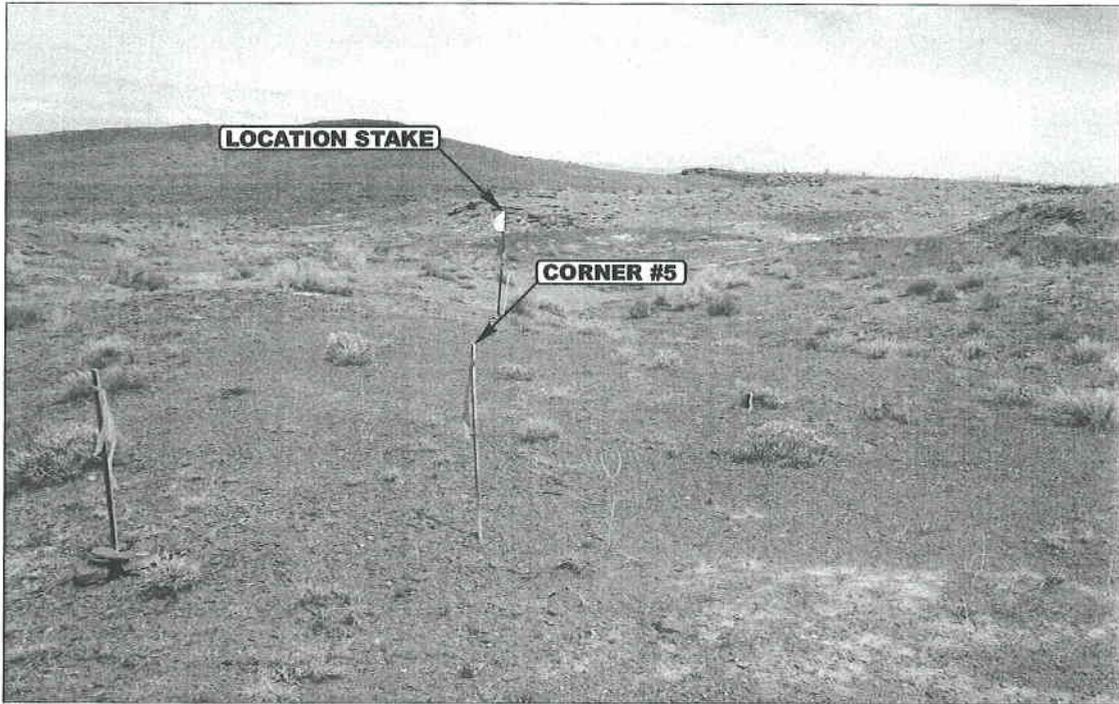


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY

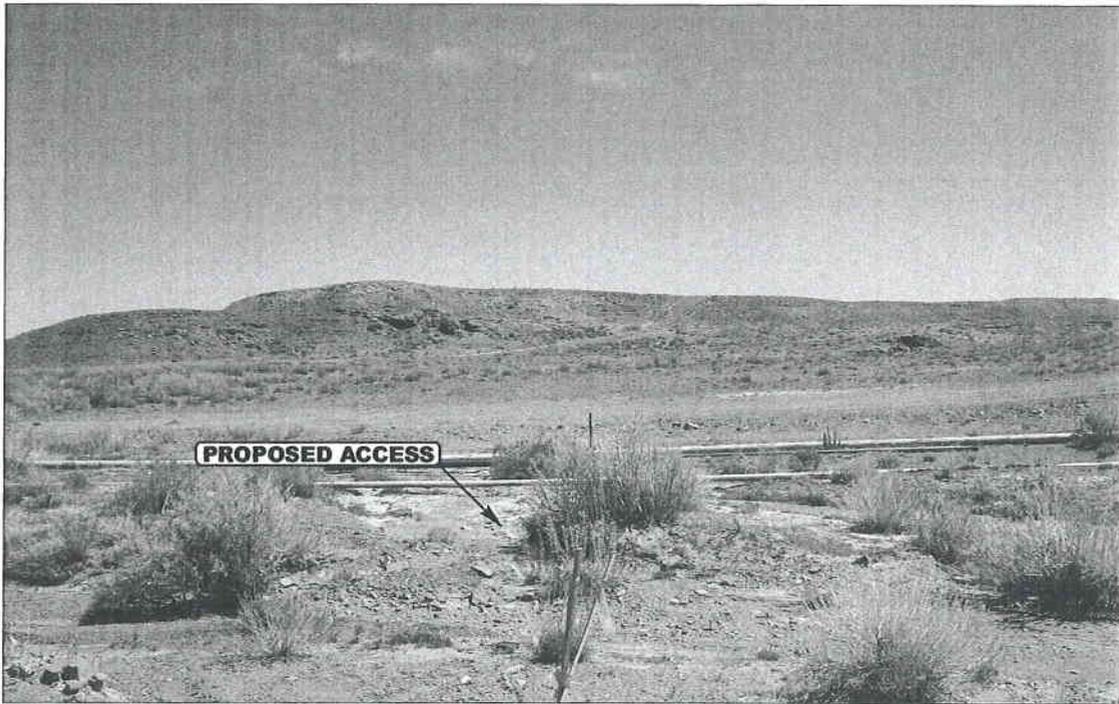


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

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	04	07	08	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: J.W.	DRAWN BY: Z.L.	REVISED: 04-30-08 D.P.		

