

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

FORM 3
 AMENDED REPORT

| | | |
|---|--|---|
| APPLICATION FOR PERMIT TO DRILL | | 1. WELL NAME and NUMBER Hancock 5-23-4-1 |
| 2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/> | | 3. FIELD OR WILDCAT MONUMENT BUTTE |
| 4. TYPE OF WELL Oil Well Coalbed Methane Well: NO | | 5. UNIT or COMMUNITIZATION AGREEMENT NAME |
| 6. NAME OF OPERATOR NEWFIELD PRODUCTION COMPANY | | 7. OPERATOR PHONE 435 646-4825 |
| 8. ADDRESS OF OPERATOR Rt 3 Box 3630 , Myton, UT, 84052 | | 9. OPERATOR E-MAIL mcrozier@newfield.com |
| 10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) Fee | 11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> | 12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 13. NAME OF SURFACE OWNER (if box 12 = 'fee') Henderson Ranches LLC | | 14. SURFACE OWNER PHONE (if box 12 = 'fee') |
| 15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') RR 3 Box 3671, Myton, UT 84052 | | 16. SURFACE OWNER E-MAIL (if box 12 = 'fee') |
| 17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') | 18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/> | 19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/> |

| 20. LOCATION OF WELL | FOOTAGES | QTR-QTR | SECTION | TOWNSHIP | RANGE | MERIDIAN |
|--|------------------|---------|---------|----------|-------|----------|
| LOCATION AT SURFACE | 1752 FNL 767 FWL | SWNW | 23 | 4.0 S | 1.0 W | U |
| Top of Uppermost Producing Zone | 1752 FNL 767 FWL | SWNW | 23 | 4.0 S | 1.0 W | U |
| At Total Depth | 1752 FNL 767 FWL | SWNW | 23 | 4.0 S | 1.0 W | U |

| | | |
|---|--|---|
| 21. COUNTY UINTAH | 22. DISTANCE TO NEAREST LEASE LINE (Feet) 767 | 23. NUMBER OF ACRES IN DRILLING UNIT 40 |
| | 25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1320 | 26. PROPOSED DEPTH MD: 6880 TVD: 6880 |
| 27. ELEVATION - GROUND LEVEL 5086 | 28. BOND NUMBER B001834 | 29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 43-7478 |

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"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE) | <input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER |
| <input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED) | <input checked="" type="checkbox"/> TOPOGRAPHICAL MAP |

| | | |
|--|--|------------------------------------|
| NAME Mandie Crozier | TITLE Regulatory Tech | PHONE 435 646-4825 |
| SIGNATURE | DATE 02/16/2010 | EMAIL mcrozier@newfield.com |
| API NUMBER ASSIGNED 43047509470000 | APPROVAL  Permit Manager | |

Proposed Hole, Casing, and Cement

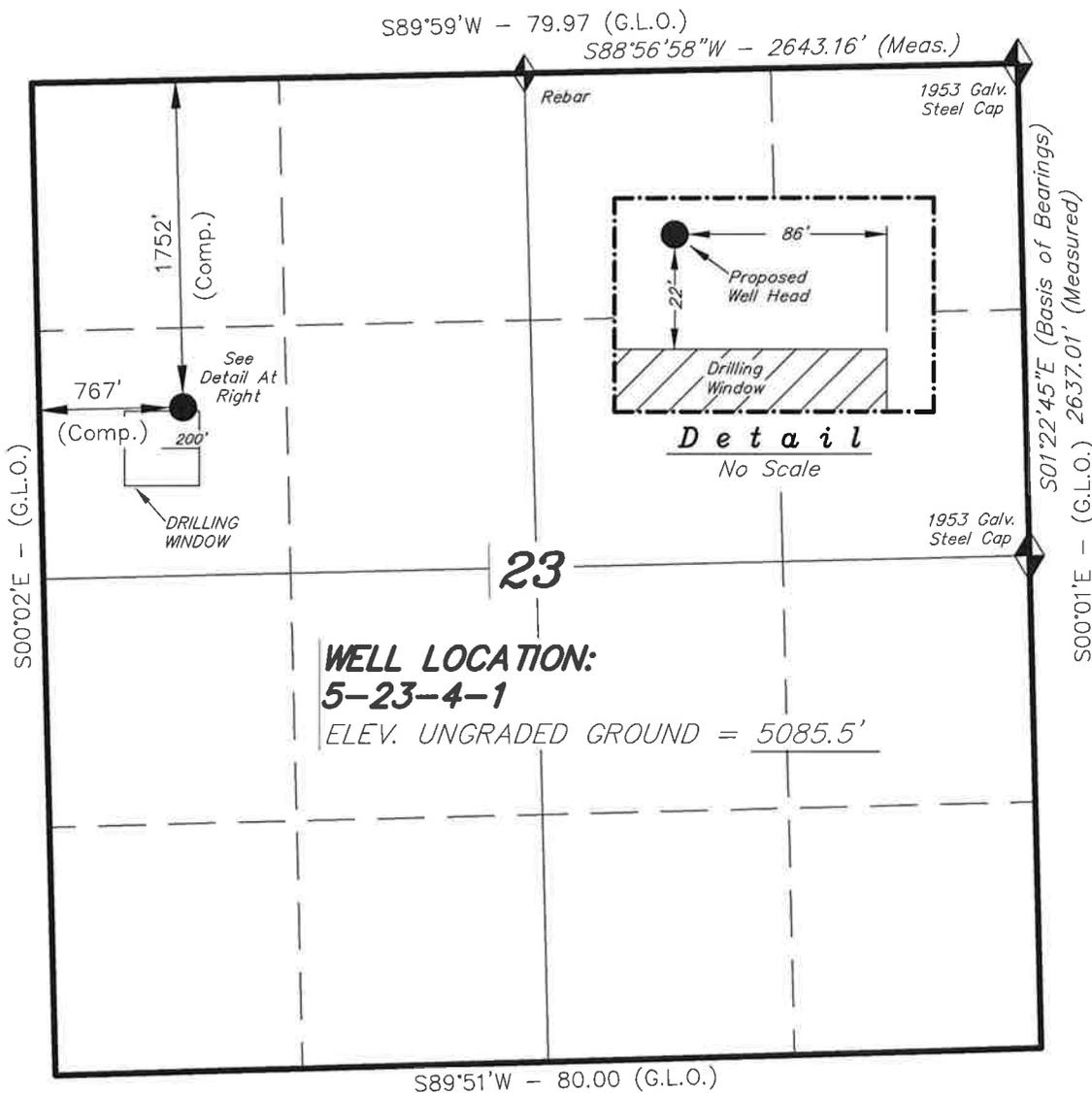
| String | Hole Size | Casing Size | Top (MD) | Bottom (MD) | | |
|---------------|------------------|--------------------|-----------------|--------------------|--|--|
| Prod | 7.875 | 5.5 | 0 | 6880 | | |
| Pipe | Grade | Length | Weight | | | |
| | Grade J-55 LT&C | 6880 | 15.5 | | | |
| | | | | | | |

Proposed Hole, Casing, and Cement

| String | Hole Size | Casing Size | Top (MD) | Bottom (MD) | | |
|---------------|------------------|--------------------|-----------------|--------------------|--|--|
| Surf | 12.25 | 8.625 | 0 | 350 | | |
| Pipe | Grade | Length | Weight | | | |
| | Grade J-55 ST&C | 350 | 24.0 | | | |
| | | | | | | |

T4S, R1W, U.S.B.&M.

NEWFIELD PRODUCTION COMPANY



WELL LOCATION, 5-23-4-1, LOCATED AS SHOWN IN THE SW 1/4 NW 1/4 OF SECTION 23, T4S, R1W, U.S.B.&M. UTAH COUNTY, UTAH.



Note:

1. The Proposed Well head bears S45°43'23\"/>

**WELL LOCATION:
5-23-4-1**

ELEV. UNGRADED GROUND = 5085.5'

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. 189377

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

◆ = SECTION CORNERS LOCATED

BASIS OF ELEV; Elevations are base on LOCATION: an N.G.S. OPUS Correction. LAT. 40°04'09.56\"/>

5-23-4-1
 (Surface Location) NAD 83
 LATITUDE = 40° 07' 22.54\"/>

TRI STATE LAND SURVEYING & CONSULTING

180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
 (435) 781-2501

| | |
|----------------------------|-------------------|
| DATE SURVEYED: 12-21-09 | SURVEYED BY: T.P. |
| DATE DRAWN: 12-23-09 | DRAWN BY: M.W. |
| REVISED: | SCALE: 1" = 1000' |

MEMORANDUM
of
EASEMENT, RIGHT-OF-WAY
and
SURFACE USE AGREEMENT

This Easement and Surface Use Agreement ("Agreement") is entered into this 28th day of January 2010 by and between, **Henderson Ranches, LLC, Wayne and Moreen Henderson, Lance and Julie Henderson, Tommy Henderson, and Billie Henderson**, whose address is R.R. 3, Box 3671, Myton, Utah 84052 ("Surface Owner," whether one or more), and **NEWFIELD PRODUCTION COMPANY**, a Texas corporation ("NEWFIELD"), with offices at 1401 Seventeenth Street, Suite 1000, Denver, Colorado 80202, covering certain lands, (the "Lands") situated in Uintah County, Utah described as follows:

Township 4 South, Range 1 West
Section 23: SWNW
(5-23-4-1, approx. 1.5 acres plus approx. 850 ft of road and pipeline)
Uintah County, Utah

(limited to proposed roads, pipelines, & well pad only, as shown in attached plats)

For and in consideration of the sum of ten dollars (\$10.00), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree to the terms and provisions set forth as follows:

1. Compensation for Well: Release of All Claims

NEWFIELD shall pay to Surface Owner the sum as set forth in and according to the terms of that certain Letter Agreement for Easement, Right-of Way and Surface Use by and between Surface Owner and NEWFIELD, dated January 28th, 2010, as full payment and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of NEWFIELD's drilling or completion operations or its continuing activities for the production or transportation of oil, gas, or other hydrocarbons or products associated with the foregoing including, but not limited to, surface use, access, pipelines, gathering lines, pipeline interconnections, and any and all other reasonable or customary uses of land related to said operations or activities.

2. Grant of Right of Way and Easement

Surface Owner hereby grants, bargains, leases, assigns, and conveys to NEWFIELD an easement and right-of-way for the purpose of construction, using and maintaining access roads, locations for surface equipment and subsurface gathering lines for each well drilled upon the Lands, pipelines, and pipeline interconnections for two years from date of this agreement and so long thereafter as NEWFIELD's oil and gas leases remain in effect.

This Agreement shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the undersigned.

These Parties hereto have executed this document effective as of the day first above written.

NEWFIELD PRODUCTION COMPANY

By: _____
Daniel W. Shewmake, Vice President-Development

SURFACE OWNER

By: Wayne Henderson
Wayne Henderson, Henderson Ranches. LLC

By: Wayne Henderson
Wayne Henderson

By: Lance Henderson
Lance Henderson

By: Tommy Henderson
Tommy Henderson

By: Moreen Henderson
Moreen Henderson

By: Julie Henderson
Julie Henderson

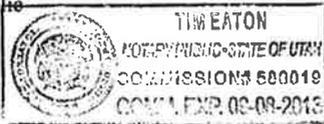
By: Billie Henderson
Billie Henderson

STATE OF UTAH)
)ss
COUNTY OF Duchesne)

This instrument was acknowledged before me this 1st day of February, 2010 by **Wayne Henderson and Moreen Henderson**

Witness my hand and official seal.

My commission expires 9/8/2013

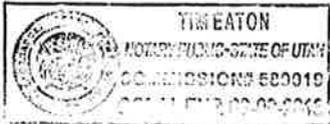
Tim Eaton
Notary Public


STATE OF UTAH)
)ss
COUNTY OF Duchesne)

This instrument was acknowledged before me this 1st day of February, 2010 by **Lance Henderson and Julie Henderson**

Witness my hand and official seal.

My commission expires 9/8/2013

Tim Eaton
Notary Public


STATE OF UTAH)
)ss
COUNTY OF Duchesne)

This instrument was acknowledged before me this 1st day of February, 2010 by **Tommy Henderson and Billie Henderson**

Witness my hand and official seal.

My commission expires 9/8/2013

Tim Eaton
Notary Public


STATE OF COLORADO)
)ss
COUNTY OF Denver)

This instrument was acknowledged before me this _____, 2010 by **Daniel W. Shewmake-Development, as Vice President of Newfield Production Company, a Texas corporation, on behalf of the corporation.**

Witness my hand and official seal.

Notary Public

My commission expires _____

NEWFIELD PRODUCTION COMPANY
HANCOCK 5-23-4-1
SW/NW SECTION 23, T4S, R1W
UINTAH COUNTY, UTAH

TEN POINT DRILLING PROGRAM

1. **GEOLOGIC SURFACE FORMATION:**

Uinta formation of Upper Eocene Age

2. **ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:**

| | |
|-------------|------------|
| Uinta | 0 – 2,030' |
| Green River | 2,030' |
| Wasatch | 6,880' |

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

Green River Formation (Oil) 2,030' – 6,880'

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

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

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

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

| | |
|--|---|
| Location & Sampled Interval | Date Sampled |
| Flow Rate | Temperature |
| Hardness | pH |
| Water Classification (State of Utah) | Dissolved Calcium (Ca) (mg/l) |
| Dissolved Iron (Fe) (ug/l) | Dissolved Sodium (Na) (mg/l) |
| Dissolved Magnesium (Mg) (mg/l) | Dissolved Carbonate (CO ₃) (mg/l) |
| Dissolved Bicarbonate (NaHCO ₃) (mg/l) | Dissolved Chloride (Cl) (mg/l) |
| Dissolved Sulfate (SO ₄) (mg/l) | Dissolved Total Solids (TDS) (mg/l) |

4. PROPOSED CASING PROGRAM

a. Casing Design: Hancock 5-23-4-1

| Size | Interval | | Weight | Grade | Coupling | Design Factors | | |
|--------------------------|----------|--------|--------|-------|----------|----------------|----------|---------|
| | Top | Bottom | | | | Burst | Collapse | Tension |
| Surface casing 8-5/8" | 0' | 350' | 24.0 | J-55 | STC | 2,950 | 1,370 | 244,000 |
| | | | | | | 15.02 | 12.30 | 29.05 |
| Prod casing 5-1/2" | 0' | 6,880' | 15.5 | J-55 | LTC | 4,810 | 4,040 | 217,000 |
| | | | | | | 2.20 | 1.85 | 2.03 |

Assumptions:

- 1) Surface casing max anticipated surface press (MASP) = Frac gradient -- gas gradient
- 2) Prod casing MASP (production mode) = Pore pressure -- gas gradient
- 3) All collapse calculations assume fully evacuated casing w/ gas gradient
- 4) All tension calculations assume air weight

Frac gradient at surface casing shoe = 13.0 ppg
 Pore pressure at surface casing shoe = 8.33 ppg
 Pore pressure at prod casing shoe = 8.33 ppg
 Gas gradient = 0.115 psi/ft

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

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

b. Cementing Design: Hancock 5-23-4-1

| Job | Fill | Description | Sacks | OH Excess* | Weight (ppg) | Yield (ft ³ /sk) |
|---------------------|--------|----------------------------------|-----------------|------------|--------------|-----------------------------|
| | | | ft ³ | | | |
| Surface casing | 350' | Class G w/ 2% CaCl | 161 | 30% | 15.8 | 1.17 |
| | | | 188 | | | |
| Prod casing Lead | 4,880' | Prem Lite II w/ 10% gel + 3% KCl | 337 | 30% | 11.0 | 3.26 |
| | | | 1099 | | | |
| Prod casing Tail | 2,000' | 50/50 Poz w/ 2% gel + 3% KCl | 363 | 30% | 14.3 | 1.24 |
| | | | 451 | | | |

- *Actual volume pumped will be 15% over the caliper log
- Compressive strength of lead cement: 1800 psi @ 24 hours, 2250 psi @ 72 hours
 - Compressive strength of tail cement: 2500 psi @ 24 hours

Hole Sizes: A 12-1/4" hole will be drilled for the 8-5/8" surface casing. A 7-7/8" hole will be drilled for the 5-1/2" production casing.

