

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 BW 15-18-7-22 | | |
| 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 UNDESIGNATED | | |
| 4. TYPE OF WELL Gas Well Coalbed Methane Well: NO | | | | 5. UNIT or COMMUNITIZATION AGREEMENT NAME | | |
| 6. NAME OF OPERATOR QEP ENERGY COMPANY | | | | 7. OPERATOR PHONE 303 308-3068 | | |
| 8. ADDRESS OF OPERATOR 11002 East 17500 South, Vernal, Ut, 84078 | | | | 9. OPERATOR E-MAIL debbie.stanberry@questar.com | | |
| 10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU71416 | | 11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> | | 12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> | | |
| 13. NAME OF SURFACE OWNER (if box 12 = 'fee') | | | | 14. SURFACE OWNER PHONE (if box 12 = 'fee') | | |
| 15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') | | | | 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 | 626 FSL 1841 FEL | SWSE | 18 | 7.0 S | 22.0 E | S |
| Top of Uppermost Producing Zone | 626 FSL 1841 FEL | SWSE | 18 | 7.0 S | 22.0 E | S |
| At Total Depth | 626 FSL 1841 FEL | SWSE | 18 | 7.0 S | 22.0 E | S |
| 21. COUNTY UINTAH | | 22. DISTANCE TO NEAREST LEASE LINE (Feet) 626 | | 23. NUMBER OF ACRES IN DRILLING UNIT 2237 | | |
| | | 25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 0 | | 26. PROPOSED DEPTH MD: 12570 TVD: 12570 | | |
| 27. ELEVATION - GROUND LEVEL 5151 | | 28. BOND NUMBER ESB000024 | | 29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE A36125 - 49-2153 | | |

ATTACHMENTS

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

| | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input type="checkbox"/> 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 Jan Nelson | TITLE Permit Agent | PHONE 435 781-4331 |
| SIGNATURE | DATE 07/26/2010 | EMAIL jan.nelson@questar.com |
| API NUMBER ASSIGNED 43047511790000 | APPROVAL  Permit Manager | |

| Proposed Hole, Casing, and Cement | | | | | | |
|-----------------------------------|-----------------|-------------|----------|-------------|--|--|
| String | Hole Size | Casing Size | Top (MD) | Bottom (MD) | | |
| Surf | 12.25 | 9.625 | 0 | 450 | | |
| Pipe | Grade | Length | Weight | | | |
| | Grade J-55 ST&C | 450 | 36.0 | | | |
| | | | | | | |

CONFIDENTIAL

| Proposed Hole, Casing, and Cement | | | | | | |
|-----------------------------------|------------------|-------------|----------|-------------|--|--|
| String | Hole Size | Casing Size | Top (MD) | Bottom (MD) | | |
| I1 | 8.75 | 7 | 0 | 6858 | | |
| Pipe | Grade | Length | Weight | | | |
| | Grade P-110 LT&C | 6858 | 26.0 | | | |
| | | | | | | |

CONFIDENTIAL

| Proposed Hole, Casing, and Cement | | | | | | |
|--|------------------|--------------------|-----------------|--------------------|--|--|
| String | Hole Size | Casing Size | Top (MD) | Bottom (MD) | | |
| Prod | 6.125 | 4.5 | 0 | 12570 | | |
| Pipe | Grade | Length | Weight | | | |
| | Grade P-110 LT&C | 12570 | 15.1 | | | |
| | | | | | | |

CONFIDENTIAL

Additional Operator Remarks

QEP Energy Company proposes to drill a well to 12, 570' to test the Mesa Verde Formation. This well is being twined on well location SUBW 15W-18-7-22. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements"

Please see Onshore Order No. 1.

Please refer to QEP Energy Company Greater Deadman Bench EIS UT-080-2003-0369V Record of Decision dated March 31, 2008.

Please be advised that QEP Energy Company agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No.ESB000024. The principal is QEP Energy company via surety as consent as provided for the 43 CFR 3104.2.

BW 15-18-7-22 Drilling Prog
API: TBD
Summarized Drilling Procedure

1. Set and cement 40' of 14" conductor
2. Drill 12-1/4" hole with air to 450'.
3. RIH w/ 9-5/8" 36# J-55 surface casing to 450', cement same.
4. Weld 11" 5M 'A' section wellhead on 9-5/8" casing.
5. N/U and test 11" 5M BOPE
6. MU and RIH with 8-3/4" PDC and BHA.
7. Drill 8-3/4" hole to intermediate casing point at 6,858'.
8. PU and RIH with 7" 26# P-110 LTC casing. Cement same.
9. ND BOP, NU and test 7-1/16" 10M 'B' section.
10. NU and test 7-1/16" 10M BOPE
11. RIH with 6-1/8" PDC and BHA.
12. Drill cement and shoe track. Continue drilling to TD at 12,570'.
13. RIH with 4-1/2" 15.1# P-110 to TD. Cement same.
14. RDMO drilling rig.

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| Uinta | Surface |
| Green River | 3,715' |
| Mahogany | 4,063' |
| Wasatch | 6,808' |
| Mesa Verde | 10,063' |
| Sego | 12,313' |
| Castlegate | 12,463' |
| TD | 12,570' |

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
| Gas | Wasatch | 6,808' |
| Gas | Mesa Verde | 10,063' |
| Gas | Sego | 12,313' |
| Gas | Castlegate | 12,463' |

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right # A36125 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes. All water resulting from drilling operations will be disposed of at Red Wash Central

DRILLING PROGRAM

Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

3. Operator's Specification for Pressure Control Equipment:

- A. A 13-5/8" or 11", as available, 5,000 psi double gate, and 5,000 psi annular BOP (schematic included) from surface casing point to intermediate casing point.
- B. An 11" or 7-1/6", as available, 10,000 psi double gate, and 10,000 psi annular BOP (schematic included) from intermediate casing point to total depth.
- C. Functional test daily.
- D. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- E. Ram type preventers and associated equipment shall be tested to the approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 5M (intermediate) or a 10M (production) system, individual components shall be operable as designed.

4. Casing Design:

| Hole Size | Csg. Size | Top (MD) | Bottom (MD) | Mud Wt (ppg) | Wt. | Grade | Thread | Cond. |
|-----------|-----------|----------|-------------|--------------|------|-------|--------|-------|
| 12-1/4" | 9-5/8" | sfc | 450' | N/A | 36.0 | J-55 | STC | New |
| 8 3/4" | 7" | sfc | 6,858' | 9.5 | 26.0 | P-110 | LTC | New |
| 6-1/8" | 4-1/2" | sfc | 12,570' | 12.5 | 15.1 | P-110 | LTC | New |

| Casing Strengths: | | | | Collapse | Burst | Tensile (min) |
|-------------------|----------|-------|-----|------------|------------|---------------|
| 9-5/8" | 36.0 lb. | J-55 | STC | 2,020 psi | 3,520 psi | 394,000 lb. |
| 7" | 26 lb. | P-110 | LTC | 6,230 psi | 9,960 psi | 693,000 lb. |
| 4-1/2" | 15.1 lb. | P-110 | LTC | 14,350 psi | 14,420 psi | 406,000 lb. |

MINIMUM DESIGN FACTORS:

COLLAPSE: 1.10

DRILLING PROGRAM

BURST: 1.10
TENSION: 1.30

Area Fracture Gradient: 0.76 psi/foot
Maximum anticipated mud weight: 12.5 ppg
Maximum surface treating pressure: 9,500 psi
Over pull margin (minimum): 100,000 lbs

5. Cementing Program

9-5/8" Surface: Surface – 450' (MD)

Slurry: 0' – 450'. 170 sks (299 ft³) Rockies LT cement + 0.25 lb/sk Kwik Seal + 0.125 lb/sk Poly-E-Flake. Slurry wt: 13.5 ppg, Slurry yield: 1.81 ft³/sk, Slurry volume: 12-1/4" hole + 100% excess.

7" Intermediate Casing: Surface – 6858' (MD)

Lead Slurry: (BSC' – 6,358') 370 sks (1,332 ft³) Halliburton Light Premium cement + 3 lbm/sk Silicate Compacted + 0.25% WG-17 (Gelling Agent) + 4% Bentonite (Light Weight Additive) + 0.6% Econolite (Light Wt Add). Slurry wt: 11.0 ppg, Slurry yield: 3.65 ft³/sk, Slurry volume: 8-3/4" hole + 50% excess in open hole section.

Tail Slurry: (6,358' – 6,858') 80 sks (121 ft³) 50/50 Poz Premium + 0.3% Halad (R)-344 fluid loss + 0.2% Super CBL (Expander) + 0.3% HR-5 (Retarder) + 0.2% Halad-200 (Suspension Agent). Slurry wt: 13.5 ppg, Slurry yield: 1.68 ft³/sk, Slurry volume: 8-3/4" hole + 50% excess.

4-1/2" Production Casing: Surface – 12,570' (MD)

Lead Slurry: (6,358' – TD): 490 sks (824 ft³) 50/50 Poz Premium + 0.5% Halad (R)-344 (Fluid Loss) + 0.5% Halad (R)-413 (Fluid Loss) + 0.45% HR-5 (Retarder) + 0.2% Super CBL (expander) + 4% Bentonite (Lt Wt Add) + 3 lbm/ak Silicalite Compacted (Lt Wt Add) + 20% SSA-1 (Fluid Loss). Slurry Wt: 13.5 lbm/gal; Yield: 1.73 cuft/sk; Slurry volume: 6-1/8" Hole + 40% excess.

*Final cement volumes to be calculated from caliper log. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

6. Auxiliary Equipment

- A. Kelly Cock – yes
- B. Float at the bit – yes
- C. Monitoring equipment on the mud system – visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor – yes

DRILLING PROGRAM

- E. Rotating Head – yes
- F. Request for Variance

Drilling surface hole with air:

A variance from 43 CFR 3160 Onshore Oil and Gas Order #2, Section III Requirements, subsection E. Special Drilling Operations is requested for the specific operation of drilling and setting surface casing on the subject well with a truck mounted air rig. The variance from the following requirements of Order #2 is requested because surface casing depth for this well is 450 feet and high pressures are not expected.

1. **Properly lubricated and maintained rotating head** – A diverter system in place of a rotating head. The diverter system forces the air and cutting returns to the reserve pit and is used to drill the surface casing.
2. **Blooie line discharge 100 feet from wellbore and securely anchored** – the blooie line discharge for this operation will be located 50 to 70 feet from the wellhead. This reduced length is necessary due to the smaller location size to minimize surface disturbance.
3. **Automatic igniter or continuous pilot light on blooie line** – a diffuser will be used rather than an automatic pilot/igniter. Water is injected into the compressed air and eliminates the need for a pilot light and the need for dust suppression equipment.
4. **Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the wellbore** – compressors located within 50 feet on the opposite side of the wellbore from the blooie line and is equipped with a 1) emergency kill switch on the driller's console, 2) pressure relief valves on the compressors, 3) spark arrestors on the motors.
5. **Kill Fluid to control well** – In lieu of having mud products on location to kill the well for an unanticipated kick, Questar will kill the well with water contained in a 400 bbl tank on site. The 400 bbl water tank will also be storage for surface casing cement water.
6. **Deflector on the end of the blooie line** – Questar will mount a deflector unit at the end of the blooie line for the purpose of changing the direction and velocity of the air and cuttings flow into the reserve pit. Changing the velocity and direction of the cuttings and air will preserve the pit liner. In the event the deflector washes out due to erosion caused by the sand blasting effect of the cuttings, there will be no problem because the deflector is mounted on the very end of the blooie. A washed out deflector will be easily replaced.
7. **Flare Pit** – there will be no need of a flare pit during the surface hole air drilling operation because the blooie line is routed directly to the reserve pit. When the big rig arrives for the main drilling after setting surface casing, a flare box will be installed and all flare lines will be routed to the flare box.

DRILLING PROGRAM

- G. All other operations and equipment for air/gas drilling shall meet specifications in Onshore Order #2, Section III Requirements, subsection E. Special Drilling Operations and Onshore Order #1.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Intermediate and production holes will be drilled with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. Maximum anticipated mud weight is 12.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

7. Testing, logging and coring program

- A. Cores – Possible
- B. DST – none anticipated
- C. Logging – Mud logging – 450' to TD
GR-SP-Induction, Neutron Density
- D. Formation and Completion Interval: Lower Mesa Verde intervals, final determination of completion will be made through log analysis.
Stimulation – Stimulation will be designed for the particular area of interest as encountered.

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 8,170 psi. Maximum anticipated bottom hole temperature is 220° F.

DRILLING PROGRAM

5M BOP STACK

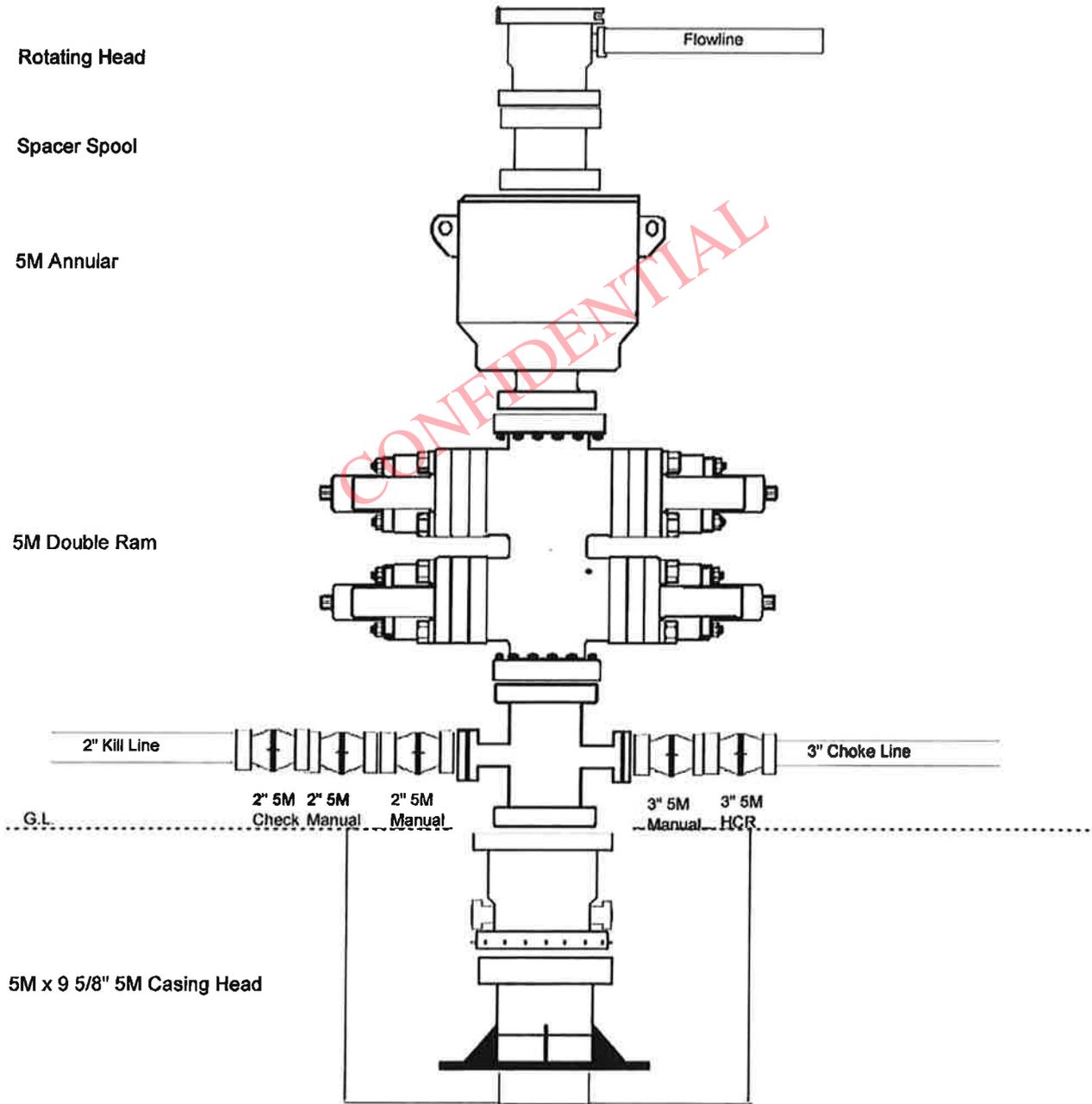
Rotating Head

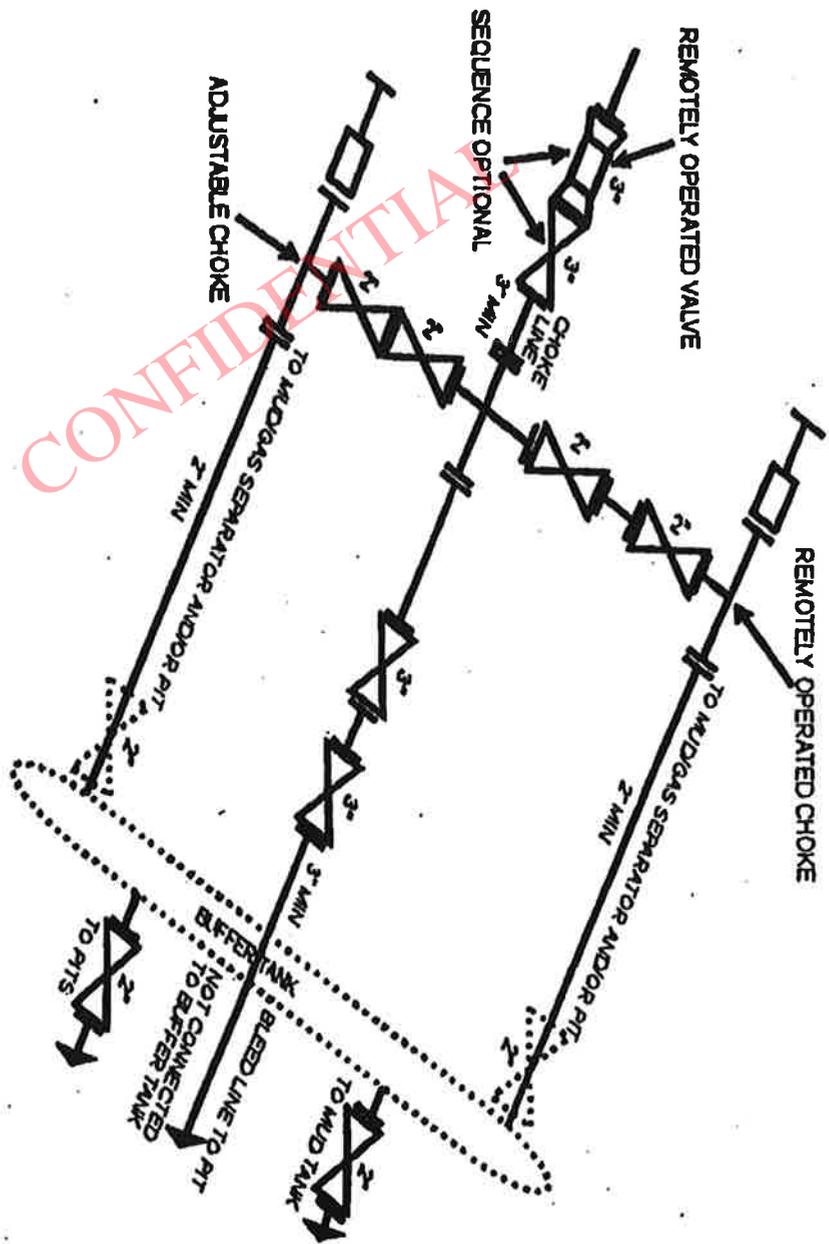
Spacer Spool

5M Annular

5M Double Ram

5M x 9 5/8" 5M Casing Head





5M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY

Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 2M, 3M, 10M, OR 15M drawings, it would also be applicable to those situations.

[54 FR 39528, Sept. 27, 1989]