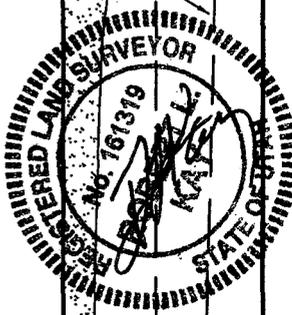
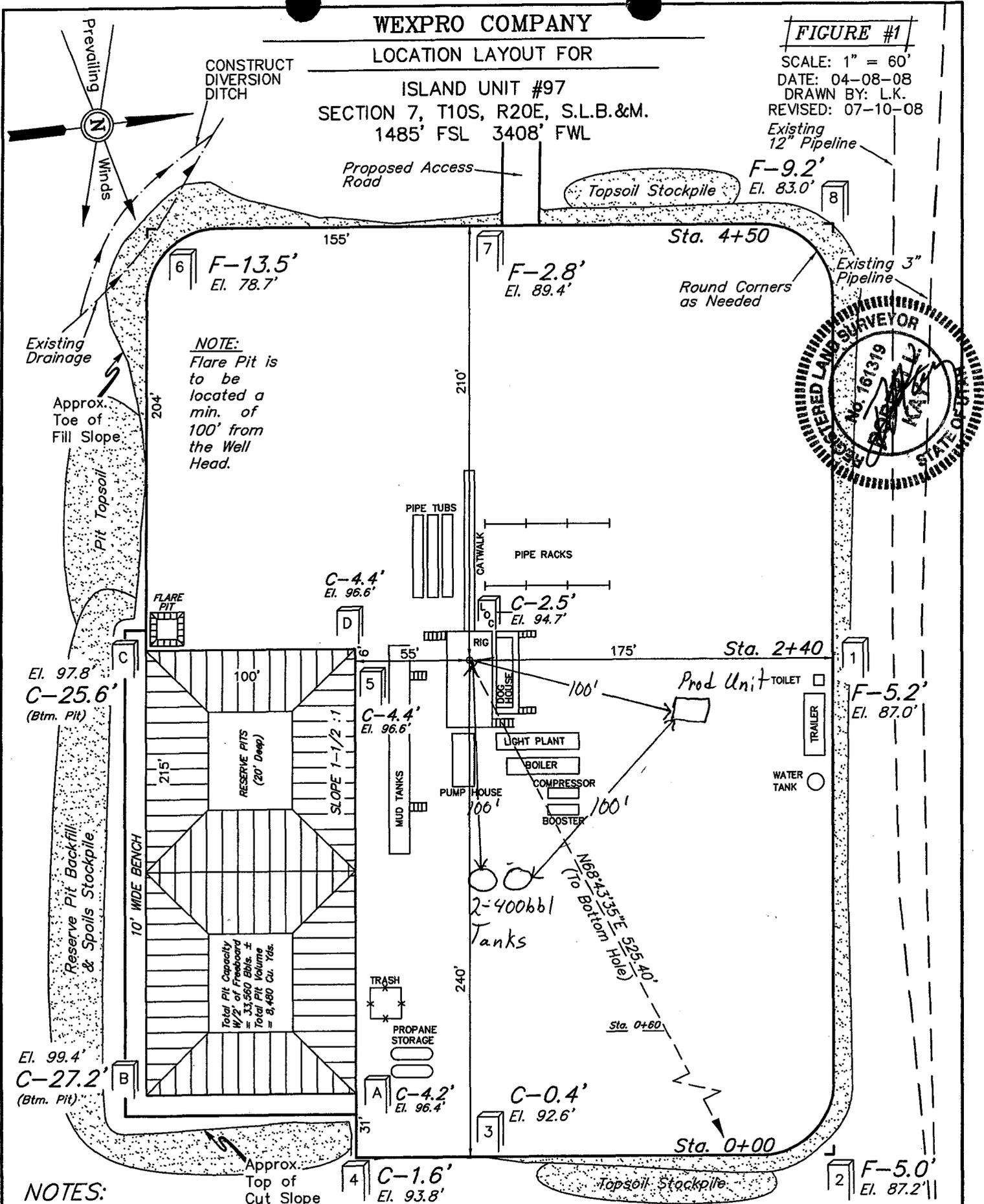
WEXPRO COMPANY

LOCATION LAYOUT FOR

ISLAND UNIT #97
SECTION 7, T10S, R20E, S.L.B.&M.
1485' FSL 3408' FWL

FIGURE #1

SCALE: 1" = 60'
DATE: 04-08-08
DRAWN BY: L.K.
REVISED: 07-10-08



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5094.7'
FINISHED GRADE ELEV. AT LOC. STAKE = 5092.2'

