

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

FORM 3

AMENDED REPORT

<b>APPLICATION FOR PERMIT TO DRILL</b>				<b>1. WELL NAME and NUMBER</b> Hancock 4-23-4-1		
<b>2. TYPE OF WORK</b> DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>				<b>3. FIELD OR WILDCAT</b> MONUMENT BUTTE		
<b>4. TYPE OF WELL</b> Oil Well      Coalbed Methane Well: NO				<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>		
<b>6. NAME OF OPERATOR</b> NEWFIELD PRODUCTION COMPANY				<b>7. OPERATOR PHONE</b> 435 646-4825		
<b>8. ADDRESS OF OPERATOR</b> Rt 3 Box 3630 , Myton, UT, 84052				<b>9. OPERATOR E-MAIL</b> mcrozier@newfield.com		
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b> Fee		<b>11. MINERAL OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>		<b>12. SURFACE OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>		
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b> Henderson Ranches LLC				<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>		
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b> RR3 Box 3671, ,				<b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>		
<b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>		<b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b> YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>		<b>19. SLANT</b> VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>		
<b>20. LOCATION OF WELL</b>	<b>FOOTAGES</b>	<b>QTR-QTR</b>	<b>SECTION</b>	<b>TOWNSHIP</b>	<b>RANGE</b>	<b>MERIDIAN</b>
<b>LOCATION AT SURFACE</b>	684 FNL 391 FWL	NWNW	23	4.0 S	1.0 W	U
<b>Top of Uppermost Producing Zone</b>	684 FNL 391 FWL	NWNW	23	4.0 S	1.0 W	U
<b>At Total Depth</b>	684 FNL 391 FWL	NWNW	23	4.0 S	1.0 W	U
<b>21. COUNTY</b> UINTAH		<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 391		<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 40		
		<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 1444		<b>26. PROPOSED DEPTH</b> MD: 6585 TVD: 6585		
<b>27. ELEVATION - GROUND LEVEL</b> 5032		<b>28. BOND NUMBER</b> B001834		<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> 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

<b>NAME</b> Mandie Crozier	<b>TITLE</b> Regulatory Tech	<b>PHONE</b> 435 646-4825
<b>SIGNATURE</b>	<b>DATE</b> 03/05/2010	<b>EMAIL</b> mcrozier@newfield.com
<b>API NUMBER ASSIGNED</b> 43047509860000	<b>APPROVAL</b>   Permit Manager	

**Proposed Hole, Casing, and Cement**

<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>		
Prod	7.875	5.5	0	6585		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	Grade J-55 LT&C	6585	15.5			

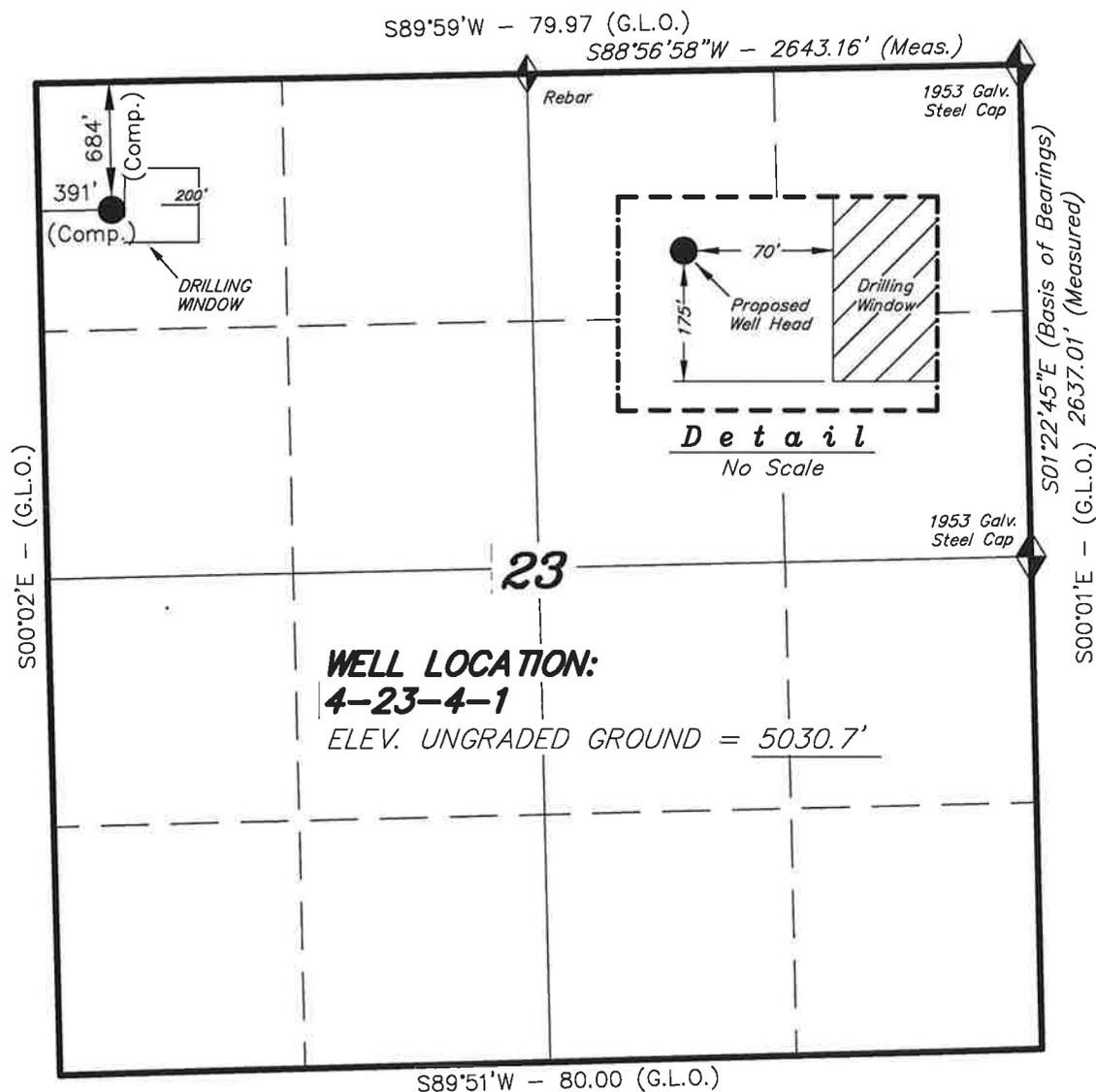
**Proposed Hole, Casing, and Cement**

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

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

## NEWFIELD EXPLORATION COMPANY

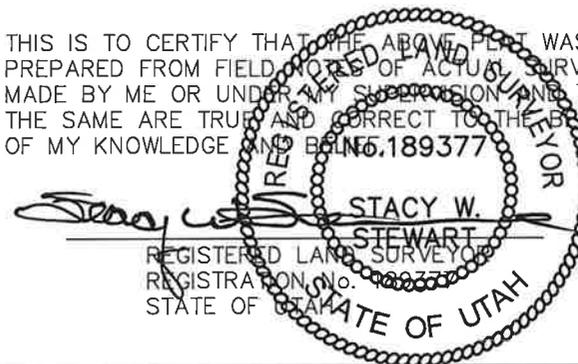
WELL LOCATION, 4-23-4-1, LOCATED AS SHOWN IN THE NW 1/4 NW 1/4 OF SECTION 23, T4S, R1W, U.S.B.&M. UTAH COUNTY, UTAH.



**Note:**

1. The Proposed Well head bears S72°00'55"W 2349.72' from the North 1/4 Corner of Section 23.

THIS IS TO CERTIFY THAT THE ABOVE PLAN 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.



**WELL LOCATION:**

**4-23-4-1**

ELEV. UNGRADED GROUND = 5030.7'

**4-23-4-1**  
**(Surface Location) NAD 83**  
LATITUDE = 40° 07' 33.08"  
LONGITUDE = 109° 58' 18.01"

◆ = SECTION CORNERS LOCATED

BASIS OF ELEV; Elevations are base on LOCATION: an N.G.S. OPUS Correction. LAT. 40°04'09.56" LONG. 110°00'43.28" (Tristate Aluminum Cap) Elev. 5281.57'

### TRI STATE LAND SURVEYING & CONSULTING

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

DATE SURVEYED: 03-11-10	SURVEYED BY: S.V.
DATE DRAWN: 03-12-10	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 22nd day of February 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 1001 Seventeenth Street, Suite 2000, Denver, Colorado 80202, covering certain lands, (the "Lands") situated in Uintah County, Utah described as follows:

Township 4 South, Range 1 West  
Section 23: NWNW  
(4-23-4-1, approx. 1.5 acres plus approx. 50ft 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 February 22nd, 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 24<sup>th</sup> day of February, 2010 by **Wayne Henderson and Moreen Henderson**

Witness my hand and official seal.

My commission expires 9/8/2013

  
\_\_\_\_\_  
Notary Public  


STATE OF UTAH )  
 )ss  
COUNTY OF Duchesne )

This instrument was acknowledged before me this 24<sup>th</sup> day of February, 2010 by **Lance Henderson and Julie Henderson**

Witness my hand and official seal.

My commission expires 9/8/2013

  
\_\_\_\_\_  
Notary Public  


STATE OF UTAH )  
 )ss  
COUNTY OF Duchesne )

This instrument was acknowledged before me this 24<sup>th</sup> day of February, 2010 by **Tommy Henderson and Billie Henderson**

Witness my hand and official seal.

My commission expires 9/8/2013

  
\_\_\_\_\_  
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.