DRILLING PROGRAM

10M BOP x 10M Annular

Rotating Head

Spacer Spool

10M Annular

10M Double Ram

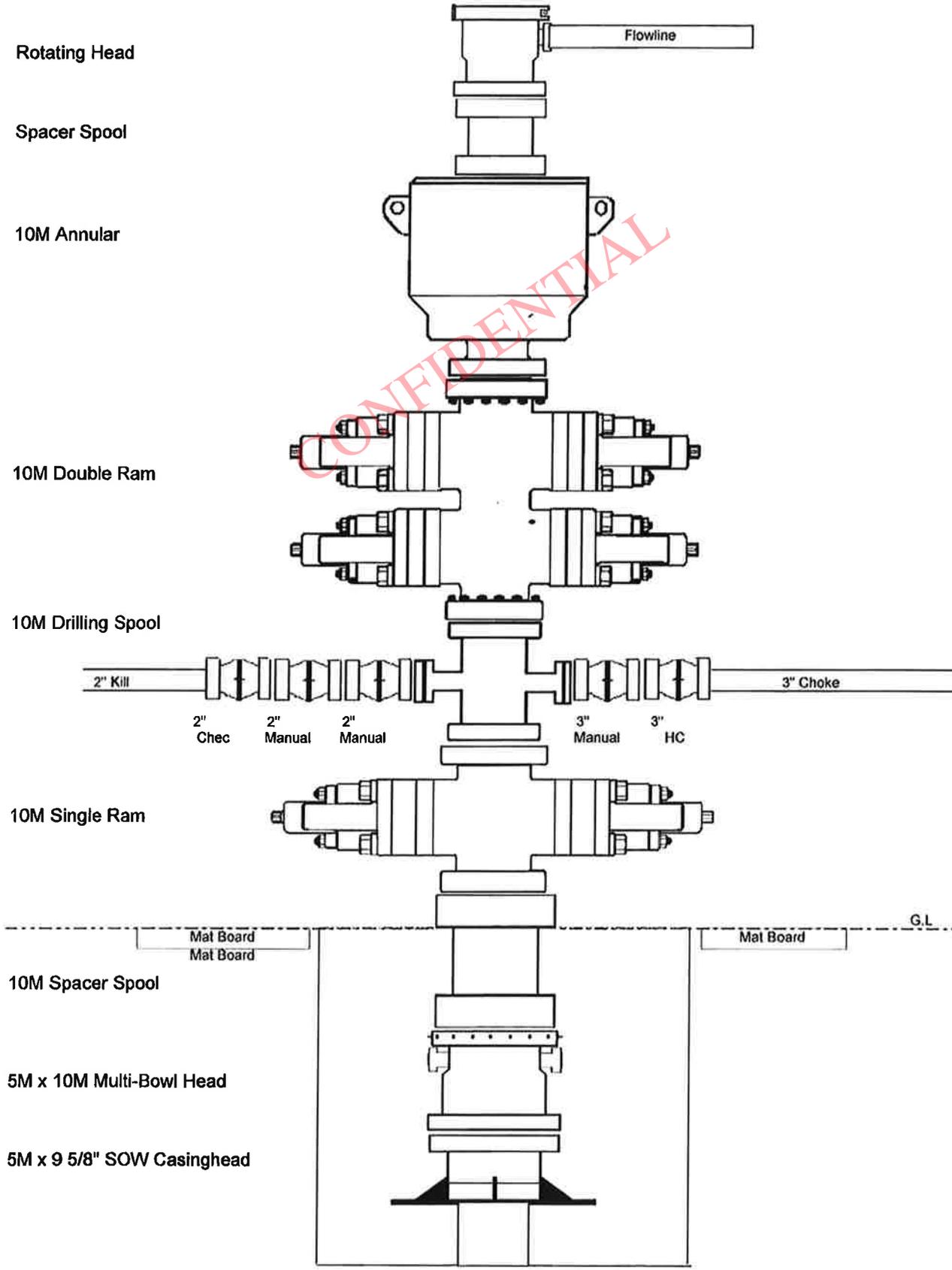
10M Drilling Spool

10M Single Ram

10M Spacer Spool

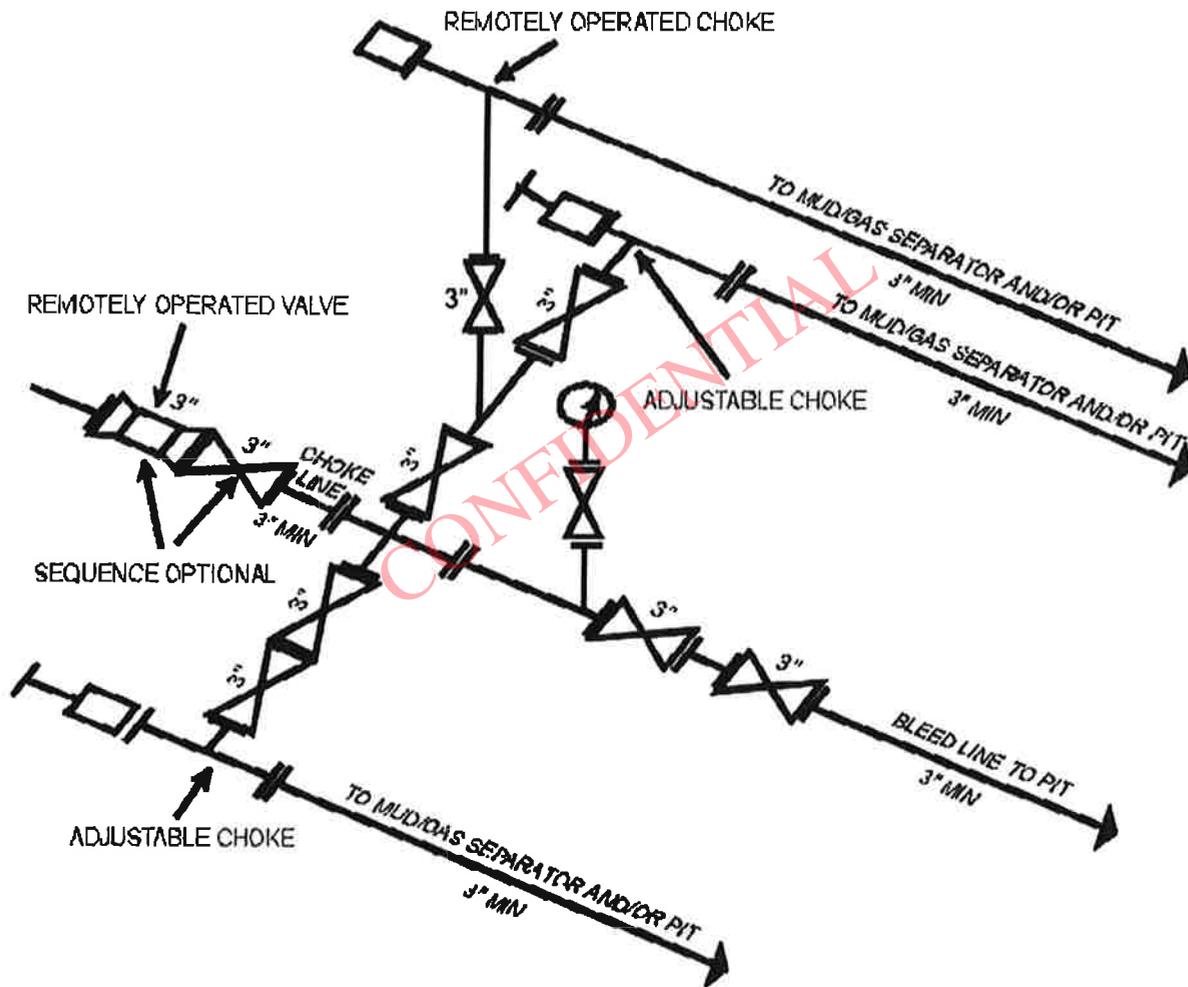
5M x 10M Multi-Bowl Head

5M x 9 5/8" SOW Casinghead



DRILLING PROGRAM

Attachment I Diagrams of Choke Manifold Equipment



I-4 10M and 15M Choke Manifold Equipment -- Configuration of chokes may vary

[34 FR 39528, Sept. 27, 1969]

Last Updated March 25, 1997 by John Broderick

Modified 3-16-10 MPG

BW 15-18-7-22

API #

Proposed WBD

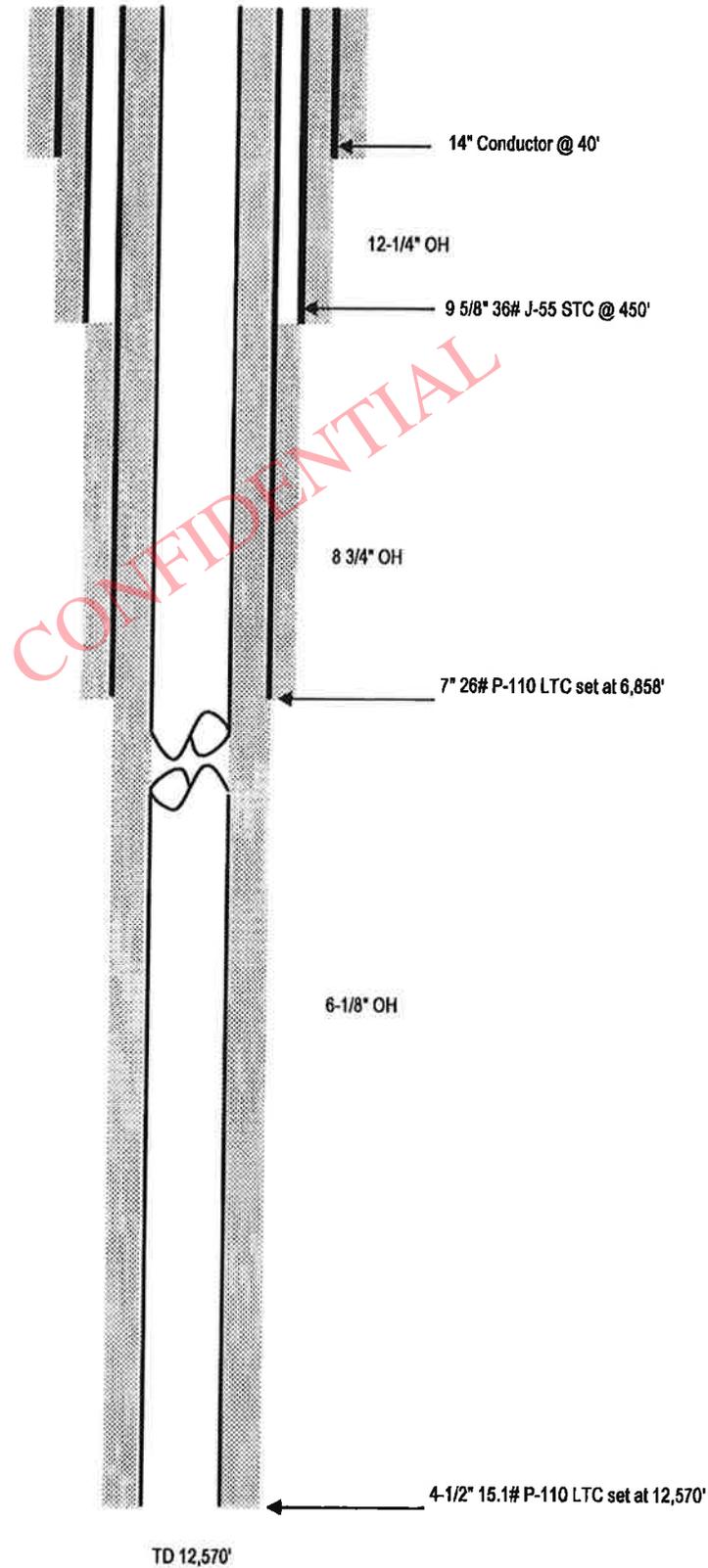
Uinta Basin

SWSE Sec. 18, T7S, R22E, Uintah Co, UT

LOCATION: 626' FSL, 1,841' FEL

KB 5,163'

GL 5,151'



T7S, R22E, S.L.B.&M.

QUESTAR EXPLR. & PROD.

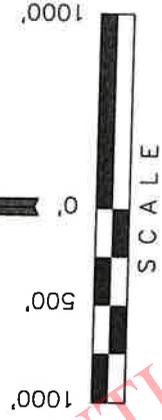
Well location, BW #15-18-7-22, located as shown in the SW 1/4 SE 1/4 of Section 18, T7S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

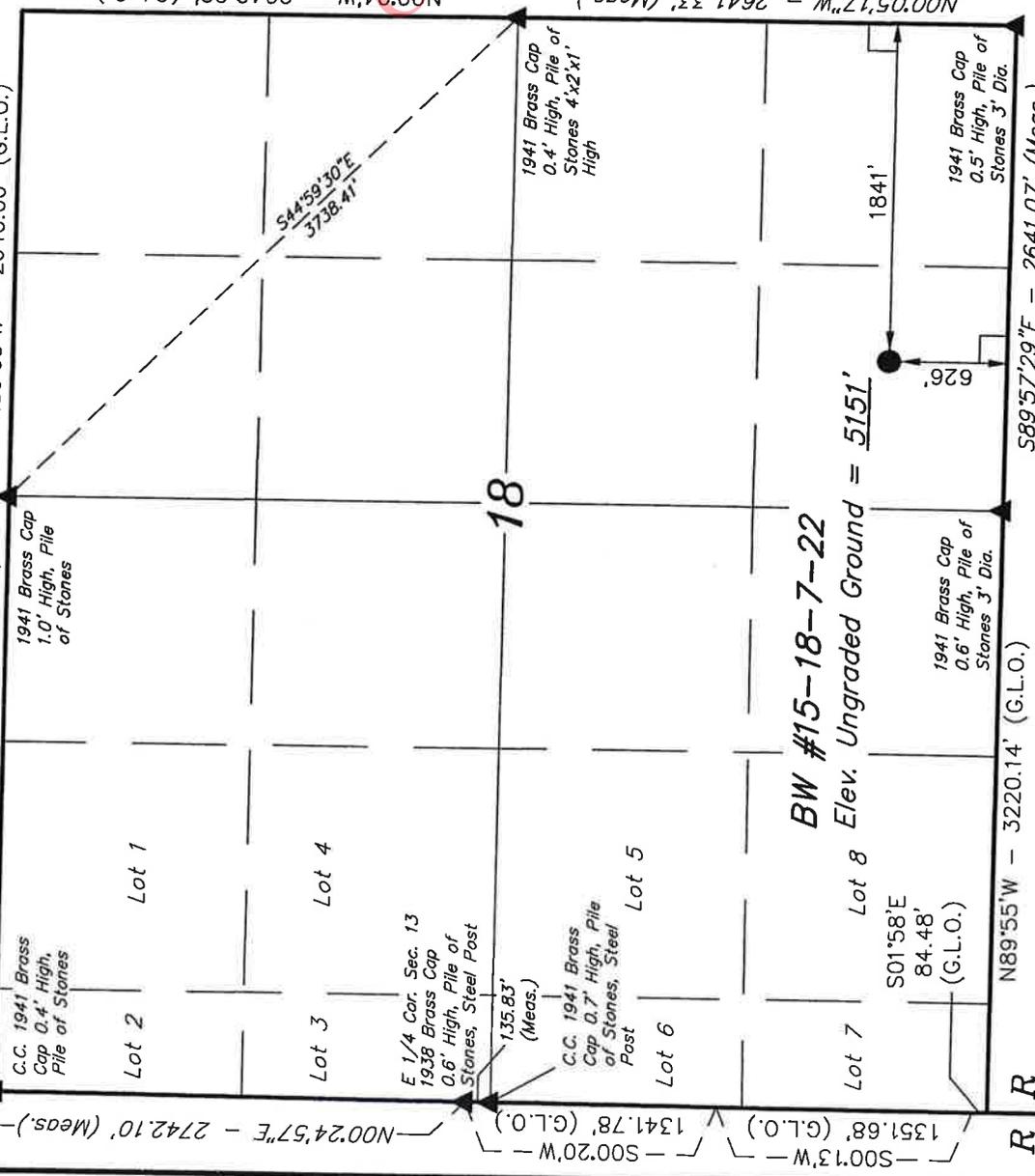
BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

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



CERTIFICATE OF LAND SURVEY
 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.
Robert J. Gray
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH



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

| | | | | | |
|---------|----------------|----------------|------------------------|-------------|----------|
| SCALE | 1" = 1000' | DATE SURVEYED: | 02-24-10 | DATE DRAWN: | 02-26-10 |
| PARTY | S.H. R.P. S.L. | REFERENCES | G.L.O. PLAT | | |
| WEATHER | COLD | FILE | QUESTAR EXPLR. & PROD. | | |

LEGEND:

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

COORDINATES:

LATITUDE = 40°12'21.39" (NAD 83) (40.205942)
 LONGITUDE = 109°28'47.89" (109.479969)
 (NAD 27)

LATITUDE = 40°12'21.52" (40.205978)
 LONGITUDE = 109°28'45.41" (109.479281)

SE Cor. Sec. 12
 1938 Brass Cap
 1.0' High, Pile
 of Stones

N89°54'38"W - 3186.85' (Meas. to True)
 N89°54'38"W - 3186.60' (Meas. to C.C.)

1941 Brass Cap
 1.0' High, Pile
 of Stones

Lot 1

Lot 2

E 1/4 Cor. Sec. 13
 1938 Brass Cap
 0.6' High, Pile of
 Stones, Steel Post

135.83'
 (Meas.)

C.C. 1941 Brass
 Cap 0.7' High, Pile
 of Stones, Steel
 Post

Lot 3

500.20' W -
 1341.78' (G.L.O.)

Lot 4

S01°58'E
 84.48'
 (G.L.O.)

R R
 21 22
 E E

N89°55'W - 3220.14' (G.L.O.)

S89°57'29"E - 2641.07' (Meas.)

1941 Brass Cap
 0.5' High, Pile of
 Stones 3' Dia.

1841'

1941 Brass Cap
 0.4' High, Pile of
 Stones 4x2x1'
 High

S44°59'30"E
 5738.41'

N00°05'17"W - 2641.33' (Meas.)
 N00°04'W - 2640.00' (G.L.O.)

QUESTAR EXPLR. & PROD.

BW #15-18-7-22

LOCATED IN UINTAH COUNTY, UTAH
SECTION 18, T7S, R22E, S.L.B.&M.

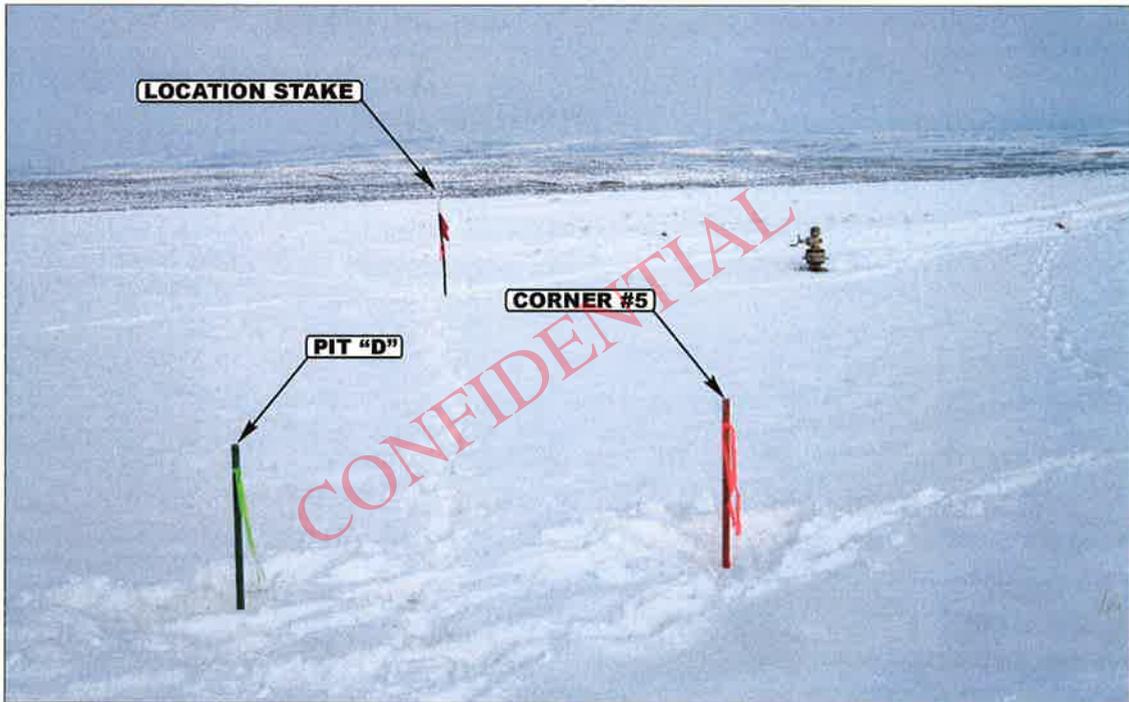


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -



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

| | | | | | | |
|------------------------|----------------|-------------------|-----------|-----------|-----------|--------------|
| LOCATION PHOTOS | | | 03 | 01 | 10 | PHOTO |
| | | | MONTH | DAY | YEAR | |
| TAKEN BY: S.H. | DRAWN BY: Z.L. | REVISED: 00-00-00 | | | | |

QUESTAR EXPLR. & PROD.
BW #15-18-7-22
SECTION 18, T7S, R22E, S.L.B.&M.

PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY, THEN IN A SOUTHEASTERLY, THEN IN A SOUTHERLY DIRECTION APPROXIMATELY 20.3 MILES ON STATE HIGHWAY 45 TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 7.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 3.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 300' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 34.5 MILES.

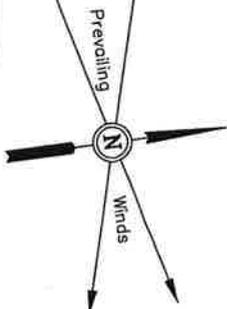
QUESTAR EXPLR. & PROD.

LOCATION LAYOUT FOR

BW #15-18-7-22
SECTION 18, T7S, R22E, S.L.B.&M.
626' FSL 1841' FEL

FIGURE #1

CONSTRUCT
DIVERSION
DITCH



SCALE: 1" = 60'
DATE: 02-26-10
DRAWN BY: S.L.

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

Approx. Top of Cut Slope

CONFIDENTIAL

C-23.7'
El. 62.7'
(Btm. Pit)

C-25.4'
El. 64.4'
(Btm. Pit)

C-2.5'
El. 53.5'

C-0.6'
El. 51.6'

F-5.7'
El. 45.3'

C-1.8'
El. 52.8'

C-2.0'
El. 53.0'

C-4.2'
El. 55.2'

GRADE
El. 51.0'

F-5.0'
El. 46.0'

F-0.1'
El. 50.9'

F-7.9'
El. 43.1'

Existing Disturbance Area

Reserve Pit Backfill & Spoils Stockpile

Elev. Ungraded Ground At Loc. Stake = 5151.0'
FINISHED GRADE ELEV. AT LOC. STAKE = 5151.0'

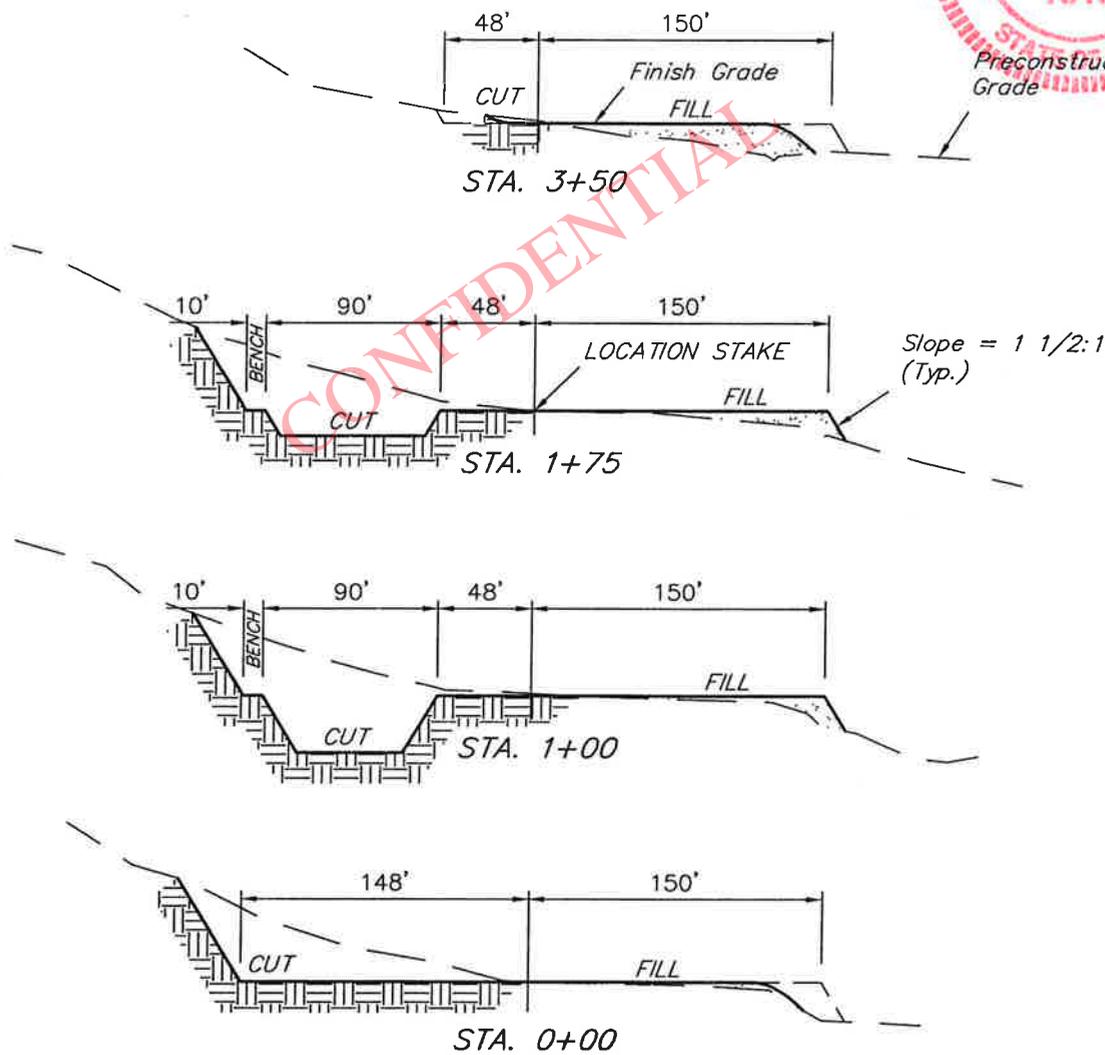
| LINE TABLE | | |
|------------|-------------|--------|
| LINE | DIRECTION | LENGTH |
| L1 | N89°57'24"W | 25.08' |

QUESTAR EXPLR. & PROD.

FIGURE #2

X-Section Scale
1" = 40'
1" = 100'
DATE: 02-26-10
DRAWN BY: S.L.