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

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

The operator's minimum specifications for pressure control equipment are as follows:

An 8" Double Ram Hydraulic unit with a closing unit will be utilized. Function test of BOP's will be check daily.

Refer to **Exhibit C** for a diagram of BOP equipment that will be used on this well.

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

From surface to ± 350 feet will be drilled with an air/mist system. The air rig is equipped with a 6 1/2" blooie line that is straight run and securely anchored. The blooie line is used with a discharge less than 100 ft from the wellbore in order to minimize the well pad size. The blooie line is not equipped with an automatic igniter or continuous pilot light and the compressor is located less than 100 ft from the well bore due to the low possibility of combustion with the air dust mixture. The trailer mounted compressor (capacity of 2000 CFM) has a safety shut-off valve which is located 15 feet from the air rig. A truck with 70 bbls of water is on stand by to be used as kill fluid, if necessary. From about ± 350 feet to TD, a fresh water system will be utilized. Clay inhibition and hole stability will be achieved with a KCl substitute additive. This additive will be identified in the APD and reviewed to determine if the reserve pit shall be lined. This fresh water system will typically contain Total Dissolved Solids (TDS) of less than 3000 PPM. Anticipated mud weight is 8.4 lbs/gal. If necessary to control formation fluids or pressure, the system will be weighted with the addition of bentonite gel, and if pressure conditions warrant, with barite

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

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

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

Newfield Production will **visually** monitor pit levels and flow from the well during drilling operations.

7. **AUXILIARY SAFETY EQUIPMENT TO BE USED:**

Auxiliary safety equipment will be a Kelly Cock, bit float, and a TIW valve with drill pipe threads.

8. **TESTING, LOGGING AND CORING PROGRAMS:**

The logging program will consist of a Dual Induction, Gamma Ray and Caliper log from TD to base of surface casing @ 350' +/-, and a Compensated Neutron-Formation Density Log from TD to 3500' +/- . A cement bond log will be run from PBDT to cement top. No drill stem testing or coring is planned for this well.

9. **ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:**

No abnormal temperatures or pressures are anticipated. No hydrogen sulfide has been encountered or is known to exist from previous drilling in the area at this depth. Maximum anticipated

bottomhole pressure will approximately equal total depth in feet multiplied by a 0.433 psi/foot gradient.

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

It is anticipated that the drilling operations will commence the second quarter of 2010, and take approximately seven (7) days from spud to rig release.

2-M SYSTEM

Blowout Prevention Equipment Systems

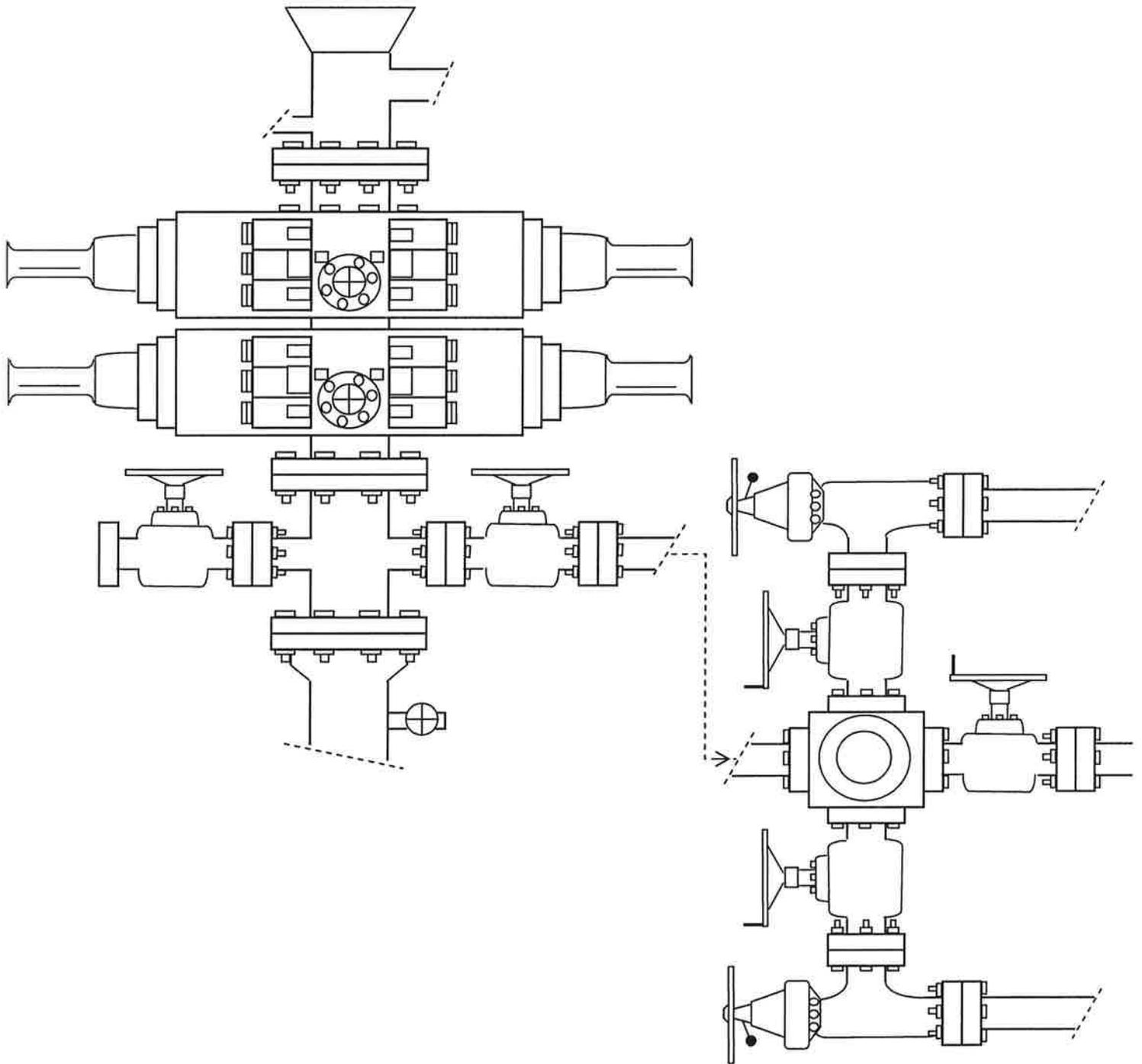
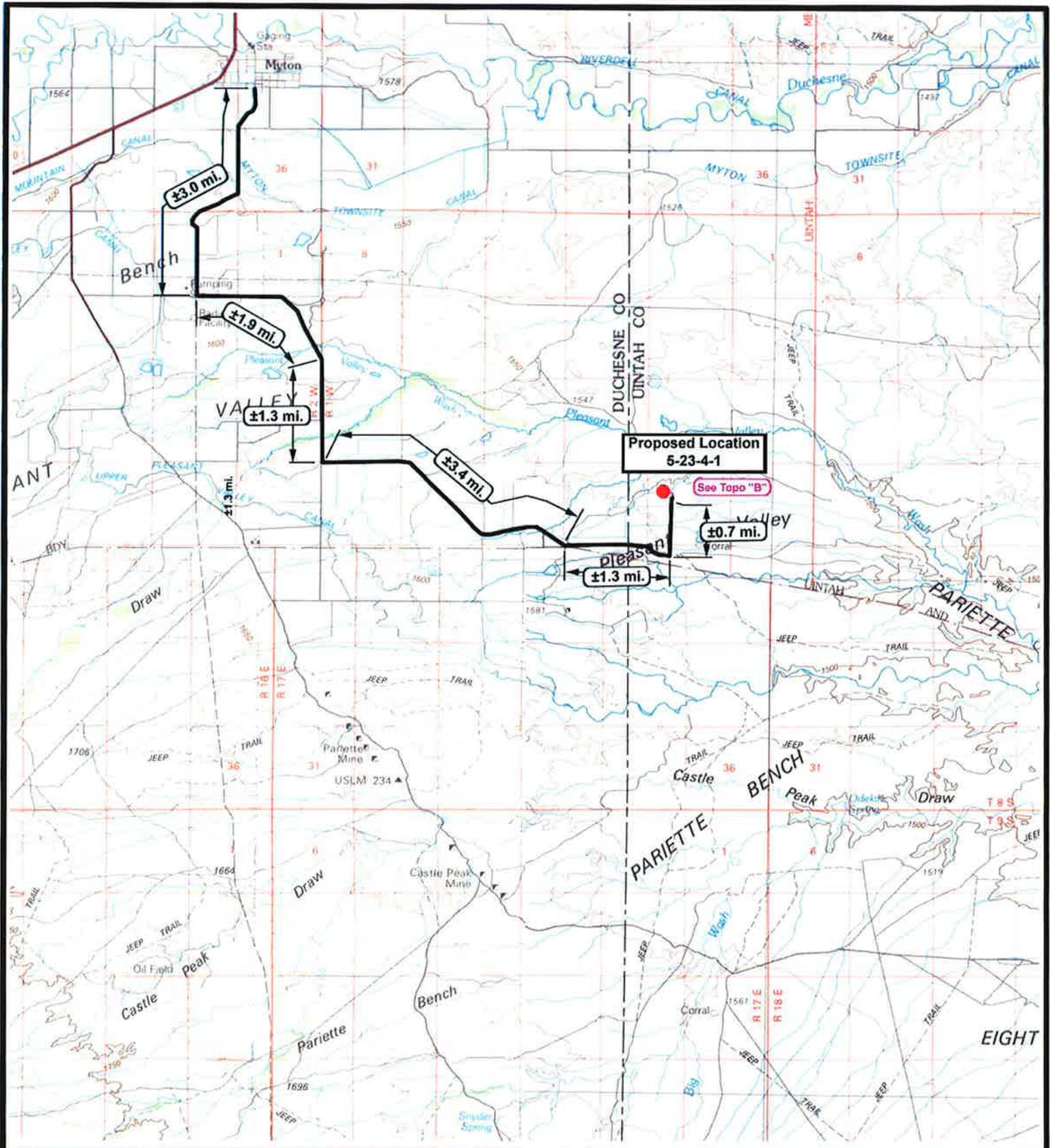


EXHIBIT C



NEWFIELD
Exploration Company

5-23-4-1
SEC. 23, T4S, R1W, U.S.B.&M.



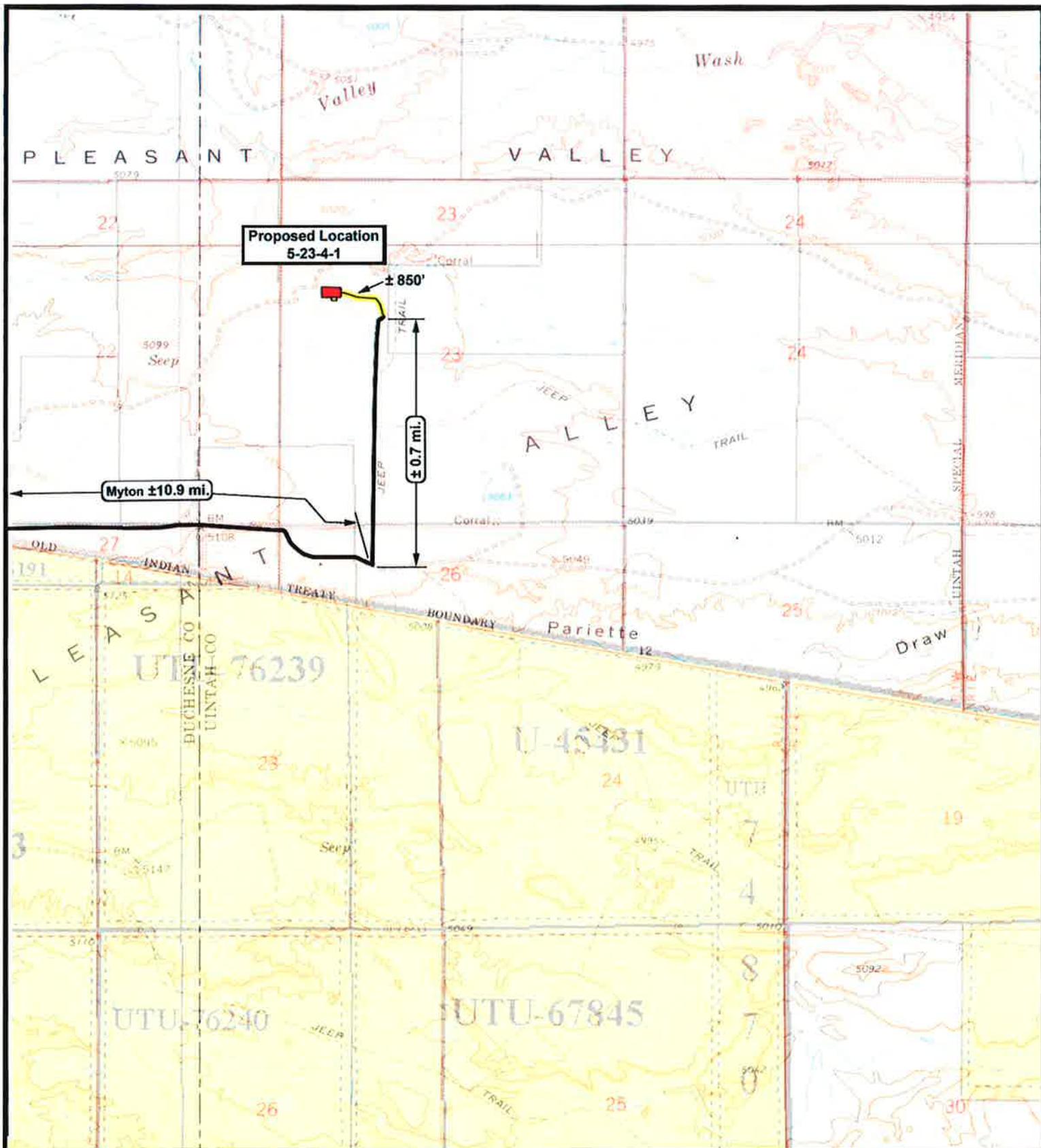
Tri-State
Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1 = 100,000
DRAWN BY: mw
DATE: 12-23-2009

Legend

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP
"A"



NEWFIELD
Exploration Company

5-23-4-1
SEC. 23, T4S, R1W, U.S.B.&M.