My commission expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public

NEWFIELD PRODUCTION COMPANY  
HANCOCK 4-23-4-1  
NW/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 – 1,675'
Green River	1,675'
Wasatch	6,585'

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

Green River Formation (Oil) 1,675' – 6,585'

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 <sub>3</sub> ) (mg/l)
Dissolved Bicarbonate (NaHCO <sub>3</sub> ) (mg/l)	Dissolved Chloride (Cl) (mg/l)
Dissolved Sulfate (SO <sub>4</sub> ) (mg/l)	Dissolved Total Solids (TDS) (mg/l)

4. **PROPOSED CASING PROGRAM**

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

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'	6,585'	15.5	J-55	LTC	4,810	4,040	217,000
						2.30	1.93	2.13

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 4-23-4-1**

Job	Fill	Description	Sacks	OH Excess*	Weight (ppg)	Yield (ft <sup>3</sup> /sk)
			ft <sup>3</sup>			
Surface casing	350'	Class G w/ 2% CaCl	161	30%	15.8	1.17
			188			
Prod casing Lead	4,585'	Prem Lite II w/ 10% gel + 3% KCl	317	30%	11.0	3.26
1033						
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  $\pm 350$  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  $\pm 350$  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 PBTD 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 third quarter of 2010, and take approximately seven (7) days from spud to rig release.

# 2-M SYSTEM

Blowout Prevention Equipment Systems

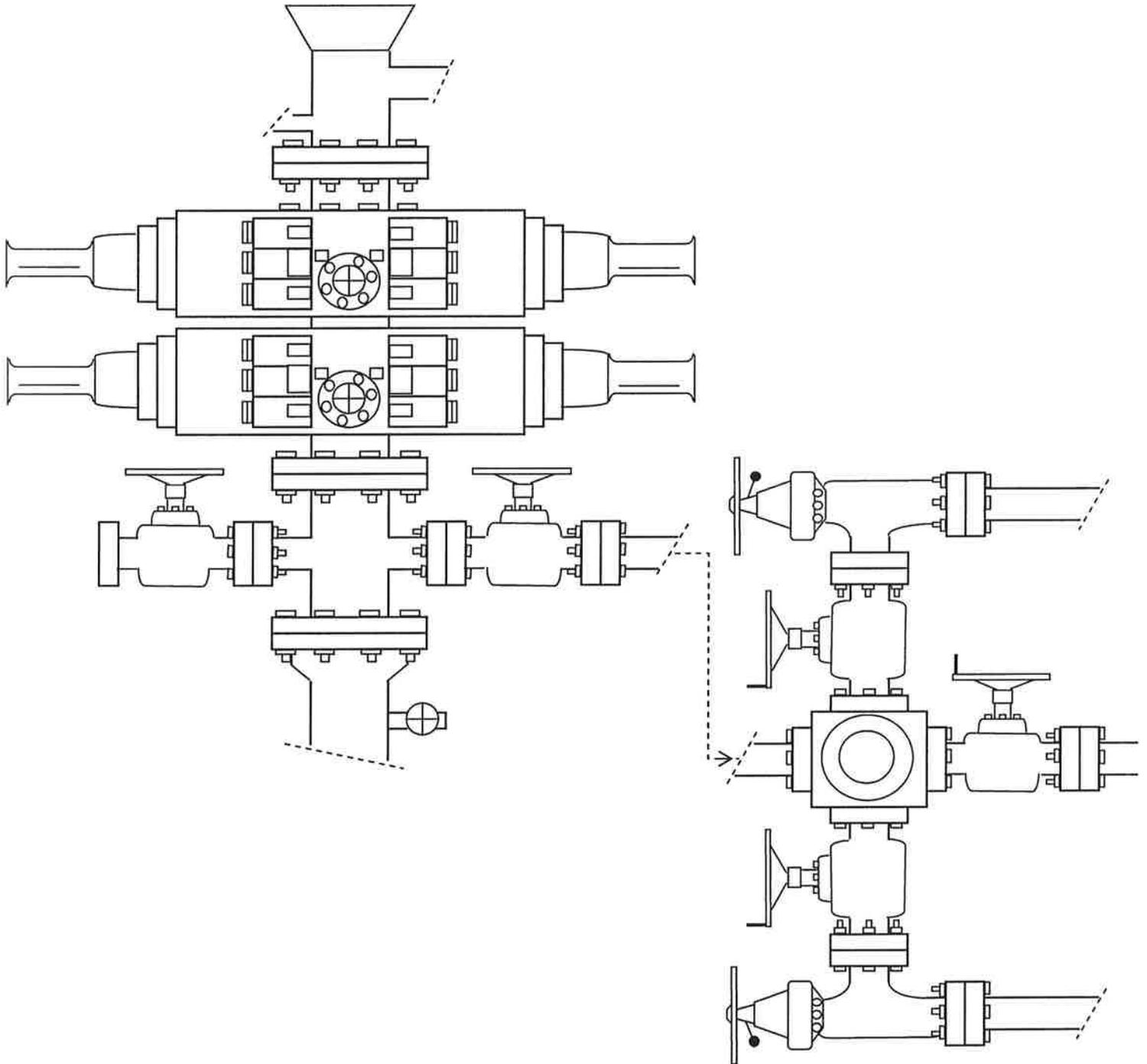
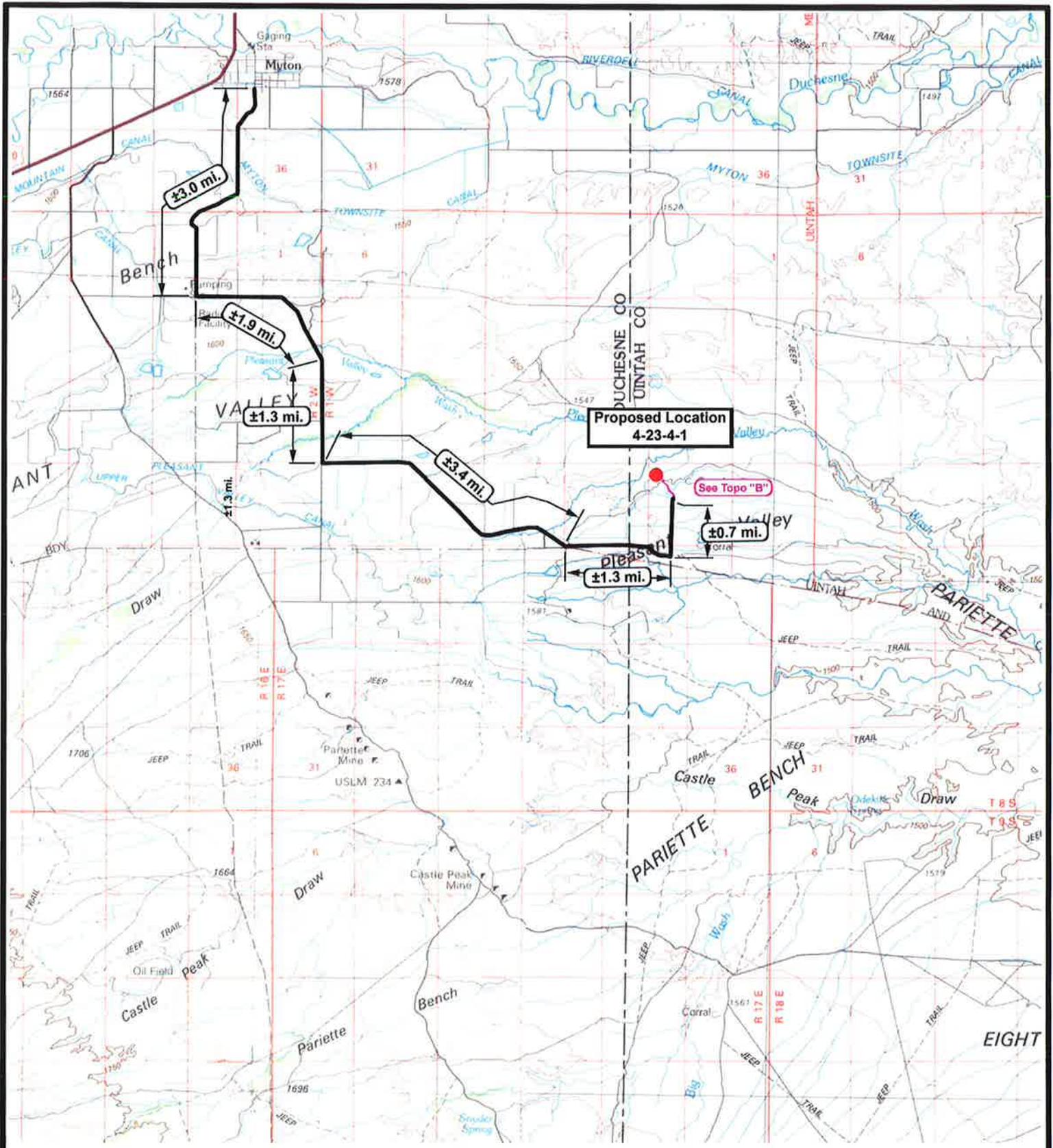