TYPICAL CROSS SECTION FOR
BW #15-18-7-22
SECTION 18, T7S, R22E, S.L.B.&M.
626' FSL 1841' FEL



APPROXIMATE ACREAGES

NOTE:

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

EXISTING WELL SITE DISTURBANCE = ± 1.113 ACRES
PROPOSED WELL SITE DISTURBANCE = ± 0.933 ACRES
PIPELINE DISTURBANCE = ± 1.629 ACRES
TOTAL = ± 3.675 ACRES

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 750 Cu. Yds.
(New Construction Only)
Remaining Location = 13,730 Cu. Yds.
TOTAL CUT = 14,480 CU.YDS.
FILL = 3,770 CU.YDS.

EXCESS MATERIAL = 10,710 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 3,420 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation) = 7,290 Cu. Yds.

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

QUESTAR EXPLR. & PROD.

TYPICAL RIG LAYOUT FOR

BW #15-18-7-22

SECTION 18, T7S, R22E, S.L.B.&M.

626' FSL 1841' FEL

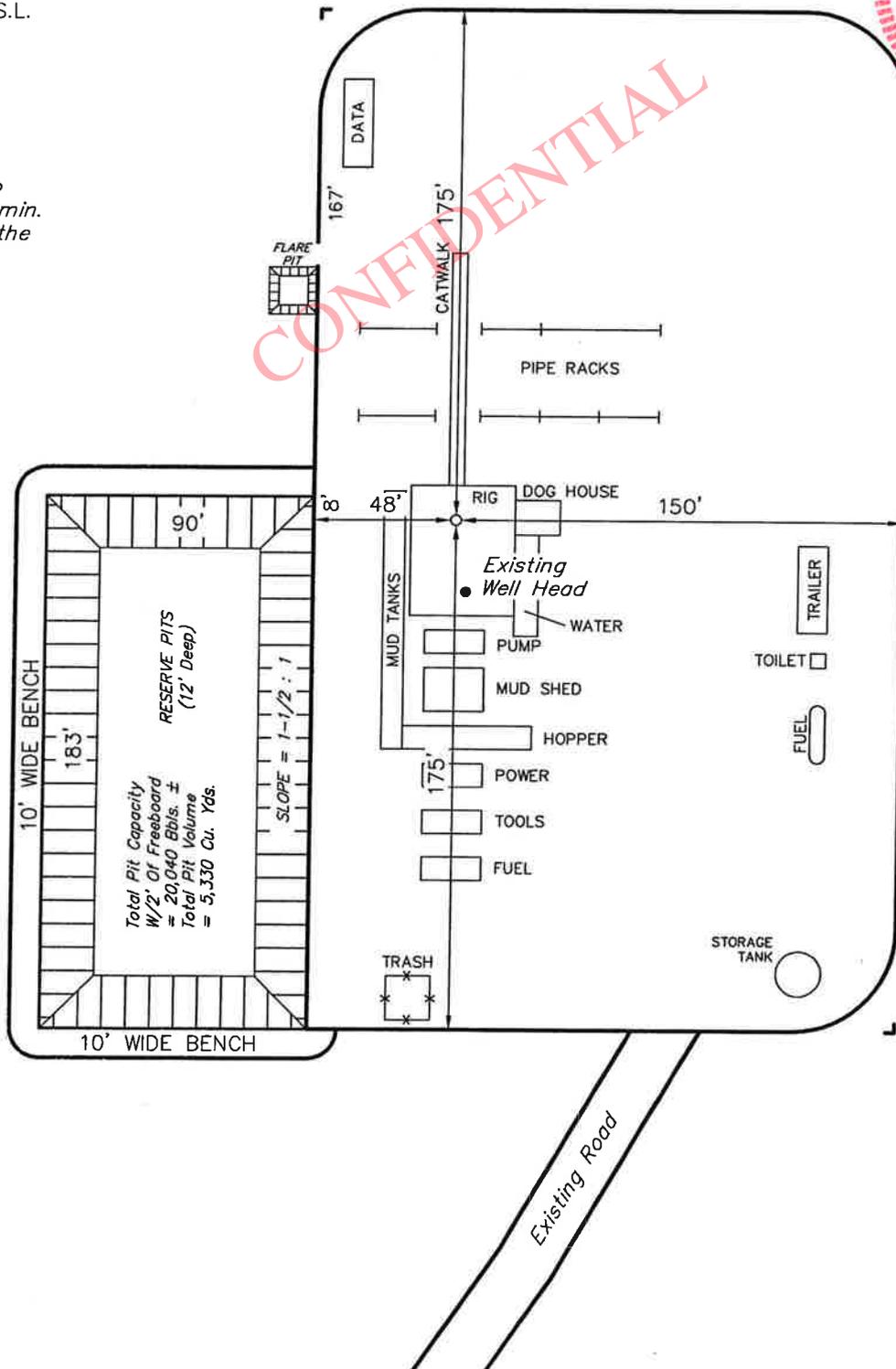
FIGURE #3



SCALE: 1" = 60'
DATE: 02-26-10
DRAWN BY: S.L.



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



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QUESTAR EXPLR. & PROD.

RECLAMATION PLAN FOR

BW #15-18-7-22

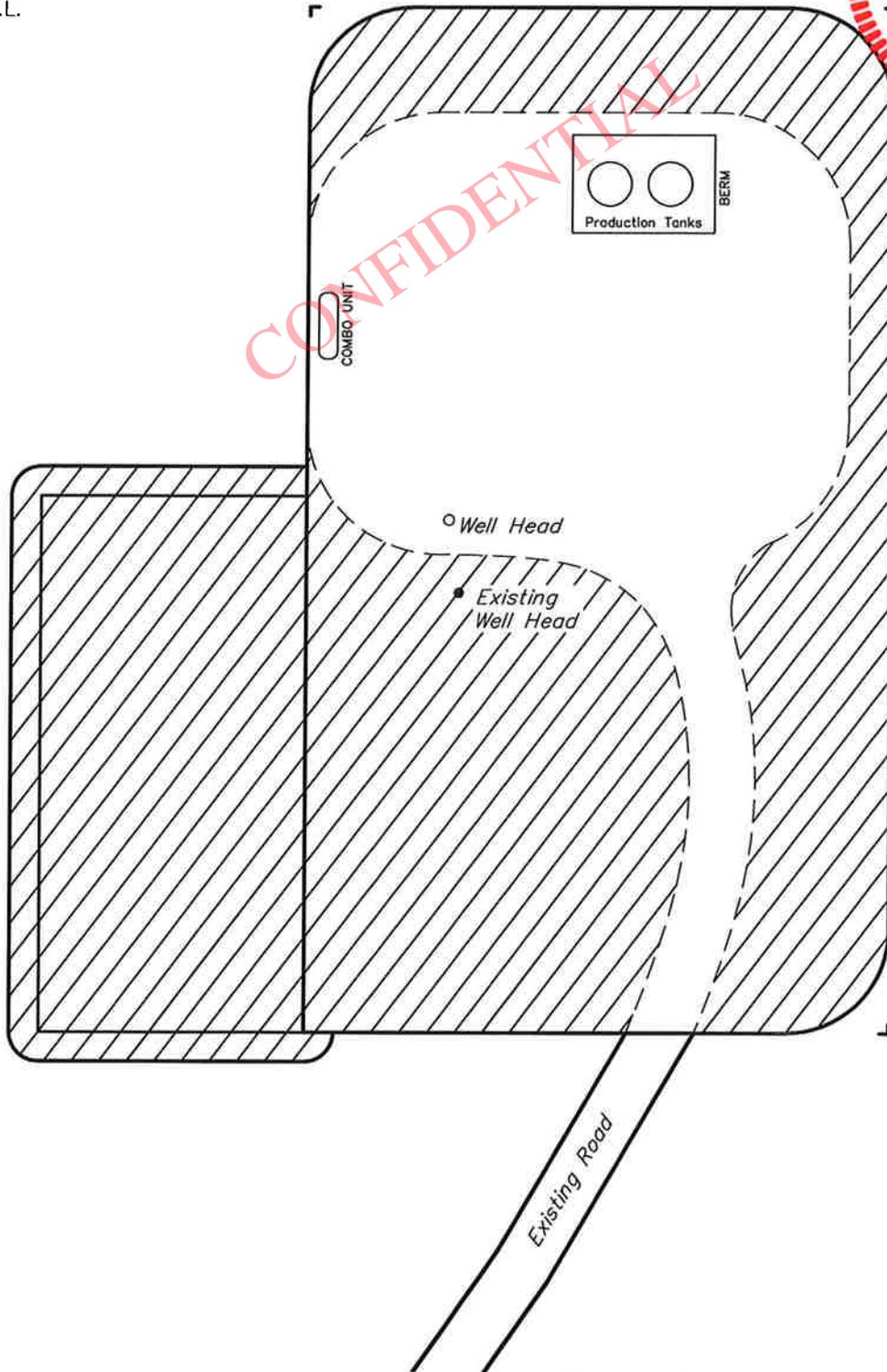
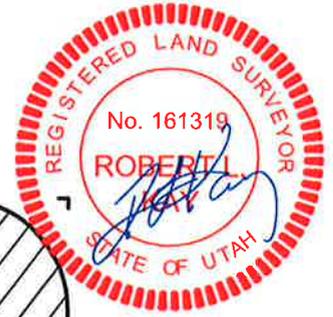
SECTION 18, T7S, R22E, S.L.B.&M.

626' FSL 1841' FEL

FIGURE #4

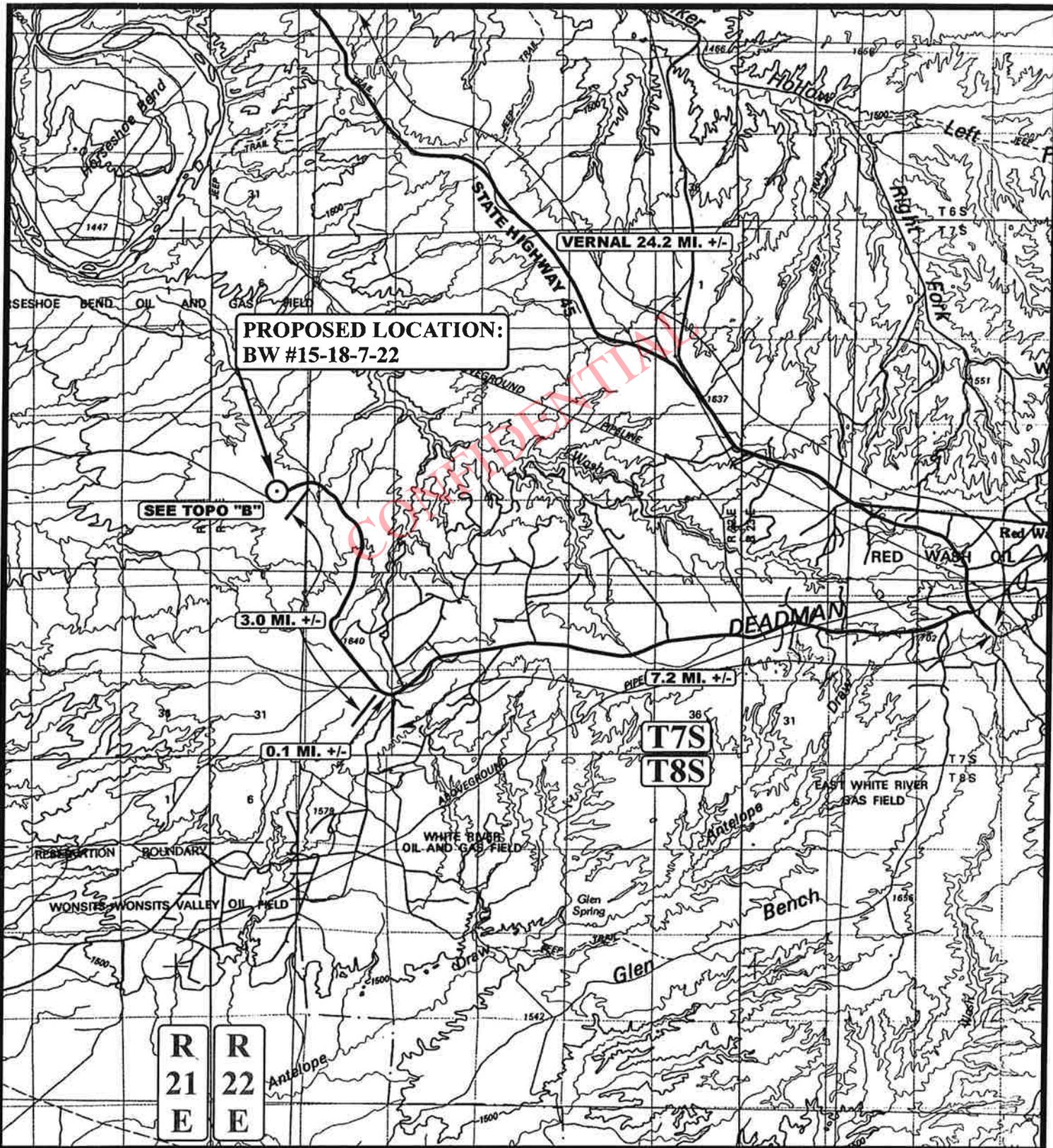


SCALE: 1" = 60'
DATE: 07-20-10
DRAWN BY: S.L.



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RE-HABBED AREA



LEGEND:

○ PROPOSED LOCATION



QUESTAR EXPLR. & PROD.

BW #15-18-7-22
 SECTION 18, T7S, R22E, S.L.B.&M.
 626' FSL 1841' FEL



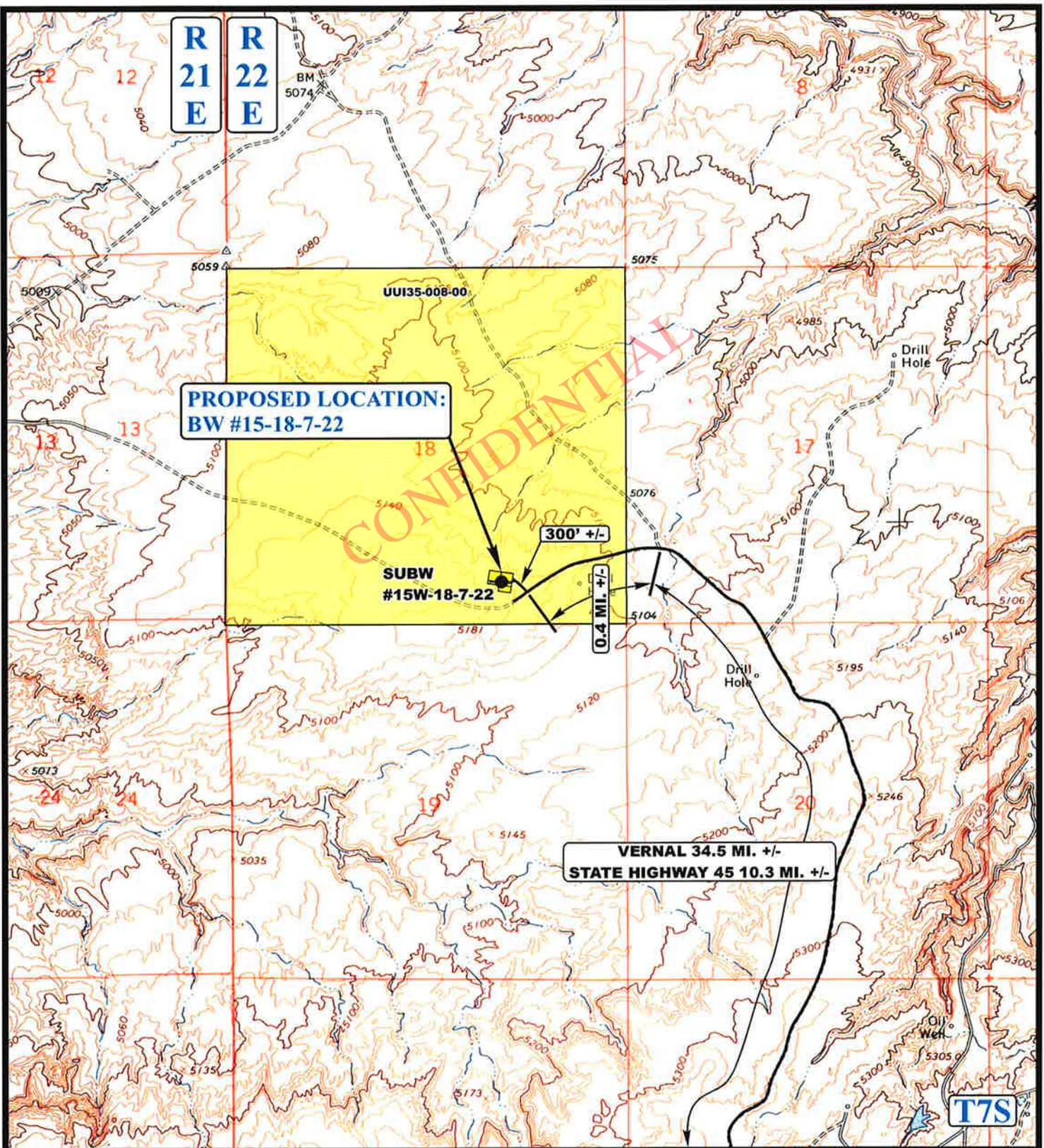
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
 MAP

03 01 10
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: Z.L. REVISED: 00-00-00





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**PROPOSED LOCATION:
BW #15-18-7-22**

**SUBW
#15W-18-7-22**

300' +/-

0.4 MI. +/-

**VERNAL 34.5 MI. +/-
STATE HIGHWAY 45 10.3 MI. +/-**

T7S

LEGEND:

————— EXISTING ROAD

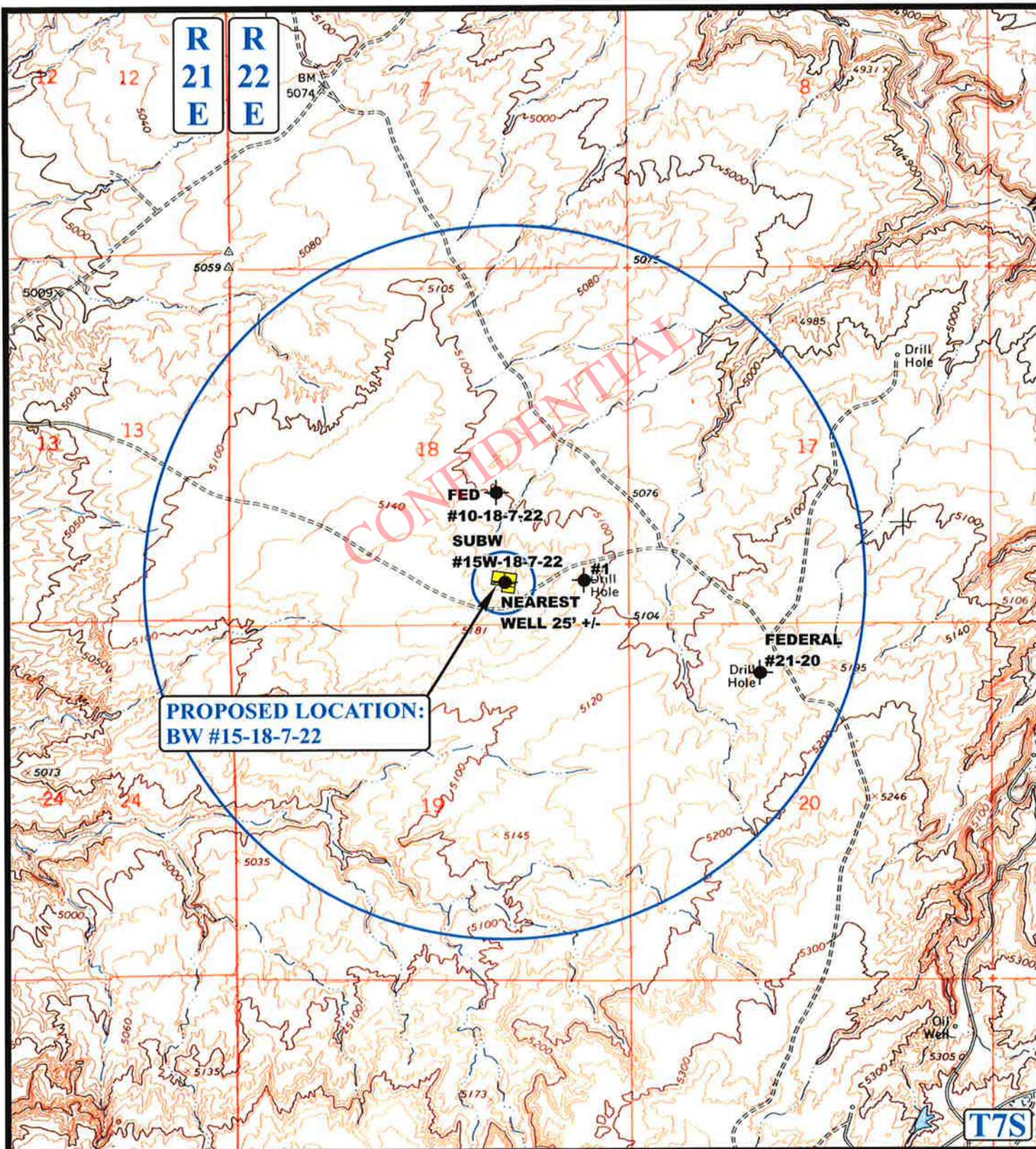
QUESTAR EXPLR. & PROD.

**BW #15-18-7-22
SECTION 18, T7S, R22E, S.L.B.&M.
626' FSL 1841' FEL**

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



TOPOGRAPHIC MAP **03 01 10**
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 00-00-00 **B TOPO**



LEGEND:

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

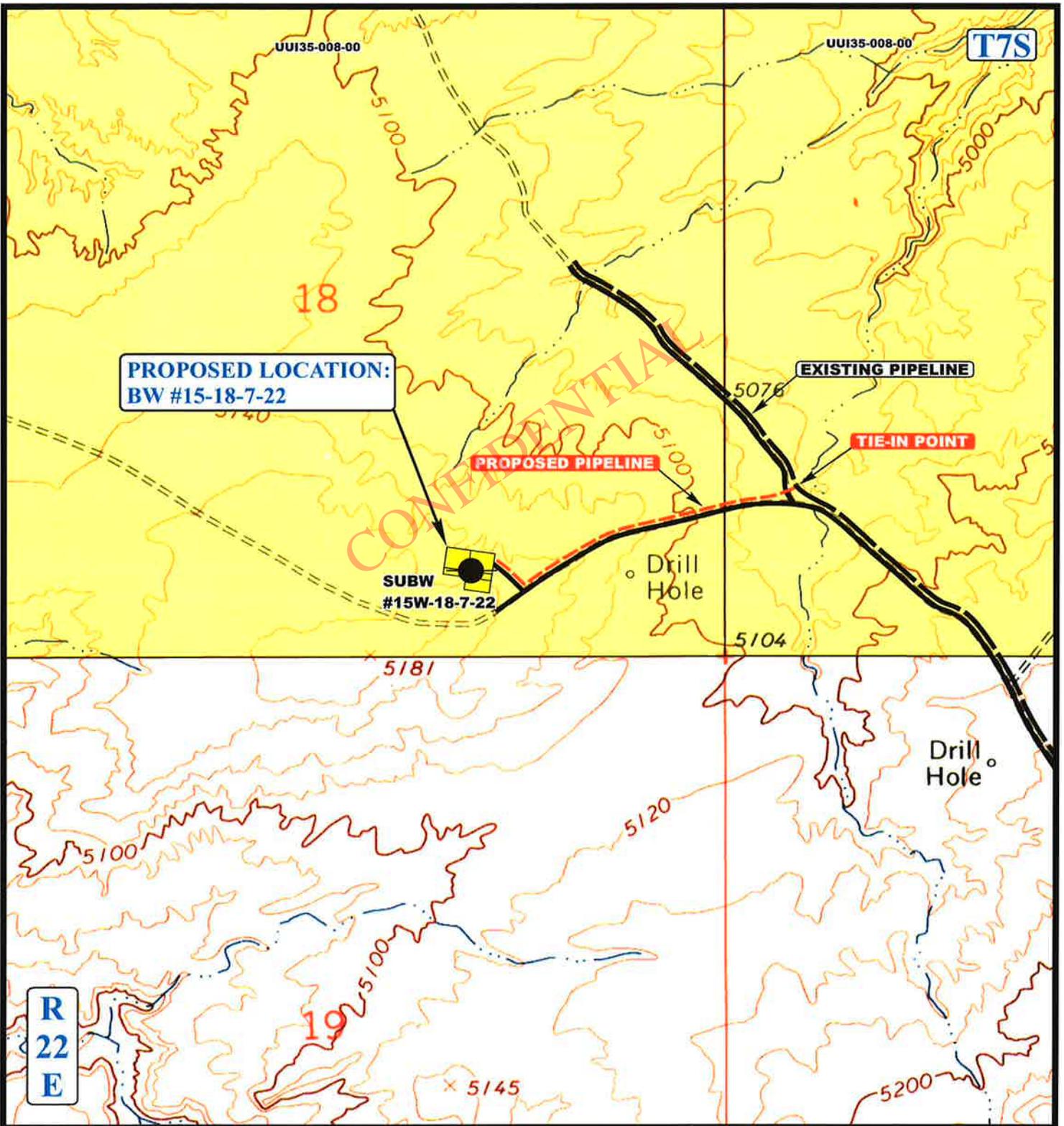
QUESTAR EXPLR. & PROD.