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

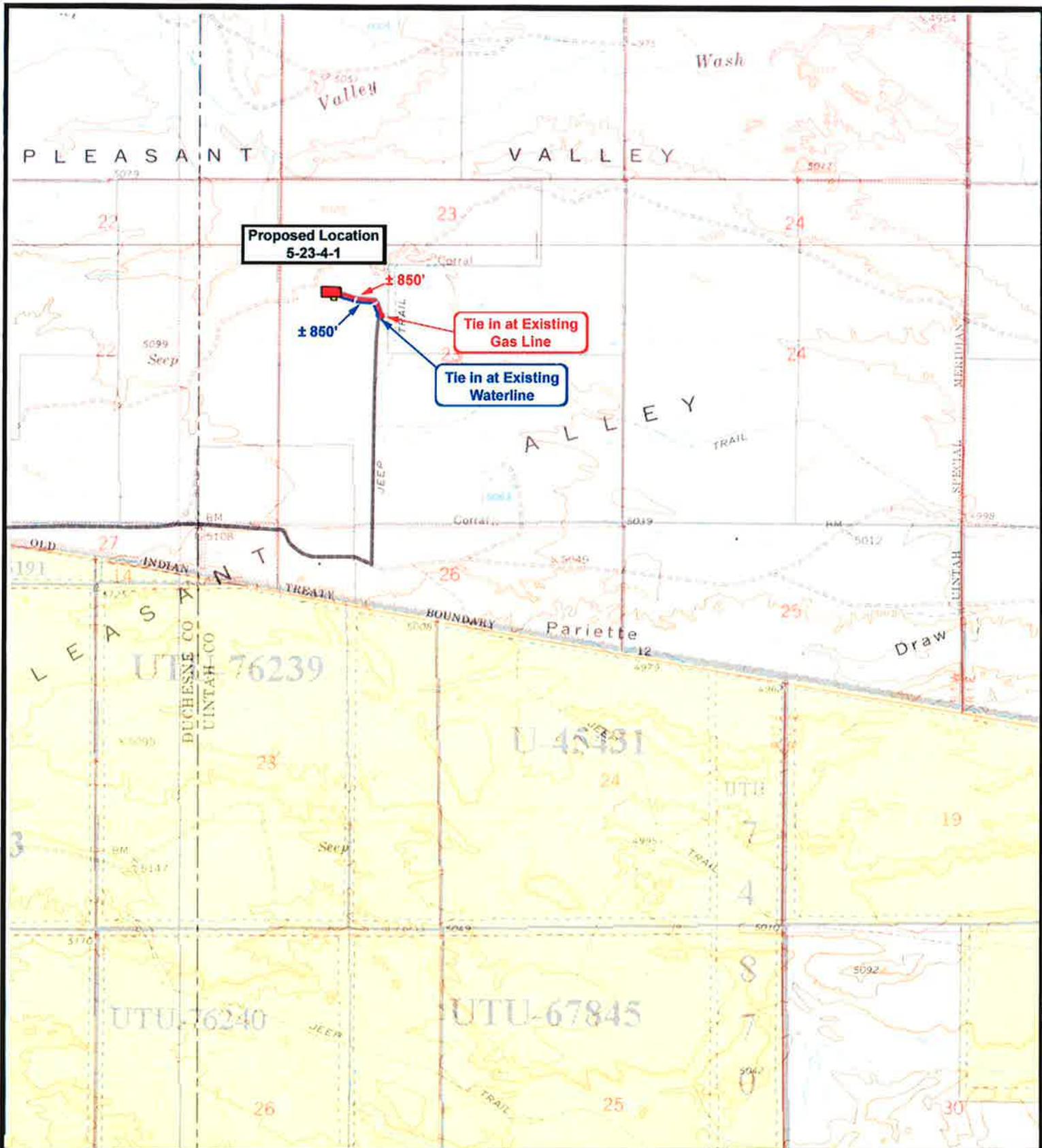
SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 12-23-2009

Legend

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP

"B"



NEWFIELD
Exploration Company

5-23-4-1
SEC. 23, T4S, R1W, U.S.B.&M.



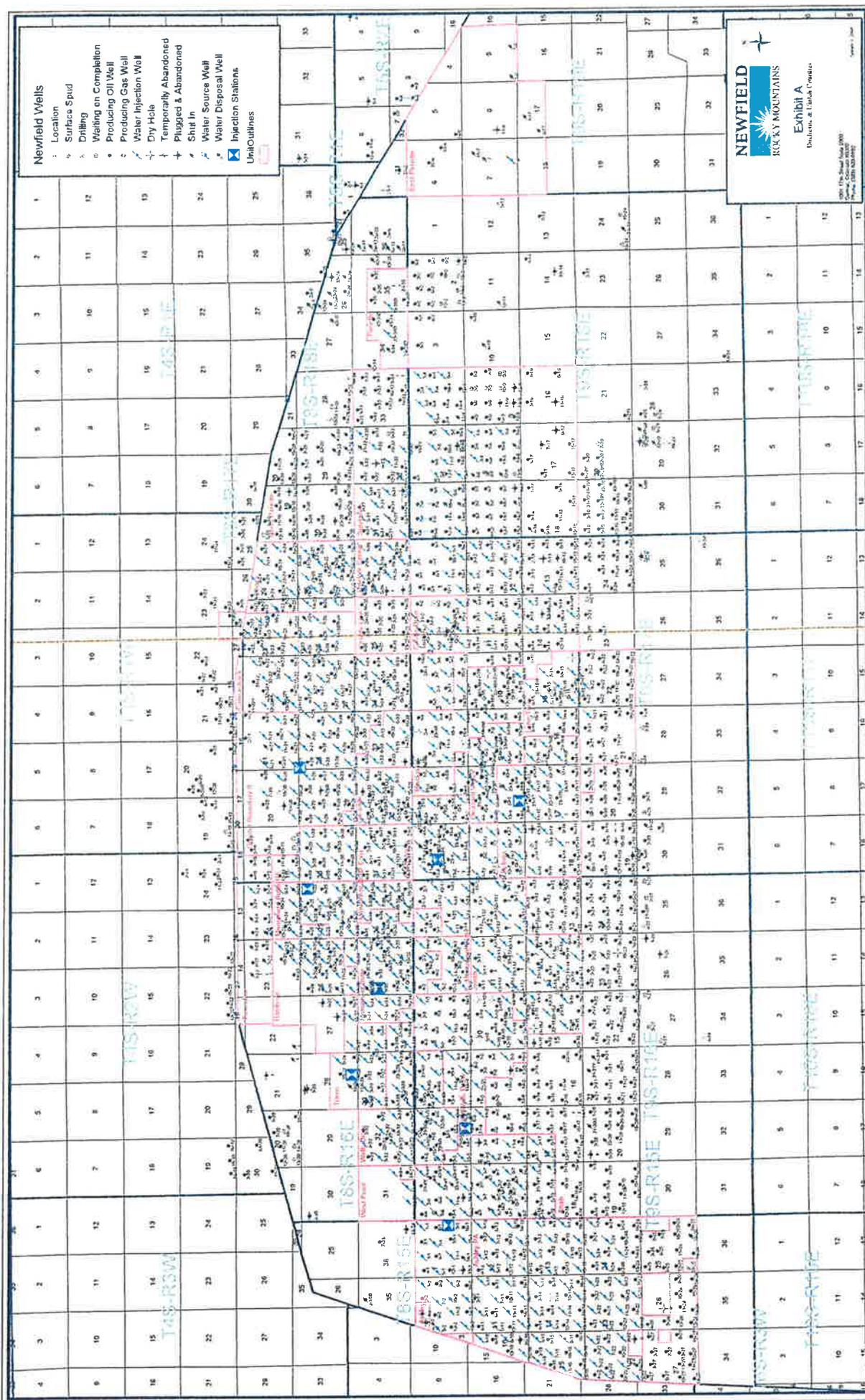
Tri-State
Land Surveying Inc.
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180 North Vernal Ave. Vernal, Utah 84078

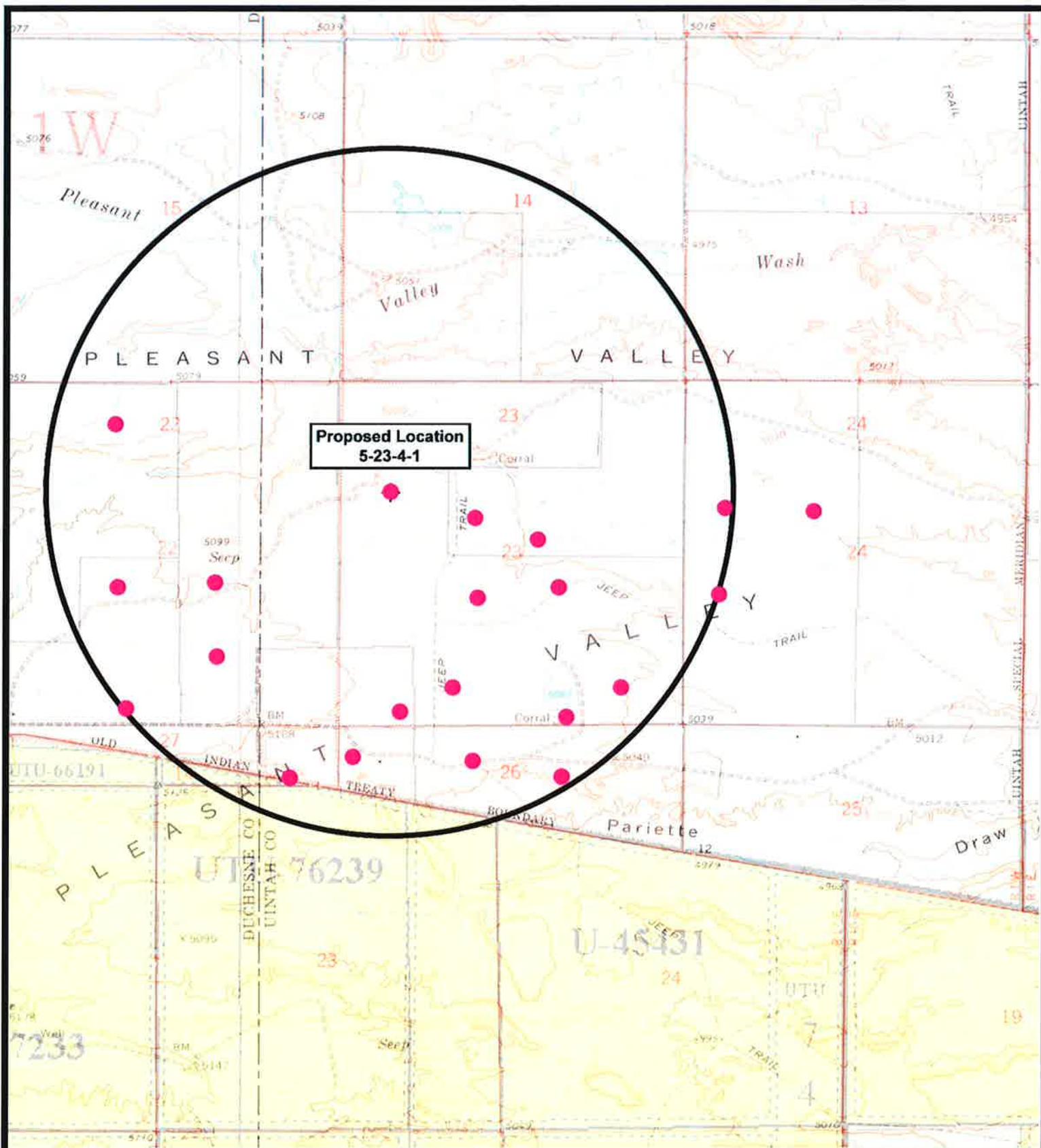
SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 12-23-2009

Legend

- Roads
- Proposed Gas Line
- Proposed Water Line

TOPOGRAPHIC MAP
"C"





**Proposed Location
5-23-4-1**

NEWFIELD
Exploration Company

5-23-4-1
SEC. 23, T4S, R1W, U.S.B.&M.



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

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 12-23-2009

Legend

- Location
- One-Mile Radius

Exhibit "B"

NEWFIELD PRODUCTION COMPANY
HANCOCK 5-23-4-1
SW/NW SECTION 23, T4S, R1W
UINTAH COUNTY, UTAH

THIRTEEN POINT SURFACE PROGRAM

1. EXISTING ROADS

See attached **Topographic Map "A"**

To reach Newfield Production Company well location site Hancock 5-23-4-1 located in the SW¼ NW¼ Section 23, T4S, R1W, S.L.B. & M., Uintah County, Utah:

Proceed in a southerly direction out of Myton, approximately 3.0 miles to it's junction with an existing road to the east; proceed in a southeasterly direction approximately 3.2 miles to it's junction with an existing road to the east; proceed in a southeasterly direction approximately 4.7 miles to it's junction with an existing road to the north; proceed northerly approximately 0.7 miles to it's junction with the beginning of the proposed access road to the northwest; proceed northwesterly along the proposed access road approximately 850' to the proposed well location.

The highways mentioned in the foregoing paragraph are bituminous surfaced roads to the point where Highway 216 exists to the South, thereafter the roads are constructed with existing materials and gravel. The highways are maintained by Utah State road crews. All other roads are maintained by County crews.

The aforementioned dirt oil field service roads and other roads in the vicinity are constructed out of existing native materials that are prevalent to the existing area they are located in and range from clays to a sandy-clay shale material.

The roads for access during the drilling, completion and production phase will be maintained at the standards required by the State of Utah, or other controlling agencies. This maintenance will consist of some minor grader work for smoothing road surfaces and for snow removal.

2. PLANNED ACCESS ROAD

Approximately 850' of access road is proposed. See attached **Topographic Map "B"**.

The proposed access road will be an 18' crown road (9' either side of the centerline) with drainage ditches along either side of the proposed road whether it is deemed necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum grade will be less than 8%.

There will be no culverts required along this access road. There will be barrow ditches and turnouts as needed along this road.

There are no fences encountered along this proposed road. There will be no new gates or cattle guards required.

All construction material for this access road will be borrowed material accumulated during construction of the access road.

3. **LOCATION OF EXISTING WELLS**

Refer to EXHIBIT B.

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

There are no existing facilities that will be used by this well.

It is anticipated that this well will be a producing oil well.

Upon construction of a tank battery, the well pad will be surrounded by a dike of sufficient capacity to contain at minimum 110% of the largest tank volume within the facility battery.