EXHIBIT C



**NEWFIELD**  
Exploration Company

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



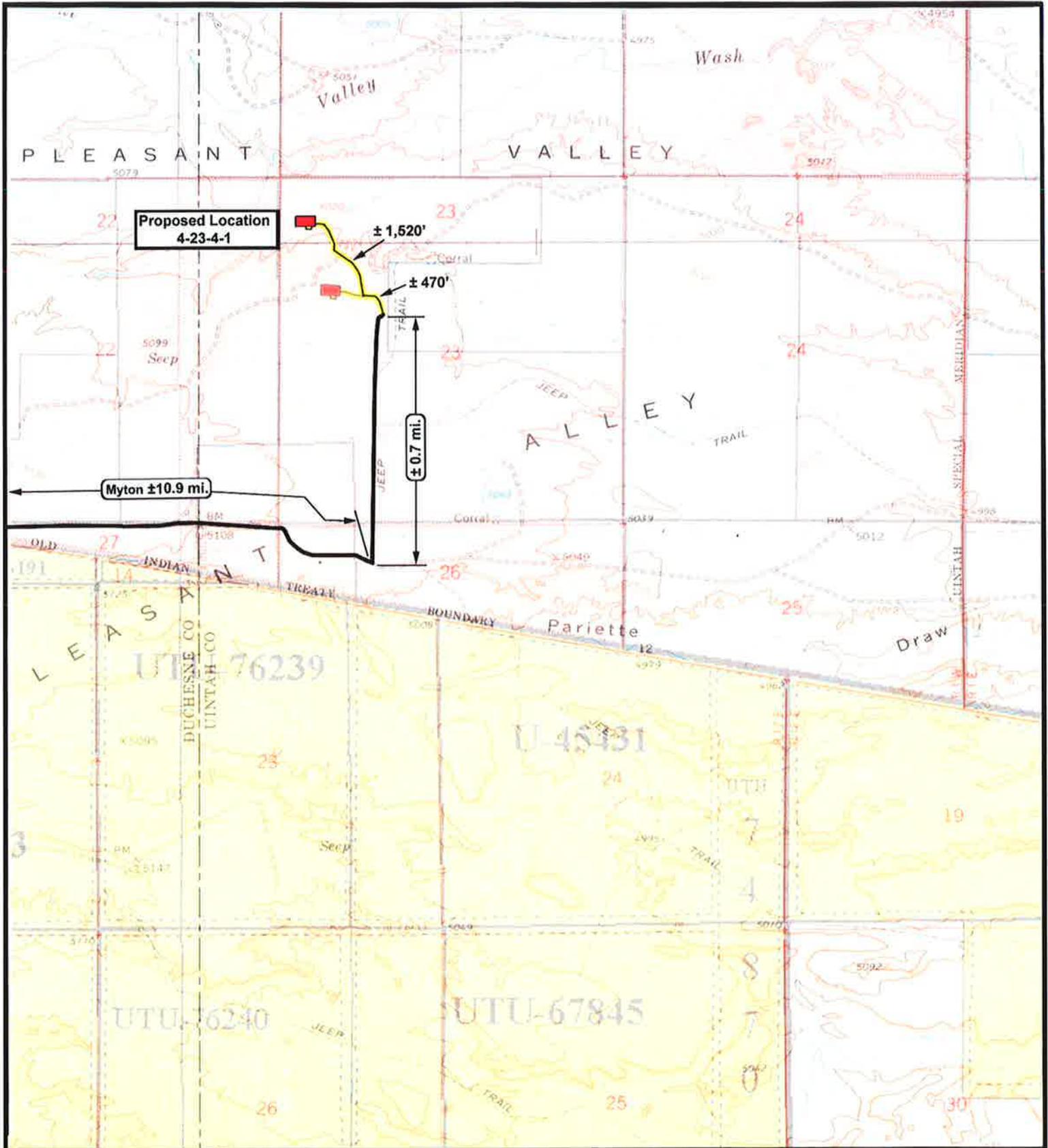
**Tri-State**  
Land Surveying Inc.  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

**SCALE: 1 : 100,000**  
**DRAWN BY: mw**  
**DATE: 03-17-2010**

**Legend**

- Existing Road
- Proposed Access

**TOPOGRAPHIC MAP**  
**"A"**




**NEWFIELD**  
Exploration Company

**4-23-4-1**  
**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: 03-17-2010**

**Legend**

- Existing Road
- Proposed Access

**TOPOGRAPHIC MAP**

**"B"**







NEWFIELD PRODUCTION COMPANY  
HANCOCK 4-23-4-1  
NW/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 4-23-4-1 located in the NW¼ 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 1,990' 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 1,990' 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 1520' 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 1520' 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 Archaeological 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 4-23-4-1, 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 4-23-4-1 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 #4-23-4-1, NW/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.

4/12/10  
Date

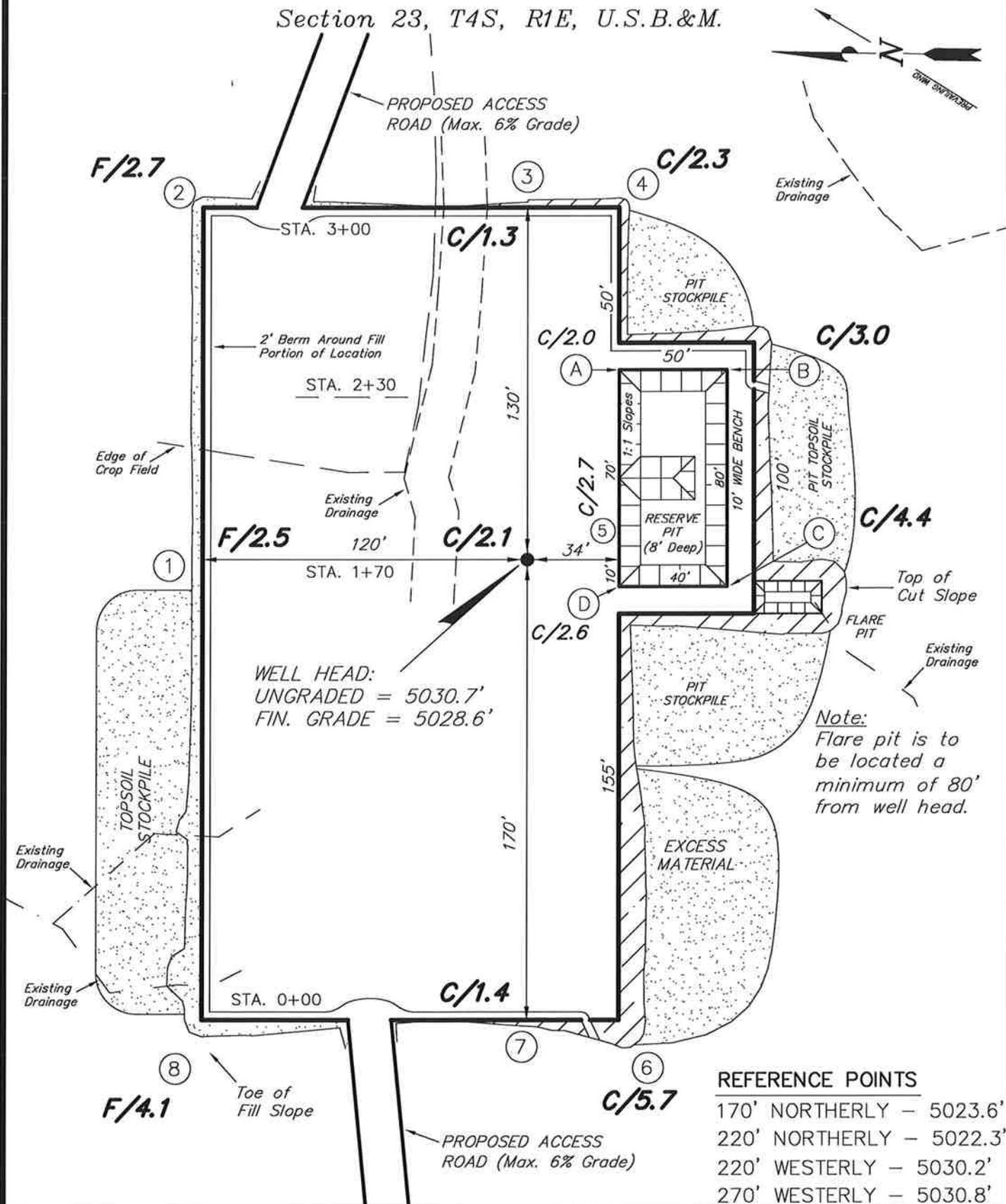
  
Mandie Crozier  
Regulatory Specialist  
Newfield Production Company

# NEWFIELD EXPLORATION COMPANY

## LOCATION LAYOUT

4-23-4-1

Section 23, T4S, R1E, U.S.B.&M.



WELL HEAD:  
UNGRADED = 5030.7'  
FIN. GRADE = 5028.6'

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

**REFERENCE POINTS**

- 170' NORTHERLY - 5023.6'
- 220' NORTHERLY - 5022.3'
- 220' WESTERLY - 5030.2'
- 270' WESTERLY - 5030.8'

SURVEYED BY: S.V.	DATE SURVEYED: 03-11-10
DRAWN BY: M.W.	DATE DRAWN: 03-12-10
SCALE: 1" = 50'	REVISED:

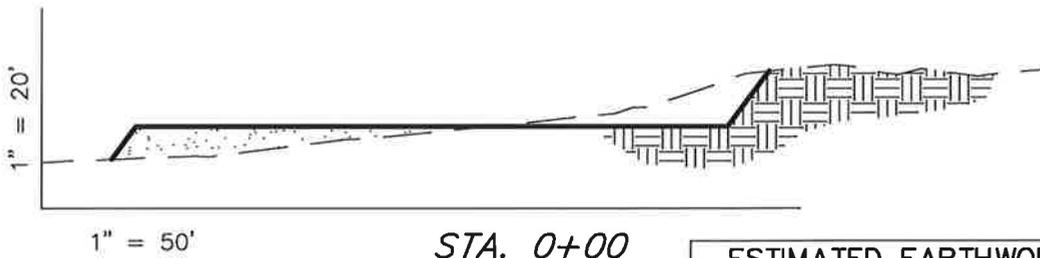
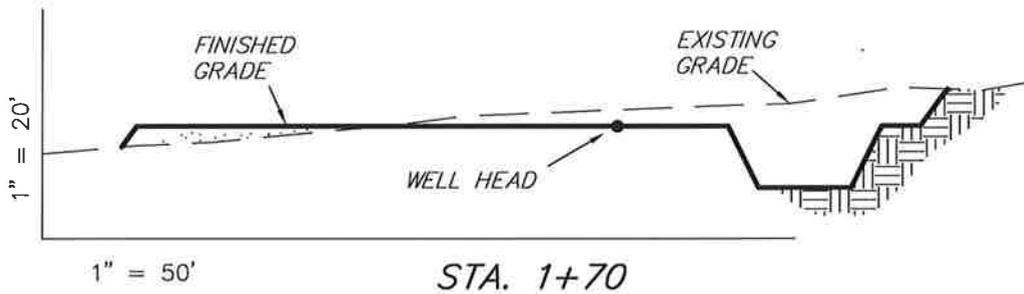
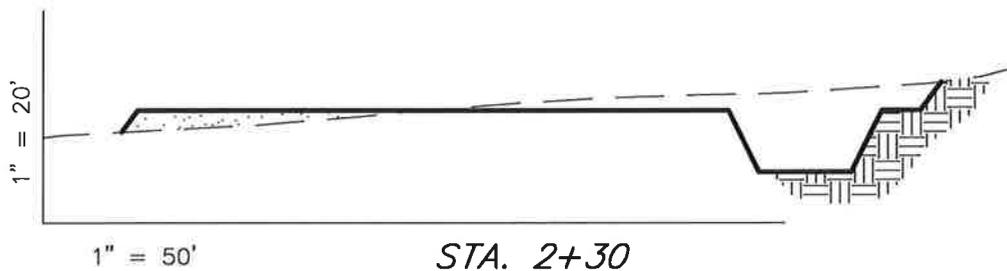
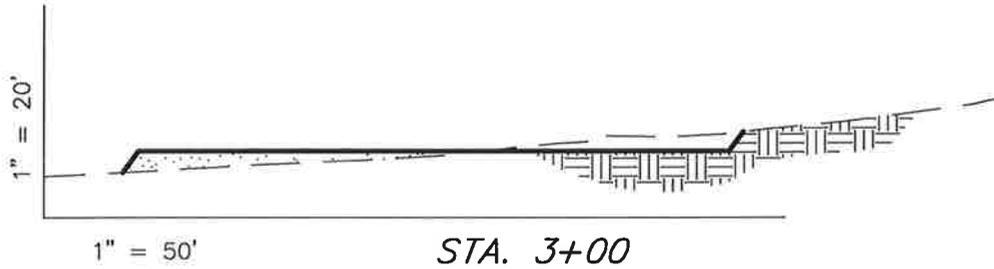
**Tri State** (435) 781-2501  
**Land Surveying, Inc.**  
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

# NEWFIELD EXPLORATION COMPANY

## CROSS SECTIONS

4-23-4-1

Section 23, T4S, R1E, U.S.B.&M.



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	2,130	2,120	Topsoil is not included in Pad Cut	10
PIT	640	0		640
TOTALS	2,770	2,120	1,070	650

SURVEYED BY: S.V.	DATE SURVEYED: 03-11-10
DRAWN BY: M.W.	DATE DRAWN: 03-12-10
SCALE: 1" = 50'	REVISED:

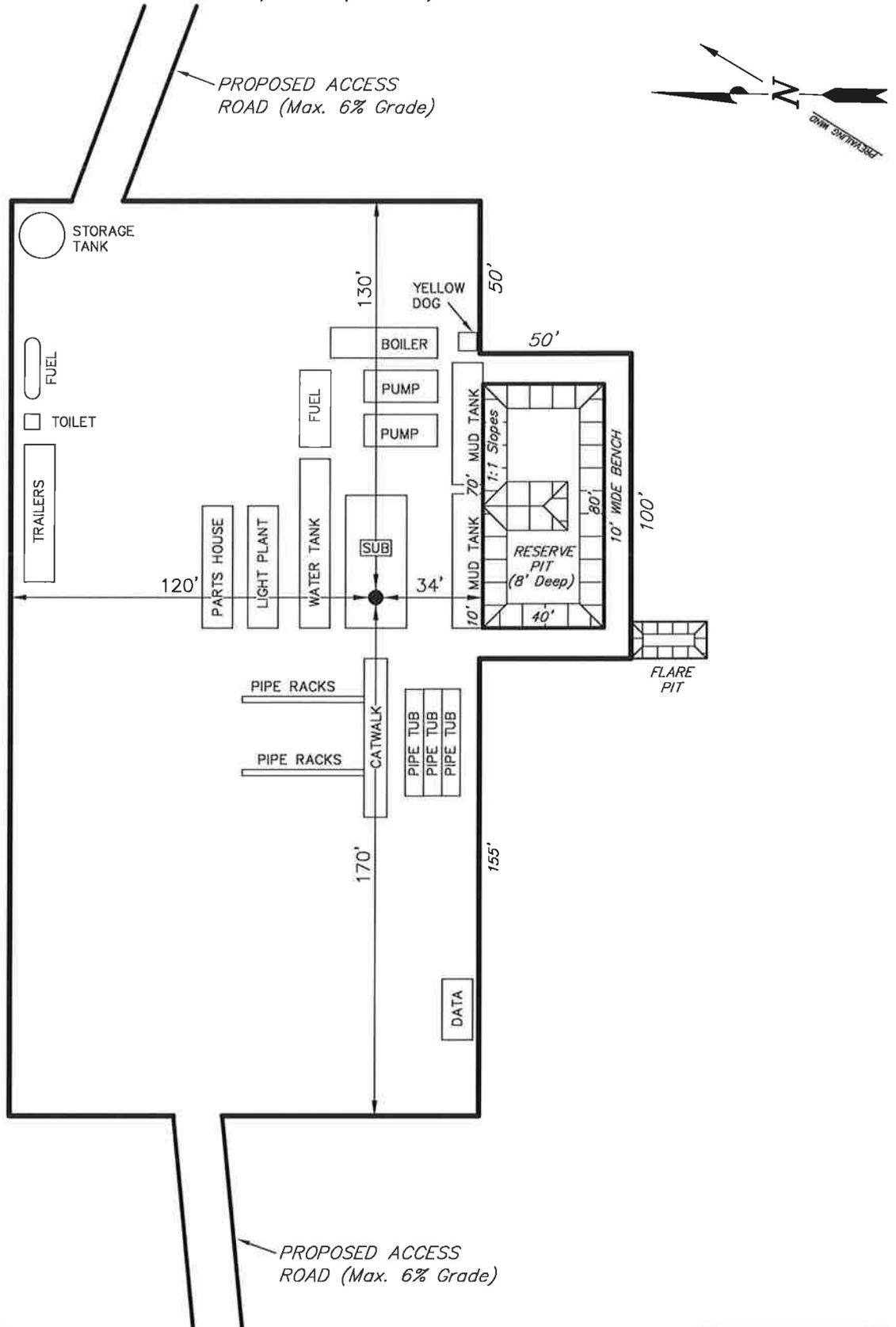
**Tri State** (435) 781-2501  
Land Surveying, Inc.  
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

# NEWFIELD EXPLORATION COMPANY

## TYPICAL RIG LAYOUT

4-23-4-1

Section 23, T4S, R1E, U.S.B.&M.



SURVEYED BY: S.V.	DATE SURVEYED: 03-11-10
DRAWN BY: M.W.	DATE DRAWN: 03-12-10
SCALE: 1" = 50'	REVISED:

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

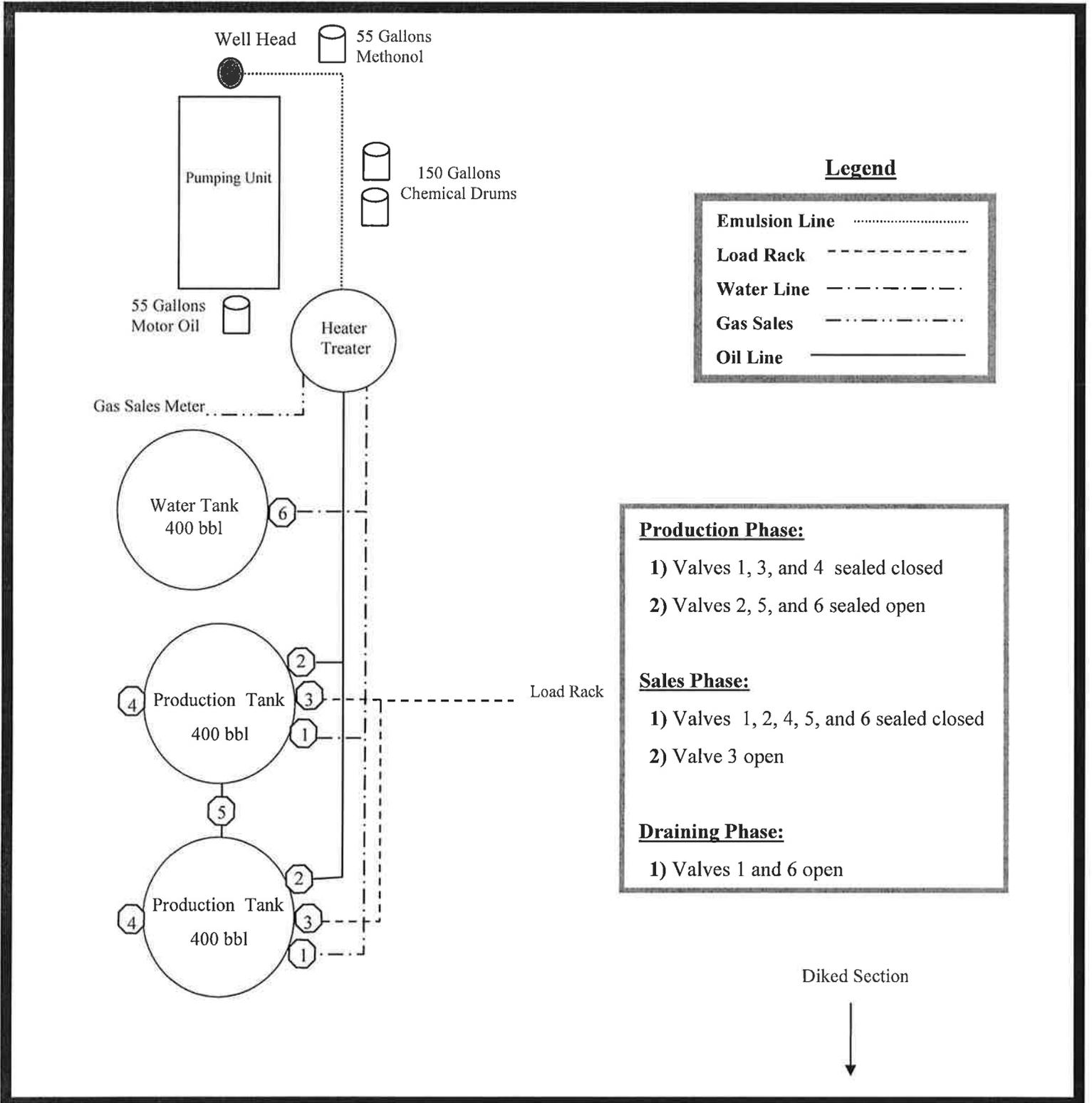
# Newfield Production Company Proposed Site Facility Diagram

Hancock 4-23-4-1

NW/NW Sec. 23, T4S, R1W

Uintah County, Utah

FEE



**EXHIBIT D**

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

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 2/22/2010 between the above said private land owner and Newfield Production. This waiver hereby releases Newfield Production Company from this request.