WEXPRO COMPANY

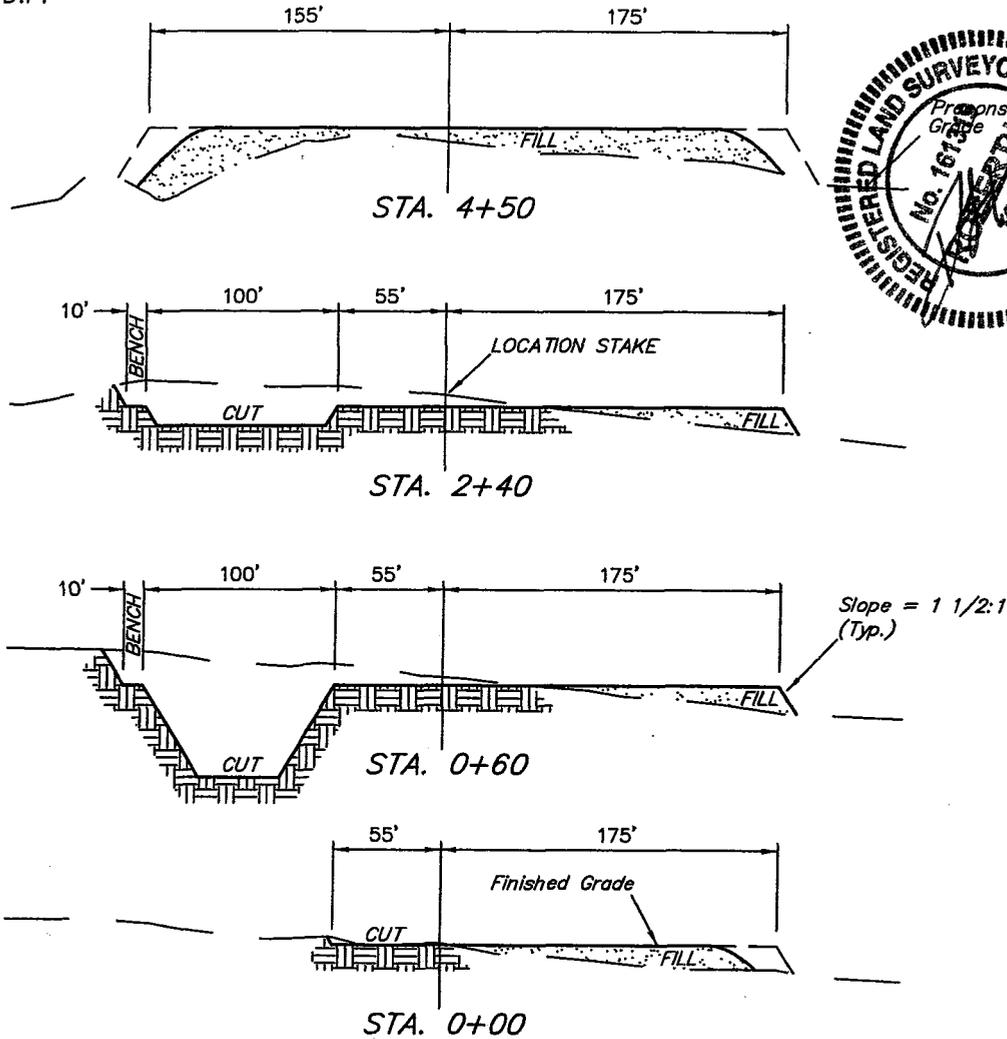
FIGURE #2

TYPICAL CROSS SECTIONS FOR

ISLAND UNIT #97
SECTION 7, T10S, R20E, S.L.B.&M.
1485' FSL 3408' FWL

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

DATE: 04-08-08
DRAWN BY: L.K.
REVISED 04-30-08 D.P.



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

APPROXIMATE ACREAGES
WELL SITE DISTURBANCE = ± 3.687 ACRES
ACCESS ROAD DISTURBANCE = ± 1.247 ACRES
TOTAL = ± 4.934 ACRES

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 3,100 Cu. Yds.
Remaining Location = 16,340 Cu. Yds.
TOTAL CUT = 19,440 CU.YDS.
FILL = 12,100 CU.YDS.

EXCESS MATERIAL = 7,340 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 7,340 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation) = 0 Cu. Yds.

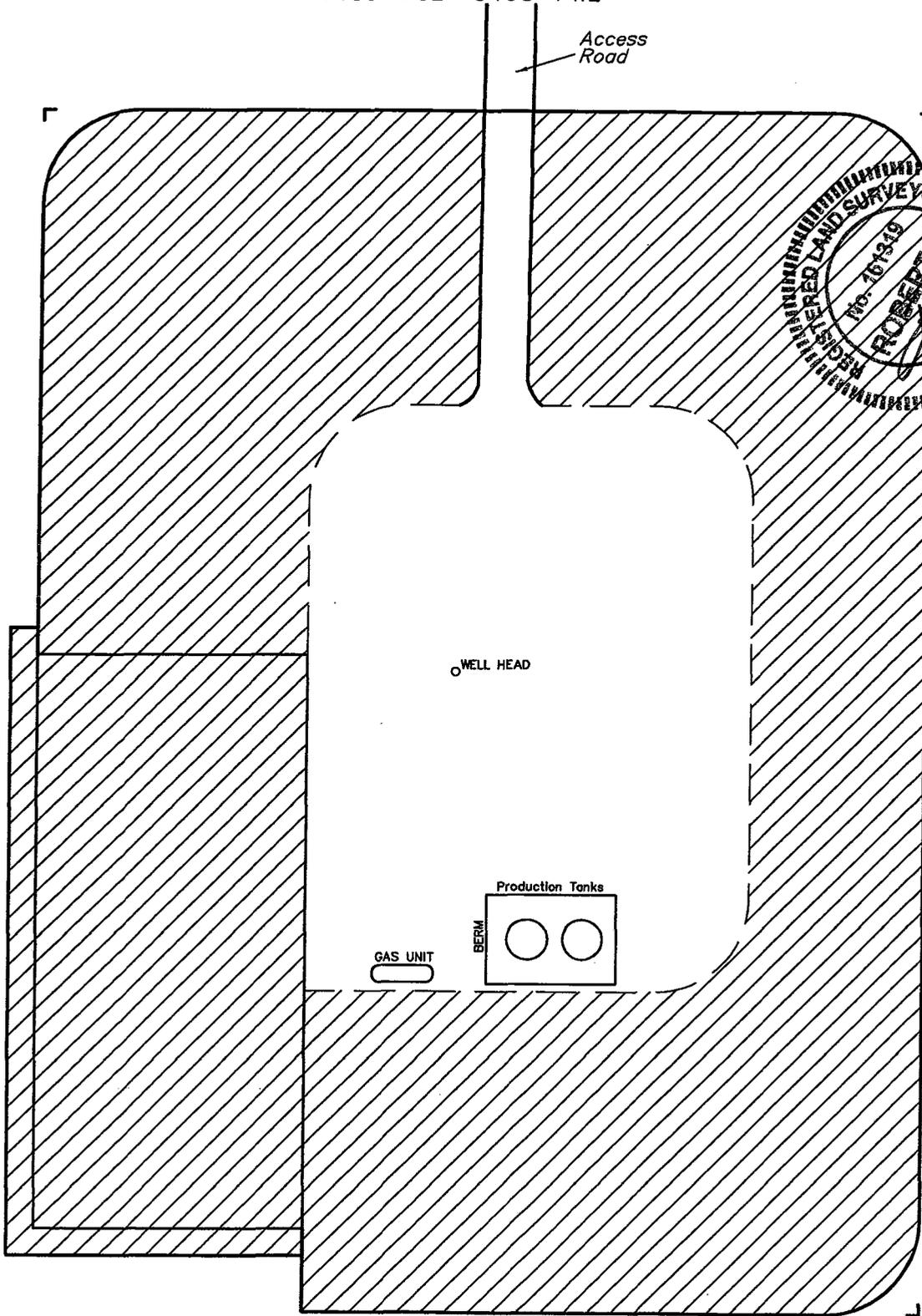
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WEXPRO COMPANY
INTERIM RECLAMATION PLAN FOR