Tank batteries will be built to State specifications.

All permanent (on site for six (6) months or longer) structures, constructed or installed (including pumping units), will be painted a flat, non-reflective, earth tone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six months of installation.

5. **LOCATION AND TYPE OF WATER SUPPLY**

Newfield Production will transport water by truck for drilling purposes from the following water sources:

Johnson Water District
Water Right: 43-7478

Neil Moon Pond
Water Right: 43-11787

Maurice Harvey Pond
Water Right: 47-1358

Newfield Collector Well
Water Right: 41-3530 (A30414DV, contracted with the Duchesne County Conservancy District).

There will be no water well drilled at this site

6. **SOURCE OF CONSTRUCTION MATERIALS**

All construction material for this location shall be borrowed material accumulated during construction of the location site and access road.

A mineral material application is not required for this location.

7. **METHODS FOR HANDLING WASTE DISPOSAL**

A small reserve pit (90' x 40' x 8' deep, or less) will be constructed from native soil and clay materials. The reserve pit will receive the processed drill cutting (wet sand, shale & rock) removed from the wellbore. Any drilling fluids, which do accumulate in the pit as a result of shale-shaker carryover, cleaning of the sand trap, etc., will be promptly reclaimed. All drilling fluids will be fresh water based, typically containing Total Dissolved Solids of less than 3000 PPM. No potassium chloride, chromates, trash, debris, nor any other substance deemed hazardous

will be placed in this pit. A 16 mil liner with felt will be required. Newfield requests approval that a flare pit be constructed and utilized on this location.

A portable toilet will be provided for human waste.

A trash basket will be provided for garbage (trash) and hauled away to an approved disposal site at the completion of the drilling activities.

Immediately upon first production, all produced water will be confined to a steel storage tank. If the production water meets quality guidelines, it is transported to the Ashley, Monument Butte, Jonah, and Beluga water injection facilities by company or contract trucks. Subsequently, the produced water is injected into approved Class II wells to enhance Newfield's secondary recovery project.

Water not meeting quality criteria, is disposed at Newfield's Pariette #4 disposal well (Sec. 7, T9S R19E) or at State of Utah approved surface disposal facilities.

8. **ANCILLARY FACILITIES:**

There are no ancillary facilities planned for at the present time and none foreseen in the near future.

9. **WELL SITE LAYOUT:**

See attached Location Layout Sheet.

Fencing Requirements

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

- a) A 39-inch net wire shall be used with at least one strand of barbed wire on top of the net.
- b) The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least forty-two (42) inches.
- c) Corner posts shall be centered and/or braced in such a manner to keep tight at all times
- d) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than sixteen (16) feet.
- e) All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The reserve pit fencing will be on three (3) sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. **PLANS FOR RESTORATION OF SURFACE:**

a) **Producing Location**

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

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximated natural contours. Weather permitting, the reserve pit will be reclaimed within one hundred twenty (120) days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed.

b) **Dry Hole Abandoned Location**

At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and the State of Utah will attach the appropriate surface rehabilitation conditions of approval.

11. **SURFACE OWNERSHIP:** Henderson Ranches LLC.
See attached Memorandum of Surface Use Agreement and Easement ROW.

12. **OTHER ADDITIONAL INFORMATION:**

Newfield Production Company requests 850' of disturbed area be granted for construction of the proposed gas lines. It is proposed that the disturbed area will temporarily be 50' wide to allow for construction of a 6" gas gathering line, and a 3" poly fuel gas line, with a permanent width of 30' upon completion of the proposed gas lines. The construction phase of the proposed gas lines will last approximately (5) days. Both proposed lines will tie in to the existing pipeline infrastructure. **Refer to Topographic Map "C."**

Newfield Production Company requests 850' of disturbed area be granted to allow for construction of the proposed water lines. It is proposed that the disturbed area will temporarily be 50' wide to allow for construction of a buried 3" steel water injection line and a buried 3" poly water return line and 30' wide upon completion of the proposed water lines. Both proposed lines will tie in to the existing pipeline infrastructure. **Refer to Topographic Map "C."** In the event that the proposed well is converted to a water injection well, a separate injection permit will be applied for through the proper agencies.

- a) Newfield Production Company is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, Newfield is to immediately stop work that might further disturb such materials and contact the Authorized Officer.
- b) Newfield Production will control noxious weeds along rights-of-way for roads, pipelines, well sites or other applicable facilities. On State administered land it is required that a Pesticide Use Proposal shall be submitted and given approval prior to the application of herbicides or other possible hazardous chemicals.
- c) Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on State Lands after the conclusion of drilling operations or at any other time without State authorization. However, if State authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

The Archacological and Paleontological Report Waiver is attached.

Additional Surface Stipulations

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws and regulations, Onshore Oil and Gas Orders, the approved plan of operations and any applicable Notice to Lessees. A copy of these conditions will be furnished to the field representative to ensure compliance.

Hazardous Material Declaration

Newfield Production Company guarantees that during the drilling and completion of the Hancock 5-23-4-1, Newfield will not use, produce, store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Superfund Amendments and Reauthorization Act (SARA) of 1986. Newfield also guarantees that during the drilling and completion of the Hancock 5-23-4-1 Newfield will use, produce, store, transport or dispose less than the threshold planning quantity (T.P.Q.) of any extremely hazardous substances as defined in 40 CFR 355.

A complete copy of the approved APD, if applicable, shall be on location during the construction of the location and drilling activities.

Newfield Production Company or a contractor employed by Newfield Production shall contact the State office at (801) 722-3417, 48 hours prior to construction activities.

The State office shall be notified upon site completion prior to moving on the drilling rig.

13. **LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:**

Representative

Name: Tim Eaton
Address: Newfield Production Company
Route 3, Box 3630
Myton, UT 84052
Telephone: (435) 646-3721

Certification

Please be advised that Newfield Production Company is considered to be the operator of well #5-23-4-1, SW/NW Section 23, T4S, R1W, Uintah County, Utah and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Bond #B001834.

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

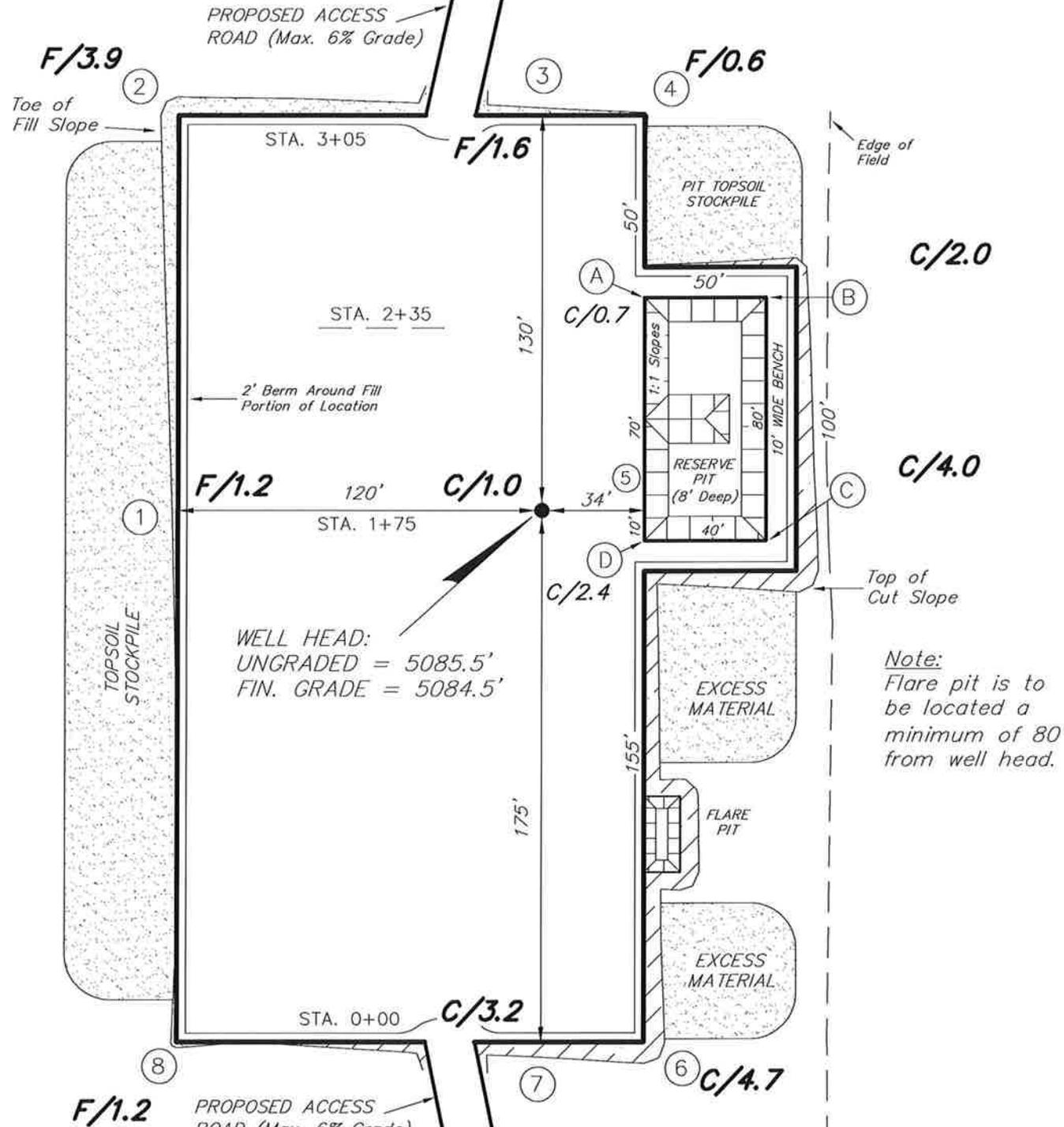
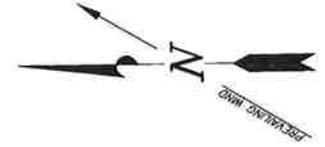
2/12/10
Date


Mandie Crozier
Regulatory Specialist
Newfield Production Company

NEWFIELD PRODUCTION COMPANY

5-23-4-1

Section 23, T4S, R1W, U.S.B.&M.



WELL HEAD:
UNGRADED = 5085.5'
FIN. GRADE = 5084.5'

Note:
Flare pit is to be located a minimum of 80' from well head.

REFERENCE POINTS
170' NORTHERLY - 5082.7'
220' NORTHERLY - 5082.0'

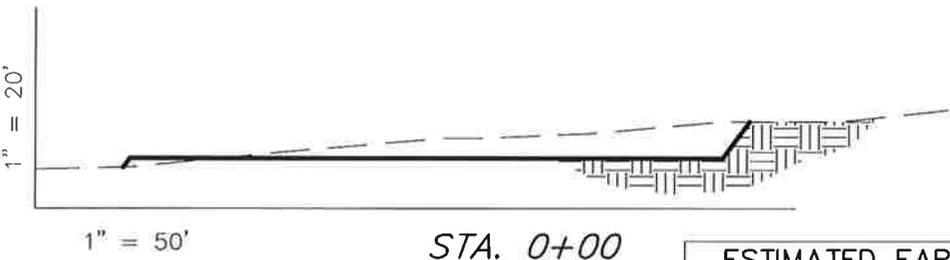
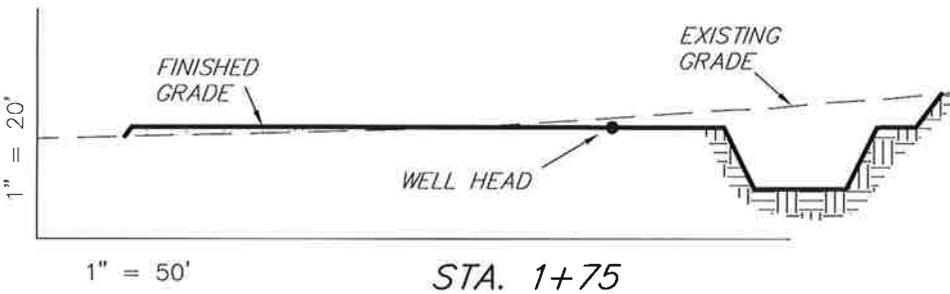
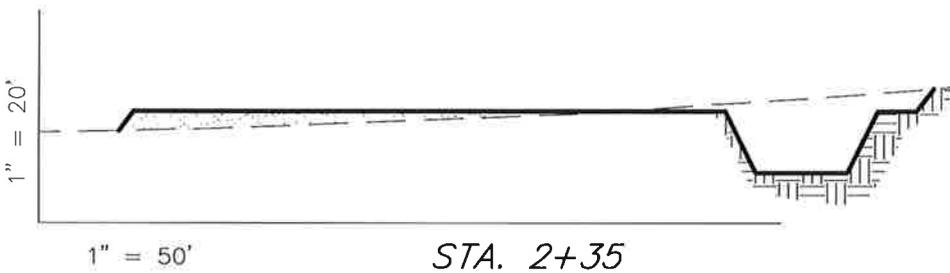
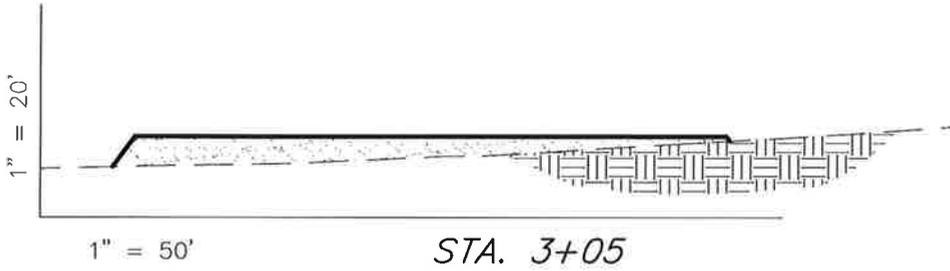
| | |
|-------------------|-------------------------|
| SURVEYED BY: T.P. | DATE SURVEYED: 12-16-09 |
| DRAWN BY: M.W. | DATE DRAWN: 12-23-09 |
| SCALE: 1" = 50' | REVISED: |

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

NEWFIELD PRODUCTION COMPANY

CROSS SECTIONS

5-23-4-1



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

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

| ITEM | CUT | FILL | 6" TOPSOIL | EXCESS |
|---------------|--------------|--------------|--|------------|
| PAD | 1,560 | 1,550 | Topsoil is not included in Pad Cut | 10 |
| PIT | 640 | 0 | | 640 |
| TOTALS | 2,200 | 1,550 | 1,040 | 650 |

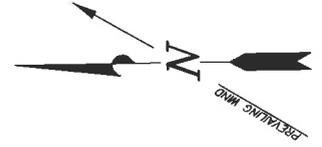
| | |
|-------------------|-------------------------|
| SURVEYED BY: T.P. | DATE SURVEYED: 12-16-09 |
| DRAWN BY: M.W. | DATE DRAWN: 12-23-09 |
| SCALE: 1" = 50' | REVISED: |