BW #15-18-7-22
SECTION 18, T7S, R22E, S.L.B.&M.
626' FSL 1841' FEL

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

TOPOGRAPHIC MAP **03 01 10**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 00-00-00 **C TOPO**





APPROXIMATE TOTAL PIPELINE DISTANCE = 2,366' +/-

LEGEND:

- EXISTING PIPELINE
- - - PROPOSED PIPELINE

QUESTAR EXPLR. & PROD.

BW #15-18-7-22
 SECTION 18, T7S, R22E, S.L.B.&M.
 626' FSL 1841' FEL



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

TOPOGRAPHIC
 MAP

03 01 10
 MONTH DAY YEAR

D
 TOPO

SCALE: 1" = 1000' DRAWN BY: Z.L. REVISED: 00-00-00

QUESTAR EXPLR. & PROD.

REFERENCE MAP: AREA OF VEGETATION

BW #15-18-7-22

LOCATED IN UTAH COUNTY, UTAH

SECTION 18, T7S, R22E, S.L.B.&M.



PHOTO: VIEW FROM BEGINNING OF REFERENCE AREA

NOTE:

BEGINNING OF REFERENCE AREA

UTM NORTHING: 14605.198

UTM EASTING: 20646.23

LATITUDE: 40.205504288

LONGITUDE: -109.480719811

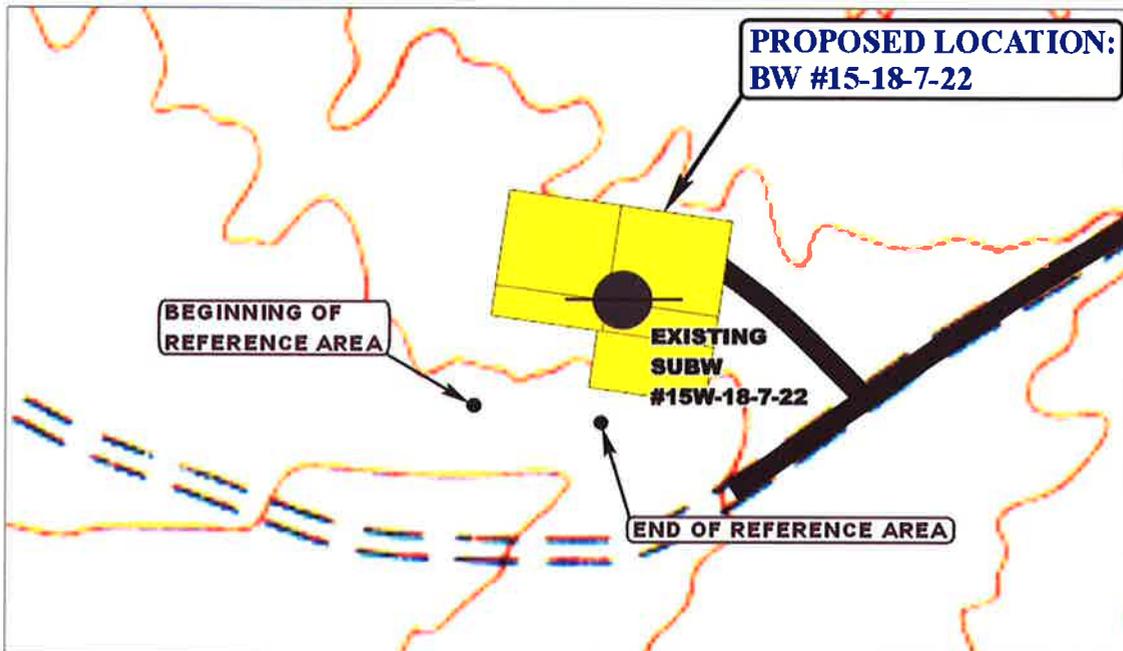
END OF REFERENCE AREA

UTM NORTHING: 14605.176

UTM EASTING: 20648.22

LATITUDE: 40.205434723

LONGITUDE: -109.480008924



- Since 1964 -



Uintah Engineering & Land Surveying

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

SCALE: 1" = 300'

07 20 10
MONTH DAY YEAR

REF.

TAKEN BY: M.A. | DRAWN BY: Z.L. | REVISED: 00-00-00

**BW 15-18-7-22
626' FSL 1841' FEL
SWSE, SECTION 18, T7S, R22E
UINTAH COUNTY, UTAH
LEASE # UTU-71416**

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the BW 15-18-7-22 on July 13, 2010. Weather conditions were sunny and warm at the time of the onsite. In attendance at the inspection were the following individuals:

| | |
|---------------------|---------------------------------------|
| Kevin Sadlier | Bureau of Land Management |
| James Hereford | Bureau of Land Management |
| Holly Villa | Bureau of Land Management |
| Jan Nelson | Questar Exploration & Production, Co. |
| Guy Betts | Questar Exploration & Production, Co. |
| Bob Haygood | Questar Exploration & Production, Co. |
| Stephanie Tomkinson | Questar Exploration & Production, Co. |
| Dee Christensen | Questar Exploration & Production, Co. |
| McCoy Anderson | Uintah Engineering & Land Surveying |

1. Existing Roads:

The proposed well site is approximately 9 miles from Red Wash, UT

Refer to Topo Maps A and B for location of access roads within a 2 – mile radius.

All existing roads will be maintained and kept in good repair during all phases of operation.

2. Planned Access Roads:

Please refer to Questar Exploration & Production Company Greater Deadmen Bench EIS UT-080-2003-0369V Record of Decision dated March 31, 2008.

Refer to Topo Map B for the location of the proposed access road.

No new access road is proposed. The access to be used is the access to the existing SUBW 15W-18-7-22 location. Graveling or capping the roadbed will be performed as necessary to provide a well constructed safe road.

3. Location of Existing Wells Within a 1 – Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please refer to Questar Exploration & Production Company Greater Deadmen Bench EIS UT-080-2003-0369V Record of Decision dated March 31, 2008.

Refer to Topo Map D for the location of the proposed pipeline.

No new right-of-way will be required for the proposed pipeline. The pipeline will tie into the same existing right-of-way UTU-79059. The pipeline will be a surface, 6" or smaller. It will be strung along right-of-way and welded in place. The pipeline will be buried across County Road # 3220.

QEP will obtain Uintah County road cut permit before any construction takes place.

It was determined on the onsite by the BLM VFO AO that the facilities will be painted Covert Green.

5. Location and Type of Water Supply:

Please refer to Questar Exploration & Production Company Greater Deadmen Bench EIS UT-080-2003-0369V Record of Decision dated March 31, 2008.

Water for drilling purposes would be obtained from Wonsits Valley Water Right # A 36125 (which was filed on May 7, 1964) or Red Wash Water Right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System.

6. Source of Construction Materials:

Please refer to Questar Exploration & Production Company Greater Deadmen Bench EIS UT-080-2003-0369V Record of Decision dated March 31, 2008.

7. Methods of Handling Waste Materials:

Please refer to Questar Exploration & Production Company Greater Deadmen Bench EIS UT-080-2003-0369V Record of Decision dated March 31, 2008.

8. Ancillary Facilities:

Please refer to Questar Exploration & Production Company Greater Deadmen Bench EIS UT-080-2003-0369V Record of Decision dated March 31, 2008.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

A pit liner is required. A felt pit liner will be required if bedrock is encountered.

10. Plans for Reclamation of the Surface:

Please refer to Questar Exploration & Production Company Uinta Basin Division Reclamation Plan

Site Specific Reclamation Summary:

Reclamation will follow Questar Exploration and Production Company, Uinta Basin Division's Reclamation Plan, September 2009 (Questar's Reclamation Plan) and the BLM Green River District Reclamation Guidelines.

All trash and debris will be removed from the disturbed area.

The disturbed area will be backfilled with subsoil.

Topsoil will be spread to an even, appropriate depth and disced if needed.

Water courses and drainages will be restored.

Erosion control devices will be installed where needed.

Seeding will be done in the fall, prior to ground freeze up.

Seed mix will be submitted to a BLM AO for approval prior to seeding.

Monitoring and reporting will be conducted as stated in Questar's Reclamation Plan. A reference site has been established and is included in this application.

It was determined and agreed upon that there is 6" inches of top soil.

11. **Surface Ownership:**

Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
(435) 781-4400

12. **Other Information**

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted on April 15, 2010, **Moac Report No. 10-026** by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

A Class III paleontological survey was conducted by Intermountain Paleo Consulting. A copy of this report was submitted on March 23, 2010, **IPC # 10-14** by Stephen D. Sandau.

The inspection resulted in little to no signs of fossils. Therefore, we recommend that no paleontological restrictions should be placed on the development of the projects included in this report. However, if vertebrate fossils are found during construction a paleontologist should be immediately notified.

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Lessee's or Operator's Representative & Certification:

Jan Nelson
Permit Agent
QEP Energy Company
11002 East 17500 South
Vernal, UT 84078
(435) 781-4331

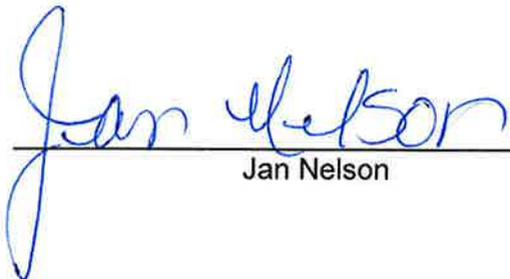
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

QEP Energy Company is considered to be the operator of the subject well. QEP Energy Company agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104.2 for lease activities is being provided by Bond No. ESB000024

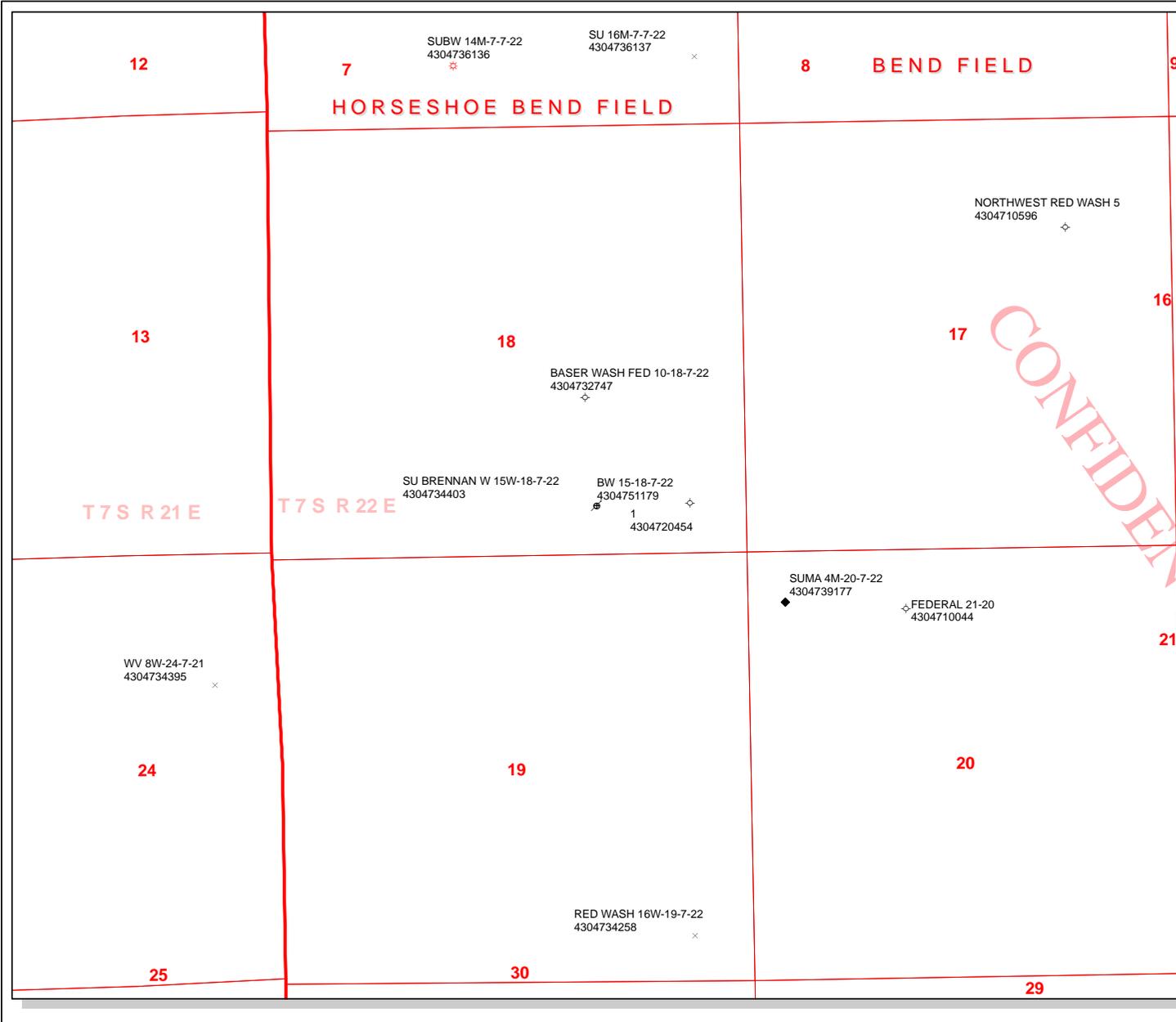
I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operations; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Jan Nelson

7/26/2010

Date

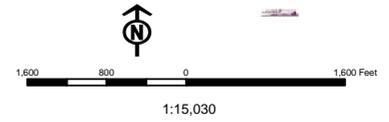


API Number: 4304751179
Well Name: BW 15-18-7-22
Township 07.0 S Range 22.0 E Section 18
Meridian: SLBM
 Operator: QEP ENERGY COMPANY

Map Prepared:
 Map Produced by Diana Mason

- | Fields | Wells Query |
|----------|------------------------------------|
| Sections | <all other values> |
| Township | Status |
| | APD - Approved Permit |
| | DRL - Spudded (Drilling Commenced) |
| | GIW - Gas Injection |
| | GS - Gas Storage |
| | LA - Location Abandoned |
| | LOC - New Location |
| | OPS - Operation Suspended |
| | PA - Plugged Abandoned |
| | PGW - Producing Gas Well |
| | POW - Producing Oil Well |
| | RET - Returned APD |
| | SGW - Shut-in Gas Well |
| | SOW - Shut-in Oil Well |
| | TA - Temp. Abandoned |
| | TW - Test Well |
| | WDW - Water Disposal |
| | WIW - Water Injection Well |
| | WSW - Water Supply Well |

CONFIDENTIAL



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 7/26/2010 **API NO. ASSIGNED:** 43047511790000
WELL NAME: BW 15-18-7-22
OPERATOR: QEP ENERGY COMPANY (N3700) **PHONE NUMBER:** 435 781-4331
CONTACT: Jan Nelson
PROPOSED LOCATION: SWSE 18 070S 220E **Permit Tech Review:**
SURFACE: 0626 FSL 1841 FEL **Engineering Review:**
BOTTOM: 0626 FSL 1841 FEL **Geology Review:**
COUNTY: Uintah
LATITUDE: 40.20595 **LONGITUDE:** -109.47925
UTM SURF EASTINGS: 629426.00 **NORTHINGS:** 4451514.00
FIELD NAME: UNDESIGNATED
LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU71416 **PROPOSED PRODUCING FORMATION(S):** MESA VERDE
SURFACE OWNER: 1 - Federal **COALBED METHANE:** NO

RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: FEDERAL - ESB000024
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: A36125 - 49-2153
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

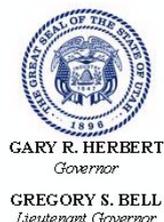
Commingling Approved

LOCATION AND SITING:

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

Comments: Presite Completed

Stipulations: 4 - Federal Approval - dmason
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: BW 15-18-7-22
API Well Number: 43047511790000
Lease Number: UTU71416
Surface Owner: FEDERAL
Approval Date: 8/2/2010

Issued to:

QEP ENERGY COMPANY, 11002 East 17500 South, Vernal, Ut 84078

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 R649-3-2. The expected producing formation or pool is the MESA VERDE 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

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:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

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.

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 at 801-538-5284 (please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>

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

RECEIVED

Form 3160-3
(August 2007)

AUG 01 2010

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU71416

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
BW 15-18-7-22

9. API Well No.
43 047 51179

10. Field and Pool, or Exploratory
UNDESIGNATED

11. Sec., T. R. M. or Blk. and Survey or Area
SEC. 18, T7S, R22E MER SLB

12. County or Parish
UINTAH

13. State
UT

16. No. of acres in lease
2237.00

17. Spacing Unit dedicated to this well
40.00

20. BLM/BIA Bond No. on file
ESB000024

22. Approximate date work will start*
10/01/2010

23. Estimated duration
45

1a. Type of work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator QEP ENERGY COMPANY CONTACT: JAN NELSON

3a. Address 11002 EAST 17500 SOUTH
VERNAL, UT 84078

3b. Phone No. (include area code)
435-781-4331

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface SWSE 626 FSL 1841 FEL 40.20594 N LAT, 109.47997 W LON
At proposed prod. zone SWSE 626 FSL 1841 FEL 40.20594 N LAT, 109.47997 W LON

14. Distance in miles and direction from nearest town or post office*
APPROXIMATELY 9 MILES FROM RED WASH, UT.

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 626

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 25

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5151 GL

24. Attachments

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

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification
- 6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature *Jan Nelson* Name (Printed/Typed) JAN NELSON Date 07/22/2010

Title PERMIT AGENT

Approved by (Signature) *James H. Sparger* Name (Printed/Typed) James H. Sparger Date NOV 17 2010

Title Acting Assistant Field Manager Office VERNAL FIELD OFFICE
Lands & Mineral Resources

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

CONDITIONS OF APPROVAL ATTACHED

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

(Continued on page 2)

RECEIVED *(Instructions on page 2)

NOV 22 2010

CONFIDENTIAL DIV. OF OIL, GAS & MINERAL RESOURCES NOTICE OF APPROVAL

UDOGM



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078

(435) 781-4401



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

| | | | |
|-----------------|---------------------------|-------------------|---------------------------------|
| Company: | QEP Energy Company | Location: | SWSE, Sec. 18, T7S, R22E |
| Well No: | BW 15-18-7-22 | Lease No: | UTU-71416 |
| API No: | 43-047-51179 | Agreement: | N/A |

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

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

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

NOTIFICATION REQUIREMENTS

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

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

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

SITE SPECIFIC COAs:

Company/Operator: QEP Energy Company
Well Name & Number: BW 15-18-7-22
Surface Ownership: BLM
Lease Number: UTU-71416
Onsite Date: 7/13/2010
Location: SW/SE Section 18, T7S R22E
Date sundry Received: 8/01/2010

CONDITIONS OF APPROVAL:

- This project will be implemented on or after the sundry approval date. If the well has not been spudded by March 31, 2013 this sundry will expire and the operator is to cease all operations related to preparing to drill the well.
- During operations, if any vertebrate paleontological resources are discovered, all operations affecting such sites shall be immediately suspended, and all discoveries shall be left intact until authorized to proceed by the Authorized Officer. The appropriate Authorized Officer of the Vernal BLM office shall be notified within 48 hrs of the discovery, and a decision as to the preferred alternative course of action will be rendered.
- Prior to construction, an invasive plants/noxious weeds inventory will be completed for all areas where surface disturbance will occur, and a completed Weed Inventory Form will be submitted to the BLM Authorized Officer.

Reclamation

- Reclamation will be completed in accordance with the Questar Exploration and Production Company, Uintah Basin Division's Reclamation Plan on file with the Vernal Field Office of the BLM.

- The operator shall submit a Sundry Notice (Form 3160-5) to the BLM Authorized Officer (AO) 3 growing seasons after reclamation efforts have occurred evaluating the status of the reclaimed areas in order to determine whether the BLM standards set forth in the Green River District Reclamation Guidelines have been met (30% or greater basal cover).

Downhole specific COAs

- All requirements for drilling operations in Onshore Order #2 shall be adhered to.
- Advance 24 hour notification through UT_VN_OpReport@blm.gov is required for BOPE tests. Operator shall provide notification prior to installing/testing BOPE for the 5M BOPE system. For the e-mail notification, please place in the e-mail notification subject line the following text, "Deepening well work, BOPE test for 5M system....".

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

SITE SPECIFIC DOWNHOLE COAs:

Variations Granted:

Air Drilling:

1. Variance requests, listed in Section 6 F of your drilling plan, are approved.

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Wellogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

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

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

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

| | |
|--|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU71416 |
| 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 Gas Well | 8. WELL NAME and NUMBER: BW 15-18-7-22 |
| 2. NAME OF OPERATOR: QEP ENERGY COMPANY | 9. API NUMBER: 43047511790000 |
| 3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078 | PHONE NUMBER: 303 308-3068 Ext |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0626 FSL 1841 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 18 Township: 07.0S Range: 22.0E Meridian: S | 9. FIELD and POOL or WILDCAT: UNDESIGNATED COUNTY: UINTAH STATE: UTAH |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|--|---|---|
| <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/15/2010 | <input type="checkbox"/> ACIDIZE | <input checked="" 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 type="checkbox"/> OTHER | OTHER: <input style="width: 100px;" type="text"/> |

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

QEP ENERGY COMPANY REQUEST APPROVAL TO CHANGE THE 4.5" PRODUCTION CASING WEIGHT AND GRADE FROM: 4.5" 13.5# N-80 LTC COLLAPSE: 8,450 PSI BURST: 9,020 PSI TENSILE: 270,000 lbs (joint strength constrained) TO: 4.5" 11.6# HCP-110 LTC COLLAPSE: 8,830 PSI BURST 10,710 PSI TENSILE: 279,000 lbs (joint strength constrained) IN ADDITION QEP REQUEST A CHANGE IN BOPE REQUIREMENT FOR PRODUCTION HOLD PLEASE SEE ATTACHED.