FIGURE #3

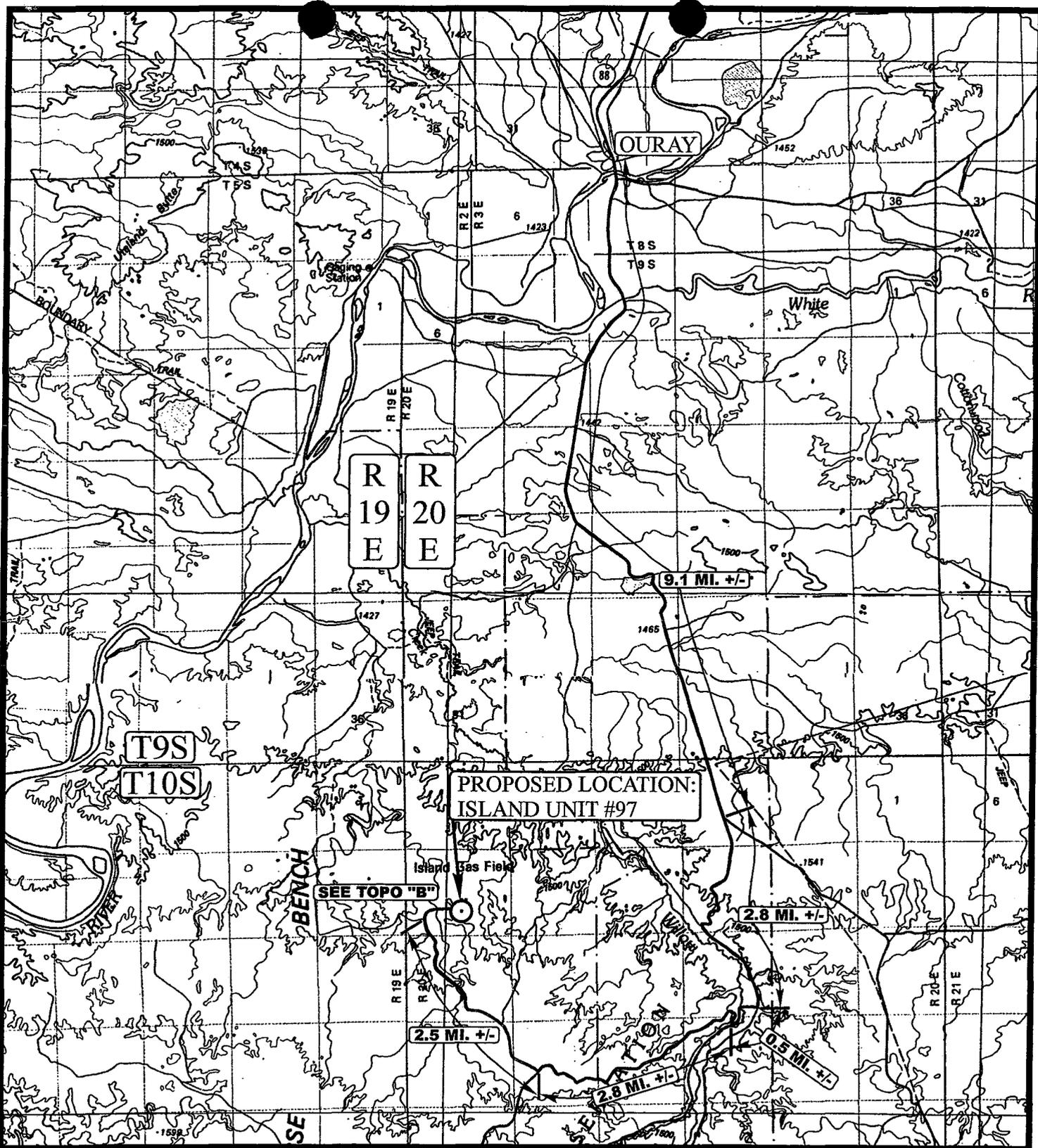
ISLAND UNIT #97
SECTION 7, T10S, R20E, S.L.B.&M.
1485' FSL 3408' FWL

SCALE: 1" = 60'
DATE: 04-08-08
DRAWN BY: L.K.