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

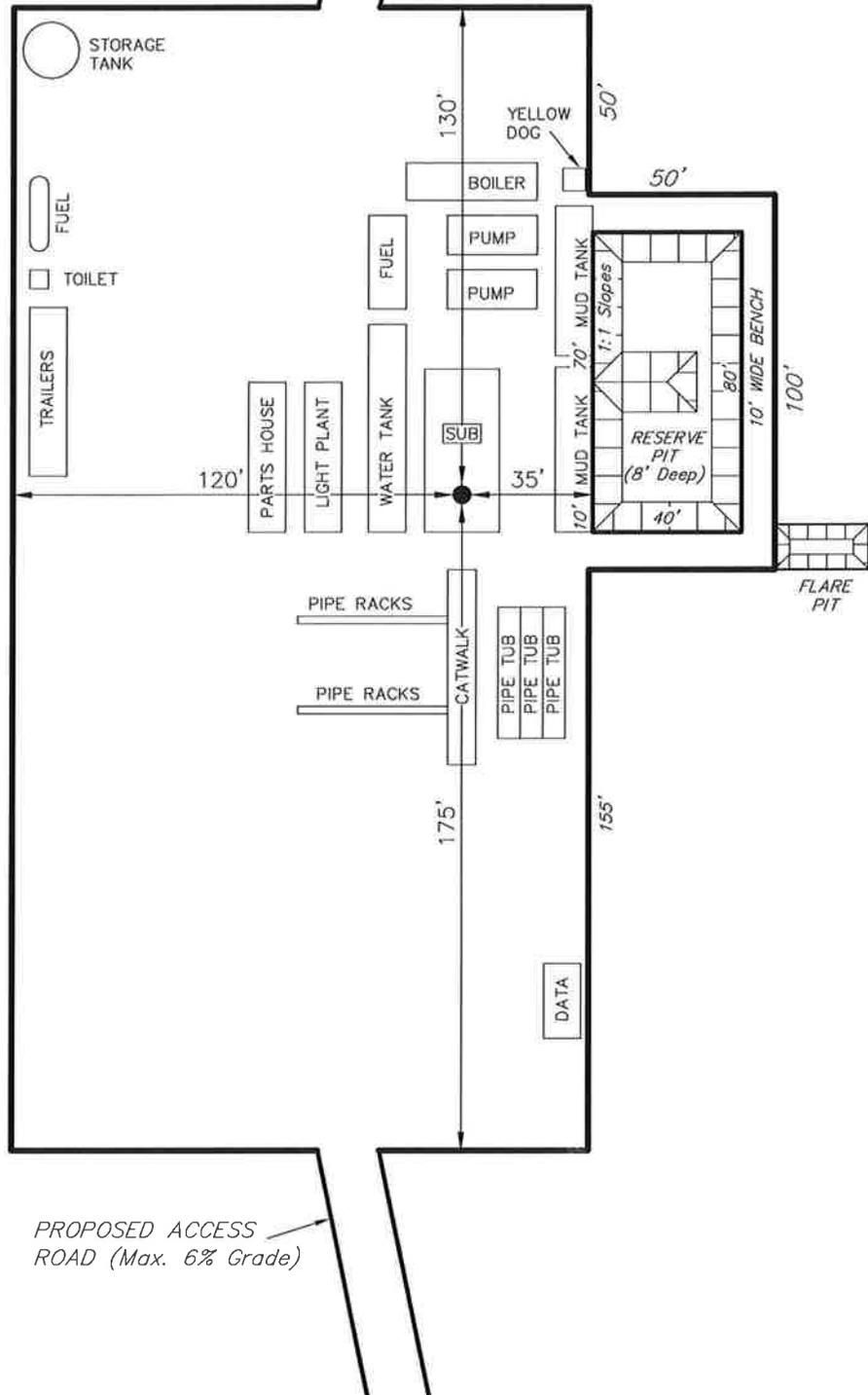
NEWFIELD PRODUCTION COMPANY

TYPICAL RIG LAYOUT

5-23-4-1



PROPOSED ACCESS ROAD (Max. 6% Grade)



PROPOSED ACCESS ROAD (Max. 6% Grade)

| | |
|-------------------|-------------------------|
| SURVEYED BY: T.P. | DATE SURVEYED: 12-16-09 |
| DRAWN BY: M.W. | DATE DRAWN: 12-23-09 |
| SCALE: 1" = 50' | REVISED: |

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

Newfield Production Company Proposed Site Facility Diagram

Hancock 5-23-4-1

SW/NW Sec. 23, T4S, R1W

Uintah County, Utah

FEE

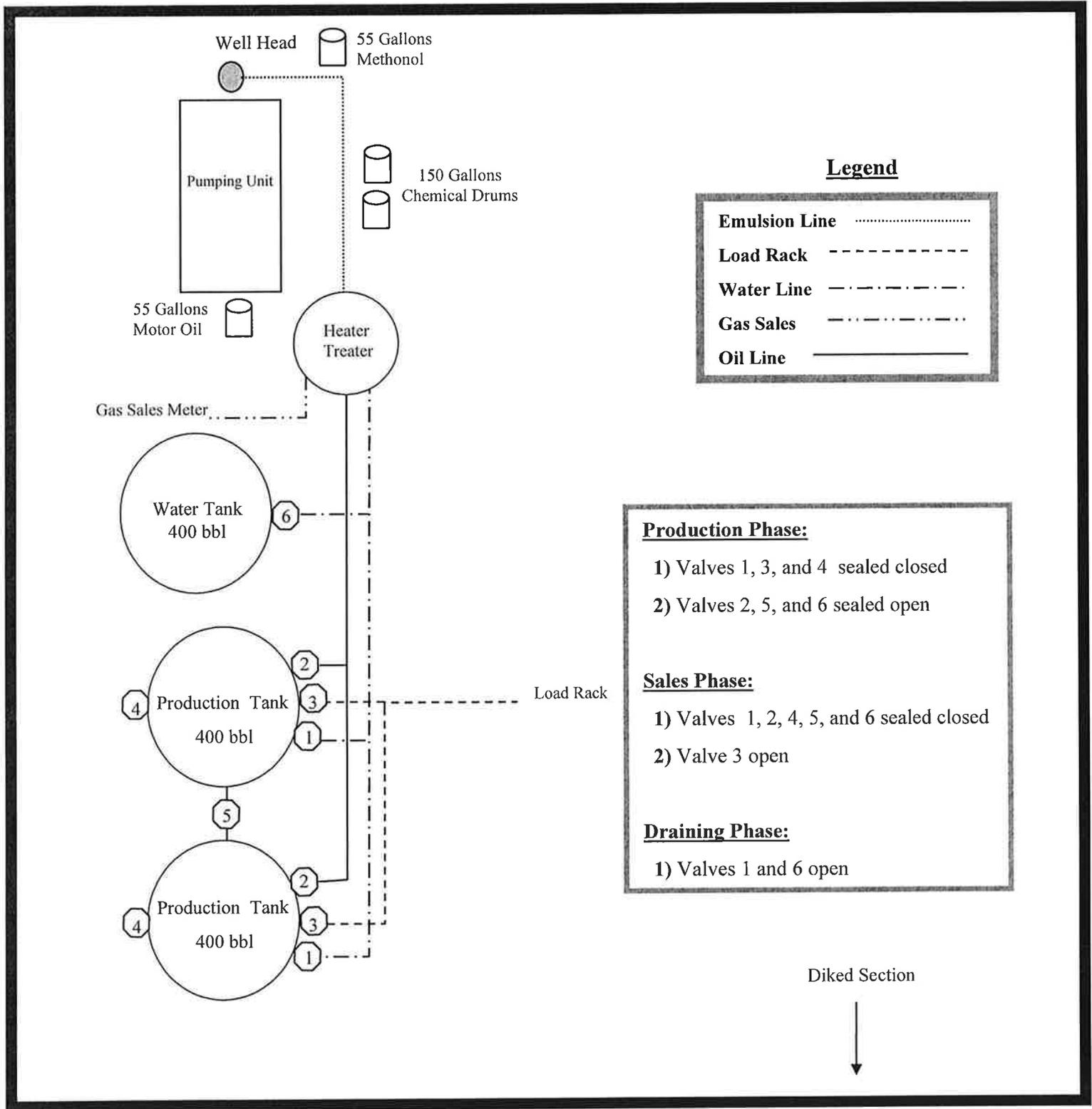


EXHIBIT D

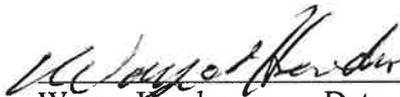
Township 4 South, Range 1 West
Section 23: SWNW (5-23-4-1)

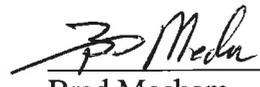
Uintah County, Utah

ARCHAEOLOGICAL & PALEOTOLOGICAL REPORT WAIVER

For the above referenced location only; Henderson Ranches, LLC, the private surface owner. (Having a Surface Owner Agreement with Newfield Production Company)

Wayne Henderson, representing this entity does agree to waive the request from the State of Utah and Bureau of Land Management for an Archaeological/Cultural and Paleotological Resource Survey for any wells covered by the Surface Use Agreement dated 1/28/2010 between the above said private land owner and Newfield Production. This waiver hereby releases Newfield Production Company from this request.

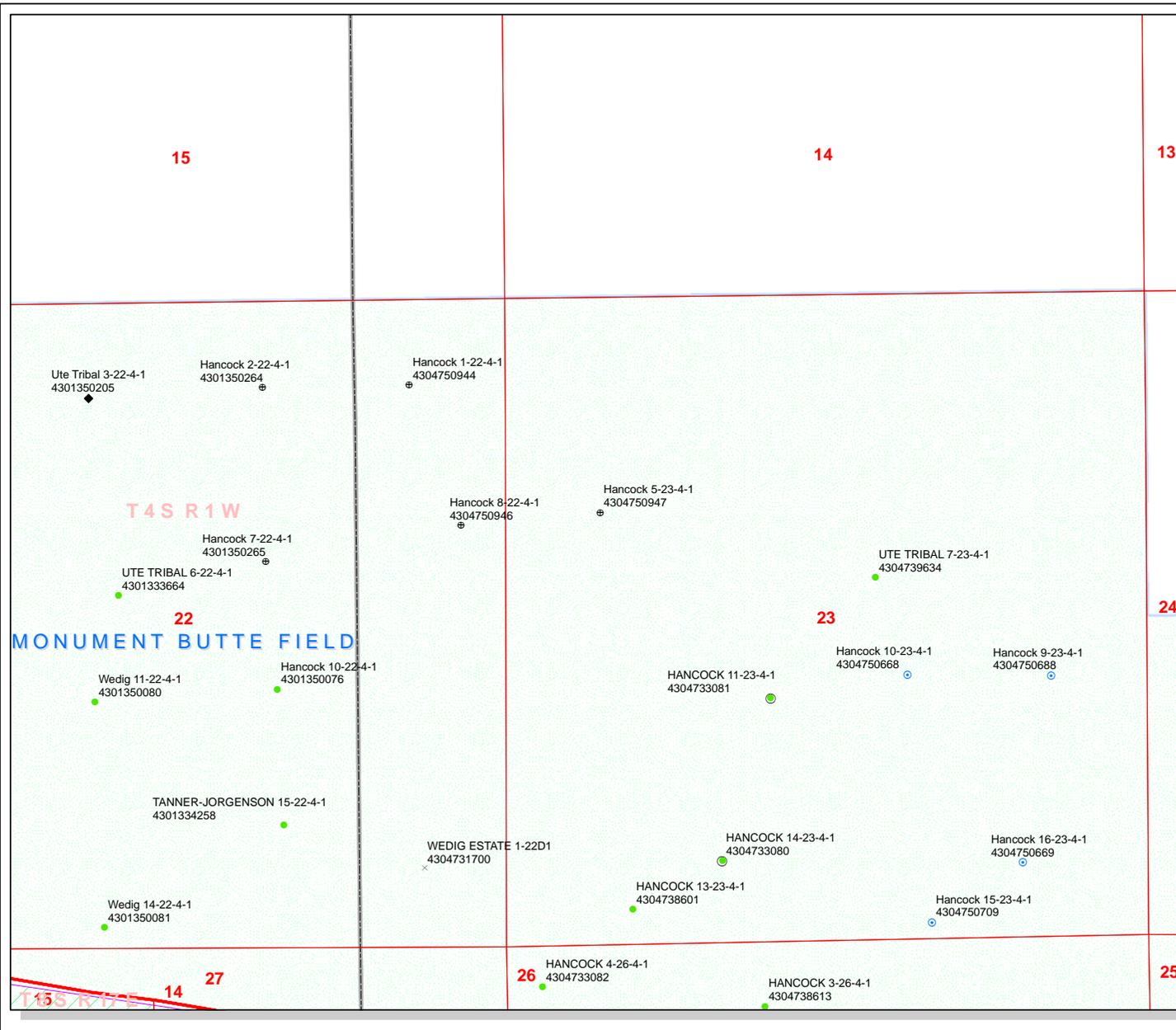
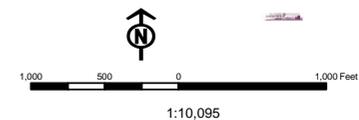
 2-7-10
Wayne Henderson Date
Private Surface Owner

 2-4-10
Brad Mecham Date
Newfield Production Company

API Number: 4304750947
Well Name: Hancock 5-23-4-1
Township 04.0 S Range 01.0 W Section 23
Meridian: UBM
 Operator: NEWFIELD PRODUCTION COMPANY

Map Prepared:
 Map Produced by Diana Mason

| | |
|---------------|------------------------------------|
| Units | Wells Query |
| STATUS | Status |
| ACTIVE | APD - Approved Permit |
| EXPLORATORY | DRL - Spudded (Drilling Commenced) |
| GAS STORAGE | GIW - Gas Injection |
| NF PP OIL | GS - Gas Storage |
| NF SECONDARY | LA - Location Abandoned |
| PI OIL | LOC - New Location |
| PP GAS | OPS - Operation Suspended |
| PP GEOTHERMAL | PA - Plugged Abandoned |
| PP OIL | PGW - Producing Gas Well |
| SECONDARY | POW - Producing Oil Well |
| TERMINATED | RET - Returned APD |
| Fields | SGW - Shut-in Gas Well |
| STATUS | SOW - Shut-in Oil Well |
| Unknown | TA - Temp. Abandoned |
| ABANDONED | TW - Test Well |
| ACTIVE | WDW - Water Disposal |
| COMBINED | WWI - Water Injection Well |
| INACTIVE | WSW - Water Supply Well |
| STORAGE | |
| TERMINATED | |
| Sections | |
| Township | |





March 10, 2010

State of Utah, Division of Oil, Gas & Mining
ATTN: Diana Mason
PO Box 145801
Salt Lake City, UT 84114-5801

2397

RE: Exception Location
Hancock 5-23-4-1
T4S R1W, Section 21: SENW
1752'FNL 767' FWL
Uintah County, Utah

Dear Ms. Mason;

Pursuant to Rule 649-3-3 of the Oil & Gas Rules and Regulations of the State of Utah, Newfield Production Company ("NPC") hereby requests an exception location for the drilling of the captioned well. The proposed drillsite for this well is located 22' north of the drilling window required by Rule R649-3-2, which requires a well to be located in the center of a forty (40) acre quarter-quarter section, or a substantially equivalent lot or tract, with a tolerance of two hundred (200) feet in any direction from the center.