Accepted by the Utah Division of Oil, Gas and Mining
 Date: 12/09/2010
 By: *Derek Quist*

| | | |
|--|-------------------------------------|------------------------------|
| NAME (PLEASE PRINT) Jan Nelson | PHONE NUMBER 435 781-4331 | TITLE Permit Agent |
| SIGNATURE N/A | DATE 12/8/2010 | |

Change in BOPE requirement for production hole:

- **Old Design:** 7-1/16" 10M BOPE. BHP based on max anticipated MW of 12.5 ppg from offset wells. Initial calculations suggested that 7-1/16" 10M BOPE would be required to drill the production segment of this hole.
- **New Design:** 11" 5M BOPE. BHP based on max anticipated MW of 11.8 ppg from offset wells (in the Mesa Verde) yielding a max BHP of 7,712 psi. Further, pursuant to the standards and guidelines of Onshore Order #2, using a pressure gradient of 0.22 psi/ft, max surface pressure would be 4,947 psi. A 5M BOPE system would satisfy these requirements. All BOPE equipment will be tested in accordance with BLM Onshore Order #2.

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: QEP ENERGY COMPANY

Well Name: BW 15-18-7-22

Api No: 43-047-51179 Lease Type FEDERAL

Section 18 Township 07S Range 22E County UINTAH

Drilling Contractor _____ RIG # _____

SPUDED:

Date 01/03/2011

Time NOON

How DRY

Drilling will Commence: _____

Reported by DAVID

Telephone # (435) 828-0394

Date 01/04/2011 Signed CHD

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU71416

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
N/A

7. UNIT or CA AGREEMENT NAME:
KILIMANJARO UNIT UTU88205X

8. WELL NAME and NUMBER:
BW 15-18-7-22

9. API NUMBER:
4304751179

10. FIELD AND POOL, OR WILDCAT:
UNDESIGNATED

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:
QEP ENERGY COMPANY

3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078 PHONE NUMBER: (435) 781-4342

4. LOCATION OF WELL FOOTAGES AT SURFACE: 626' FSL, 1841' FEL COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 18 7S 22E S STATE: UTAH

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/3/2011 | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: SPUD SUNDRY |
| | <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 1/3/2011 - Drilled 50' of 20" conductor hole. Set 50' of 14" conductor pipe. Cmtd w/ Ready Mix.

QEP Energy Company requests that this well be kept "CONFIDENTIAL".

RECEIVED
JAN 04 2011
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Dahn Caldwell TITLE Office Administrator
SIGNATURE *Dahn Caldwell* DATE 1/4/2011

(This space for State use only)

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU71416

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
N/A

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.

7. UNIT OR CA AGREEMENT NAME:
KILIMANJARO UNIT UTU88205X

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
BW 15-18-7-22

2. NAME OF OPERATOR:
QEP ENERGY COMPANY

9. API NUMBER:
4304751179

3. ADDRESS OF OPERATOR:
11002 EAST 17500 SOUTH CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:
(435) 781-4342

10. FIELD AND POOL, OR WILDCAT:
UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 626' FSL, 1841' FEL COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 18 7S 22E S STATE: UTAH

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/10/2011 | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: SET CSG SPUD SUNDRY |
| | <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.

SPUD SUNDRY - SET SURFACE CSG

On 1/3/2011 - Drilled 50' of 20" conductor hole. Set 50' of 14" conductor pipe. Cmtd w/ ready Mix.

On 1/10/2011 - Drill 12-1/4" hole to 535'. Run 13 jts of 9-5/8", J-55, 36#, ST&C csg to the depth of 522'. Pro Petro cmtd w/ 275 sx's of Class 'G' cmt.

QEP Energy Company requests that this well be kept 'CONFIDENTIAL'.

RECEIVED
JAN 12 2011
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Dahn Caldwell TITLE Office Administrator
SIGNATURE *Dahn Caldwell* DATE 1/12/2011

(This space for State use only)

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

FORM 9

| | | |
|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU71416 |
| 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: N/A |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: KILIMANJARO UNIT UTU88205X |
| 2. NAME OF OPERATOR: QEP ENERGY COMPANY | | 8. WELL NAME and NUMBER: BW 15-18-7-22 |
| 3. ADDRESS OF OPERATOR: 11002 EAST 17500 SOUTH CITY VERNAL STATE UT ZIP 84078 | | 9. API NUMBER: 4304751179 |
| PHONE NUMBER: (435) 781-4342 | | 10. FIELD AND POOL, OR WILDCAT: UNDESIGNATED |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 626' FSL, 1841' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 18 7S 22E S | | COUNTY: UINTAH STATE: UTAH |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|--|---|--|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE | <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/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"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: SET CSG SPUD SUNDRY |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/10/2011 | | | |

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

SPUD SUNDRY - SET SURFACE CSG

On 1/3/2011 - Drilled 50' of 20" conductor hole. Set 50' of 14" conductor pipe. Cmtd w/ ready Mix.

On 1/10/2011 - Drill 12-1/4" hole to 535'. Run 13 jts of 9-5/8", J-55, 36#, ST&C csg to the depth of 522'. Pro Petro cmtd w/ 275 sxs of Class 'G' cmt.

QEP Energy Company requests that this well be kept 'CONFIDENTIAL'.

| | |
|--|-----------------------------------|
| NAME (PLEASE PRINT) <u>Dahn Caldwell</u> | TITLE <u>Office Administrator</u> |
| SIGNATURE | DATE <u>1/12/2011</u> |

(This space for State use only)

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CONFIDENTIAL

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

AMENDED REPORT [] FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG
1a. TYPE OF WELL: OIL WELL [] GAS WELL [x] DRY [] OTHER []
b. TYPE OF WORK: NEW WELL [x] HORIZ. LATS. [] DEEP-EN [] RE-ENTRY [] DIFF. RESVR. [] OTHER []

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU71416
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT or CA AGREEMENT NAME: UTU88205X
8. WELL NAME and NUMBER: BW 15-18-7-22
9. API NUMBER: 4304751179
10. FIELD AND POOL, OR WILDCAT: Exploratory
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 10 7S 22E
12. COUNTY: Uintah 13. STATE: UTAH

2. NAME OF OPERATOR: QEP Energy Company
3. ADDRESS OF OPERATOR: 1050 17th St. Ste. 500 CITY Denver STATE CO ZIP 80265
PHONE NUMBER: (303) 672-6900

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 626 FSL, 1841 FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW: Same
AT TOTAL DEPTH: Same

14. DATE SPURRED: 1/2/2011 15. DATE T.D. REACHED: 2/4/2011 16. DATE COMPLETED: 3/23/2011
ABANDONED [] READY TO PRODUCE [x]
17. ELEVATIONS (DF, RKB, RT, GL):
18. TOTAL DEPTH: MD 12,643 TVD 12,643
19. PLUG BACK T.D.: MD 12,500 TVD 12,500
20. IF MULTIPLE COMPLETIONS, HOW MANY? *
21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each): Quad Combo
23. WAS WELL CORED? NO [x] YES [] (Submit analysis)
WAS DST RUN? NO [x] YES [] (Submit report)
DIRECTIONAL SURVEY? NO [x] YES [] (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)
Table with columns: HOLE SIZE, SIZE/GRADE, WEIGHT (#/ft.), TOP (MD), BOTTOM (MD), STAGE CEMENTER DEPTH, CEMENT TYPE & NO. OF SACKS, SLURRY VOLUME (BBL), CEMENT TOP **, AMOUNT PULLED

25. TUBING RECORD
Table with columns: SIZE, DEPTH SET (MD), PACKER SET (MD)

26. PRODUCING INTERVALS
27. PERFORATION RECORD
Table with columns: FORMATION NAME, TOP (MD), BOTTOM (MD), TOP (TVD), BOTTOM (TVD), INTERVAL (Top/Bot - MD), SIZE, NO. HOLES, PERFORATION STATUS

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.
Table with columns: DEPTH INTERVAL, AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS: [] ELECTRICAL/MECHANICAL LOGS [] GEOLOGIC REPORT [] DST REPORT [] DIRECTIONAL SURVEY [] SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION [] CORE ANALYSIS [x] OTHER: Drilling Report
30. WELL STATUS: Producing RECEIVED

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

| | | | | | | | |
|-----------------------------------|-------------------------|---------------------|--------------------------|-----------------|---------------------|---------------------------|--------------------------|
| DATE FIRST PRODUCED: 3/23/2011 | TEST DATE: 3/27/2011 | HOURS TESTED: 24 | TEST PRODUCTION RATES: → | OIL - BBL: 0 | GAS - MCF: 1,038 | WATER - BBL: 380 | PROD. METHOD: Flowing |
| CHOKE SIZE: 16/16 | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | INTERVAL STATUS: |

INTERVAL B (As shown in item #26)

| | | | | | | | |
|----------------------|-------------|---------------|--------------------------|------------|---------------|---------------------------|------------------|
| DATE FIRST PRODUCED: | TEST DATE: | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | INTERVAL STATUS: |

INTERVAL C (As shown in item #26)

| | | | | | | | |
|----------------------|-------------|---------------|--------------------------|------------|---------------|---------------------------|------------------|
| DATE FIRST PRODUCED: | TEST DATE: | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | INTERVAL STATUS: |

INTERVAL D (As shown in item #26)

| | | | | | | | |
|----------------------|-------------|---------------|--------------------------|------------|---------------|---------------------------|------------------|
| DATE FIRST PRODUCED: | TEST DATE: | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | INTERVAL STATUS: |

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Sold

33. 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.

34. FORMATION (Log) MARKERS:

| Formation | Top (MD) | Bottom (MD) | Descriptions, Contents, etc. | Name | Top (Measured Depth) |
|-----------|----------|-------------|------------------------------|-------------|----------------------|
| | | | | Green River | 3,715 |
| | | | | Wasatch | 6,808 |
| | | | | Mesa Verde | 9,748 |

35. ADDITIONAL REMARKS (Include plugging procedure)

28. Continued: 11,300 - 11,316: 27.10 bbl 15% HCl, 2926 bbl slick water w/ 92,300 lbs 30/50 sand

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Morgan Anderson TITLE Regulatory Affairs Analyst
 SIGNATURE *Morgan Anderson* DATE 4/5/2011

- This report must be submitted within 30 days of
- completing or plugging a new well
 - drilling horizontal laterals from an existing well bore
 - recompleting to a different producing formation
 - reentering a previously plugged and abandoned well
 - significantly deepening an existing well bore below the previous bottom-hole depth
 - drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.
 ** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801
 Phone: 801-538-5340
 Fax: 801-359-3940

Operations Summary Report

Well Name: BW 15-18-7-22
 Location: 18- 7-S 22-E 26
 Rig Name: AZTEC

Spud Date: 1/9/2011
 Rig Release: 2/8/2011
 Rig Number: 777

| Date | From - To | Hours | Code | Sub Code | Description of Operations |
|--------------------------|--------------------------------|--------------|------------|--|--|
| 1/4/2011 | 06:00 - 15:00 | 9.00 | DRL | 1 | MOVE IN EQUIPMENT AND RIG UP. DRILL 20" HOLE TO 50' AND SET 14" CONDUCTOR PIPE. CEMENT WITH READY MIX TRUCK. |
| | 15:00 - 17:00 17:00 - | 2.00 | DRL | 1 | DRILL MOUSE HOLE AND PUT LINER IN. RIG DOWN AND MOVE OUT NOTIFIED DONNA KENNY WITH THE BLM AND CAROL WITH UTAH OIL AND GAS IN REGARDS TO SETTING CONDUCTOR PIPE ON SUNDAY 1/02/2011 @ 10:00 AM. |
| 1/10/2011 | 15:00 - 19:00 | 4.00 | LOC | 4 | MOVE IN PRO PETRO AND RIG UP TO DRILL SURFACE HOLE |
| | 19:00 - 23:00 | 4.00 | DRL | 1 | DRILL F/50' T/535' |
| | 23:00 - 00:00 | 1.00 | CIRC | 1 | CIRCULATE HOLE CLEAN AND LAY DOW DRILL PIPE |
| | 00:00 - 02:30 | 2.50 | CSG | 2 | RUN 13 JTS OF 9 5/8", 36.0#, J-55, ST&C CASING TO 522' |
| | 02:30 - 03:00 03:00 - 04:00 | 0.50 1.00 | LOC CMT | 4 2 | RIG DOWN AND MOVE RIG OUT RIG UP PRO PETRO CEMENTERS AND PUMP CEMENT. 30 BBLS FRESH WATER, 20 BBL GEL FLUSH, 275 SACKS OF CLASS G CEMENT, DISPLACED WITH 37.6 BBLS OF WATER. PLUG BUMPED AND FLOATS HELD, 17 BBLS OF CEMENT TO SURFACE. NO TOP JOB NEEDED, CEMENT STAYED TO SURFACE |
| 04:00 - 05:00 05:00 - | 1.00 | LOC | 4 | RIG DWON MOVE OUT NOTIFIED DONNA KENNY WITH THE BLM AND CAROL WITH UTAH OIL AND GAS IN REGARDS TO DRILLING AND SETTING SURFACE CASING ON FRIDAY 1/08/2011 @ 10:00 AM. | |
| 1/12/2011 | 06:00 - 06:00 | 24.00 | LOC | 4 | RIG DOWN PREPARE OF TRUCKS, DRAIN UP RIG |
| 1/13/2011 | 06:00 - 06:00 | 24.00 | LOC | 4 | MOVE RIG AND RIG UP, TRUCKS LEFT LOCATION AT 18:00 HRS ON 01/12/2011 |
| 1/14/2011 | 06:00 - 08:00 | 2.00 | LOC | 4 | RIG UP TOP DRIVE AND HYDRAULIC LINES |
| | 08:00 - 18:00 | 10.00 | BOP | 1 | NIPPLE UP BOP AND MANIFOLD |
| | 18:00 - 02:00 | 8.00 | BOP | 2 | TEST BOPE AND CASING. TESTED UPPER KELLY VALVE, SAFETY VALVE, DART VALVE, PIPE RAMS ,BLIND RAMS, HCR VALVE, SUPPER CHOKE, MANIFOLD AND VALVES TO 250 PSI LOW, 5000 PSI HIGH TESTED ANNULAR 250 PSI LOW, 2500 PSI HIGH. TESTED CASING TO 1500 PSI AND HELD FOR 30 MIN. |
| 1/15/2011 | 02:00 - 04:00 | 2.00 | BOP | 1 | RIG UP CHOKE LINES AND GAS BUSTER. |
| | 04:00 - 05:00 | 1.00 | TRP | 1 | GET BHA ON RACKS AND STRAP |
| | 05:00 - 06:00 | 1.00 | RIG | 6 | CUT DRILLING LINE |
| | 06:00 - 08:00 | 2.00 | RIG | 6 | CUT DRILLING LINE |
| | 08:00 - 09:00 | 1.00 | OTH | | INSTALL WEAR BUSHING |
| | 09:00 - 11:30 | 2.50 | TRP | 1 | PICK UP BHA, TAGGED UP AT 475 FT. |
| | 11:30 - 12:30 | 1.00 | TRP | 2 | TRIP OUT AND IN FOR BAFFEL PLATE |
| | 12:30 - 14:30 | 2.00 | OTH | | PRIME PUMPS AND ADJUST TORQUE ON TOP DRIVE |
| | 14:30 - 15:30 | 1.00 | DRL | 4 | DRILL OUT SHOE TRACK |
| | 15:30 - 17:30 | 2.00 | RIG | 2 | WORK ON GRABBERS FOR TOP DRIVE, CHANGE OUT SLIP DIES, AND WORK ON FLOW LINE |
| | 17:30 - 18:30 | 1.00 | DRL | 4 | DRILL SHOE TRACK ----HELD BOP DRILL |
| | 18:30 - 19:00 | 0.50 | EQT | 2 | FIT, WOULD NOT HOLD ANY PRESSURE |
| | 19:00 - 22:30 | 3.50 | DRL | 1 | DRILL FROM 536 TO 826, = 290 FT. = 82 FT./ PH. 40 RPM AT TOP DRIVE, 10 K WT, 325 GPM, MUD MOTOR .17 RPG |
| 22:30 - 23:00 | 0.50 | SUR | 1 | WIRE LINE SURVEY AT 750 FT. = DEV 0.7 AZI. 58.2 | |
| 23:00 - 03:30 | 4.50 | DRL | 1 | DRILL FROM 826 TO 1336 = 510 FT. = 113.3 FT./ PH 10 K ON BIT, 40 RPM ON TOP DRIVE, 105 SPM ON BOTH PUMPS, MUD MOTOR .17 RPG, MUD WT. 8.4 | |
| 1/16/2011 | 03:30 - 04:00 | 0.50 | SUR | 1 | SURVEY AT 1257. .9 DEG. 185.0 AZI --- HELD BOP DRILL |
| | 04:00 - 06:00 | 2.00 | DRL | 1 | DRILL FROM 1336 TO 1550 FT. = 214 FT.= 107 FT. / PH |
| | 06:00 - 08:00 | 2.00 | DRL | 1 | DRILL FROM 1550 TO 1780. = 230 FT. = 115 FT./ HR |

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APR 07 2011

Operations Summary Report

Well Name: BW 15-18-7-22
 Location: 18-7-S 22-E 26
 Rig Name: AZTEC

Spud Date: 1/9/2011
 Rig Release: 2/8/2011
 Rig Number: 777

| Date | From - To | Hours | Code | Sub Code | Description of Operations |
|---------------|---------------|---------------|------|----------|--|
| 1/16/2011 | 06:00 - 08:00 | 2.00 | DRL | 1 | 10 K ON BIT, 50 RPM ON TOP DRIVE, 500 GPM, .17 MUD MOTOR |
| | 08:00 - 08:30 | 0.50 | SUR | 1 | WIRE LINE SURVEY@ 1720 = .6 DEG. 182 AZI |
| | 08:30 - 09:00 | 0.50 | RIG | 1 | SERVICE RIG |
| | 09:00 - 13:30 | 4.50 | DRL | 1 | DRILL FROM 1780 TO 2288. = 508 FT. = 112.9 FT./ HR |
| | 13:30 - 16:00 | 2.50 | TRP | 2 | TRIP OUT TO RETRIEIVE SURVEY TOOL |
| | 16:00 - 16:30 | 0.50 | SUR | 1 | GET SURVEY TOOL OUT |
| | 16:30 - 19:00 | 2.50 | TRP | 2 | SURVEY @ 2230 = 1.3 DEG. 157.8 AZI TRIP IN HOLE. BRIDGE AT 1730 FT. |
| | 19:00 - 19:30 | 0.50 | REAM | 1 | WASH AND REAM LAST 60 FT. = 30 FT. OF FILL |
| | 19:30 - 00:00 | 4.50 | DRL | 1 | DRILL FROM 2288 TO 2798. = 510 FT. = 113.3 FT./ HR |
| | 00:00 - 00:30 | 0.50 | SUR | 1 | WIRE LINE SURVEY @ 2728 = .8 DEG. 110.7 AZI. |
| | 00:30 - 04:30 | 4.00 | DRL | 1 | DRILL FROM 2798 TO 3180. = 382 FT. = 95.5 FT./ HR |
| | 04:30 - 05:00 | 0.50 | SUR | 1 | WIRE LINE SURVEY AT 3110. = .8 DEG, 130.4 DIRECTION |
| | 05:00 - 06:00 | 1.00 | DRL | 1 | DRILL FROM 3180 TO 3250. = 70 FT. = 70 FT./ HR |
| | 1/17/2011 | 06:00 - 12:30 | 6.50 | DRL | 1 |
| 12:30 - 13:00 | | 0.50 | SUR | 1 | WIRE LINE SURVEY @ 3565 = 1.0 DEG. 122.7 AZI. |
| 13:00 - 13:30 | | 0.50 | RIG | 1 | RIG SERVICE |
| 13:30 - 14:30 | | 1.00 | RIG | 2 | RIG REPAIR, REPLACE WATER BOX ON DWKS. |
| 14:30 - 23:00 | | 8.50 | DRL | 1 | DRILL FROM 3624 TO 4132 FT. = 508 FT. = 59.7 FT. / HR |
| 23:00 - 23:30 | | 0.50 | SUR | 1 | WIRE LINE SURVEY @ 4062 = 1.1 DEG. 128.7 AZI. |
| 23:30 - 06:00 | | 6.50 | DRL | 1 | DRILL FROM 4132 TO 4525 = 393 FT. = 60.5 FT./ HR. 12 K ON BIT, 500 GPM , 50 RPM ON TOP DRIVE, .17 GPR MUD MOTOR. |
| 1/18/2011 | 06:00 - 08:00 | 2.00 | DRL | 1 | DRILL FROM 4525 TO 4641. = 116 FT. = 58 FT./ HR 12 K ON BIT, 50 RPM ON TOP DRIVE, 500 GPM PUMP RATE, .17 RPG MUD MOTOR |
| | 08:00 - 08:30 | 0.50 | SUR | 1 | RUN WIRE LINE SURVEY @ 4580 = 1.4 DEG. 114.4 AZI. |
| | 08:30 - 22:30 | 14.00 | DRL | 1 | DRILLING FROM 4641 TO 5149. = 508 FT. = 36.3 FT. / HR |
| | 22:30 - 23:00 | 0.50 | SUR | 1 | WIRE LINE SURVEY AT 5079. = 1.3 DEG. 126.3 AZI. LOST 20 BBLS ON SURVEY |
| | 23:00 - 06:00 | 7.00 | DRL | 1 | DRILL FROM 5149 TO 5400. = 251 FT. = 35.8 FT./ HR 8 TO 14 K ON BIT, 50 RPM ON TOP DRIVE, 500 GPM PUMP RATE W / 2 PUMPS, .17 RPG MUD MOTOR. |
| 1/19/2011 | 06:00 - 09:30 | 3.50 | DRL | 1 | DRILL FROM 5400 TO 5495. = 95 FT. = 27.1 FT. / HR. 16 K ON BIT, 500 GPM W / BOTH PUMPS, 50 RPM ON TOP DRIVE, .17 RPG MUD MOTOR |
| | 09:30 - 11:00 | 1.50 | TRP | 10 | TRIP OUT FOR BIT |
| | 11:00 - 12:30 | 1.50 | TRP | 10 | WORK TIGHT HOLE FROM 4078 TO 4046, CCIRC AND WORK STRING. LOST 200 BBLS |
| | 12:30 - 16:00 | 3.50 | TRP | 10 | TRIP OUT FOR BIT |
| | 16:00 - 16:30 | 0.50 | TRP | 1 | CHANGE BIT AND WORK BLIND RAMS AND ANNULAR |
| | 16:30 - 21:00 | 4.50 | TRP | 10 | TRIP IN HOLE AND FILL PIPE AT 3800 FT.[FULL CIRCULATION] |
| | 21:00 - 21:30 | 0.50 | REAM | 1 | WASH AND REAM 100 FT. TO BOTTOM. LOST 200 BBLS WASHING TO BOTTOM. |