 2-24-10  
Wayne Henderson      Date  
Private Surface Owner

 2-25-10  
Dave Allred      Date  
Newfield Production Company

# NEWFIELD



Route #3 Box 3630  
Myton, Utah 84052  
(435) 646-4825, FAX: (435) 646-3031

April 12, 2010

State of Utah  
Division of Oil, Gas & Mining  
Attn: Diana Mason  
1594 West North Temple - Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill  
**Hancock 4-23-4-1**

Dear Diana:

The above mentioned location is an **Exception Location**. Our Land Department will send you the required exception location letter. If you have any questions, feel free to give either Tim Eaton or myself a call.

Sincerely,

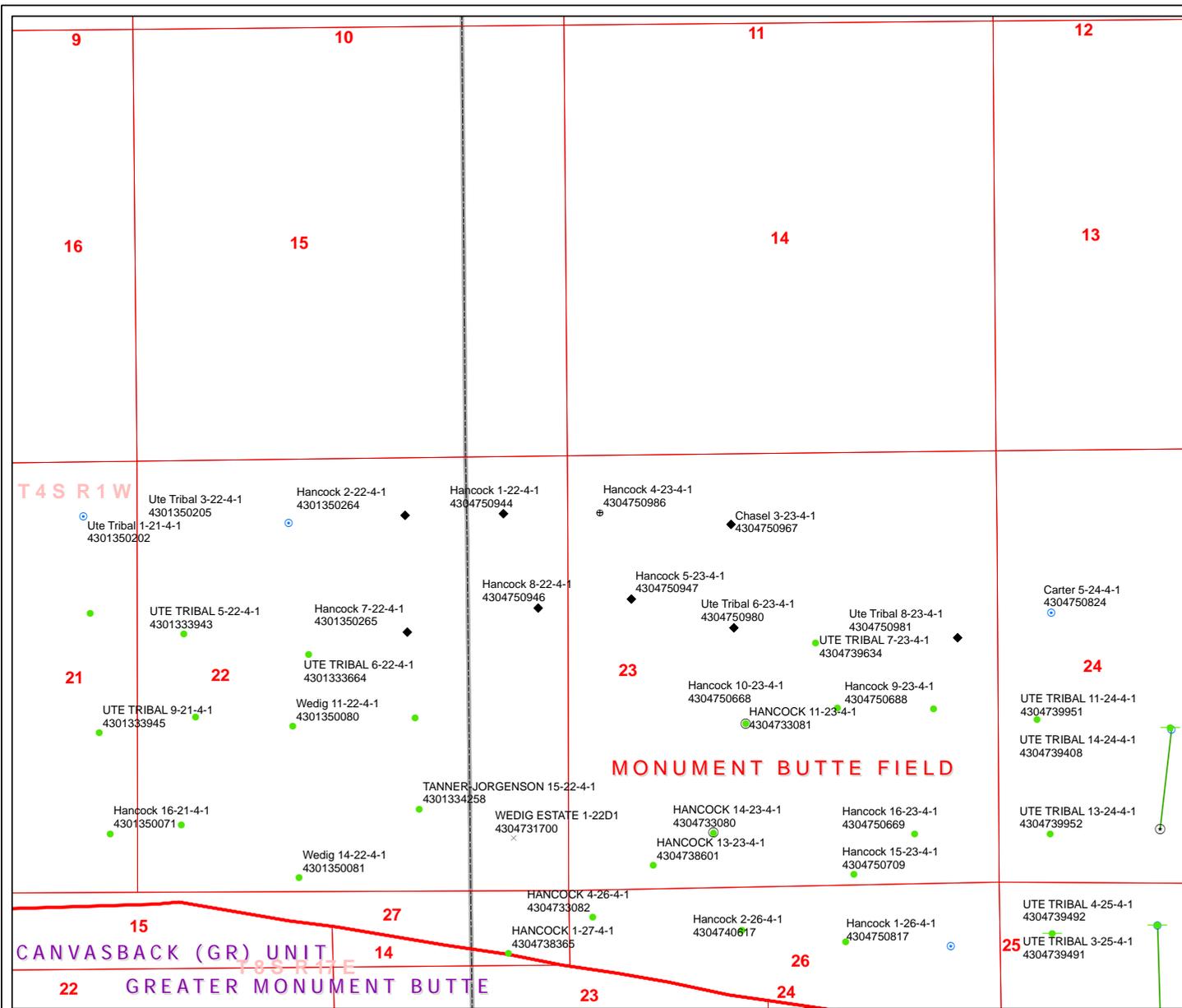
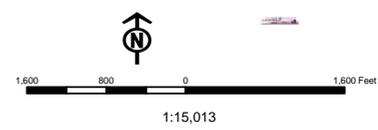
A handwritten signature in blue ink that reads "Mandie Crozier". The signature is fluid and cursive.

Mandie Crozier  
Regulatory Specialist

**API Number: 4304750986**  
**Well Name: Hancock 4-23-4-1**  
**Township 04.0 S Range 01.0 W Section 23**  
**Meridian: UBM**  
 Operator: NEWFIELD PRODUCTION COMPANY

Map Prepared:  
 Map Produced by Diana Mason

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



Well Name	NEWFIELD PRODUCTION COMPANY Hancock 4-23-4-1 43047509860000		
String	Surf	Prod	
Casing Size(")	8.625	5.500	
Setting Depth (TVD)	350	6585	
Previous Shoe Setting Depth (TVD)	0	350	
Max Mud Weight (ppg)	8.4	8.4	
BOPE Proposed (psi)	500	2000	
Casing Internal Yield (psi)	2950	4810	
Operators Max Anticipated Pressure (psi)	2851	8.3	

Calculations	Surf String	8.625	"
Max BHP (psi)	$.052 * \text{Setting Depth} * \text{MW} =$	153	
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
MASP (Gas) (psi)	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	111	YES      Air drill
MASP (Gas/Mud) (psi)	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	76	YES      OK
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	76	NO      Reasonable depth
Required Casing/BOPE Test Pressure=		350	psi
*Max Pressure Allowed @ Previous Casing Shoe=		0	psi    *Assumes 1psi/ft frac gradient

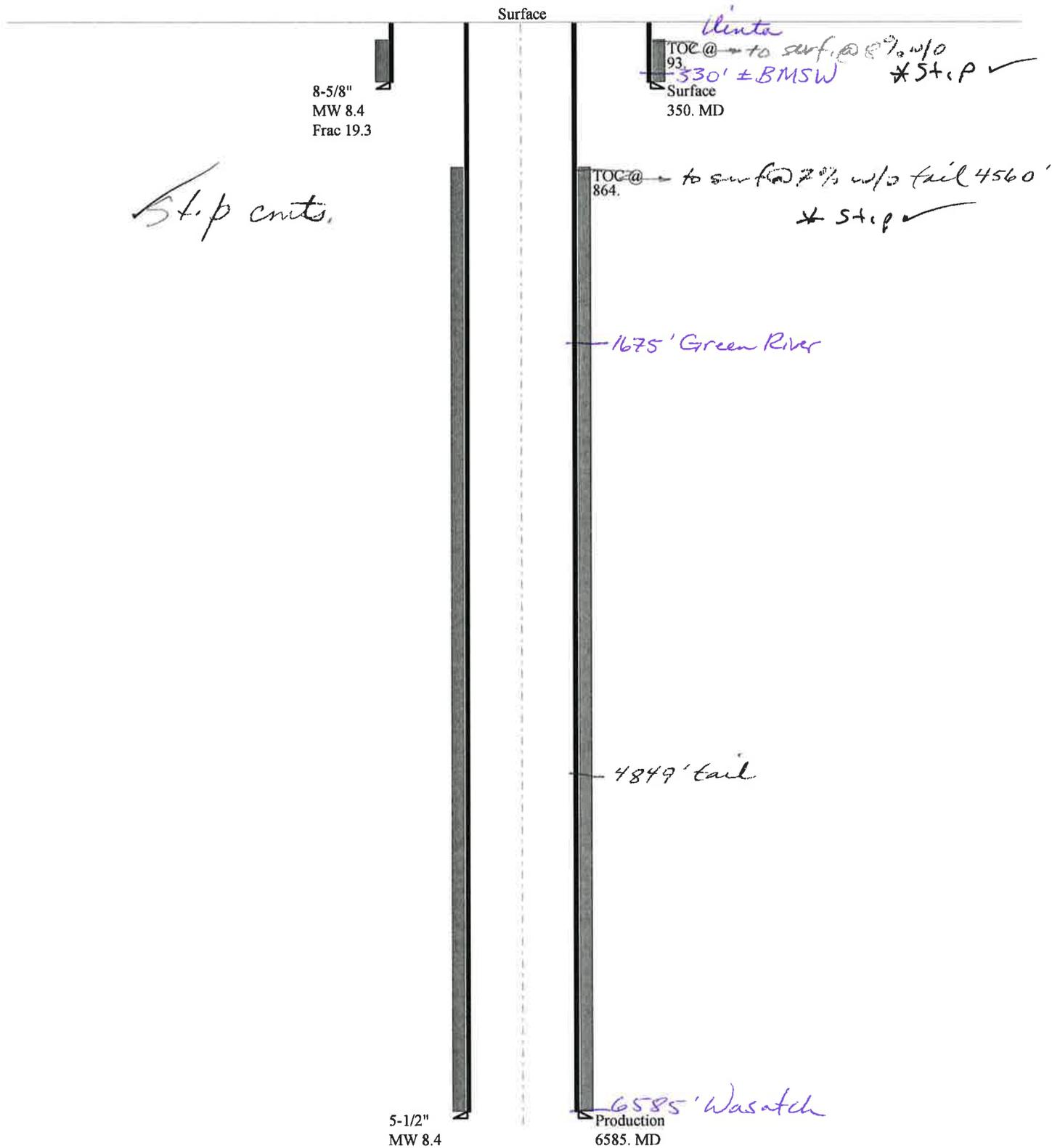
Calculations	Prod String	5.500	"
Max BHP (psi)	$.052 * \text{Setting Depth} * \text{MW} =$	2876	
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
MASP (Gas) (psi)	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	2086	NO
MASP (Gas/Mud) (psi)	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	1427	YES      OK
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	1504	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)	$.052 * \text{Setting Depth} * \text{MW} =$		
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
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
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
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)	$.052 * \text{Setting Depth} * \text{MW} =$		
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
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
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
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