The attached plat depicts the proposed location and illustrates the deviation from the drilling window. The requested location has been chosen to accommodate the surface owner.

Please note the leasehold is owned by NPC and John D. Chasel. The location is less than 460' from acreage owned by NPC and John D. Chasel. A copy of John D. Chasel's consent to this location has been enclosed.

If you have any questions or require further information, please do not hesitate to contact the undersigned at 303-383-4137 or by email at awild@newfield.com. Your consideration of this matter is greatly appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alan Wild", is written over a light blue circular stamp.

Alan Wild
Land Associate

Attachment

RECEIVED

MAR 15 2010

DIV. OF OIL, GAS & MINING



February 17, 2010

John Chasel
c/o Quinex Energy
465 S. 200 W
Bountiful, UT 84010

RE: Exception Location
Hancock 5-23-4-1
Uintah County, Utah

Dear Mr. Chasel;

Please be advised Newfield Production Company has submitted an application for permit to drill for the following well:

Hancock 5-23-4-1
T4S R1W, Section 23: SWNW
1752' FNL 767' FWL
Uintah County, Utah

In order to accommodate the surface owner, this well has been located 22' north of the drilling window as required by State of Utah R649-3-2. It is necessary to obtain your written concurrence with this exception location as a partial leasehold owner of the fee lands in the SWNW of T4S R1W, Section 23, the lands the well will encroach upon.

Enclosed you will find a plat showing the location of the above referenced well. If you are in agreement to this location, please verify your consent by signing and dating where indicated on page 2 of this letter and returning to my attention **as soon as possible** by email at awild@newfield.com or fax to 303-382-4485.

If you have any questions or need further information, please do not hesitate to contact me at 303-383-4137. I appreciate your prompt attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alan Wild", is written over a faint, illegible background.

Alan Wild
Land Associate

Enclosure

RECEIVED

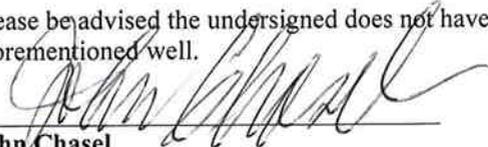
MAR 15 2010

DIV. OF OIL, GAS & MINING

Attn: Alan Wild
Newfield Production Company
awild@newfield.com
303-382-4485 fax

RE: Exception Location
Hancock 5-23-4-1
T4S R1W, Section 23: SWNW
1752' FNL 767' FWL
Uintah County, Utah

Please be advised the undersigned does not have an objection to the proposed location of the
aforementioned well.



John Chasel

Date: MARCH 5, 2010

RECEIVED
MAR 15 2010
DIV. OF OIL, GAS & MINING

| | | | |
|--|---|-------|--|
| Well Name | NEWFIELD PRODUCTION COMPANY Hancock 5-23-4-1 43047509470000 | | |
| String | Surf | Prod | |
| Casing Size(") | 8.625 | 5.500 | |
| Setting Depth (TVD) | 350 | 6880 | |
| Previous Shoe Setting Depth (TVD) | 0 | 350 | |
| Max Mud Weight (ppg) | 8.3 | 8.3 | |
| BOPE Proposed (psi) | 500 | 2000 | |
| Casing Internal Yield (psi) | 2950 | 4810 | |
| Operators Max Anticipated Pressure (psi) | 2979 | 8.3 | |

| | | | |
|---|--|-------|--|
| Calculations | Surf String | 8.625 | " |
| Max BHP (psi) | $.052 * \text{Setting Depth} * \text{MW} =$ | 151 | |
| | | | BOPE Adequate For Drilling And Setting Casing at Depth? |
| MASP (Gas) (psi) | $\text{Max BHP} - (0.12 * \text{Setting Depth}) =$ | 109 | YES Air drill |
| MASP (Gas/Mud) (psi) | $\text{Max BHP} - (0.22 * \text{Setting Depth}) =$ | 74 | YES OK |
| | | | *Can Full Expected Pressure Be Held At Previous Shoe? |
| Pressure At Previous Shoe | $\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$ | 74 | NO OK |
| Required Casing/BOPE Test Pressure= | | 350 | psi |
| *Max Pressure Allowed @ Previous Casing Shoe= | | 0 | psi *Assumes 1psi/ft frac gradient |

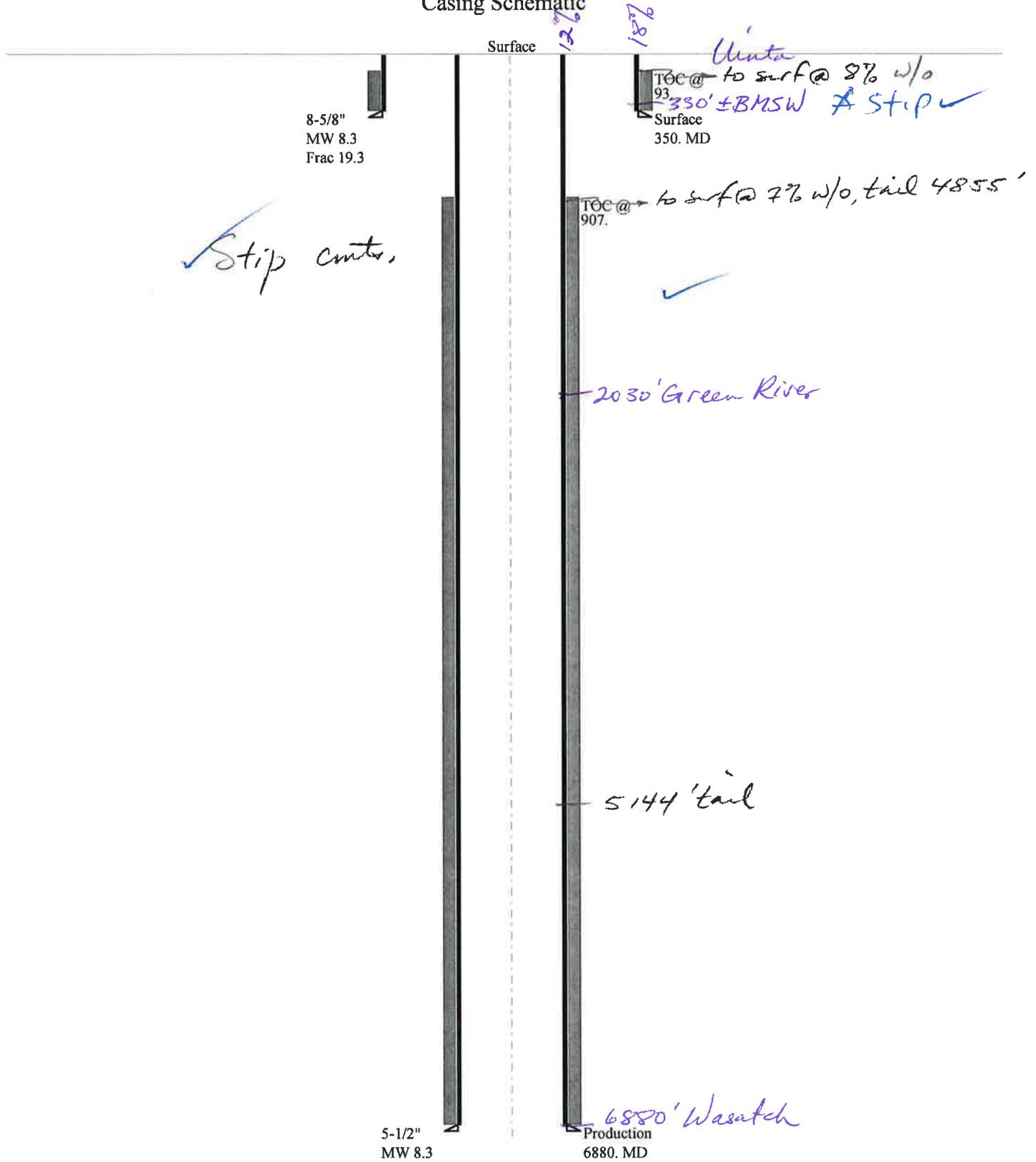
| | | | |
|---|--|-------|--|
| Calculations | Prod String | 5.500 | " |
| Max BHP (psi) | $.052 * \text{Setting Depth} * \text{MW} =$ | 2969 | |
| | | | BOPE Adequate For Drilling And Setting Casing at Depth? |
| MASP (Gas) (psi) | $\text{Max BHP} - (0.12 * \text{Setting Depth}) =$ | 2143 | NO |
| MASP (Gas/Mud) (psi) | $\text{Max BHP} - (0.22 * \text{Setting Depth}) =$ | 1455 | YES OK |
| | | | *Can Full Expected Pressure Be Held At Previous Shoe? |
| Pressure At Previous Shoe | $\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$ | 1532 | NO Reasonable for area |
| Required Casing/BOPE Test Pressure= | | 2000 | psi |
| *Max Pressure Allowed @ Previous Casing Shoe= | | 350 | psi *Assumes 1psi/ft frac gradient |

| | | | |
|---|--|--|--|
| Calculations | String | | " |
| Max BHP (psi) | $.052 * \text{Setting Depth} * \text{MW} =$ | | |
| | | | BOPE Adequate For Drilling And Setting Casing at Depth? |
| MASP (Gas) (psi) | $\text{Max BHP} - (0.12 * \text{Setting Depth}) =$ | | NO |
| MASP (Gas/Mud) (psi) | $\text{Max BHP} - (0.22 * \text{Setting Depth}) =$ | | NO |
| | | | *Can Full Expected Pressure Be Held At Previous Shoe? |
| Pressure At Previous Shoe | $\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$ | | NO |
| Required Casing/BOPE Test Pressure= | | | psi |
| *Max Pressure Allowed @ Previous Casing Shoe= | | | psi *Assumes 1psi/ft frac gradient |

| | | | |
|---|--|--|--|
| Calculations | String | | " |
| Max BHP (psi) | $.052 * \text{Setting Depth} * \text{MW} =$ | | |
| | | | BOPE Adequate For Drilling And Setting Casing at Depth? |
| MASP (Gas) (psi) | $\text{Max BHP} - (0.12 * \text{Setting Depth}) =$ | | NO |
| MASP (Gas/Mud) (psi) | $\text{Max BHP} - (0.22 * \text{Setting Depth}) =$ | | NO |
| | | | *Can Full Expected Pressure Be Held At Previous Shoe? |
| Pressure At Previous Shoe | $\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$ | | NO |
| Required Casing/BOPE Test Pressure= | | | psi |
| *Max Pressure Allowed @ Previous Casing Shoe= | | | psi *Assumes 1psi/ft frac gradient |

43047509470000 Hancock 5-23-4-1

Casing Schematic



| | | | |
|--------------|--|-------------|--------------|
| Well name: | 43047509470000 Hancock 5-23-4-1 | | |
| Operator: | NEWFIELD PRODUCTION COMPANY | | |
| String type: | Surface | Project ID: | 43-047-50947 |
| Location: | UINTAH | COUNTY | |

Design parameters:

Collapse

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 308 psi
Internal gradient: 0.120 psi/ft
Calculated BHP: 350 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: 1.70 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 306 ft

Environment:

H2S considered? No
Surface temperature: 74 °F
Bottom hole temperature: 79 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 100 ft

Cement top: 93 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 6,880 ft
Next mud weight: 8.400 ppg
Next setting BHP: 3,002 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 350 ft
Injection pressure: 350 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) | Est. Cost (\$) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-----------------------|
| 1 | 350 | 8.625 | 24.00 | J-55 | ST&C | 350 | 350 | 7.972 | 1802 |
| 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 | 151 | 1370 | 9.046 | 350 | 2950 | 8.43 | 8.4 | 244 | 29.05 J |

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

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

Date: March 17, 2010
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 350 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

| | | | |
|--------------|--|-------------|--------------|
| Well name: | 43047509470000 Hancock 5-23-4-1 | | |
| Operator: | NEWFIELD PRODUCTION COMPANY | | |
| String type: | Production | Project ID: | 43-047-50947 |
| Location: | UINTAH COUNTY | | |

Design parameters:

Collapse

Mud weight: 8.330 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 1,464 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP 2,977 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: 1.60 (B)

Tension is based on air weight.
 Neutral point: 6,013 ft

Environment:

H2S considered? No
 Surface temperature: 74 °F
 Bottom hole temperature: 170 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 100 ft

Cement top: 907 ft

Non-directional string.

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Est. Cost (\$) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-----------------------|
| 1 | 6880 | 5.5 | 15.50 | J-55 | LT&C | 6880 | 6880 | 4.825 | 24293 |
| 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 | 2977 | 4040 | 1.357 | 2977 | 4810 | 1.62 | 106.6 | 217 | 2.03 J |

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

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

Date: March 17, 2010
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 6880 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator NEWFIELD PRODUCTION COMPANY
Well Name Hancock 5-23-4-1
API Number 43047509470000 **APD No** 2397 **Field/Unit** MONUMENT BUTTE
Location: 1/4,1/4 SWNW **Sec** 23 **Tw** 4.0S **Rng** 1.0W 1752 FNL 767 FWL
GPS Coord (UTM) 587795 4441702 **Surface Owner** Henderson Ranches LLC

Participants

Floyd Bartlett (DOGM), Tim Eaton and Cheyenne Bateman (Newfield), Cory Miller (Tri-State Land Surveying).

Regional/Local Setting & Topography

The proposed location is approximately 11.7 road miles southeast of Myton, UT in Pleasant Valley, which drains into Pleasant Valley Wash. This wash drains into the Pariette Draw drainage of Uintah County. Both of these draws contain perennial streams somewhat consisting of irrigation runoff and seepage. Pariette Draw runs into the Green River approximately 6 miles downstream from Ouray, Utah and about 10 miles downstream from the location. The broad flats of Pleasant Valley that are frequently used for agriculture characterize the area. Flats are intersected by drainages with gentle to moderate side slopes. Access to the site is by State, County and existing or planned oil field development roads. Approximately 250 feet of new construction across Henderson’s private land will be required to reach the location.

The specific site for the proposed Hancock 5-23-4-1 oil well is on non irrigated lands in Pleasant Valley. It has been located outside the normal drilling window to avoid a wheel-line irrigated field, which lies to the south. The reserve pit will border this field with the pad oriented in an east to west direction across a gentle swale. Excavation for the south will be moved northerly to construct the pad. The flat narrows on both the west and east side. No drainages intersect the location and no diversions will be required. The site should be suitable and stable for construction of the pad, drilling and operating the proposed well.