 INTERIM RECLAMATION

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



LEGEND:

○ PROPOSED LOCATION



WEXPRO COMPANY

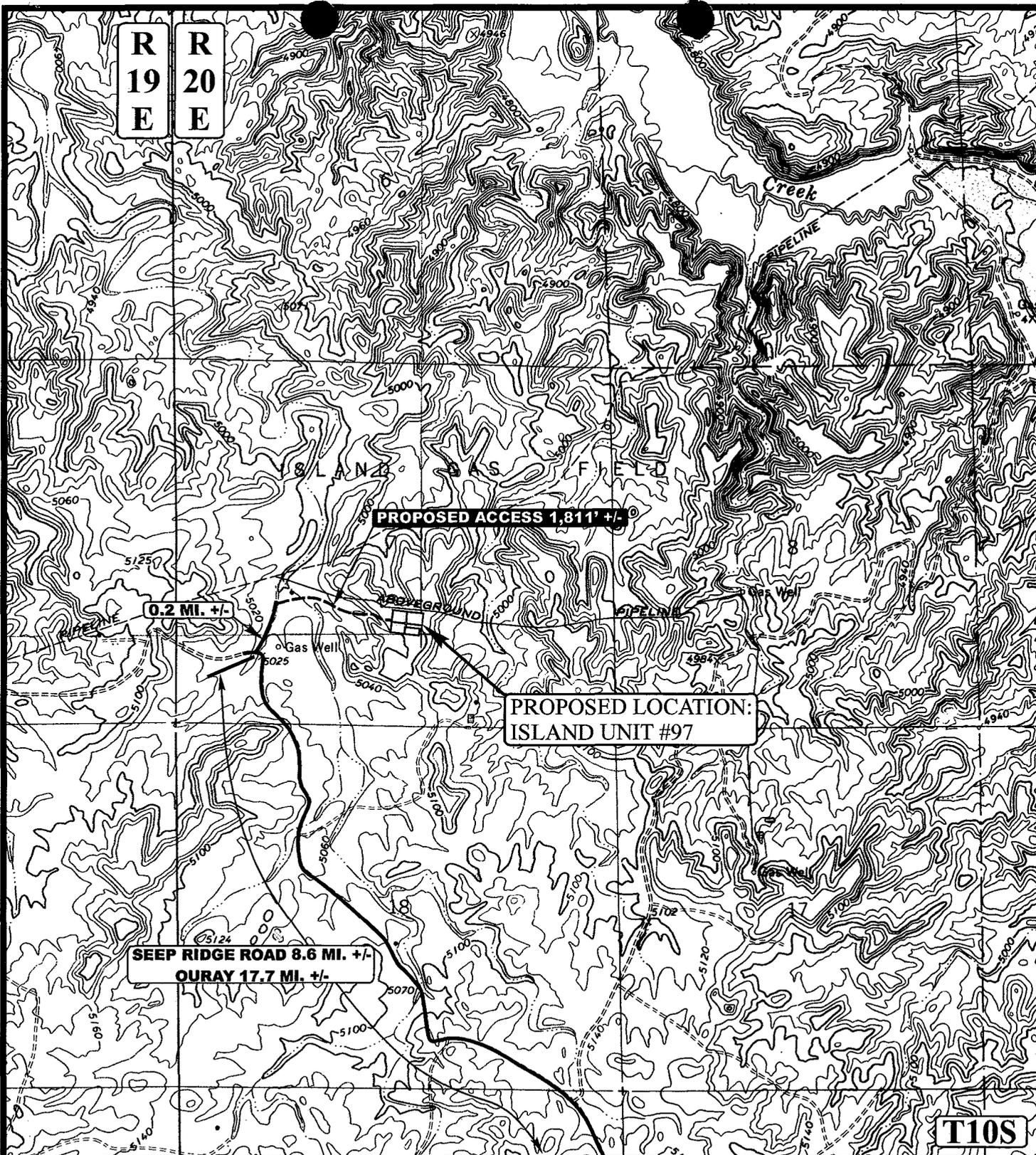
**ISLAND UNITS #97
SECTION 7, T10S, R20E, S.L.B.&M.
1485' FSL 3408' FWL**



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

TOPOGRAPHIC 04 07 08
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: Z.L. REVISED: 00-00-00