# 43047509860000 Hancock 4-23-4-1

## Casing Schematic



Well name:	<b>43047509860000 Hancock 4-23-4-1</b>		
Operator:	<b>NEWFIELD PRODUCTION COMPANY</b>		
String type:	Surface	Project ID:	43-047-50986
Location:	UINTAH COUNTY		

**Design parameters:**

**Collapse**

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

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 80 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 350 ft  
 Cement top: 93 ft

**Burst**

Max anticipated surface pressure: 308 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP 350 psi

No backup mud specified.

**Tension:**

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

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

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 6,585 ft  
 Next mud weight: 8.400 ppg  
 Next setting BHP: 2,873 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	153	1370	8.970	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: April 28, 2010  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 350 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	<b>43047509860000 Hancock 4-23-4-1</b>		
Operator:	<b>NEWFIELD PRODUCTION COMPANY</b>		
String type:	Production	Project ID:	43-047-50986
Location:	UINTAH COUNTY		

**Design parameters:**

**Collapse**

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

**Burst**

Max anticipated surface pressure: 1,425 psi  
 Internal gradient: 0.220 psi/ft  
 Calculated BHP: 2,873 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: 5,748 ft

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 167 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,000 ft

Cement top: 864 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	6585	5.5	15.50	J-55	LT&C	6585	6585	4.825	23252
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	2873	4040	1.406	2873	4810	1.67	102.1	217	2.13 J

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

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

Date: April 28, 2010  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 6585 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.



June 2, 2010

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

2446

RE: Exception Location  
**Hancock 4-23-4-1**  
T4S R1W, Section 23: NWNW  
684' FNL 391' 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 70' west 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.

The location is less than 460' from acreage owned by NPC and John Chasel. A copy of 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](mailto:awild@newfield.com). Your consideration of this matter is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Wild".

Alan Wild  
Land Associate

Attachment

RECEIVED

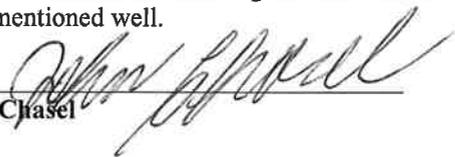
JUN 08 2010

DIV. OF OIL, GAS & MINING

Attn: Alan Wild  
Newfield Production Company  
[awild@newfield.com](mailto:awild@newfield.com)  
303-685-8098 fax

RE: Exception Location  
**Hancock 4-23-4-1**  
T4S R1W, Section 23: NWNW  
684' FNL 391' 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: \_\_\_\_\_



# ON-SITE PREDRILL EVALUATION

## Utah Division of Oil, Gas and Mining

<b>Operator</b>	NEWFIELD PRODUCTION COMPANY				
<b>Well Name</b>	Hancock 4-23-4-1				
<b>API Number</b>	43047509860000	<b>APD No</b>	2446	<b>Field/Unit</b>	MONUMENT BUTTE
<b>Location: 1/4,1/4</b>	NWNW	<b>Sec</b> 23	<b>Tw</b> 4.0S	<b>Rng</b> 1.0W	684 FNL 391 FWL
<b>GPS Coord (UTM)</b>	587720 4442008	<b>Surface Owner</b>	Henderson Ranches LLC		

**Participants**

Floyd Bartlett (DOGM), Tim Eaton (Newfield), Dustin Gardiner (Tri-State Land Surveying).

**Regional/Local Setting & Topography**

Site shows evidence of surface water table. Will be relocated.

The proposed location is approximately 12 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 50 feet of new construction across Henderson’s private land will be required to reach the location.

The proposed site for the Hancock 4-23-4-1 oil well was pre-sited on March 9, 2010. At that time it was determined that the pad area had too high of a water table. It was resurveyed and moved about 110 feet to the west and 64 feet to the north to a better site. The new site is outside the normal drilling window. The pad will be located in an east to west direction beyond the toe of a slope which lies to the south. A shallow wide swale runs northerly thru the location and will be filled during construction. As planned, the pad extends to the edge of a wheel-line irrigated field. This system will be replaced with a pivot system, which will miss the pad. A drainage to the south of the pad should be reestablished as needed when the reserve pit is closed. 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
- Wildlife Habitat

<b>New Road Miles</b>	<b>Well Pad</b>	<b>Src Const Material</b>	<b>Surface Formation</b>
0.01	<b>Width</b> 204 <b>Length</b> 305	Onsite	UNTA

**Ancillary Facilities** N

**Waste Management Plan Adequate?**

**Environmental Parameters**

**Affected Floodplains and/or Wetlands** Y  
 Elevated water table in area.

**Flora / Fauna**

Vegetation includes kochia weed, coyote willow, cat-tails, greasewood, aster, tamarix rabbitbrush, bull rush, annual weeds, wiregrass and prickly pear,

Cattle, deer, small mammals and birds.

**Soil Type and Characteristics**

Deep sandy clay loam.

**Erosion Issues N**

**Sedimentation Issues N**

**Site Stability Issues N**

**Drainage Diverson Required? Y**

A drainage to the south of the pad should be reestablished as needed when the reserve pit is closed.

**Berm Required? Y**

**Erosion Sedimentation Control Required? N**

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

**Reserve Pit**

**Site-Specific Factors**

**Site Ranking**

<b>Distance to Groundwater (feet)</b>		20	
<b>Distance to Surface Water (feet)</b>	300 to 1000	2	
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0	
<b>Distance to Other Wells (feet)</b>	>1320	0	
<b>Native Soil Type</b>	Mod permeability	10	
<b>Fluid Type</b>	Fresh Water	5	
<b>Drill Cuttings</b>	Normal Rock	0	
<b>Annual Precipitation (inches)</b>		0	
<b>Affected Populations</b>			
<b>Presence Nearby Utility Conduits</b>	Not Present	0	
	<b>Final Score</b>	37	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

4/6/2010  
Date / Time

# Application for Permit to Drill Statement of Basis

6/8/2010

## Utah Division of Oil, Gas and Mining

Page 1

<b>APD No</b>	<b>API WellNo</b>	<b>Status</b>	<b>Well Type</b>	<b>Surf Owner</b>	<b>CBM</b>
2446	43047509860000	LOCKED	OW	P	No
<b>Operator</b>	NEWFIELD PRODUCTION COMPANY		<b>Surface Owner-APD</b>	Henderson Ranches LLC	
<b>Well Name</b>	Hancock 4-23-4-1		<b>Unit</b>		
<b>Field</b>	MONUMENT BUTTE		<b>Type of Work</b>	DRILL	
<b>Location</b>	NWNW 23 4S 1W U 684 FNL 391 FWL		GPS Coord (UTM)	587678E	4442025N

### 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**

4/26/2010  
**Date / Time**

### Surface Statement of Basis

The proposed location is approximately 12 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 50 feet of new construction across Henderson's private land will be required to reach the location.

The proposed site for the Hancock 4-23-4-1 oil well was pre-sited on March 9, 2010. At that time it was determined that the pad area had too high of a water table. It was resurveyed and moved about 110 feet to the west and 64 feet to the north to a better site. The new site is outside the normal drilling window. The pad will be located in an east to west direction beyond the toe of a slope which lies to the south. A shallow wide swale runs northerly thru the location and will be filled during construction. As planned, the pad extends to the edge of a wheel-line irrigated field. This system will be replaced with a pivot system, which will miss the pad. A drainage to the south of the pad should be reestablished as needed when the reserve pit is closed. 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 Henderson was near the site doing farm work. He stated that they were in agreement with the relocated site. The minerals are FEE owned by another party and under lease to Newfield Production Company.