Henderson Ranches owns the surface of the location.

Surface Use Plan

Current Surface Use

- Grazing
- Agricultural
- Recreational
- Wildlfe Habitat

| | | | |
|-----------------------|------------------------------------|---------------------------|--------------------------|
| New Road Miles | Well Pad | Src Const Material | Surface Formation |
| 0.05 | Width 204 Length 305 | Onsite | UNTA |

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetlands N

Flora / Fauna

Approximately 6 inches of snow covered the site. Identified vegetation included proverty weed, Russian thistle, halogeton, sun flowers, , rabbit brush, aster, curly mesquite grass and weedy annuals.

Cattle, deer, small mammals and birds.

Soil Type and Characteristics

Deep sandy loam.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required? N

Berm Required? Y

Erosion Sedimentation Control Required? N

Paleo Survey Run? **Paleo Potential Observed?** N **Cultural Survey Run?** N **Cultural Resources?**

Reserve Pit

| Site-Specific Factors | Site Ranking | |
|--|---------------------|-----------------------------|
| Distance to Groundwater (feet) | 25 to 75 | 15 |
| Distance to Surface Water (feet) | 300 to 1000 | 2 |
| Dist. Nearest Municipal Well (ft) | >5280 | 0 |
| Distance to Other Wells (feet) | 300 to 1320 | 10 |
| Native Soil Type | Mod permeability | 10 |
| Fluid Type | Fresh Water | 5 |
| Drill Cuttings | Normal Rock | 0 |
| Annual Precipitation (inches) | | 0 |
| Affected Populations | | |
| Presence Nearby Utility Conduits | Not Present | 0 |
| | Final Score | 42 1 Sensitivity Level |

Characteristics / Requirements

The reserve pit will be 40' x 80' x 8' deep located in an area of cut on the southeast side of the location. A pit liner is required. Newfield commonly uses a 16-mil liner.

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 16 **Pit Underlayment Required?** Y

Other Observations / Comments

Floyd Bartlett
Evaluator

3/9/2010
Date / Time

Application for Permit to Drill Statement of Basis

3/18/2010

Utah Division of Oil, Gas and Mining

Page 1

| | | | | | |
|------------------|---|---------------|--------------------------|-----------------------|------------|
| APD No | API WellNo | Status | Well Type | Surf Owner | CBM |
| 2397 | 43047509470000 | LOCKED | OW | P | No |
| Operator | NEWFIELD PRODUCTION COMPANY | | Surface Owner-APD | Henderson Ranches LLC | |
| Well Name | Hancock 5-23-4-1 | | Unit | | |
| Field | MONUMENT BUTTE | | Type of Work | DRILL | |
| Location | SWNW 23 4S 1W U 1752 FNL 767 FWL GPS Coord (UTM) 587796E 4441701N | | | | |

Geologic Statement of Basis

Newfield proposes to set 350' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 330'. A search of Division of Water Rights records shows one water well within a 10,000 foot radius of the center of Section 23. The well is listed as domestic use with no production depth listed. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be an interconnected, high volume source of useable ground water. The proposed casing and cement should adequately protect usable ground water in this area.

Brad Hill
APD Evaluator

3/16/2010
Date / Time

Surface Statement of Basis

The proposed location is approximately 11.7 road miles southeast of Myton, UT in Pleasant Valley, which drains into Pleasant Valley Wash. This wash drains into the Pariette Draw drainage of Uintah County. Both of these draws contain perennial streams somewhat consisting of irrigation runoff and seepage. Pariette Draw runs into the Green River approximately 6 miles downstream from Ouray, Utah and about 10 miles downstream from the location. The broad flats of Pleasant Valley that are frequently used for agriculture characterize the area. Flats are intersected by drainages with gentle to moderate side slopes. Access to the site is by State, County and existing or planned oil field development roads. Approximately 250 feet of new construction across Henderson's private land will be required to reach the location.

The specific site for the proposed Hancock 5-23-4-1 oil well is on non irrigated lands in Pleasant Valley. It has been located outside the normal drilling window to avoid a wheel-line irrigated field, which lies to the south. The reserve pit will border this field with the pad oriented in an east to west direction across a gentle swale. Excavation for the south will be moved northerly to construct the pad. The flat narrows on both the west and east side. No drainages intersect the location and no diversions will be required. The site should be suitable and stable for construction of the pad, drilling and operating the proposed well.

Henderson Ranches owns the surface of the location. A surface use agreement has been signed and a cultural resource survey waived. Wayne and Tommy Henderson were met in the morning prior to the pre-site. They said they would only attend the evaluations for the few wells they had concerns with. They had no concerns regarding this location. The minerals are FEE owned by another party and under lease to Newfield Production Company.

Floyd Bartlett
Onsite Evaluator

3/9/2010
Date / Time

Conditions of Approval / Application for Permit to Drill

| | |
|-----------------|---|
| Category | Condition |
| Pits | A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit. |

Application for Permit to Drill Statement of Basis

3/18/2010

Utah Division of Oil, Gas and Mining

Page 2

Surface

The well site shall be bermed to prevent fluids from leaving the pad.

Surface

The reserve pit shall be fenced upon completion of drilling operations.

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 2/16/2010

API NO. ASSIGNED: 43047509470000

WELL NAME: Hancock 5-23-4-1

OPERATOR: NEWFIELD PRODUCTION COMPANY (N2695)

PHONE NUMBER: 435 646-4825

CONTACT: Mandie Crozier

PROPOSED LOCATION: SWNW 23 040S 010W

Permit Tech Review:

SURFACE: 1752 FNL 0767 FWL

Engineering Review:

BOTTOM: 1752 FNL 0767 FWL

Geology Review:

COUNTY: UINTAH

LATITUDE: 40.12294

LONGITUDE: -109.96965

UTM SURF EASTINGS: 587796.00

NORTHINGS: 4441701.00

FIELD NAME: MONUMENT BUTTE

LEASE TYPE: 4 - Fee

LEASE NUMBER: Fee

PROPOSED PRODUCING FORMATION(S): GREEN RIVER

SURFACE OWNER: 4 - Fee

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: STATE/FEE - B001834
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: 43-7478
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

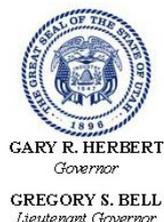
Commingling Approved

LOCATION AND SITING:

- R649-2-3.
- Unit:
- R649-3-2. General
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: R649-3-3
- Effective Date:
- Siting:
- R649-3-11. Directional Drill

Comments: Presite Completed

Stipulations:
1 - Exception Location - bhill
5 - Statement of Basis - bhill
23 - Spacing - dmason
25 - Surface Casing - ddoucet



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: Hancock 5-23-4-1
API Well Number: 43047509470000
Lease Number: Fee
Surface Owner: FEE (PRIVATE)
Approval Date: 3/18/2010

Issued to:

NEWFIELD PRODUCTION COMPANY , Rt 3 Box 3630 , Myton, UT 84052

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the GREEN RIVER Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

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

Exception Location:

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

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.

Conditions of Approval:

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.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Surface casing shall be cemented to the surface.

Additional Approvals:

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

- Any changes to the approved drilling plan – contact Dustin Doucet
- Significant plug back of the well – contact Dustin Doucet
- Plug and abandonment of the well – contact Dustin Doucet

Notification Requirements:

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

- Within 24 hours following the spudding of the well – contact Carol Daniels
OR
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program – contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well – contact Dan Jarvis

Contact Information:

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

- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office
801-733-0983 - after office hours
- Dan Jarvis 801-538-5338 - office
801-231-8956 - after office hours

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:



For Gil Hunt
Associate Director, Oil & Gas

| | |
|--|--|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | FORM 9 |
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | 5. LEASE DESIGNATION AND SERIAL NUMBER: Fee |
| | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| | 7. UNIT or CA AGREEMENT NAME: |
| 1. TYPE OF WELL Oil Well | 8. WELL NAME and NUMBER: Hancock 5-23-4-1 |
| 2. NAME OF OPERATOR: NEWFIELD PRODUCTION COMPANY | 9. API NUMBER: 43047509470000 |
| 3. ADDRESS OF OPERATOR: Rt 3 Box 3630 , Myton, UT, 84052 | PHONE NUMBER: 435 646-4825 Ext |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 1752 FNL 0767 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 23 Township: 04.0S Range: 01.0W Meridian: U | 9. FIELD and POOL or WILDCAT: MONUMENT BUTTE |
| | 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: 4/26/2010 | <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 type="checkbox"/> APD EXTENSION |
| | <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input checked="" type="checkbox"/> OTHER | OTHER: APD Change |

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

Newfield requests to amend the proposed depth for the Hancock 5-23-4-1 from 6880' to 7130'. The new proposed depth will be 250' deeper than originally permitted. The change is necessary to give enough space for the rathole in order to complete the Basal Carbonate without having to drill out cement. The remainder of the APD will remain the same.

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

Date: May 05, 2010
By: *Dan K. [Signature]*

| | | |
|--|-------------------------------------|---------------------------------|
| NAME (PLEASE PRINT) Mandie Crozier | PHONE NUMBER 435 646-4825 | TITLE Regulatory Tech |
| SIGNATURE N/A | DATE 4/26/2010 | |

Spud
BLM - Vernal Field Office - Notification Form

Operator Newfield Exploration Rig Name/# Ross 29 Submitted By
Ryan Crum Phone Number 823-7065
Well Name/Number Hancock 5-23-4-1
Qtr/Qtr SW/NW Section 23 Township 4s Range 1w
Lease Serial Number Fee
API Number 43047509470000

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time 5/19/10 8:00 AM PM

Casing – Please report time casing run starts, not cementing times.

- Surface Casing
- Intermediate Casing
- Production Casing
- Liner
- Other

Date/Time 5/19/10 3:00 AM PM

BOPE

- Initial BOPE test at surface casing point
- BOPE test at intermediate casing point
- 30 day BOPE test
- Other

Date/Time _____ AM PM

Remarks _____

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

| |
|---|
| 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE |
| 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 7. UNIT or CA AGREEMENT NAME: |
| 8. WELL NAME and NUMBER: HANCOCK 5-23-4-1 |
| 9. API NUMBER: 4304750947 |
| 10. FIELD AND POOL, OR WILDCAT: MYTON/TRIBAL EDA |

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 GAS WELL OTHER

2. NAME OF OPERATOR:
NEWFIELD PRODUCTION COMPANY

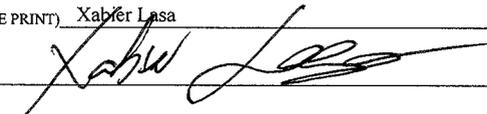
3. ADDRESS OF OPERATOR:
Route 3 Box 3630 CITY Myton STATE UT ZIP 84052 PHONE NUMBER 435.646.3721

4. LOCATION OF WELL:
FOOTAGES AT SURFACE: COUNTY: UINTAH
OTR/OTR. SECTION. TOWNSHIP. RANGE. MERIDIAN: , 23, T4S, R1W STATE: UT

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARITLY 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 FLAIR |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of Work Completion: 06/01/2010 | <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/STOP) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: - Spud Notice |
| | <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.
On 5-19-10 MIRU ROSS spud rig #29. Drill 365' of 12 1/4" hole with air mist. TIH W/8 Jt's 8 5/8" J-55 24# csgn. Set @ 369.16. On 5-31-10 Cement with 180 sks of Class "G" w/ 2% CaCL+ 1/4# Cello Flake. Mixed @ 15.8 ppg> 1.17 cf/sk yeild. Returned 4 bbls cement to pit.

NAME (PLEASE PRINT) Xavier Lasa TITLE Drilling Foreman
SIGNATURE  DATE 06/01/2010

(This space for State use only)

RECEIVED
JUN 22 2010
DIV. OF OIL, GAS & MINING

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

| |
|--|
| 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE |
| 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 7. UNIT or CA AGREEMENT NAME: |

SUNDRY NOTICES AND REPORTS ON WELLS

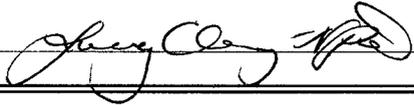
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|---|-------------------------------|---|
| 1. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | | 8. WELL NAME and NUMBER: HANCOCK 5-23-4-1 |
| 2. NAME OF OPERATOR: NEWFIELD PRODUCTION COMPANY | | 9. API NUMBER: 4304750947 |
| 3. ADDRESS OF OPERATOR: Route 3 Box 3630 | CITY Myton STATE UT ZIP 84052 | 10. FIELD AND POOL, OR WILDCAT: MYTON/TRIBAL EDA |
| 4. LOCATION OF WELL: FOOTAGES AT SURFACE: | | COUNTY: UINTAH |
| OTR/OTR. SECTION. TOWNSHIP. RANGE. MERIDIAN: , 23, T4S, R1W | | STATE: UT |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|---|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARITLY 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 FLAIR |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of Work Completion: 06/29/2010 | <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/STOP) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: - Weekly Status Report |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
The above subject well was completed on 06-29-10, attached is a daily completion status report.

| | |
|---|--------------------------------|
| NAME (PLEASE PRINT) Lucy Chavez-Naupoto | TITLE Administrative Assistant |
| SIGNATURE  | DATE 07/01/2010 |

(This space for State use only)

RECEIVED
JUL 06 2010
DIV. OF OIL, GAS & MINING

Daily Activity Report

Format For Sundry

HANCOCK 5-23-4-1

4/1/2010 To 8/30/2010

6/17/2010 Day: 1

Completion

Rigless on 6/17/2010 - Ran CBL & shot 1st stage. SIWFN w/ 171 BWTR. - NU frac head & Cameron BOP's. RU Hot oiler & test casing, frac head, frac valves & BOP to 4500 psi. RU WLT w/ mast & pack off tool. Run CBL under pressure. WLTD was 7164' w/ TOC @ 170'. RIH w/ 3 1/8" ported guns & perforate CP5 sds @ 6675- 81' w/ (11 gram, .36"EH, 16.82 \pm pen. 120 $^{\circ}$) 3 spf for total of 18 shots. RD WLT & Hot Oiler. SIFN w/ 171 BWTR.

Daily Cost: \$0

Cumulative Cost: \$12,353

6/21/2010 Day: 2

Completion

Leed #731 on 6/21/2010 - Frac, perforate & flowback well. - Frac & perforate well as detailed. 1677 BWTR. Open well for immediate flowback @ approx 3 BPM. Well flowed for 4 hours & died. Recovered approx 580 bbls. 1097 BWTR.