Operations Summary Report

Well Name: BW 15-18-7-22
 Location: 18- 7-S 22-E 26
 Rig Name: AZTEC

Spud Date: 1/9/2011
 Rig Release: 2/8/2011
 Rig Number: 777

| Date | From - To | Hours | Code | Sub Code | Description of Operations |
|-----------|---------------|-------|------|----------|--|
| 1/19/2011 | 21:30 - 01:00 | 3.50 | DRL | 1 | DRILL FROM 5495 TO 5667. = 172 FT. = 49.1 FT. / HR. 16 K ON BIT, 500 GPM W / BOTH PUMPS, 50 RPM ON TOP DRIVE, .17 RPG MUD MOTOR |
| | 01:00 - 01:30 | 0.50 | SUR | 1 | WIRE LINE SURVEY @ 5587 = 2.2 DEG. 123.3 AZI. |
| | 01:30 - 06:00 | 4.50 | DRL | 1 | DRILLING FROM 5667 TO 5850 = 183 FT. = 40.6 FT. / HR. |
| 1/20/2011 | 06:00 - 09:30 | 3.50 | DRL | 1 | DRILL FROM 5850 TO 5943. = 93 FT. = 26.6 FT. / HR 16 K ON BIT, 50 RPM ON TOP DRIVE, 500 GPM WITH BOTH PUMPS, .17 RPG MUD MOTOR. |
| | 09:30 - 10:00 | 0.50 | CIRC | 2 | LOST CIRCULATION, LOST 120 BBLs, CIRCULATE AND BUILD VOLUME |
| | 10:00 - 18:30 | 8.50 | DRL | 1 | DRILL FROM 5943 TO 6165. = 222 FT. = 26.1 FT. / HR |
| | 18:30 - 19:30 | 1.00 | SUR | 1 | WIRE LINE SURVEY @ 6092 = 1.8 DEG. = 129.1 AZI. AFTER SURVEY, WORK PIPE AND REGAIN CIRCULATION. LOST 150 BBLs. |
| | 19:30 - 22:00 | 2.50 | DRL | 1 | DRILL FROM 6165 TO 6228 FT. = 63 FT. = 25.2 FT. / HR. |
| | 22:00 - 22:30 | 0.50 | CIRC | 2 | LOST CIRCULATION, WORK PIPE AND MIX LCM. LOST 150 BBLs OF FLUID @ 6228 CONNECTION. |
| | 22:30 - 06:00 | 7.50 | DRL | 1 | DRILL FROM 6228 TO 6385. = 157 FT. = 20.9 FT. / HR |
| 1/21/2011 | 06:00 - 12:30 | 6.50 | DRL | 1 | DRILL FROM 6385 TO 6577. = 192 FT. = 29.5 FT. / HR 18 K ON BIT, 500 GPM, 50 RPM ON TOP DRIVE, .17 RPG MUD MOTOR. |
| | 12:30 - 13:00 | 0.50 | RIG | 1 | RIG SERVICE |
| | 13:00 - 00:00 | 11.00 | DRL | 1 | DRILL FROM 6577 TO 6930. = 353 FT. = 32.1 FT. / HR. |
| | 00:00 - 01:00 | 1.00 | CIRC | 1 | CIRCULATE AND PUMP SWEEPS |
| | 01:00 - 01:30 | 0.50 | TRP | 14 | TRIP OUT OF HOLE AND STRAP PIPE |
| | 01:30 - 02:30 | 1.00 | REAM | 1 | BACK REAM FROM 6855 TO 6668. LOST 200 BBLs WHILE BACK REAMING. |
| | 02:30 - 06:00 | 3.50 | TRP | 14 | TRIP OUT OF HOLE. STRAP PIPE |
| 1/22/2011 | 06:00 - 07:00 | 1.00 | TRP | 14 | SHORT TRIP OUT TO CASING, SLM |
| | 07:00 - 11:30 | 4.50 | TRP | 14 | TRIP IN HOLE, BRIDGE AT 2160 AND 6831 |
| | 11:30 - 12:00 | 0.50 | REAM | 1 | WASH AND REAM FROM 6831 TO 6930, 7 FT. OF FILL |
| | 12:00 - 14:00 | 2.00 | CIRC | 1 | CIRCULATE AND CONDITION HOLE. |
| | 14:00 - 15:00 | 1.00 | CIRC | 1 | PUMP GYRO AND DRY JOB |
| | 15:00 - 21:00 | 6.00 | TRP | 3 | LAY DOWN DRILL PIPE AND GYRO OUT. |
| | 21:00 - 22:00 | 1.00 | SUR | 1 | RETRIEVE GYRO ON WIRE LINE AND SURVEY EVERY 100 FT. FROM 1100 FT. |
| | 22:00 - 23:30 | 1.50 | TRP | 3 | LAY DOWN DRILL PIPE AND BHA |
| | 23:30 - 00:00 | 0.50 | OTH | | PULL WEAR BUSHING |
| | 00:00 - 02:00 | 2.00 | CSG | 1 | RIG UP CASERS AND CHANGE BAILS HAD TO MOVE TRACK. |
| | 02:00 - 05:00 | 3.00 | CSG | 2 | PJSM AND RUN CASING |
| | 05:00 - 06:00 | 1.00 | OTH | | WORK ON AND CHANGE OUT CASING TONGS |
| 1/23/2011 | 06:00 - 07:00 | 1.00 | CSG | 2 | RUN 7" CASING |
| | 07:00 - 07:30 | 0.50 | OTH | | CIRCULATE AND ADJUST TOP DRIVE TRACK |
| | 07:30 - 13:00 | 5.50 | CSG | 2 | RUN 7" CASING |
| | 13:00 - 14:30 | 1.50 | REAM | 1 | WASH 130 FT. TO BOTTOM |
| | 14:30 - 15:30 | 1.00 | CIRC | 1 | CIRCULATE FOR CASING |
| | 15:30 - 21:00 | 5.50 | CMT | 2 | PJSM, RIG UP CEMENTERS, TEST LINES, PUMP CEMENT, 40 BBLs SUPER FLUSH, |

Operations Summary Report

Well Name: BW 15-18-7-22
 Location: 18- 7-S 22-E 26
 Rig Name: AZTEC

Spud Date: 1/9/2011
 Rig Release: 2/8/2011
 Rig Number: 777

| Date | From - To | Hours | Code | Sub Code | Description of Operations |
|-----------|-------------------------|-------|------|----------|---|
| 1/23/2011 | 15:30 - 21:00 | 5.50 | CMT | 2 | LEAD CEMENT WAS 570 SKS OF EXTENDACEM, TAIL WAS 210 SKS. OF ECONOCEM, DISPLACED WITH 262 BBLS OF FRESH WATER. PLUG BUMPED AND FLOATS HELD. 160 BBLS OF CEMENT TO SURFACE. |
| | 21:00 - 22:00 | 1.00 | CMT | 1 | RIG DOWN CEMENTERS AND FLUSH OUT BOPE. |
| | 22:00 - 00:30 | 2.50 | DEQ | 4 | PULL LANDING JT. AND SET AND TEST PACK OFF TO 5000 PSI |
| | 00:30 - 02:30 | 2.00 | BOP | 1 | CHANGE OUT PIPE RAMS, CHANGE ELEVATORS, BAILS. SAVER SUB. |
| | 02:30 - 06:00 | 3.50 | BOP | 2 | TEST BOP AND SURFACE LINES BACK TO PUMP. |
| 1/24/2011 | 06:00 - 07:00 | 1.00 | BOP | 2 | TEST CASING TO 1500 PSI 30 MIN. TESTED BOPE, TESTED KELLY VALVE, SAFETY VALVE, INSIDE BOP, PIPE RAMS, CHOKE LINE, HCR VALVE, KILL LINE, MANIFOLD, BLINE RAMS, SUPER CHOKE TO 250 PSI LOW PRESSURE AND 5000 PSI HIGH PRESSURE. TESTED ANNULAR TO 250 PSI LOW, 2500 PSI HIGH, TESTED KELLY HOSE BACK TO PUMP 3500 PSI. TESTED CASING TO 1500 PSI FOR 30 MIN |
| | 07:00 - 08:30 | 1.50 | OTH | | ADJUST TOP DRIVE TRACK AND SET TORQUE SETTING FOR 3 1/2 IF DRILL PIPE. |
| | 08:30 - 09:00 | 0.50 | TRP | 2 | INSTALL WEAR BUSHING |
| | 09:00 - 10:00 | 1.00 | RIG | 6 | CUT AND SLIP 120 FT. OF DRILLING LINE |
| | 10:00 - 10:30 | 0.50 | TRP | 1 | PJSM AND RIG UP LAY DOWN MACHINE |
| | 10:30 - 11:30 | 1.00 | DRL | 3 | PICK UP DIRECTIONAL TOOLS AND ORIENT. |
| | 11:30 - 19:30 | 8.00 | TRP | 1 | PICK UP 3 1/2 DP AND HWDP AND STRAP |
| | 19:30 - 20:00 | 0.50 | TRP | 1 | RIG DOWN LAY DOWN MACHINE |
| | 20:00 - 21:30 | 1.50 | DRL | 2 | DRILL OUT CEMENT AND SHOE TRACK PLUS 5 FT. OF NEW HOLE |
| | 21:30 - 22:00 | 0.50 | EQT | 2 | FIT, EMW = 9.4 AT 6935. |
| | 22:00 - 06:00 | 8.00 | DRL | 2 | DIRECTIONAL DRILL FROM 6935 TO 7270 = 335 FT. = 41.8 FPH DRILLING W/ 12 K ON BIT, 240 GPM ON PUMPS 60 PRM ON TOP DRIVE, .26 RPG ON 1.5 DEG. BENT MOTOR. SLIDE DRILLING W/240 GPM PUMP, 8 K WT. ON BIT. |
| 1/25/2011 | 06:00 - 06:00 - 15:30 | 9.50 | DRL | 2 | WE DID 3 -- 10 FT SLIDES IN 2 HRS. = 15 FPH AVE. DRILL FROM 7270 TO 7649 FT. = 379 FT. = 39.8 FPH 14 K ON BIT, 240 GPM ON PUMP, 60 RPM ON TOP DRIVE, .26 RPG MUD MOTOR, 1.5 BEND. SLIDING WITH 8-10 K ON BIT, 240 GPM PUMP |
| | 15:30 - 16:00 | 0.50 | RIG | 2 | RIG SERVICE |
| | 16:00 - 06:00 - 06:00 - | 14.00 | DRL | 2 | DRILL FROM 7649 TO 8350. = 701 FT. = 50.1 FPH 8 SLIDES = 98 FT = 7 HRS. = 14 FPH DRILLING = 982 FT. 16.5 HRS. = 59.5 FPH |
| 1/26/2011 | 06:00 - 16:00 | 10.00 | DRL | 2 | DRILL FROM 8350 TO TO 8793. = 443 FT. = 44.3 FPH DRILLING WITH 14 K ON BIT, 240 GPM ON PUMPS, 60 RPM ON TOP DRIVE. .26 GPM MUD MOTOR, 1.5 BEND. SLIDE WITH 10- 12 K ON BIT, 240 GPM ON PUMPS |
| | 16:00 - 16:30 | 0.50 | RIG | 1 | RIG SERVICE |

Operations Summary Report

Well Name: BW 15-18-7-22
 Location: 18- 7-S 22-E 26
 Rig Name: AZTEC

Spud Date: 1/9/2011
 Rig Release: 2/8/2011
 Rig Number: 777

| Date | From - To | Hours | Code | Sub Code | Description of Operations |
|---------------|---------------|---------------|------|----------|---|
| 1/26/2011 | 16:00 - 16:30 | 0.50 | RIG | 1 | DRILL FROM 8793 TO 9173 =380 FT. = 47.5 FPH. WORK WITH MWD, NO SIGNAL MIX AND PUMP DRY PILL |
| | 16:30 - 00:30 | 8.00 | DRL | 2 | |
| | 00:30 - 01:00 | 0.50 | SUR | 1 | |
| | 01:00 - 01:30 | 0.50 | CIRC | 1 | |
| | 01:30 - 03:30 | 2.00 | TRP | 13 | |
| | 03:30 - 04:00 | 0.50 | CIRC | 1 | |
| | 04:00 - 06:00 | 2.00 | TRP | 13 | |
| 1/27/2011 | 06:00 - 07:00 | 1.00 | TRP | 13 | TRIP FOR MWD TOOL, TIGHT HOLE @ 8808 BACK REAMED FROM 8795 TO 8808 |
| | 07:00 - 08:30 | 1.50 | TRP | 1 | MIX AND PUMP DRY PILL |
| | 08:30 - 14:30 | 6.00 | TRP | 13 | TRIP OUT FOR MWD TOOL |
| | 14:30 - 15:00 | 0.50 | REAM | 1 | 3 SLIDES = 45 FT. IN 3.5 HRS. = 12.8 FPH. DRILLING AT 53.6 FPH |
| | 15:00 - 05:00 | 14.00 | DRL | 1 | |
| 1/28/2011 | 05:00 - 06:00 | 1.00 | SUR | 1 | TRIP OUT OF HOLE FOR MWD |
| | 06:00 - 10:00 | 4.00 | DRL | 2 | CHANGE OUT MOTOR, BIT AND MWD. ORIENT AND TEST TOOLS |
| | 10:00 - 10:30 | 0.50 | RIG | 1 | TRIP IN HOLE |
| | 10:30 - 17:00 | 6.50 | DRL | 2 | WASH 65' TO BOTTOM, NO FILL |
| | 17:00 - 18:00 | 1.00 | SUR | 1 | DRILLING F/9173 T/10099 926' 66.1'/HR WOB 14/15 RPM 126 GPM 254 |
| | 18:00 - 21:00 | 3.00 | DRL | 2 | SURVEYS AND CONNECTIONS |
| | 21:00 - 22:00 | 1.00 | SUR | 1 | 28' OF SLIDE IN 1.2 HRS, |
| | 22:00 - 23:00 | 1.00 | CIRC | 1 | DRILLING F/10099 T/10286 187' 46.7'/HR WOB 14/15 RPM 126 GPM 254 |
| | 23:00 - 06:00 | 7.00 | TRP | 13 | RIG SERVICE |
| | 1/29/2011 | 06:00 - 08:00 | 2.00 | TRP | 1 |
| 08:00 - 12:30 | | 4.50 | TRP | 13 | SURVEYS AND CONNECTIONS |
| 12:30 - 15:00 | | 2.50 | RIG | 6 | DRILLING F/10605 T/10701 96' 32'/HR |
| 15:00 - 18:30 | | 3.50 | TRP | 13 | SURVEYS AND CONNECTIONS |
| 18:30 - 19:30 | | 1.00 | REAM | 1 | CIRCULATE BOTTOMS AND PUMP TRIP SLUG |
| 19:30 - 05:00 | | 9.50 | DRL | 2 | TRIP OUT OF HOLE FOR MWD FAILURE |
| 05:00 - 06:00 | | 1.00 | SUR | 1 | CHANGE OUT DIRECTIONAL TOOLS AND BIT, CHECK MUD MOTOR AND TEST |
| 1/30/2011 | 06:00 - 12:30 | 6.50 | DRL | 2 | TRIP IN HOLE TO CASING SHOE |
| | 12:30 - 13:00 | 0.50 | RIG | 1 | CUT DRILLING LINE, SLIP ON NEW SPOOL OF DRILLING LINE |
| | 13:00 - 17:00 | 4.00 | DRL | 2 | TRIP IN HOLE |
| | 17:00 - 18:00 | 1.00 | SUR | 1 | REAM FROM 10450' TO 10701', RATTY IN SPOTS |
| | 18:00 - 05:00 | 11.00 | DRL | 2 | DRILLING F/10701' T/10940 239 25.1'/HR WOB 14/15 RPM 110 GPM 242 |
| | 05:00 - 06:00 | 1.00 | SUR | 1 | SURVEYS AND CONNECTIONS |
| 1/31/2011 | 06:00 - 12:30 | 6.50 | DRL | 2 | DRILLING F/10940 T/11243 303' 46.6'/HR WOB 15 RPM 115 GPM 254 |
| | 12:30 - 13:00 | 0.50 | RIG | 1 | RIG SERVICE |
| | 13:00 - 17:00 | 4.00 | DRL | 2 | DRILLING F/11243 T/11442 199' 49.75'/HR |
| | 17:00 - 18:00 | 1.00 | SUR | 1 | SURVEYS AND CONNECTIONS |
| | 18:00 - 05:00 | 11.00 | DRL | 2 | DRILLING F/11442 T/11848 406' 36.9'/HR WOB 15 RPM 110 GPM 242 |
| | 05:00 - 06:00 | 1.00 | SUR | 1 | CONNECTIONS AND SURVEYS |
| | 06:00 - 17:00 | 11.00 | DRL | 2 | DRILLING F/11848 T/12168 220 20'/HR WOB 15 RPM 110 GPM 242 |
| 1/31/2011 | 17:00 - 18:00 | 1.00 | SUR | 1 | CONNECTION AND SURVEYS |
| | 18:00 - 19:00 | 1.00 | DRL | 2 | DRILLING F/12168 T/12179 11' 11'/HR |
| | 19:00 - 20:30 | 1.50 | CIRC | 1 | CIRCULATE AND CONDITION HOLE FOR TRIP AND PUMP TRIP SLUG |
| | 20:30 - 02:00 | 5.50 | TRP | 10 | TRIP OUT OF HOLE FOR BIT, SLM |

Operations Summary Report

Well Name: BW 15-18-7-22
 Location: 18-7-S 22-E 26
 Rig Name: AZTEC

Spud Date: 1/9/2011
 Rig Release: 2/8/2011
 Rig Number: 777

| Date | From - To | Hours | Code | Sub Code | Description of Operations |
|-----------|---------------|-------|------|----------|---|
| 1/31/2011 | 02:00 - 02:30 | 0.50 | RIG | 1 | RIG SERVICE |
| | 02:30 - 06:00 | 3.50 | TRP | 10 | TRIP OUT OF HOLE FOR BIT, SLM |
| 2/1/2011 | 06:00 - 07:30 | 1.50 | TRP | 1 | CHANGE OUT MOTOR AND BIT, ORIENT AND TEST TOOLS SLM =12171, TALLEY= 12179, 8' DIFFERENCE NO CORRECTION |
| | 07:30 - 15:00 | 7.50 | TRP | 10 | TRIP IN HOLE WITH BIT #6 TIGHT @10,505' |
| | 15:00 - 16:30 | 1.50 | REAM | 1 | REAM F/11,670' T/11,810 AND WASH 45' TO BOTTOM |
| | 16:30 - 05:00 | 12.50 | DRL | 2 | DRILLING F/12,179 T/12,368 189' 15.1'/HR WOB 15/16 RPM 110 GPM 242 |
| | 05:00 - 06:00 | 1.00 | SUR | 1 | SURVEYS AND CONNECTIONS |
| 2/2/2011 | 06:00 - 15:00 | 9.00 | DRL | 2 | DRILLING F/12,368 T/12446 78' 8.7'/HR WOB 15/20 RPM 80/125 GPM 242 |
| | 15:00 - 16:30 | 1.50 | CIRC | 1 | CIRCULATE AND CONDITION HOLE FOR TRIP |
| | 16:30 - 21:30 | 5.00 | TRP | 10 | TRIP OUT OF HOLE FOR BIT |
| | 21:30 - 22:30 | 1.00 | RIG | 2 | CHANGE OUT DRUM WATERBOX |
| | 22:30 - 23:00 | 0.50 | RIG | 1 | RIG SERVICE |
| | 23:00 - 02:00 | 3.00 | TRP | 10 | TRIP OUT |
| | 02:00 - 02:30 | 0.50 | TRP | 10 | CHECK MOTOR, CHANGE BITS |
| | 02:30 - 06:00 | 3.50 | TRP | 10 | TRIP IN HOLE WITH BIT #7 |
| 2/3/2011 | 06:00 - 08:00 | 2.00 | TRP | 10 | TRIP IN HOLE W/ BIT #7 TO SHOE |
| | 08:00 - 09:00 | 1.00 | RIG | 6 | CUT DRILLING LINE |
| | 09:00 - 12:00 | 3.00 | TRP | 10 | TRIP IN HOLE W/ BIT #7 |
| | 12:00 - 16:30 | 4.50 | REAM | 1 | WASH AND REAM F/9910 T/10858 |
| | 16:30 - 18:00 | 1.50 | CIRC | 1 | CIRCULATE AND CONDITION HOLE, PUMP HIGH VIS SWEEP |
| | 18:00 - 22:00 | 4.00 | REAM | 1 | WASH AND REAM F/10858 T/12446, 10' FILL |
| | 22:00 - 05:30 | 7.50 | DRL | 1 | DRILLING F/12446 T/12625 179 23.9'/HR WOB 12, RPM 60/105, 230 GPM |
| | 05:30 - 06:00 | 0.50 | | | SURVEYS AND CONNECTIONS |
| 2/4/2011 | 06:00 - 07:00 | 1.00 | DRL | 2 | DRILLING F/12625 T/12643 18' 18'/HR WOB 13/14 RPM 105 GPM 230 |
| | 07:00 - 09:00 | 2.00 | CIRC | 1 | CIRCULATE AND CONDITION HOLE FOR SHORT TRIP, PUMP HIGH VIS SWEEPS PUMP TRIP SLUG |
| | 09:00 - 13:00 | 4.00 | TRP | 15 | SHORT TRIP TO 9600', TIGHT SPOT @ 9765' |
| | 13:00 - 13:30 | 0.50 | REAM | 1 | WASH 65' TO BOTTOM, NO FILL |
| | 13:30 - 15:00 | 1.50 | CIRC | 1 | CIRCULATE AND CONDITION HOLE FOR LOGS, PUMP HIGH VIS SWEEPS |
| | 15:00 - 22:00 | 7.00 | TRP | 2 | TRIP OUT OF HOLE FOR LOGS, LAID DOWN JARS, 1 HWDP |
| | 22:00 - 23:00 | 1.00 | TRP | 1 | LAY DOWN DIRECTIONAL TOOLS |
| | 23:00 - 01:00 | 2.00 | LOG | 3 | PICK UP SHUTTLE LOG TOOLS |
| | 01:00 - 06:00 | 5.00 | TRP | 2 | TRIP IN HOLE WITH LOGS |
| 2/5/2011 | 06:00 - 08:30 | 2.50 | LOG | 1 | TRIP IN HOLE WITH SHUTTLE LOGS |
| | 08:30 - 09:00 | 0.50 | REAM | 1 | WASH 45' TO BOTTOM, NO FILL |
| | 09:00 - 11:30 | 2.50 | CIRC | 1 | CIRCULATE BOTTOMS UP, DROP DART AND DEPLOY SHUTTLE LOGS |
| | 11:30 - 21:30 | 10.00 | LOG | 1 | TRIP OUT OF HOLE LOGGING WITH SHUTTLE LOG F/12628 T/SURFACE |
| | 21:30 - 22:30 | 1.00 | LOG | 3 | LAY DOWN SHUTTLE LOGGING TOOLS |
| | 22:30 - 23:30 | 1.00 | OTH | | PULL WEAR BUSHING |
| | 23:30 - 00:00 | 0.50 | LOG | 3 | CONFIRM LOGS |
| | 00:00 - 02:00 | 2.00 | TRP | 2 | TRIP IN TO 4900' TO LAY DOWN PIPE |
| | 02:00 - 03:00 | 1.00 | TRP | 3 | HOLD SAFETY MEETING AND RIG UP LAY DOWN TRUCK |
| | 03:00 - 06:00 | 3.00 | TRP | 3 | LAY DOWN DRILL PIPE AND BHA |
| 2/6/2011 | 06:00 - 07:30 | 1.50 | CSG | 1 | HOLD SAFETY MEETING, MOVE TOP DRIVE TRACK IN, CHANGE OUT BAILS AND RIG UP CASING CREW |
| | 07:30 - 14:00 | 6.50 | CSG | 2 | RUN 4 1/2" CASING TO 7609' TIGHT INSIDE CASING @ 6320 AND @ 7609 IN THE OPEN HOLE |