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



WEXPRO COMPANY

ISLAND UNITS #97
 SECTION 7, T10S, R20E, S.L.B.&M.
 1485' FSL 3408' FWL



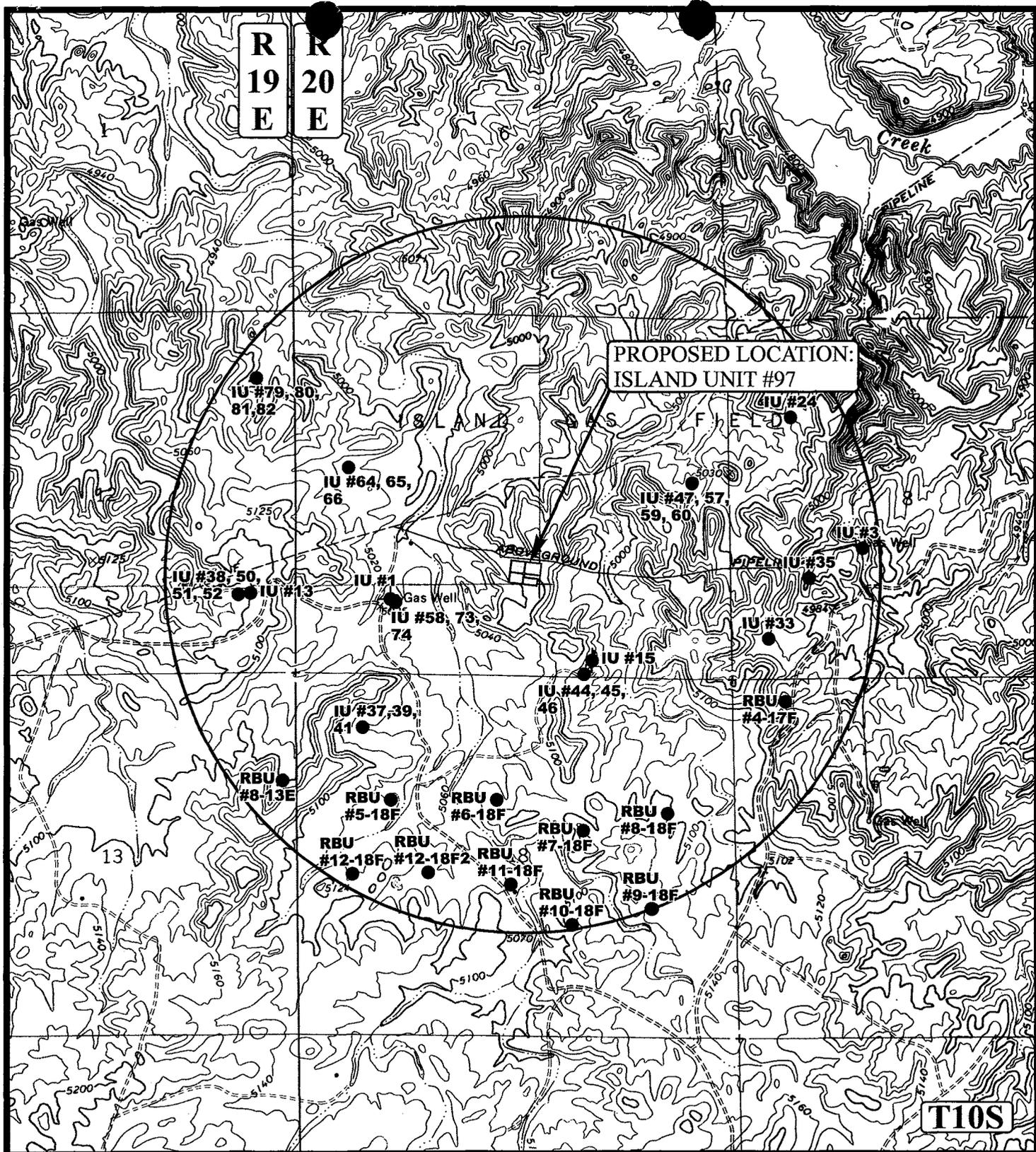
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
 MAP

04	07	08
MONTH	DAY	YEAR

B
 TOPO

SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 04-30-08 D.P.



LEGEND:

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

WEXPRO COMPANY

ISLAND UNITS #97
SECTION 7, T10S, R20E, S.L.B.&M.
1485' FSL 3408' FWL



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



TOPOGRAPHIC
MAP

04 07 08
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 00-00-00



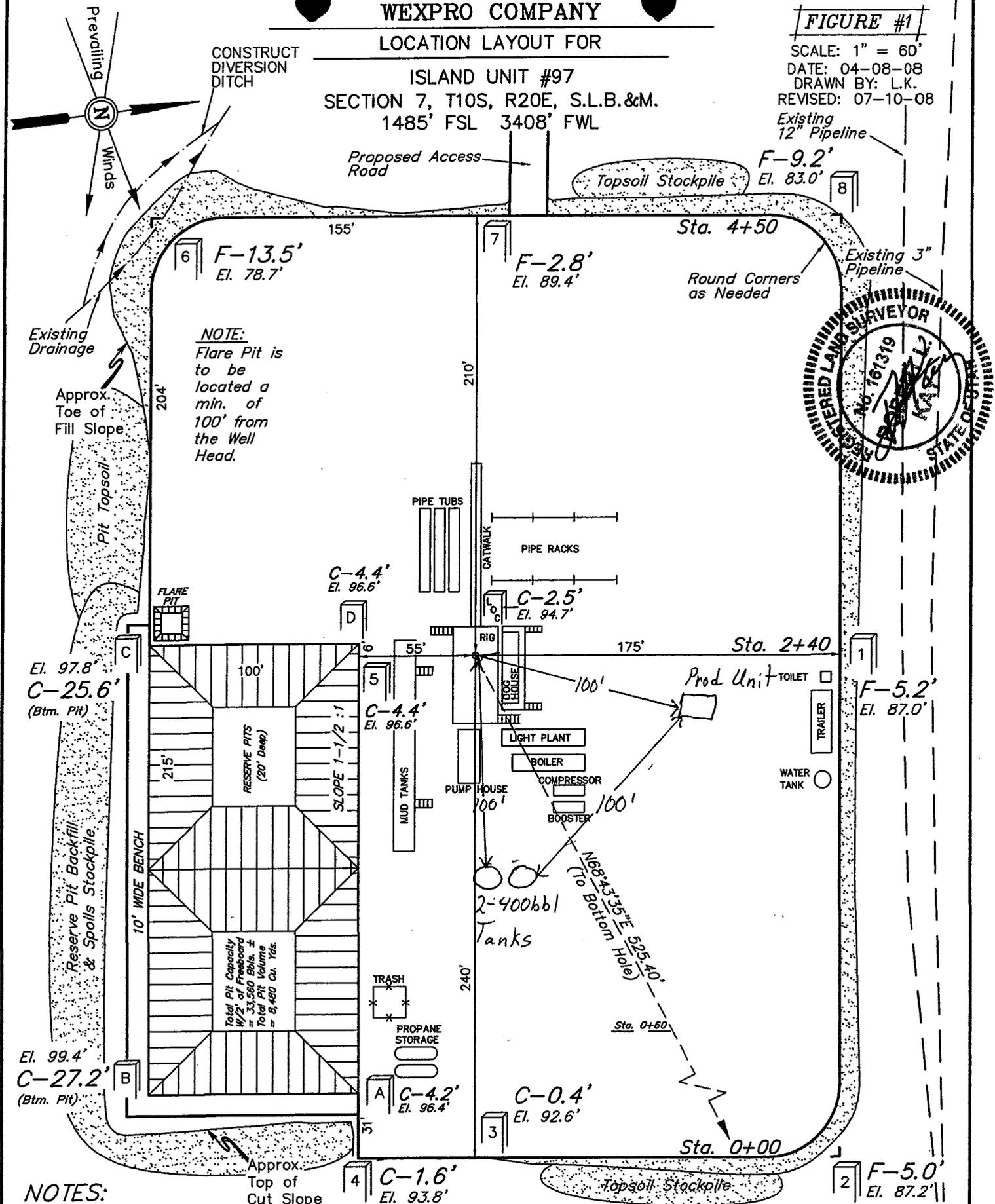
WEXPRO COMPANY

LOCATION LAYOUT FOR

ISLAND UNIT #97
SECTION 7, T10S, R20E, S.L.B.&M.
1485' FSL 3408' FWL

FIGURE #1

SCALE: 1" = 60'
DATE: 04-08-08
DRAWN BY: L.K.
REVISED: 07-10-08



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

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5094.7'
FINISHED GRADE ELEV. AT LOC. STAKE = 5092.2'

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)

December 19, 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)

43-047-40451	Island Unit 99 Sec 07 T10S R20E 0846 FNL 0821 FEL	
	BHL Sec 07 T10S R20E 0850 FNL 0470 FEL	

43-047-40453	Island Unit 101 Sec 08 T10S R20E 1948 FNL 2246 FEL	
	BHL Sec 08 T10S R20E 0470 FNL 1794 FEL	

(Proposed PZ Wasatch/MesaVerde)

43-047-40452	Island Unit 97 Sec 07 T10S R20E 1485 FSL 3012 FEL	
--------------	---------------------------------------------------	--

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

/s/ Michael L. Coulthard

bcc: File – Island Unit
 Division of Oil Gas and Mining
 Central Files
 Agr. Sec. Chron
 Fluid Chron



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

December 22, 2008

Wexpro Company
P O Box 458
Rock Springs, WY 82902

Re: Island Unit Well No. 97 Well, Surface Location 1485' FSL, 3408' FWL, NE SW, Sec. 7, T. 10 South, R. 20 East, Bottom Location 1685' FSL, 2520' FEL, NW SE, Sec. 7, T. 10 South, R. 20 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 43-047-40452.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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



Operator: Wexpro Company
Well Name & Number Island Unit Well No. 97
API Number: 43-047-40452
Lease: UTU-4482

Surface Location: NE SW Sec. 7 T. 10 South R. 20 East
Bottom Location: NW SE Sec. 7 T. 10 South R. 20 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division with 24 hours of spudding the well.

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

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

- Contact 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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
5. 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.
6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division

Page 2

43-047-40452

December 22, 2008

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: UTU-4482
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 97
2. NAME OF OPERATOR: WEXPRO COMPANY	9. API NUMBER: 43047404520000
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: 1485 FSL 3408 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 07 Township: 10.0S Range: 20.0E 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

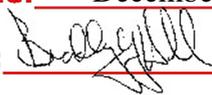
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/21/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<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 #97 APD was originally approved on 12/22/08 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: December 21, 2009

By: 

NAME (PLEASE PRINT) Paul Jibson	PHONE NUMBER 307 922-5647	TITLE Associate Permit Agent
SIGNATURE N/A	DATE 12/17/2009	



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 43047404520000

API: 43047404520000

Well Name: ISLAND U 97

Location: 1485 FSL 3408 FWL QTR NESW SEC 07 TWP 100S RNG 200E MER S

Company Permit Issued to: WEXPRO COMPANY

Date Original Permit Issued: 12/22/2008

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: 12/17/2009

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

Date: December 21, 2009

By:

UDOGM

RECEIVED

RECEIVE

Form 3160-3
(August, 2007)

SEP 15 2010

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010
DEC 12 2008

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

VERNAL, UTAH

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-4482
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 891006935X
3a. Address P.O. BOX 458, ROCK SPRINGS, WY 82902		8. Lease Name and Well No. ISLAND UNIT NO. 97
3b. Phone No. (include area code) 307 922-5600		9. API Well No. 43047 PENDING 40452
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 1485' FSL 3408' FWL NE SW Lat. 39.958683 Long. 109.709708 At proposed prod. zone 1685' FSL, 2520' FEL, NW 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 Sec. 7, T10S, R20E S.L.B.&M
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) 1685'	16. No. of acres in lease 1,970.27	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. 2000'	19. Proposed Depth 11,000' MD 10,943' TVD	20. BLM/ BIA Bond No. on file Nationwide Bond No. 965010687 BLM No. ESB 000183
21. Elevations (Show whether DF, RT, GR, etc.) 5095' ungraded	22. Approximate date work will start* Upon Approval	23. Estimated duration 30 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 09/26
Title OPERATIONS MANAGER		
Approved By (Signature) 	Name (Printed/ Typed) James H. Sparger	Date OCT 27 2010
Title Acting Assistant Field Manager Lands & Mineral Resources		
Office VERNAL FIELD 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.