Floyd Bartlett  
**Onsite Evaluator**

4/6/2010  
**Date / Time**

### Conditions of Approval / Application for Permit to Drill

<b>Category</b>	<b>Condition</b>
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# Application for Permit to Drill Statement of Basis

6/8/2010

**Utah Division of Oil, Gas and Mining**

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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.
Surface	The well site shall be bermed to prevent fluids from leaving the pad.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

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**APD RECEIVED:** 3/5/2010

**API NO. ASSIGNED:** 43047509860000

**WELL NAME:** Hancock 4-23-4-1

**OPERATOR:** NEWFIELD PRODUCTION COMPANY (N2695)

**PHONE NUMBER:** 435 646-4825

**CONTACT:** Mandie Crozier

**PROPOSED LOCATION:** NWNW 23 040S 010W

**Permit Tech Review:**

**SURFACE:** 0684 FNL 0391 FWL

**Engineering Review:**

**BOTTOM:** 0684 FNL 0391 FWL

**Geology Review:**

**COUNTY:** UINTAH

**LATITUDE:** 40.12588

**LONGITUDE:** -109.97099

**UTM SURF EASTINGS:** 587678.00

**NORTHINGS:** 4442025.00

**FIELD NAME:** MONUMENT BUTTE

**LEASE TYPE:** 4 - Fee

**LEASE NUMBER:** Fee

**PROPOSED PRODUCING FORMATION(S):** GREEN RIVER

**SURFACE OWNER:** 4 - Fee

**COALBED METHANE:** NO

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**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

**Commingle 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 - bhll  
5 - Statement of Basis - bhll  
8 - Cement to Surface -- 2 strings - hmacdonald  
23 - Spacing - dmason



**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 4-23-4-1  
**API Well Number:** 43047509860000  
**Lease Number:** Fee  
**Surface Owner:** FEE (PRIVATE)  
**Approval Date:** 6/8/2010

**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).

Cement volumes for the 5 1/2" and 8 5/8" casing strings shall be determined from actual hole

diameters in order to place cement from the pipe setting depths back 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:**



Acting Associate Director, Oil & Gas

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> Fee
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Oil Well	<b>8. WELL NAME and NUMBER:</b> Hancock 4-23-4-1
<b>2. NAME OF OPERATOR:</b> NEWFIELD PRODUCTION COMPANY	<b>9. API NUMBER:</b> 43047509860000
<b>3. ADDRESS OF OPERATOR:</b> Rt 3 Box 3630 , Myton, UT, 84052	<b>PHONE NUMBER:</b> 435 646-4825 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0684 FNL 0391 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 23 Township: 04.0S Range: 01.0W Meridian: U	<b>9. FIELD and POOL or WILDCAT:</b> MONUMENT BUTTE  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 6/25/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> 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"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> 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 Production requests to amend the proposed depth for the Hancock 4-23-4-1 from 6585' to 6835'. The new proposed depth will be 250' deeper than originally permitted. This change is necessary to give enough space for the rathole to complete the Basab 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:** June 29, 2010  
**By:** *Derek [Signature]*

<b>NAME (PLEASE PRINT)</b> Mandie Crozier	<b>PHONE NUMBER</b> 435 646-4825	<b>TITLE</b> Regulatory Tech
<b>SIGNATURE</b> N/A	<b>DATE</b> 6/25/2010	

Spud

BLM - Vernal Field Office - Notification Form

Operator Newfield Exploration

Rig Name/# Ross #29

Submitted By Mitch Benson

Phone Number (435) 823-5885

Name/Numer HANCOCK 4-23-4-1

Qtr/Qrt NW/NW Section 23 Township 4S Range 1W

Lease Serial Number Fee

API Number 43-047-50986

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

Date/Time 7/1/2010 8:00:00 AM

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

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

Date/Time 7/1/2010 4:00:00 PM

Remarks:

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

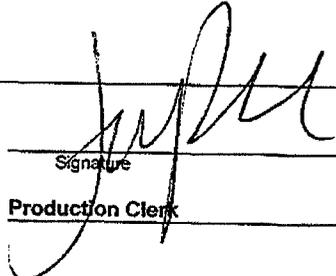
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	99999	17400 ✓	4301350210	GREATER MONUMENT BUTTE C-1-9-16	SESW	36	8	16E	DUCHESNE	6/25/2010	7/26/10
WELL 1 COMMENTS: GRRU BHL = Sec 1 T9S NWNE											
A	99999	17693	4304750986	HANCOCK 4-23-4-1	NWNW	23	4S	1W	UINTAH	7/1/2010	7/26/10
GRRU											
B	99999	17400 ✓	4301350175	GREATER BOUNDARY II FED Q-21-8-17	NWSW	21	8S	17E	DUCHESNE	7/2/2010	7/26/10
GRRU BHL = SWSW											
A	99999	17694	4304750980	UTE TRIBAL 6-23-4-1	SESW	23	4S	1W	UINTAH	7/3/2010	7/26/10
GRRU											
A	99999	17695	4304750945	HANCOCK 9-24-4-1	NESE	24	4S	1W	UINTAH	7/4/2010	7/26/10
WELL 5 COMMENTS: GRRU											
A	99999	17696	4301350271	UTE TRIBAL 2-19-4-1	NWNE	19	4S	1W	DUCHESNE	7/6/2010	7/26/10
WELL 5 COMMENTS: GRRU											

- ACTION CODES (See Instructions on back of form)
- A - 1 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)

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

RECEIVED  
 JUL 19 2010

DIV OF OIL GAS & MINING

  
 Signature \_\_\_\_\_ Jentri Park  
 Production Clerk \_\_\_\_\_  
 Date 07/19/10

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

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**FEE**

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL  GAS WELL  OTHER

8. WELL NAME and NUMBER:  
**HANCOCK 4-23-4-1**

2. NAME OF OPERATOR:  
**NEWFIELD PRODUCTION COMPANY**

9. API NUMBER:  
**4304750986**

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

10. FIELD AND POOL, OR WILDCAT:  
**MYTON-TRIBAL EDA**

4. LOCATION OF WELL:  
FOOTAGES AT SURFACE:  
  
OTR/OTR. SECTION. TOWNSHIP. RANGE. MERIDIAN: NWNW, 23, T4S, R1W

COUNTY: **UINTAH**  
  
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  <hr/>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of Work Completion:  <u>07/03/2010</u>	<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 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 7-1-10 MIRU ROSS spud rig #29. Drill 400' of 12 1/4" hole with air mist. TIH W/9 Jt's 8 5/8" J-55 24# csgn. Set @ 398.42'. On 7-3-10 Cement with 200 sks of Class "G" w/ 2% CaCL+ 1/4# Cello Flake. Mixed @ 15.8 ppg> 1.17 cf/sk yeild. Returned 5 bbls cement to pit.

NAME (PLEASE PRINT) Xabier Lasa

TITLE Drilling Foreman

SIGNATURE Tommy Wells for Xabier Lasa

DATE 07/05/2010

(This space for State use only)

**RECEIVED**

**JUL 20 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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL  GAS WELL  OTHER

8. WELL NAME and NUMBER:  
HANCOCK 4-23-4-1

2. NAME OF OPERATOR:  
NEWFIELD PRODUCTION COMPANY

9. API NUMBER:  
4304750986

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

PHONE NUMBER  
435.646.3721

10. FIELD AND POOL, OR WILDCAT:  
MYTON-TRIBAL EDA

4. LOCATION OF WELL:  
FOOTAGES AT SURFACE: 0684 FNL 0391 FWL

COUNTY: UINTAH

OTR/OTR. SECTION. TOWNSHIP. RANGE. MERIDIAN: NWNW, 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of Work Completion: 07/27/2010	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLAIR
	<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 07/27/10, attached is a daily completion status report.

NAME (PLEASE PRINT) Lucy Chavez-Naupoto

TITLE Administrative Assistant

SIGNATURE *Lucy Chavez-Naupoto*

DATE 08/02/2010

(This space for State use only)

**RECEIVED**

**AUG 11 2010**

**DIV OF OIL, GAS & MINING**

## Daily Activity Report

Format For Sundry

**HANCOCK 4-23-4-1**

**5/1/2010 To 9/30/2010**

**7/16/2010 Day: 1**

**Completion**

Rigless on 7/16/2010 - Run CBL & perforate stage #1 - Install 5m frac head. NU 6" 5K Cameron BOP. RU H/O truck & pressure test casing, blind rams, frac head, csg & casing valves to 4500 psi. RU Perforators LLC WLT w/ mast & run CBL under pressure. WLTD @ 7034' & cement top @ 240'. Perforate stage #1, CP5 sds @ (6692'-98) w/ 3 1/8" Port plug guns ( 11 gram .36" EH 16.82" pen) w/ 3 spf for total of 18 shots. RD H/O truck & The Perforators WLT & mast. Wait on frac crew

**Daily Cost:** \$0

**Cumulative Cost:** \$12,301

**7/20/2010 Day: 2**

**Completion**

Rigless on 7/20/2010 - Frac & perforate 3 stages. - Frac & perforate first 3 stages as detailed. While running in with plug & last gun run, the plug got stuck @ 4890'. Could not get free. Set plug & POOH w/ perf gun. Open well for immediate flowback @ approx 3 BPM. Well flowed 2 1/2 hours & died. Recovered approx 360 bbls. 1283 BWTR.

**Daily Cost:** \$0

**Cumulative Cost:** \$37,316

**7/22/2010 Day: 3**

**Completion**

Leed #731 on 7/22/2010 - MIRUSU. PU tbg & drill out plug @ 4890'. - MIRUSU. NU pipe rams & wash head. Talley & PU 4 3/4" chomp bit, bit sub & 155- jts 2 7/8" J-55 6.5# 8rd EUE tbg. RU power swivel. Drill out plug @ 4890' in 20 min. PU 24- jts tbg to 5600'. TOO H w/ 139- jts tbg. SWIFN.