QEP ENERGY

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Operations Summary Report

Well Name: BW 15-18-7-22
 Location: 18- 7-S 22-E 26
 Rig Name: AZTEC

Spud Date: 1/9/2011
 Rig Release: 2/8/2011
 Rig Number: 777

| Date | From - To | Hours | Code | Sub Code | Description of Operations |
|---------------|---------------|-------|------|---|---|
| 2/6/2011 | 14:00 - 16:30 | 2.50 | CSG | 2 | WORK TIGHT HOLE F/7609 T/7670 |
| | 16:30 - 23:00 | 6.50 | CSG | 2 | LAY DOWN 4 1/2" CASING TWO MARKER JOINTS WERE FLATTENED. |
| | 23:00 - 01:00 | 2.00 | OTH | | MOVE TOP DRIVE TRACK OUT, CHANGE OUT BAILS, RIG UP TO PICK UP PIPE |
| | 01:00 - 01:30 | 0.50 | OTH | | STRAP BHA |
| 2/7/2011 | 01:30 - 06:00 | 4.50 | TRP | 2 | PICK UP PIPE |
| | 06:00 - 06:30 | 0.50 | TRP | 2 | PICK UP DRILL PIPE |
| | 06:30 - 07:30 | 1.00 | OTH | | RIG DOWN LAY DOWN TRUCK |
| | 07:30 - 08:30 | 1.00 | TRP | 2 | TRIP IN HOLE TO CASING SHOE |
| | 08:30 - 09:30 | 1.00 | RIG | 6 | CUT DRILLING LINE |
| | 09:30 - 13:30 | 4.00 | TRP | 2 | TRIP IN HOLE TIGHT SPOT @ 9565 AND 12328 |
| | 13:30 - 14:00 | 0.50 | REAM | 1 | REAM F/12320 T/12332 AND 125' TO BOTTOM, 8' OF FILL |
| | 14:00 - 21:00 | 7.00 | CIRC | 1 | CIRCULATE AND CONDITION HOLE, RU LD MACHINE, PUMP SLUG UNLAOD NEW CASING AND LOAD OUT OLD CASING |
| | 21:00 - 22:00 | 1.00 | TRP | 2 | TRIP OUT 20 STANDS |
| | 22:00 - 05:30 | 7.50 | TRP | 3 | LAY DOWN PIPE AND BHA |
| 2/8/2011 | 05:30 - 06:00 | 0.50 | OTH | | CHANGE OUT BAILS AND MOVE TOP DRIVE TRACK |
| | 06:00 - 07:00 | 1.00 | CSG | 1 | HOLD SAFETY MEETING AND RIG UP TO RUN CASING |
| | 07:00 - 16:00 | 9.00 | CSG | 2 | RUN 287 JOINTS 4 1/2", P-110,11.6# LT&C CASING LANDED @ 12,625' |
| | 16:00 - 18:00 | 2.00 | CIRC | 1 | LAND HANGER AND CIRCULTE AND CONDITION HOLE FOR CEMENT RIG DOWN CASERS |
| | 18:00 - 18:30 | 0.50 | CSG | 1 | HOLD SAFETY MEETING AND RIG UP HALLIBURTON |
| | 18:30 - 22:00 | 3.50 | CMT | 2 | PUMP CEMENT-20 BBL CACL FLUSH,30 BBL SUPER FLUSH,LEAD 390 SACKS EXTENACEM, TAIL 280 SACKS OF EXPANDACEM. NO RETURNS AFTER THE PLUG WAS DROPPED. DISPLACED WITH 113 BBLs OF KCL BEFORE PRESSURE WAS TOO HIGH TO PUMP. CEMENT @ 7284 INSIDE CASING. RELEASED PRESSURE AND NO FLOW BACK. |
| | 22:00 - 22:30 | 0.50 | CMT | 1 | RIG DOWN CEMENTERS |
| | 22:30 - 23:00 | 0.50 | DEQ | 2 | SET PACK OFF SUPPORT |
| 23:00 - 06:00 | 7.00 | BOP | 1 | NIPPLE DOWN BOP, CLEAN PITS RIG RELEASED @06:00 HRS 2/8/2011 | |

RECEIVED

APR 07 2011

DIV. OF OIL, GAS & MINING

Operations Summary Report

Well Name: BW 15-18-7-22
 Location: 18- 7-S 22-E 26
 Rig Name: BASIN WELL SERVICE

Spud Date: 1/9/2011
 Rig Release:
 Rig Number: 3

| Date | From - To | Hours | Code | Sub Code | Description of Operations |
|-----------|---------------|-------|------|----------|--|
| 3/3/2011 | 12:00 - 13:00 | 1.00 | LOC | 3 | 3/3/11: ROAD RIG 14-MILES TO LOCATION. ATTEMPT TO SPOT RIG AND EQUIPMENT. TO MUDDY TO GET UP TO WELLHEAD.PARK EQUIPMENT OUT OF WAY. SDFD. |
| | 13:00 - 15:00 | 2.00 | OTH | | |
| 3/4/2011 | 15:00 - 16:30 | 1.50 | TRAV | 1 | TRAVEL TO TOWN. |
| | 05:30 - 07:00 | 1.50 | TRAV | 1 | 3/4/11: TRAVEL TO LOCATION. |
| | 07:00 - 07:30 | 0.50 | LOC | 4 | ATTEMPTED TO SPOT RIG IN, COULDN'T GET BACKED INTO WELLHEAD DUE TO SOFT GROUND. |
| | 07:30 - 10:45 | 3.25 | LOC | 5 | HAULED IN MORE ROCKS AND ROAD BASE FOR RIG PAD. |
| | 10:45 - 12:00 | 1.25 | LOC | 4 | SPOT EQUIPMENT. MIRU. |
| | 12:00 - 13:30 | 1.50 | BOP | 1 | ND WELHEAD ASSEMBLY. NU BOP'S. RU TBG EQUIPMENT. |
| | 13:30 - 15:00 | 1.50 | OTH | | SPOT PUMP, TANK AND CIRCULATING TANK. LAY PUMP LINES. SWI FOR WEEKEND. |
| 3/7/2011 | 05:30 - 07:00 | 1.50 | TRAV | 1 | 3/7/11: TRAVEL TO LOCATION. |
| | 07:00 - 07:15 | 0.25 | OTH | | SAFETY MEETING. CHECK PRESSURE: SICP= 0-PSI. |
| | 07:15 - 08:15 | 1.00 | TRP | 1 | PU AND MU 3 3/4" PDC BIT, 3 1/8" MUD MOTOR WITH STRING FLOAT ON TOP AS BHA. PUMPED FRESH WATER THROUGH MOTOR. WORKING GOOD. |
| | 08:15 - 13:30 | 5.25 | TRP | 5 | TALLY, RABBIT AND RIH WITH BHA AND 200-JT'S 2 3/8" L-80 4.7# TBG. EOT@ 6520'. CHANGED OUT TBG FLOATS. CONTINUED TO TALLY, RABBIT AND RIH WITH AN ADDITIONAL 15-JT'S TBG. EOT@ 7020'. |
| | 13:30 - 14:30 | 1.00 | CIRC | 1 | RU PUMP AND TANK. LOAD TBG WITH 30-BBLS FRESH WATER. PUMPED AN ADDITIONAL 70-BBLS TO CLEAN HOLE UP. RD PUMP. |
| 3/8/2011 | 14:30 - 14:45 | 0.25 | TRP | 5 | POOH WITH 2-JT'S TBG TO DROP FLUID LEVEL. EOT@ 6955'. ESTIMATE 330' ABOVE CEMENT TOP. SWI. |
| | 14:45 - 15:15 | 0.50 | SEQ | 1 | PU AND HANG POWER SWIVEL IN DERRICK. RU CIRCULATING EQUIPMENT. |
| | 15:15 - 15:30 | 0.25 | RIG | 3 | DRAIN PUMP AND LINES. SDFD. |
| | 15:30 - 17:00 | 1.50 | TRAV | 1 | TRAVEL TO TOWN. |
| | 05:30 - 07:00 | 1.50 | TRAV | 1 | 3/8/11:TRAVEL TO LOCATION. |
| | 07:00 - 07:15 | 0.25 | OTH | | SAFETY MEETING: CHECK PRESSURE: SICP= 0 PSI. SITP= 0 PSI. |
| | 07:15 - 08:00 | 0.75 | TRP | 5 | RIG UP PUMP LINES, PICK UP 4-JTS TBG. TAG SOFT CMT@ 7075'. |
| | 08:00 - 08:15 | 0.25 | SEQ | 1 | PICK UP POWER SWIVEL. |
| | 08:15 - 17:30 | 9.25 | DRL | 4 | GET CIRCULATION WITH HOLE STANDING FULL. CLEAN OUT SOFT CMT DOWN TO 7083' AND START DRILLING HARD CEMENT@ 8:20, PUMPING @ 2-BPM WITH 600# PSI. PUMP PRESSURE. DRILL HARD CEMENT DOWN TO 7530' |
| | 17:30 - 18:15 | 0.75 | CIRC | 1 | PUMP 125BBLS SWEEP TO CLEAN HOLE FOR THE NIGHT |
| | 18:15 - 18:30 | 0.25 | SEQ | 1 | HANG BACK POWER SWIVEL: CHANGE ELEVATOR TO 2 3/8: |
| 3/9/2011 | 18:30 - 19:00 | 0.50 | TRP | 5 | LAY DOWN 2JTS: SHUT WELL IN : DRAIN PUMP AND LINES |
| | 19:00 - 20:30 | 1.50 | TRAV | 1 | TRAVEL HOME |
| | 05:30 - 07:00 | 1.50 | TRAV | 1 | 3/9/11: TRAVEL TO LOCATION |
| | 07:00 - 07:15 | 0.25 | OTH | | SAFETY MEETING : CHECK PRESSURE: |
| | 07:15 - 07:45 | 0.50 | TRP | 5 | RIG UP PUMP LINES: PICK UP 2JTS, TAG HARD CEMENT @ 7530' |
| | 07:45 - 08:00 | 0.25 | SEQ | 1 | PICK UP POWER SWIVEL |
| | 08:00 - 17:30 | 9.50 | DRL | 4 | GET CIRCULATION WITH HOLE STANDING FULL: START DRILLING HARD CEMENT @ 8:10 AM @ 7530': PRESSURE @ PUMP 800PSI: AT 7687 HIT SOFTER CEMENT : 1:30 PM PUMP 125BBL SWEEP @8036' WHILE DRILLING DRILL DOWN TO 8381' |
| | 17:30 - 18:15 | 0.75 | CIRC | 1 | PUMP 125BBL SWEEP : CIRCULATE CLEAN |
| | 18:15 - 18:30 | 0.25 | SEQ | 1 | HANG BACK POWER SWIVEL |
| | 18:30 - 19:00 | 0.50 | TRP | 5 | CHANGE ELEVATORS: LAYDOWN 2 JTS: DRAIN LINES AND PUMPS: SHUT WELL IN FOR NIGHT |
| 3/10/2011 | 19:00 - 20:30 | 1.50 | TRAV | 1 | TRAVEL HOME |
| | 05:30 - 07:00 | 1.50 | TRAV | 1 | 3/10/11 TRAVEL TO LOCATION |
| | 07:00 - 07:15 | 0.25 | OTH | | SAFETY MEETING: CHECK PRESSURE , SICP= 0PSI SITP= 0PSI |

Operations Summary Report

Well Name: BW 15-18-7-22
 Location: 18- 7-S 22-E 26
 Rig Name: BASIN WELL SERVICE

Spud Date: 1/9/2011
 Rig Release:
 Rig Number: 3

| Date | From - To | Hours | Code | Sub Code | Description of Operations |
|-----------|---------------|-------|------|----------|---|
| 3/10/2011 | 07:15 - 07:45 | 0.50 | TRP | 5 | RIG UP PUMP LINES: PICK UP 2JTS: TAG CEMENT @ 8381' |
| | 07:45 - 08:00 | 0.25 | SEQ | 1 | RIG UP POWER SWIVEL: CHANGE OUT CROSS OVER. |
| | 08:00 - 11:15 | 3.25 | DRL | 4 | GET CIRCULATION WITH HOLE STANDING FULL:CHANGE OUT WASHINGTON HEAD RUBBER : START TO DRILL CEMENT @ 8381' PUMP PRESSURE=900PSI :DRILL TO 8694': |
| | 11:15 - 11:30 | 0.25 | OTH | | TIE BACK TO SINGLE FAST |
| | 11:30 - 17:30 | 6.00 | DRL | 4 | RESUME DRILLING @ 8694:@ 1:30pm PUMP 125BBL SWEEP WHILE DRILLING: DRILL TO 9478' |
| | 17:30 - 18:30 | 1.00 | CIRC | 1 | PUMP 125BBL SWEEP TO CLEAN HOLE OUT FOR THE NIGHT |
| | 18:30 - 18:45 | 0.25 | SEQ | 1 | HANG BACK POWER SWIVEL |
| | 18:45 - 19:00 | 0.25 | TRP | 5 | LAYDOWN 2JTS: DRAIN PUMP AND LINES: SWIFN |
| | 19:00 - 20:30 | 1.50 | TRAV | 1 | TRAVEL TO TOWN |
| 3/11/2011 | 05:30 - 07:00 | 1.50 | TRAV | 1 | 3/11/11: TRAVEL TO LOCATION |
| | 07:00 - 07:15 | 0.25 | OTH | | SAFETY MEETING:CHECK PRESSURES SICP= 0PSI SITP=0PSI |
| | 07:15 - 07:30 | 0.25 | TRP | 5 | RIG UP PUMP LINES: PICK UP 2JTS TAG CEMENT @ 9478' |
| | 07:30 - 07:45 | 0.25 | SEQ | 1 | PICK UP POWER SWIVEL |
| | 07:45 - 17:30 | 9.75 | DRL | 4 | GET CIRCULATION WITH HOLE STANDING FULL: RESUME DRILLING @9478' @10:30 PUMP 125BBL SWEEP WHILE DRILLING DEPTH @ 9978' @2:00 PUMP 125BBL SWEEP WHILE DRILLING , DEPTH @ 10478' DRILL TO 10976' |
| | 17:30 - 18:30 | 1.00 | CIRC | 1 | PUMP 125BBL SWEEP TO CLEAN HOLE FOR NIGHT |
| | 18:30 - 18:45 | 0.25 | SEQ | 1 | HANG BACK POWER SWIVEL |
| 3/12/2011 | 18:45 - 19:00 | 0.25 | TRP | 5 | LAY DOWN 2 JTS : DRAIN PUMP AND LINE SWIFN. |
| | 19:00 - 20:30 | 1.50 | TRAV | 1 | TRAVEL TO TOWN |
| | 05:30 - 07:00 | 1.50 | TRAV | 1 | 3/12/11 TRAVEL TO LOCATION |
| | 07:00 - 07:15 | 0.25 | OTH | | SAFETY MEETING; CHECK PRESSURE SICP= 0PSI SITP=0PSI |
| | 07:15 - 07:30 | 0.25 | TRP | 5 | PICK 2JTS : RIG UP PUMP LINES: CHANGE ELEVATORS |
| | 07:30 - 07:45 | 0.25 | SEQ | 1 | RIG UP POWER SWIVEL |
| | 07:45 - 16:30 | 8.75 | DRL | 4 | GET CIRCULATION WITH HOLE STANDING FULL: PUMP PRESSURE 1000PSI RESUME DRILLING @ 10976 : 10:30 PUMP 125BBL SWEEP WHILE DRILLING DEPTH 11476' ; 1:30 PUMP 125BBL SWEEP WHILE DRILLING DEPTH 11991' HIT TOTAL DEPTH 11250' |
| 3/14/2011 | 16:30 - 17:30 | 1.00 | CIRC | 1 | PUMP 125BBL SWEEP TO CLEAN WELL OUT |
| | 17:30 - 17:45 | 0.25 | SEQ | 1 | HANG POWER SWIVEL BACK |
| | 17:45 - 18:00 | 0.25 | TRP | 14 | TRIP OUT 5 STANDS; DRAIN PUMP AND LINES: SHUT IN WELL |
| | 18:00 - 19:30 | 1.50 | TRAV | 1 | TRAVEL TO TOWN |
| | 05:30 - 07:00 | 1.50 | TRAV | 1 | 3/14/11: TRAVEL TO LOCATION |
| | 07:00 - 07:15 | 0.25 | OTH | | SAFETY MEETING: CHECK PRESSURE SICP= 0PSI SITP= 0PSI |
| | 07:15 - 08:30 | 1.25 | TRP | 12 | TRIP OUT OF HOLE FOR MUD MOTOR |
| 3/15/2011 | 08:30 - 08:45 | 0.25 | OTH | | TIE DOUBLE FAST LINE |
| | 08:45 - 11:30 | 2.75 | TRP | 12 | CONTINUE TRIPPING FOR MOTOR : BREAK BIT OFF AND LAY DOWN MUD MOTOR |
| | 11:30 - 13:30 | 2.00 | TRP | 2 | MAKE UP BIT AND SCRAPER : TRIP IN 262 JTS @ 8500' TO PUMP ACID |
| | 13:30 - 17:15 | 3.75 | STIM | 1 | SAFETY MEETING WITH HALLIBURTON: RIG UP ACID CREW: PRESSURE TEST LINES @ 5000PSI : PUMP 500GALS 15% EACH STAGE CIRCULATE TO SURFACE : STAGE ARE 8500' / 10000' / 11500'/ 12500/ TRIP IN TO EACH STAGE : DISPLACE WITH 200BBLs 2% KCL WATER : RIG DOWN HALLIBARTON |
| | 17:15 - 17:30 | 0.25 | TRP | 5 | LAY DOWN 2JTS : SWIFN |
| | 17:30 - 19:00 | 1.50 | TRAV | 1 | TRAVEL TO TOWN |
| | 05:30 - 07:00 | 1.50 | TRAV | 1 | 3/15/11: TRAVEL TO LOCATION |

Operations Summary Report

Well Name: BW 15-18-7-22
 Location: 18- 7-S 22-E 26
 Rig Name: BASIN WELL SERVICE

Spud Date: 1/9/2011
 Rig Release:
 Rig Number: 3

| Date | From - To | Hours | Code | Sub Code | Description of Operations |
|-----------|---------------|-------|------|----------|--|
| 3/15/2011 | 07:00 - 07:15 | 0.25 | OTH | | SAFETY MEETING : CHEACK PRESSURES SICP= 0 PSI SITP= 0 PSI DRAIN ALL TANKS : RACK OUT PUMPS AND TANKS :LAY DOWN TUBING 201JTS CHANGE FLOAT TRAILERS AND EAT LUNCH LAY DOWN 200JTS OF TUBING BREAK OFF BIT AND SCRAPER RIG DOWN FLOOR : NIPPLE DOWN B.O.P'S: NIPPLE UP WELL AND RELATED EQUIPMENT RIG DOWN : CLEAN LOCATION : MOVE TRAILS OUT OF THE WAY FOR WATER HAILERS : PARK RIG ON SIDE OF LOCATION FOR NIGHT TRAVEL TO TOWN |
| | 07:15 - 10:30 | 3.25 | TRP | 5 | |
| | 10:30 - 11:00 | 0.50 | LUN | 1 | |
| | 11:00 - 14:00 | 3.00 | TRP | 5 | |
| | 14:00 - 15:30 | 1.50 | BOP | 1 | |
| | 15:30 - 17:00 | 1.50 | LOC | 4 | |
| 3/21/2011 | 17:00 - 18:30 | 1.50 | TRAV | 1 | Tight Hole - Initial Completion Report - Rigless On 3/16/11 - MIRU Lone Wolf WL & ran a CBL/VDL/GR log f/ tag @ 12500' to 200' w/ TOC est @ 8850'. Correlated the bond log to the Weatherford Density log dated 2/5/11 (log actually shows 2/5/10). RDMO Lone Wolf. On 3/17/11 - Cameron changed out 4-1/16" x 5K Tbg Head to 4-1/16" x 10K frac mandrel. Pressure test frac head assembly & csg to 7000# & held OK. Bled off well & SI the well. On 3/18/11 - RU Lone Wolf & perforate MV Interval 12246-56' & 12168-74' per the CBL log dated 3/16/11@ 3 JPF using a 3-1/8" csg gun & 120* phasing. (48 holes in zone #1). Hole was full of 25 KCL water prior to perforating & after w/ no pressure prior to or after. SI the well pending frac work on 3/21/11. Cag Size: 4-1/2", 11.6#, HCP-P110 Csg Depth: 12626' PBD: 12500' (CBL - 3/16/11) Perfs: Mesa Verde Zone #1: 12168-74'; 12246-56' Tight Hole - Completion - Rigless 3/21/11 - NOTE: All the below fracs are a 2% KCL slick water system using 30/50 sand & all zones were broke down w/ 800 gals of 15% HCL acid. All plugs are a Halliburton Comp. Obsidian Frac Plug. All perforating is done using a 3-1/8" csg gun @ 3 JPF & 120* phasing per the CBL log dated 3/16/11. All zones are Mesa Verde. Zone #1: (12168-74' & 12246-56'): Frac w/ 800 gals of 15% HCL followed by a 10000 gal pad & stage 0.25 to 1.25 ppg sand in 78000 gals of fluid & flush w/ 800 gals of acid & 7560 gals of water. Total of 78700# of sand & a total of 2690 bbls. Max rate = 53.6 BPM; avg rate = 53 BPM; Max psi = 6300#; avg psi = 5496#; ISIP = 3381#; (0.72). Set a frac plug @ 12140' & perf interval 12050-64' (42 holes). Zone #2: (12050-64'): Frac w/ a 10000 gal pad & stae 0.25 to 1.25 ppg sand in 150000 gals of fluid & flush w/ 800 gals of acid & 7540 gals of water. Total of 101000# of sand & a total load of 3970 bbls. Max rate = 40.8 BPM; avg rate = 40.5 BPM; Max psi = 5002#; avg psi = 4693#; ISIP = 3514#; (0.73). Set a frac plug @ 12000'. Perforate intervals 11445-47', 11522-26'; 11608-12' & 11632-38'. Zone #3: (11445-11638'): Frac w/ a 100000 gal pad & stage 0.25 to 1.25 ppg sand in 50000 gals of water & flush w/ 7500 gals of water. Total of 49600# of sand & a total load of 1800 bbls. Max rate = 52 BPM; avg rate = 50.8 BPM; Max psi = 6323#; avg psi = 5484#, ISIP = 3790# (0.77). |
| | 06:00 - 15:00 | 9.00 | LOG | 4 | |
| 3/22/2011 | 06:00 - 15:00 | 9.00 | STIM | 3 | |