RECEIVED

NOV 03 2010

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)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

 * (Instructions on page 2)

DIV. OF OIL, GAS & MINING



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4401



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	Wexpro Company	Location:	NESW, Sec. 7, T10S, R20E (S) NWSE, Sec. 7, T10S, R20E (B)
Well No:	Island Unit 97	Lease No:	UTU-4482
API No:	43-047-40452	Agreement:	Island Unit

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

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

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

NOTIFICATION REQUIREMENTS

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

***SURFACE USE PROGRAM
 CONDITIONS OF APPROVAL (COAs)***

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active gilsonite mining operation within 2 miles of the well location, operator shall notify the gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC COAs

Line the reserve pit with 16 milliner or greater, with felt or hay, straw, mulch bedding. If any of the latter bedding materials are used, it will be certified as weedfree and documentation submitted to the BLM prior to usage.

1. Invasive/Noxious Weeds: The operator will be responsible for treatment and control of invasivel noxious weeds. Prior to any treatment on BLM administered lands, a Pesticide Use Proposal will be submitted to the Vernal Field Office for approval.
3. Reclamation:
 All reclamation activities will adhere to the new Wexpro Company "Standard Reclamation Plan", approved by BLM Vernal Field Office on October 7, 2009.

1. Seed mix - Interim Reclamation:

Common name	Latin name	lbs/acre	Recommended seed planting depth (inches)
Needle & thread grass	<i>Hesperostipa comata</i>	3	½ - 3
Squirreltail grass	<i>Elymus elymoides</i>	4	¼ - 1/2
Indian ricegrass	<i>Achnatherum hymenoides</i>	3	1.5 - 3
Hycest crested wheat grass (hybrid)	<i>Agropyron cristayum/Agropyron desertorum hybrid</i>	2	1/4 – 3/4
Forage kochia	<i>Kochia prostrata</i>	0.25	1/16

Seed mix - Final Reclamation:

Common name	Latin name	lbs/acre	Recommended seed planting depth (inches)
Mat saltbush	<i>Atriplex corrugata</i>	3	1/4 – 3/4
Shadscale	<i>Atriplex confertifolia</i>	3	1/2 – 3/4
Rabbit brush	<i>Chryothamnus nauseosus</i>	3	1/2 – 1
Squirrel tail grass	<i>Elymus elymoides</i>	4	1/4 - 1/2
Indian rice grass	<i>Achnatherum hymenoides</i>	3	1.5 – 3
Needle & thread grass	<i>Hesperostipa comata</i>	3	1/2 - 3
Gardner saltbush	<i>Atriplex gardneri</i>	0.5	1/4 – 3/4

***DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

SITE SPECIFIC DOWNHOLE COAs:

- Surface casing cement shall be brought to surface.
- Production casing cement shall be brought 200' up and into the surface casing.
- Conductor casing shall be set into competent formation.
- A Gamma Ray well Log shall be run from the well Total Depth to the surface.
A copy of the Gamma Ray well Log shall be submitted to the BLM Vernal Field Office.

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Wellogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-4482
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 97
2. NAME OF OPERATOR: WEXPRO COMPANY	9. API NUMBER: 43047404520000
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: 1485 FSL 3408 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 07 Township: 10.0S Range: 20.0E 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: 12/20/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION 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 #97 APD was originally approved on 12/22/2008 for a period of one year. An APD Renewal for an additional one year was approved on 12/21/2009. At this time Wexpro Company is requesting an additional one year APD Renewal.

Approved by the Utah Division of Oil, Gas and Mining

Date: 12/23/2010

By: 

NAME (PLEASE PRINT) Paul Jibson	PHONE NUMBER 307 922-5647	TITLE Permit Agent
SIGNATURE N/A		DATE 12/15/2010



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 43047404520000

API: 43047404520000

Well Name: ISLAND U 97

Location: 1485 FSL 3408 FWL QTR NESW SEC 07 TWP 100S RNG 200E MER S

Company Permit Issued to: WEXPRO COMPANY

Date Original Permit Issued: 12/22/2008

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: 12/15/2010

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

Date: 12/23/2010

By: 



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

March 14, 2012

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

Re: APD Rescinded – Island U 97, Sec. 7, T.10S, R.20E,
Uintah County, Utah API No. 43-047-40452

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 December 22, 2008. On December 21, 2009 and December 23, 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 March 14, 2012.

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

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

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Green River District
Vernal Field Office
170 South 500 East
Vernal, UT 84078

<http://www.blm.gov/ut/st/en/fo/vernal.html>

JAN 24 2014

IN REPLY REFER TO:
3160 (UTG011)

Paul Jibson
Wexpro Company
PO Box 458
Rock Springs, WY 82902

Re: Notice of Expiration
Well No. Island Unit #97
NESW, Sec. 7, T10S, R20E
Uintah County, Utah
Lease No. UTU-4482
Island Unit

43 047 40452

RECEIVED
FEB 14 2014
DIV. OF OIL, GAS & MINING

Dear Paul:

The Application for Permit to Drill (APD) for the above-referenced well was approved on October 27, 2010. No extension of the original APD was requested. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

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

If you have any questions regarding this matter, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

cc: UDOGM

bcc: Well File
I&E Asst.