**Daily Cost:** \$0

**Cumulative Cost:** \$87,146

**7/24/2010 Day: 4**

**Completion**

Leed #731 on 7/24/2010 - Perforate, frac & flowback D2 sands. - Check pressure on well, 100 psi csg. Bleed pressure off well. MU BHA & TIH w/tbg. Tag sand @ 5570'. Clean out to plug @ 5600'. Drill out plug in 15 min. Continue PU tbg & tag fill @ 5720'. Clean out to plug @ 5810'. Drill out plug in 20 min. Continue PU tbg & tag plug @ 6600'. Drill out plug in 22 min. Continue PU tbg & tag fill @ 6962'. Clean out to PBTD @ 7072'. Circulate well clean. LD 3- jts tbg. Tbg was flowing @ approx 3 BPM. Recovered 160 bbls ending w/ trace of sand, 10% oil cut & good show of gas. SWIFN. 1503 BWTR. - Check pressure on well, 100 psi csg. Bleed pressure off well. MU BHA & TIH w/tbg. Tag sand @ 5570'. Clean out to plug @ 5600'. Drill out plug in 15 min. Continue PU tbg & tag fill @ 5720'. Clean out to plug @ 5810'. Drill out plug in 20 min. Continue PU tbg & tag plug @ 6600'. Drill out plug in 22 min. Continue PU tbg & tag fill @ 6962'. Clean out to PBTD @ 7072'. Circulate well clean. LD 3- jts tbg. Tbg was flowing @ approx 3 BPM. Recovered 160 bbls ending w/ trace of sand, 10% oil cut & good show of gas. SWIFN. 1503 BWTR. - Check pressure on well, 0 psi tbg & csg. TOO H w/ 40- jts tbg & LD BHA. ND pipe rams & wash head. RU Perforators WLT. RIH & set composit flow through plug @ 5600'. Perforate D2 sand @ 5541-46' & 5531-36' as detailed. Wait for BJ frac crew. RU BJ & frac D2 sands as detailed. Open well for immediate flowback @ approx 3 BPM.

Well flowed for 2 hours & died. Recovered approx 288 bbls. ND frac BOPs & wellhead. NU production wellhead & BOPs. 1663 BWTR. - Check pressure on well, 0 psi tbg & csg. TOOH w/ 40- jts tbg & LD BHA. ND pipe rams & wash head. RU Perforators WLT. RIH & set composite flow through plug @ 5600'. Perforate D2 sand @ 5541-46' & 5531-36' as detailed. Wait for BJ frac crew. RU BJ & frac D2 sands as detailed. Open well for immediate flowback @ approx 3 BPM. Well flowed for 2 hours & died. Recovered approx 288 bbls. ND frac BOPs & wellhead. NU production wellhead & BOPs. 1663 BWTR.

**Daily Cost:** \$0

**Cumulative Cost:** \$168,069

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**7/26/2010 Day: 6**

**Completion**

Leed #731 on 7/26/2010 - Round trip tbg & start PU rods - Check pressure on well, 500 psi tbg & csg. Bleed pressure off well. Pump 40 BW down tbg. Pu 3- jts tbg & tag sand @ 7065'. Clean out to PBTD @ 7072'. Circulate well clean. Circualte well w/ 130 bbls brine. LD 10- jts tbg. TOOH w/ 130- jts tbg. Tongs broke down, wait for new set of tongs. TOOH w/ remaining tbg & LD BHA. TIH w/ production tbg. Set TA @ 6681' w/ 17,000#s tension. RD rig floor. ND BOPs. NU wellhead. Flush tbg w/ 60 BW. PU & prime Central Hydraulic 2 1/2" X 1 1/2" X 24' pump. PU 6- 1 1/2" weight rods, 20- 3/4" guided rods & 60- 3/4" plain rods. SWIFN. 1503 BWTR

**Daily Cost:** \$0

**Cumulative Cost:** \$178,344

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**7/27/2010 Day: 7**

**Completion**

Leed #731 on 7/27/2010 - PU remaining rods. PWOP - Check pressure on well, 50 psi csg & 0 psi tbg. Finish PU rods as detailed. RU pumping unit. Stroke test pump w/ unit to 800 psi. RDMOSU. PWOP @ 11:00 am w/ 122" SL & 5 SPM. 1503 BWTR. **Finalized**

**Daily Cost:** \$0

**Cumulative Cost:** \$207,283

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**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

5. Lease Serial No. FEE

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

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

9. AFI Well No. 43-047-50986

10. Field and Pool or Exploratory MYTON-TRIBAL EDA

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

12. County or Parish UINTAH

13. State UT

14. Date Spudded 07/01/2010

15. Date T.D. Reached 07/09/2010

16. Date Completed 07/26/2010  
 D & A  Ready to Prod.

17. Elevations (DF, RKB, RT, GL)\* 5032' GL 5044' KB

18. Total Depth: MD 7135' TVD

19. Plug Back T.D.: MD 7072' 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	398'		200 CLASS G			
7-7/8"	5-1/2" J-55	15.5#	0	7117'		320 PRIMLITE		240'	
						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@ 6780'	TA @ 6681'						

25. Producing Intervals

Formation	Top	Bottom	Perforation Interval	Size	No. Holes	Perf. Status
A) Green River			6692-6698' CP5	.36"	3	18
B) Green River			6413-6563' CP 1 2 3 4	.36"	3	39
C) Green River			5706-5740' C	.36"	3	42
D) Green River			5531-5546' D2	.36"	3	30

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

Depth Interval	Amount and Type of Material
6692-6698'	Frac w/ 14256#'s 20/40 sand in 124 bbls of Lightning 17 fluid.
6413-6563'	Frac w/ 59843#'s 20/40 sand in 387 bbls of Lightning 17 fluid.
5706-5740'	Frac w/ 80317#'s 20/40 sand in 487 bbls of Lightning 17 fluid.
5531-5546'	Frac w/ 79670#'s 20/40 sand in 485 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
7-26-10	8-6-10	24	→	274	0	44			2-1/2" x 1-1/2" x 26' 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
2-7/8"			→						

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	
			→						

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DIV. OF OIL, GAS & MINING

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

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

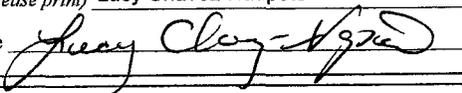
Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				GARDEN GULCH MRK GARDEN GULCH 1	4477' 4666'
				GARDEN GULCH 2 POINT 3	4788' 5080'
				X MRKR Y MRKR	5296' 5328'
				DOUGALS CREEK MRK BI CARBONATE MRK	5464' 5776'
				B LIMESTON MRK CASTLE PEAK	5912' 6335'
				BASAL CARBONATE WASATCH	6731' 6850'

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 08/11/2010

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 4-23-4-1****5/1/2010 To 9/30/2010****HANCOCK 4-23-4-1****Waiting on Cement****Date:** 7/3/2010

Ross #29 at 398. Days Since Spud - On 7-1-10 Ross # 29 spud and drill 400' of 12 1/4" hole, P/U and run 9 jts of 8 5/8", J-55, 24# STC - BLM and State were Notified via email - set @ 398.42', On 7-3-10 cement w/ BJ w/ 200 sks of class G+2%Kcl+.25# CF mixed @ 15.8ppg and 1.17 - yield. Returned 5 bbls back to pit, bump plug to 130psi

**Daily Cost:** \$0**Cumulative Cost:** \$62,642**HANCOCK 4-23-4-1****Drill 7 7/8" hole with fresh water****Date:** 7/5/2010

NDSI #1 at 1798. 1 Days Since Spud - R/U B&C test kelly, pipe&blind rams, choke, Safety valve to 2000#/10min, surface casing 1500#/30 min. - P/U bit, mud motor, monel, extreme tools, and 8 drill collars and tag @ 347' - Drill 7 7/8" hole F/ 347' to 1798' w/ 18K WOB, TRPM-132, GPM-355, Avg ROP-108 ft/hr - No H2S or flow reported in last 24 hours - Move rig, set equipment and rig up

**Daily Cost:** \$0**Cumulative Cost:** \$87,037**HANCOCK 4-23-4-1****Drill 7 7/8" hole with fresh water****Date:** 7/6/2010

NDSI #1 at 3769. 2 Days Since Spud - Drill 7 7/8" hole f/ 2456' to 3769' w/18K WOB, TRPM-130, GPM-330, Avg ROP-82 ft/hr - Rig Service, check crownomatic and BOP - Drill 7 7/8" hole F/ 1798' to 2456' w/ 18K WOB, TRPM-130, GPM-330, Avg ROP-88 ft/hr - NO H2S or flow reported in last 24 hours

**Daily Cost:** \$0**Cumulative Cost:** \$104,799**HANCOCK 4-23-4-1****Drill 7 7/8" hole with fresh water****Date:** 7/7/2010

NDSI #1 at 5240. 3 Days Since Spud - Drill 7 7/8" hole from 4210' to 5240' with 20 klbs WOB, 127 total RPM, and 64 ft/hr avg ROP. - Drill 7 7/8" hole from 3769' to 4210' with 20 klbs WOB, 128 total RPM, and 59 ft/hr avg ROP. - Service rig. Change spacers and clamps on swab rods.

**Daily Cost:** \$0**Cumulative Cost:** \$129,652**HANCOCK 4-23-4-1****Lay Down Drill Pipe/BHA****Date:** 7/8/2010

NDSI #1 at 7135. 4 Days Since Spud - Lay down DP - Drill 7 7/8" hole from 5993' - 7135' with 18 klbs WOB, 120 total RPM, and 87 ft/hr avg ROP. - Rig service function test pipe rams and crownomatic - Drill 7 7/8" hole from 5240' - 5993' with 20 klbs WOB, 132 total RPM, and 83 ft/hr avg ROP. - Circulate for logs

**Daily Cost:** \$0**Cumulative Cost:** \$178,794

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**HANCOCK 4-23-4-1****Wait on Completion****Date:** 7/9/2010

NDSI #1 at 7135. 5 Days Since Spud - Clean Mud tanks - Tear down - Nipple down set 5.5 csg slips w/ 110,000# tension - Mixed @ 14.4 ppg yeild @ 1.24 return 3 bbls to pit Bump plug to 2537 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 - wait on BJ - Release rig @3:30 am on 7/9/10 - R/U Quicktest - test csg rams @ 2000psi - R/U Psi run DISGL/SP/GR suite TD to surface- DSN/SDL/GR/CAL suite TD to 3000' (loggers TD 7132') - Lay down DP and BHA - Pump brine and work on DW chain - Lay down to 4000' - R/U QT csg run 163jt 5.5 15.5# j-55 LTC-tag -GS set @ 7116.63' KB -FC set @ 7059.58' KB **Finalized**

**Daily Cost:** \$0**Cumulative Cost:** \$322,320

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**Pertinent Files: Go to File List**