Daily Cost: \$0

Cumulative Cost: \$79,750

6/23/2010 Day: 3

Completion

Leed #731 on 6/23/2010 - PU tbg, drill out plugs & start swabbing. - MIRUSU. Check pressure on well, 225 psi. Bleed pressure off to pit. ND frac BOPs & wellhead. NU production wellhead & BOPs. Talley & PU 4 3/4" chomp bit, bit sub & 2 7/8" J-55 8rd EUE tbg. Tag plug @ 5160'. RU drill equipment. Drill out plug in 15 min. Continue PU tbg & tag plug @ 6470'. Drill out plug in 20 min. Continue PU tbg & tag plug @ 6570'. Drill out plug in 20 min. Continue PU tbg & tag fill @ 7184'. Clean out to PBSD @ 7192'. Circulate well clean. LD 3-jts tbg. RU swab equipment. Made 3 runs w/ SFL @ 800' & EFL @ 1200'. Recovered 50 bbls ending w/ trace of gas, no oil & no sand. SWIFN. 1327 BWTR.

Daily Cost: \$0

Cumulative Cost: \$87,887

6/24/2010 Day: 4

Completion

Leed #731 on 6/24/2010 - Continue swabbing & start out of hole w/ tbg. - Check pressure on well, 100 psi tbg & csg. RU swab equipment. Made 10- swab runs w/ SFL @ 1900' & EFL @ 3400'. Recovered 100 bbls ending w/ trace of oil & gas, no show of sand. RD swab equipment. PU 3- jts tbg & clean out 1' of sand. Circualte well clean. LD 16- jts tbg. TOOH w/ 64- jts tbg. Rig broke down. SWIFN. 1227 BWTR.

Daily Cost: \$0

Cumulative Cost: \$129,199

6/26/2010 Day: 5

Completion

Leed #731 on 6/26/2010 - Round trip tbg. - Work on rig from 7:00 am - 12:00 pm. Check pressure on well, 150 psi csg & 50 psi tbg. Bleed pressure off well. Tbg was flowing oil. Pump 30 BW down tbg. TOOH w/ tbg & LD BHA. TIH w/ production tbg as detailed. Pump 20 BW

down tbg during TIH due to oil flowing. Set TA @ 6655' w/ 17,000#s tension. ND BOPs. NU wellhead. Flush tbg w/ 30 BW. SWIFN.

Daily Cost: \$0

Cumulative Cost: \$136,104

6/29/2010 Day: 6

Completion

Leed #731 on 6/29/2010 - PU rods & PWOP - Check pressure on well, 0 psi tbg & 50 psi csg. PU & prime Central Hydraulic 2 1/2" X 1 1/2" X 20' X 24' RHAC rod pump. PU rods as detailed. Fill tbg w/ 2 BW & stroke test pump to 800 psi. RU pumping unit. PWOP @ 3:00 PM w/ 122" SL & 5 SPM. 1229 BWTR. **Finalized**

Daily Cost: \$0

Cumulative Cost: \$172,668

Pertinent Files: [Go to File List](#)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: Oil Well Gas Well Dry Other
 b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resvr.,
 Other: _____

5. Lease Serial No.
FEE

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator
NEWFIELD EXPLORATION COMPANY

8. Lease Name and Well No.
HANCOCK 5-23-4-1

3. Address: 1401 17TH ST. SUITE 1000 DENVER, CO 80202
 3a. Phone No. (include area code): (435)646-3721

9. AFI Well No.
43-047-50947

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

10. Field and Pool or Exploratory
MONUMENT BUTTE

At surface 1752' FNL & 767' FWL (SW/NW) SEC. 23, T4S, R1W

11. Sec., T., R., M., on Block and
Survey or Area
SEC. 23, T4S, R1W

At top prod. interval reported below

12. County or Parish

At total depth 7255'

13. State
UT

14. Date Spudded: 05/19/2010
 15. Date T.D. Reached: 06/09/2010
 16. Date Completed: 06/28/2010
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
5056' GL5068' KB

18. Total Depth: MD 7255' TVD
 19. Plug Back T.D.: MD 7192' TVD
 20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
DUAL IND GRD, SP, COMP. DENSITY, COMP. NEUTRON, GR, CALIPER, CMT BOND

22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit report)
 Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sks. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|-------------|-------------|----------|-------------|----------------------|------------------------------|-------------------|-------------|---------------|
| 12-1/4" | 8-5/8" J-55 | 24# | 0 | 369' | | 180 CLASS G | | | |
| 7-7/8" | 5-1/2" J-55 | 15.5# | 0 | 7252' | | 320 PRIMLITE | | 170' | |
| | | | | | | 450 50/50 POZ | | | |

24. Tubing Record

| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|--------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|
| 2-7/8" | EOT@ 6752' | TA @ 6656' | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|----------------|-----|--------|---------------------|------|-----------|--------------|
| A) Green River | | | 6675-6681' CP5 | .36" | 3 | 18 |
| B) Green River | | | 6520-6530' CP3 | .34" | 3 | 30 |
| C) Green River | | | 6412-6441' CP1 CP2 | .34" | 3 | 18 |
| D) Green River | | | 5079-5086' GB6 | .36" | 3 | 21 |

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

| Depth Interval | Amount and Type of Material |
|----------------|--|
| 6675-6681' | Frac w/ 29081#'s 20/40 sand in 245 bbls of Lightning 17 fluid. |
| 6520-6530' | Frac w/ 23535#'s 20/40 sand in 208 bbls of Lightning 17 fluid. |
| 6412-6441' | Frac w/ 29841#'s 20/40 sand in 250 bbls of Lightning 17 fluid. |
| 5079-5086' | Frac w/ 29138#'s 20/40 sand in 229 bbls of Lightning 17 fluid. |

28. Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|---------------------------------------|
| 6-27-10 | 7-7-10 | 24 | → | 76 | 32 | 48 | | | 2-1/2" x 1-1/2" x 20' x 24' RHAC Pump |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | | | | | PRODUCING | |

28a. Production - Interval B

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | | | | | | |

*(See instructions and spaces for additional data on page 2)

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28b. Production - Interval C

| | | | | | | | | | |
|---------------------|----------------------|--------------|----------------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate → | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |

28c. Production - Interval D

| | | | | | | | | | |
|---------------------|----------------------|--------------|----------------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate → | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |

29. Disposition of Gas (Solid, used for fuel, vented, etc.)

USED FOR FUEL

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

GEOLOGICAL MARKERS

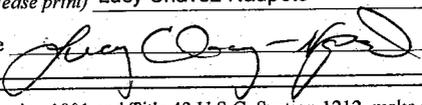
| Formation | Top | Bottom | Descriptions, Contents, etc. | Name | Top |
|-----------|-----|--------|------------------------------|---------------------------------------|----------------|
| | | | | | Meas. Depth |
| | | | | GARDEN GULCH MRK GARDEN GULCH 1 | 4502' 4695' |
| | | | | GARDEN GULCH 2 POINT 3 | 4816' 5113' |
| | | | | X MRKR Y MRKR | 5330' 5362' |
| | | | | DOUGALS CREEK MRK BI CARBONATE MRK | 5500' 5801' |
| | | | | B LIMESTON MRK CASTLE PEAK | 5905' 6351' |
| | | | | BASAL CARBONATE WASATCH | 6747' 6869' |

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)
 Geologic Report
 DST Report
 Directional Survey
 Sundry Notice for plugging and cement verification
 Core Analysis
 Other: Drilling Daily Activity

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Lucy Chavez-Naupoto Title Administrative Assistant
 Signature  Date 07/14/2010

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.

Daily Activity Report

Format For Sundry

HANCOCK 5-23-4-1**4/1/2010 To 8/30/2010****HANCOCK 5-23-4-1****Waiting on Cement****Date:** 5/28/2010

Ross #29 at 369. Days Since Spud - @ 15.8ppg and 1.17 yield, returned 4 bbls cement back to pit - On 5-19-10 Ross # 29 spud and drilled 365' of 12 1/4" hole, P/U and run 8 jts of 8 5/8" J55,24#,STC - casing set @ 369.16' KB, On 5-31-10 Cemented w/ BJ w/ 180 sks of class G +2%Kcl +.25#CF mixed - BLM and State were notified via email.

Daily Cost: \$0**Cumulative Cost:** \$44,815**HANCOCK 5-23-4-1****Fishing****Date:** 6/4/2010

NDSI #1 at 434. 1 Days Since Spud - Pick up 7 DC - tag @ 326' - Drill out shoe from 326' to 443' - Bit stopped drilling and hanging up - Trip out of hole - check bit and mud motor - bit chipped up - Something down hole - Trip in hole w/ Magnent - pulled pieces of metal looks like parts of csg shoe - Pick up Mud motor and Monel - change out Extreme tools - Surface csg @ 1500 PSI - test good - R/U B&C quicktest Test Kelly,safty valve,choke manifold,Pipe and blind rams @ 2000 PSI - MIRU W/Jones Trucking - Wait on fisherman

Daily Cost: \$0**Cumulative Cost:** \$72,017**HANCOCK 5-23-4-1****Drill 7 7/8" hole with fresh water****Date:** 6/5/2010

NDSI #1 at 2082. 2 Days Since Spud - Mill and made 8' - Trip out lay down Mill - Lay down 6 jts DP and pick DC back up and Trip in hole w/ Tri cone bit - Drill from 463' to 769' w/ Tri cone no torque - Hole seems to be clean - Trip out of hole - Trip in hole with PDC bit and test Extreme tool - Drill 7 7/8" hole from 769' to 2082' - Trip in w/Mill and junk basket

Daily Cost: \$0**Cumulative Cost:** \$110,012**HANCOCK 5-23-4-1****Drill 7 7/8" hole with fresh water****Date:** 6/6/2010

NDSI #1 at 4240. 3 Days Since Spud - Drill 7 7/8"hole f/ 2646' to 4240' w/20 WOB,GPM 360,RPM 120, ROP 83 - Drill 7 7/8"hole f/ 2082' to 2646' w/20 WOB,GPM 360,RPM 120, ROP 125 - Rig service funtion test pipe rams and crownomatic

Daily Cost: \$0**Cumulative Cost:** \$155,515**HANCOCK 5-23-4-1****Drill 7 7/8" hole with fresh water****Date:** 6/7/2010

NDSI #1 at 5900. 4 Days Since Spud - Drill 7 7/8"hole f/ 4240' to 4556' w/20 WOB,GPM 350,RPM 126, ROP 90 - Rig service funtion test pipe rams and crownomatic - Drill 7 7/8"hole f/ 4556' to 5900' w/20 WOB,GPM 338,RPM 125, ROP 68

Daily Cost: \$0**Cumulative Cost:** \$175,678

HANCOCK 5-23-4-1**Lay Down Drill Pipe/BHA****Date:** 6/8/2010

NDSI #1 at 7255. 5 Days Since Spud - Work on mud pump change out swab - Drill 7 7/8"hole f/ 6368' to 7218' w/20 WOB,GPM 345,RPM 130, ROP 78 - Rig service function test pipe rams and crownomatic - 6233' 12' - Drill 7 7/8"hole f/ 5898' to 6368' w/20 WOB,GPM 338,RPM 125, ROP 75 slid @6143' 12'- Slid @ - Circulate for logs - Lay down DP - Drill 7 7/8"hole f/ 7218' to 7255' w/20 WOB,GPM 345,RPM 130, ROP 100 TD

Daily Cost: \$0**Cumulative Cost:** \$190,156**HANCOCK 5-23-4-1****Wait on Completion****Date:** 6/9/2010

NDSI #1 at 7255. 6 Days Since Spud - Nipple down set 5.5 csg slips w/ 110,000# tention - Mixed @ 14.4 ppg yeild @ 1.24 return 1 bbls to pit Bump plug to 2700 psi - yield @ 3.54 Then tail of 450 sk 50:50:2+3%KCL+0.5%EC-1+.25# SK CF+.05#SF+.3SMS+FP-6L - CMT w/BJ Pump 320 sks PL II +3% KCL +5#CSE+0.5#CF+2#KOL+.5SMS+FP+SF mixed @ 11ppg - Circulate csg w/rig pump - R/U QTI csg run 166jt 5.5 15.5# j-55 LTC-tag -GS set @ 7251.83' KB -FC set @ 7194.79' KB - R/U Quicktest - test csg rams @ 2000psi - Loggers TD 7241' - R/U Halliburton run GR/SP/DIL suite TD to surface- Litho-den/NP/GR/CAL suite TD to 3000' - Lay down DP,BHA and Extreme tools - Clean Mud tanks - Tear down - Release rig @6:00 pm on 6/9/10 **Finalized**

Daily Cost: \$0**Cumulative Cost:** \$335,735

Pertinent Files: Go to File List

STATE OF UTAH
 DIVISION OF OIL, GAS AND MINING
 ENTITY ACTION FORM - FORM 6

OPERATOR: NEWFIELD PRODUCTION COMPANY
 ADDRESS: RT. 3 BOX 3630
 MYTON, UT 84052

OPERATOR ACCT. NO. N2695

| ACTION CODE | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER | WELL NAME | WELL LOCATION | | | | | SPUD DATE | EFFECTIVE DATE |
|---|--------------------|----------------|--------------------------|--------------------------------|---------------|----|----|----------|--------------------|-----------|----------------|
| | | | | | QQ | SC | TP | RG | COUNTY | | |
| B | 99999 | 17400 | 4301350111 | MON BUTTE EAST ST H-36-8-16 | SWNE | 36 | 8S | 16E | DUCHESNE | 5/21/2010 | 6/7/10 |
| WELL 1 COMMENTS: GRRV BHL = N WNE | | | | | | | | | | | |
| A | 99999 | 17627 | 4304739334 | UTE TRIBAL 16-29-4-1E | SESE | 29 | 4S | 1E | UINTAH | 5/17/2010 | 6/7/10 |
| GRRV | | | | | | | | | | | |
| B | 99999 | 17400 | 4304740534 4304740411 | CASTLE DRAW ST N-2-9-17 | NENW | 2 | 9S | 17E | surface UINTAH | 5/19/2010 | 6/7/10 |
| GRRV BHL = SENW Duchesne Co Sec 2 T9S RTE | | | | | | | | | | | |
| A | 99999 | 17628 | 4304739333 | UTE TRIBAL 12-26-4-1E | NWSW | 29 | 4S | 1E | UINTAH | 5/20/2010 | 6/7/10 |
| GRRV | | | | | | | | | | | |
| A | 99999 | 17629 | 4304750947 | HANCOCK 5-23-4-1 | SWNW | 23 | 4S | 1W 1E | UINTAH | 5/19/2010 | 6/7/10 |
| WELL 5 COMMENTS: GRRV | | | | | | | | | | | |
| B | 99999 | 17400 | 4301334071 | BLACKJACK N-33-8-17 | NWSW | 33 | 8S | 17E | Duchesne UINTAH | 5/7/2010 | 6/7/10 |
| WELL 5 COMMENTS: GRRV BHL = NWSW | | | | | | | | | | | |

ACTION CODES (See instructions on back of form)
 A - new entity for new well (single well only)
 B - well to existing entity (group or unit well)
 C - from one existing entity to another existing entity
 D - well from one existing entity to a new entity
 E - other (explain in comments section)

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Signature: *Jay Hill*
 Production Clerk: Jentri Park
 Date: 05/20/10

NOTE: Use COMMENT section to explain why each Action Code was selected.