Operations Summary Report

Well Name: BW 15-18-7-22
 Location: 18-7-S 22-E 26
 Rig Name: BASIN WELL SERVICE

Spud Date: 1/9/2011
 Rig Release:
 Rig Number: 3

| Date | From - To | Hours | Code | Sub Code | Description of Operations |
|-----------|---------------|-------|------|----------|---|
| 3/22/2011 | 06:00 - 15:00 | 9.00 | STIM | 3 | <p>Set frac plug @ 11400'. Perforate interval 11300-16' (48 holes). RDMO Lone Wolf WL.</p> <p>Zone #4: (11300-16'): Frac w/ a 100000 gal pad & stage 0.25 to 1.25 ppg sand in 105000 gals of fluid & flush w/ 8100 gals of water. Total of 92300# of sand & a total load of 2670 bbls. Max rate = 53.8 BPM; avg rate = 53.3 BPM; max psi = 6413#; avg psi = 4636#; ISIP = 2420# (0.65). SI the well for 2 hours. RDMO Halliburton.</p> <p>After a 2 hour SI period SICP = 2550#. Open the well @ 9:00 PM on 3/21/22 on a 12/64" choke to the pit & continue to flow the csg to the pit overnight. At 6:00 AM on 3/22/11 - FCP = 2200# on a 16/64" choke w/ a slight trace of sand & no gas w/ a total recovery est @ 680 bbls & a current flow rate of 80 BPH. Continue to flow to the pit to clean up.</p> <p>NOTE: Sand wedge was used in all sand stages of each interval.</p> <p>Cag Size: 4-1/2", 11.6#, HCP-P110 Csg Depth: 12626' PBD: 12500' (CBL - 3/16/11)</p> <p>Perfs: Mesa Verde Zone #1: 12168-74'; 12246-56' Zone #2: 12050-64' Zone #3: 11445-47'; 11522-26'; 11608-12'; 11632-38' Zone #4 - 11300-16'</p> |
| 3/23/2011 | 06:00 - 15:00 | 9.00 | PTST | 2 | <p>FRAC PLUGS ARE AT 12140'; 12000'; 11400'</p> <p>Tight Hole - Completion - Rigless</p> <p>3/23/11 - Per instructions continue to flow the well to the pit for the next 24 hours & at 5:30 AM on 3/23/11 FCP = 2100# on a 10/64" choke at an est rate of 50 BPH & heavy gas cut w/ some condensate & have recovered an est additional 1040 bbls of water in the last 24 hours. Continue to flow to the pit this AM. No sand problems.</p> <p>Cag Size: 4-1/2", 11.6#, HCP-P110 Csg Depth: 12626' PBD: 12500' (CBL - 3/16/11)</p> <p>Perfs: Mesa Verde Zone #1: 12168-74'; 12246-56' Zone #2: 12050-64' Zone #3: 11445-47'; 11522-26'; 11608-12'; 11632-38' Zone #4 - 11300-16'</p> |
| 3/24/2011 | 06:00 - 15:00 | 9.00 | PTST | 2 | <p>FRAC PLUGS ARE AT 12140'; 12000'; 11400'</p> <p>Tight Hole - Completion - Rigless</p> <p>3/24/11 - Continue to flow the well to the pit until 8:00 AM on 3/23/11 & then SI the well & turn well over to production. Flowed an additional 125 bbls since 5:30 AM on 3/23/11.</p> <p>REPORT DISCONTINUED UNTIL FURTHER ACTIVITY.</p> <p>Cag Size: 4-1/2", 11.6#, HCP-P110 Csg Depth: 12626'</p> |

Operations Summary Report

Well Name: BW 15-18-7-22
 Location: 18- 7-S 22-E 26
 Rig Name: BASIN WELL SERVICE

Spud Date: 1/9/2011
 Rig Release:
 Rig Number: 3

| Date | From - To | Hours | Code | Sub Code | Description of Operations |
|-----------|---------------|-------|------|----------|--|
| 3/24/2011 | 06:00 - 15:00 | 9.00 | PTST | 2 | PBTD: 12500' (CBL - 3/16/11) LLTR: 9435 BBLS Perfs: Mesa Verde Zone #1: 12168-74'; 12246-56' Zone #2: 12050-64' Zone #3: 11445-47'; 11522-26'; 11608-12'; 11632-38' Zone #4 - 11300-16' FRAC PLUGS ARE AT 12140'; 12000'; 11400' |

| | |
|--|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU71416 |
| 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: KILIMANJARO (DEEP) |
| 1. TYPE OF WELL Gas Well | 8. WELL NAME and NUMBER: BW 15-18-7-22 |
| 2. NAME OF OPERATOR: QEP ENERGY COMPANY | 9. API NUMBER: 43047511790000 |
| 3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078 | PHONE NUMBER: 303 308-3068 Ext |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0626 FSL 1841 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 18 Township: 07.0S Range: 22.0E Meridian: S | 9. FIELD and POOL or WILDCAT: UNDESIGNATED 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: 4/25/2011 | <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 checked="" type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> OTHER | OTHER: <input type="text" value="Wildcat Tax Credit Appl"/> |

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

QEP Energy Company requests that the wildcat tax credit be applied to the above well. This is the first well with production from the Mesaverde pool within a one mile radius at the time of completion (see attached map). The Mesaverde Formation is at 9745' in the subject wellbore, significantly deeper than the previously tested wells in the area. Gas production in this part of the basin has particularly been from shallower horizons and therefore, this well should be considered wildcat in nature. Offset wells include: SEE ATTACHED MAP

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

Date: 06/16/2011
By: *Derek Duff*

| | | |
|---|-------------------------------------|--|
| NAME (PLEASE PRINT) Valyn Davis | PHONE NUMBER 435 781-4369 | TITLE Regulatory Affairs Analyst |
| SIGNATURE N/A | DATE 4/25/2011 | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43047511790000

See attached Statement of Basis.

DIVISION OF OIL, GAS AND MINING
Wildcat Well Determination
STATEMENT OF BASIS

Applicant: QEP Energy Company

Location: SWSE Sec 18 T070S R220E Uintah county, Utah

WELL NAME: BW 15-18-7-22 **API #:** 43-047-51179

FINDINGS

1. This well was completed on February 4, 2011 in the Mesa Verde formation, with a spud date of January 2, 2011 reaching a total depth of 12,643 feet.
2. One well in the surrounding 1-mile radius that has produced was completed in the Wasatch formation. (Attachment A)
3. This well was > 1 mile from any known production in the Mesa Verde Formation at the time of the start of commercial production. (Attachment A)
4. There has been no production out of the Mesa Verde formation from wells within a 1-mile radius of this well. (See Attachment A for surrounding well information)

CONCLUSIONS

Based on the findings above the Division has determined the BW 15-18-7-22 was drilled into an unknown area for the Mesa Verde formation. The Division finds that this well qualifies for the severance tax exemption under Section 59-5-102(5)(b) for wildcat wells. This determination was made in accordance with Oil and Gas General Conservation Rule R649-3-35. If the operator disagrees with this determination, the decision may be appealed to the Board of Oil Gas and Mining.

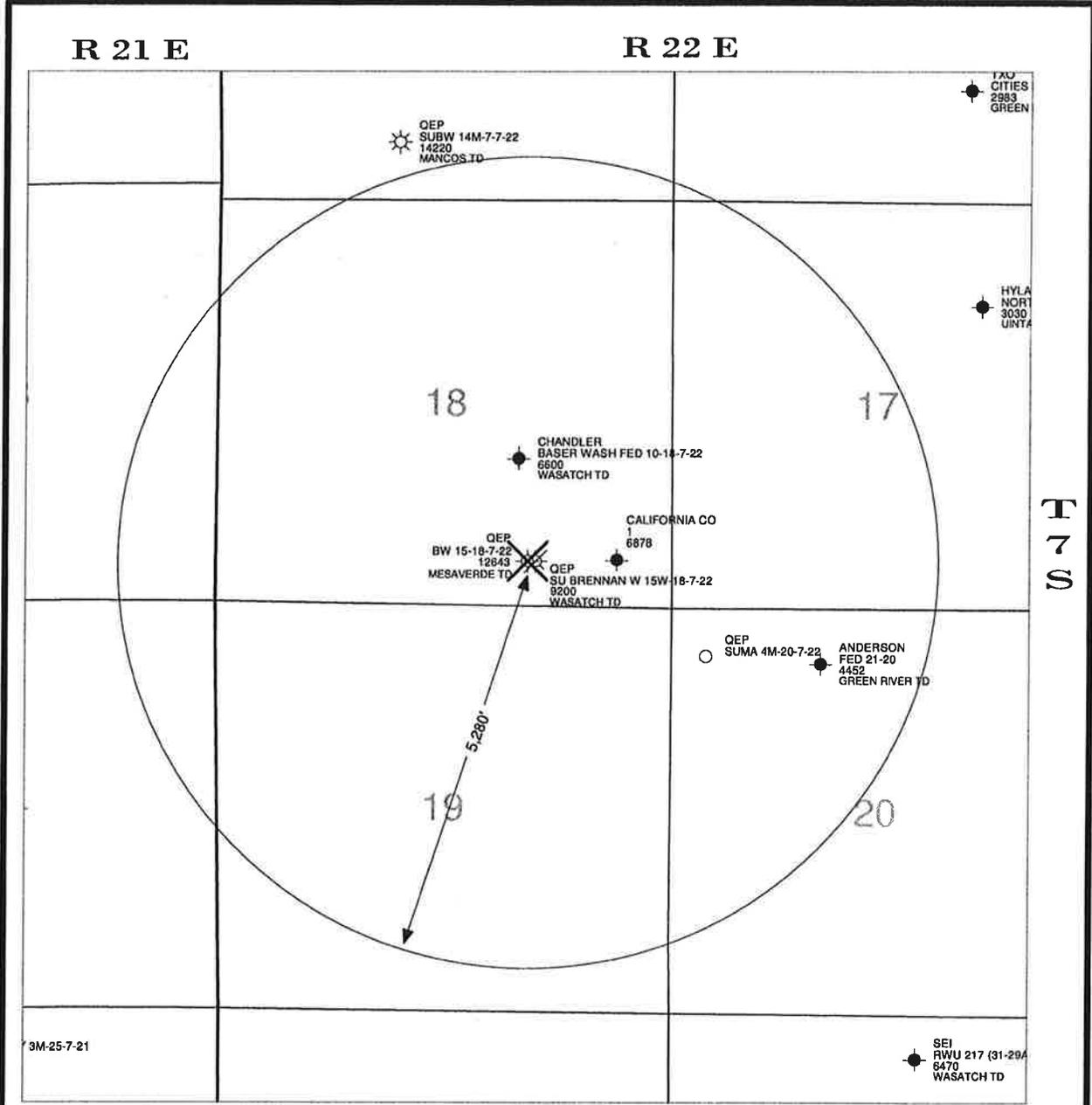
Reviewer(s): Dustin K. Doucet *DKD*

Date: 6/16/2011

Joshua J. Payne

Date: May 16, 2011

| ATTACHMENT A | | | | | | | | | | | | | | |
|-----------------------|---------------------------|-------------|------|------|------|-------|---------|---------|------------|------------------|------------|-----------------|---------------------|---------------------|
| 1 Mile Area of Review | | | | | | | | | | | | | | |
| API | WELL NAME | Well Status | QTR | Sect | Town | Range | Cum Oil | Cum Gas | Field Type | Dx From Well(ft) | Rotar Spud | Date TD Reached | Date First Produced | Producing Formation |
| 4304751179 | BW 15-18-7-22 | PGW | SWSE | 18 | 070S | 220E | 0 | 0 | E | 0 | 1/2/2011 | 2/4/2011 | 3/23/2011 | MESA VERDE |
| 4304739177 | SUMA 4M-20-7-22 | APD | NWNW | 20 | 070S | 220E | 0 | 0 | E | 2387 | | | | APD FOR MANGOS |
| 4304734403 | SU BRENNAN W 15W-18-7-22 | TA | SWSE | 18 | 070S | 220E | 0 | 0 | E | 6 | | 4/6/2002 | 6/19/2002 | WASATCH |
| 4304734395 | WV 8W-24-7-21 | LA | SENE | 24 | 070S | 210E | 0 | 0 | W | 4753 | | | | |
| 4304732747 | BASER WASH FED 10-18-7-22 | PA | NWSE | 18 | 070S | 220E | 0 | 0 | E | 1228 | 5/16/1996 | 6/4/1996 | | |
| 4304720454 | 1 | PA | SESE | 18 | 070S | 220E | 0 | 0 | E | 1051 | | | | |
| 4304710044 | FEDERAL 21-20 | PA | NENW | 20 | 070S | 220E | 0 | 0 | E | 3672 | 4/10/1955 | | | |



Well Symbol Key

- Location
- ☆ Gas
- Oil
- ⊗ Abd loc.
- ◇ D&A
- Inj
- ⊗ Inj P&A
- ⊗ Inj SI
- ⊗ O&G P&A
- ⊗ Oil P&A
- ⊗ Gas P&A



1:24000



1050 17th, Suite 500
 Denver, Colorado 80265
 303 672-6900



BW 15-18-7-22

| | |
|----------------------|--|
| Date: 17 March, 2011 | Geologist: |
| Tech: | Geophysicist: |
| Engineer: | File: \\Unit\CJO_RAGT\CR\BW_15-18-7-22.gmp |

43-047-51179



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>

IN REPLY REFER TO
3180 (UTU88205A)
UT-922

AUG - 5 2011

Nathan C. Koeniger
QEP Energy Company
1050 17th Street, Suite 500
Denver, CO 80265

Re: Initial Wasatch-Mesaverde Formation
Participating Area "A"
Kilimanjaro (Deep) Unit
Uintah County, Utah

Dear Mr. Koeniger:

The Initial Wasatch-Mesaverde Formation Participating Area "A", Kilimanjaro (Deep) Unit, UTU88205A, is hereby approved effective as of March 23, 2011, pursuant to Section 11 of the Kilimanjaro (Deep) Unit Agreement, Uintah County, Utah.

The Initial Wasatch-Mesaverde Formation Participating Area "A" results in an Initial participating area of 40.00 acres and is based upon the completion of Well No. BW 15-18-7-22, API No. 43-047-51179, located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$, of Section 18, Township 7 South, Range 22 East, SLM&B, Federal Unit Tract No. 11, Lease No. UTU71416, as being a well capable of producing unitized substances in paying quantities.

For production and accounting reporting purposes, all submissions pertaining to the Initial Wasatch-Mesaverde Formation Participating Area "A" shall refer to UTU88205A.

Copies of the approved request are being distributed to the appropriate agencies. Please advise all interested parties of the establishment of the Initial Wasatch-Mesaverde Formation Participating Area "A", Kilimanjaro (Deep) Unit, and the effective date.

Sincerely,

Roger L. Bankert
Chief, Branch of Minerals

cc: UDOGM
SITLA
ONRR w/Exhibit B (Attn: Leona Reilly)
BLM FOM - Vernal w/enclosure

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

FORM 6

ENTITY ACTION FORM

Operator: QEP ENERGY COMPANY Operator Account Number: N 3700
 Address: 11002 EAST 17500 SOUTH
city VERNAL
state UT zip 84078 Phone Number: (435) 781-4369

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------|-----------------------|-------------------|-----------|-----|-----|----------------------------------|-----------|
| 4304751179 | BW 15-18-7-22 | | SWSE | 18 | 7S | 22E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| C | 17912 | 18653 | 1/2/2011 | | | 3/1/2011 | |
| Comments: | | | | | | | 8/20/2012 |
| WSMVD | | | | | | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------|--------------------------|-------------------|-----------|-----|-----|----------------------------------|-----------|
| 4304734403 | SU BRENNAN W 15W-18-7-22 | | SWSE | 18 | 7S | 22E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| C | 13442 | 18653 | 3/21/2002 | | | 3/21/12 | |
| Comments: | | | | | | | 8/20/2012 |
| WSMVD | | | | | | | |

Well 3

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------|-----------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| | | | | | | | |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| | | | | | | | |
| Comments: | | | | | | | |

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Valyn Davis

Name (Please Print)

Signature

Regulatory Affairs Analyst

Title

7/30/2012

Date

RECEIVED

JUL 30 2012

Div. of Oil, Gas & Mining

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

FORM 6

ENTITY ACTION FORM

Operator: QEP Energy Company
Address: 11002 East 17500 South
city Vernal
state UT zip 84078

Operator Account Number: N 3700
Phone Number: (435) 781-4342

Well 1

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|-----------------------|-----------------------|-------------------|-----------|-----|----------------------------------|--------|
| 4304751179 | BW 15-18-7-22 | SWSE | 18 | 7S | 22E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | |
| A | 99999 | 17912 | 1/3/2011 | | 1/6/2011 | |
| Comments: <u>MVRD</u> | | | | | | |

CONFIDENTIAL

Well 2

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|-------------|-----------------------|-------------------|-----------|-----|----------------------------------|--------|
| | | | | | | |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | |
| | | | | | | |
| Comments: | | | | | | |

Well 3

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|-------------|-----------------------|-------------------|-----------|-----|----------------------------------|--------|
| | | | | | | |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | |
| | | | | | | |
| Comments: | | | | | | |

RECEIVED
JAN 04 2011

ACTION CODES:

- A - Establish new entity for new well (single well)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Dahn Caldwell
Name (Please Print)
Dahn Caldwell
Signature
Office Administrator
Title
1/4/2011
Date

CONFIDENTIAL

| | |
|--|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU71416 |
| 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: KILIMANJARO (DEEP) |
| 1. TYPE OF WELL Gas Well | 8. WELL NAME and NUMBER: BW 15-18-7-22 |
| 2. NAME OF OPERATOR: QEP ENERGY COMPANY | 9. API NUMBER: 43047511790000 |
| 3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078 | PHONE NUMBER: 303 308-3068 Ext |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0626 FSL 1841 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 18 Township: 07.0S Range: 22.0E Meridian: S | 9. FIELD and POOL or WILDCAT: UNDESIGNATED 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: 7/1/2014 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date: | <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/> |

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

QEP ENERGY COMPANY REQUESTS APPROVAL TO RECOMPLETE THE BW 15-18-7-22 BY ADDING PERFORATIONS TO THE EXISTING MESA VERDE FORMATION AS FOLLOWS: 1. SET A CBP AT 11,275'. 2. STAGE 1: 11,087'-11,238', 3 SHOTS PER FOOT, FRAC WITH SLICKWATER. 3. SET A CBP AT 11,065'. 4. STAGE 2: 10,902'-11,039', 3 SHOTS PER FOOT, FRAC WITH SLICKWATER. 5. SET A CBP AT 10,880'. 6. STAGE 3: 10,652'-10,848', 3 SHOTS PER FOOT, FRAC WITH SLICKWATER. 7. DRILL OUT THE TOP TWO PLUGS, BUT LEAVE THE BOTTOM PLUG. 8. RETURN WELL TO PRODUCTION. 9. THE BOTTOM PLUG WILL BE REMOVED ONCE THE PRESSURE FROM THE FRAC DECREASES.

**Accepted by the
 Utah Division of
 Oil, Gas and Mining
 June 12, 2014**

Date: _____
 By: Derek Quist

| | | |
|--|-------------------------------------|--------------------------------------|
| NAME (PLEASE PRINT) Benna Muth | PHONE NUMBER 435 781-4320 | TITLE Regulatory Assistant |
| SIGNATURE N/A | DATE 6/10/2014 | |

| | | |
|--|--|--|
| 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: UTU71416 |
| | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 1. TYPE OF WELL Gas Well | | 7. UNIT or CA AGREEMENT NAME: KILIMANJARO (DEEP) |
| 2. NAME OF OPERATOR: QEP ENERGY COMPANY | | 8. WELL NAME and NUMBER: BW 15-18-7-22 |
| 3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078 | | 9. API NUMBER: 43047511790000 |
| PHONE NUMBER: 303 308-3068 Ext | | 9. FIELD and POOL or WILDCAT: UNDESIGNATED |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0626 FSL 1841 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 18 Township: 07.0S Range: 22.0E Meridian: S | | COUNTY: UINTAH |
| | | STATE: UTAH |

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 Approximate date work will start: | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> CASING REPAIR |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 8/6/2014 | <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 checked="" 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 type="checkbox"/> OTHER | OTHER: <input style="width: 100px;" type="text"/> |

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

QEP ENERGY COMPANY RECOMPLETED THE BW 15-18-7-22 ON 08/06/2014 BY ADDING PERFORATIONS TO THE EXISTING MESA VERDE FORMATION AS FOLLOWS: STAGE 1. 11,087' - 11,238' WITH 48 SHOTS AT 3 SHOTS PER FOOT; STAGE 2. 10,902' - 11,039' WITH 48 SHOTS AT 3 SHOTS PER FOOT; STAGE 3. 10,652' - 10,848' WITH 48 SHOTS AT 3 SHOTS PER FOOT, USING 13,301.1 BBLS SLICKWATER AND 354,640 LBS 30/50 SAND. WELL WAS RETURNED TO PRODUCTION ON 08/10/2014.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
January 27, 2015**

| | | |
|--|-------------------------------------|--------------------------------------|
| NAME (PLEASE PRINT) Benna Muth | PHONE NUMBER 435 781-4320 | TITLE Regulatory Assistant |
| SIGNATURE N/A | DATE 1/19/2015 | |



QEP Energy Company

Daily Summary

Well Name: BW 15-18-7-22

| API | Surface Legal Location | Field Name | County | State | Well Configuration Type | |
|----------------|------------------------|------------------------------|--|---------------|-------------------------|------------------|
| 43-047-51179 | S18-T7S-R22E | BASER WASH | UINTAH | UTAH | Vertical | |
| Unique Well ID | Ground Elevation (ft) | Casing Flange Elevation (ft) | Current KB to GL (ft) | KB to CF (ft) | Spud Date | Dry Hole TD Date |
| UT101812 | 5,151 | 5,151.00 | 14.00 | 14.00 | 1/9/2011 19:00 | 5/11/2011 00:00 |
| RPT # | Start Date | End Date | Summary | | | |
| 1 | 7/23/2014 | 7/24/2014 | 7/23/14: Road rig & equipment 7 miles to location. Spot in & rig up. X-O to 2 3/8" tubing equipment. SDFN | | | |
| 2 | 7/24/2014 | 7/25/2014 | 7/24/14: Top kill tubing with 30 bbl's. ND well head. NU 5k bop's. RU floor. Pooch LD 351 joint's of 2 3/8" L-80 tubing, Top kill well as needed with 40 bbl's of 2 %kcl water to control gas flow. Continued to pooch LD remaining 49 joint's of 2 3/8" L-80 tubing, F-nipple, 1 joint of 2 3/8" L-80 tubing, Pump off bit sub remains. RD floor. ND 5k bop's. NU 7 1/16 5K frac tree. SWIFN | | | |
| 3 | 7/25/2014 | 7/26/2014 | 7/25/14: SICP=500. MIRU Cutters wire line. RIH with 3.625 gage ring down to 11,286'. RIH set 4 1/2" 10k flow though frac plug @ 11,275'. RD wire line. Fill hole with 145 bbl's of 2% kcl water. Pressure test to 4800 #psi. Good test. Bleed off. SWIFN. RDMO | | | |
| 4 | 7/30/2014 | 7/31/2014 | 7/30/14: SICP=2750 psi. Blow well down. Remove top frac valve and install stinger assembly. Attempted to pressure test frac plug, casing, and stinger assembly, but pressure bled from 8500 psi to 0 psi in 5 minutes. RU wireline and RIH with new frac plug and set at 11,273'. POOH with wireline. Load hole with 110 barrels of fresh water and pressure test to 8,300 psi for 10 minutes (good test). RIH with wireline and perf stage #1. POOH and RD wireline. Install frac head. RD stinger crew. Shut well in until frac. | | | |
| 5 | 8/6/2014 | 8/7/2014 | 8/5/14: MIRU Halliburton frac crew. Frac well per design | | | |
| 6 | 8/7/2014 | 8/8/2014 | 8/7/14: Road rig & equipment 24 miles to location. Spot in & rig up. X-O to 2 3/8" tubing equipment. Check SICP=0. ND frac tree. NU 5k bop & hydrill. MIRU B & C quick test & pressure test ram's to 4500 #psi & Hydrill to 3500 #psi. RD test truck. RU floor. Spot in & RU pump and lines, Tubing trailer. SWIFN | | | |
| 7 | 8/8/2014 | 8/9/2014 | 8/8/14: Tally & pick up pump off bit sub & 220 joint's of 2 3/8" L-80 tubing. Tag up on frac plug #1 @7010'. RU swivel & rig pump. Fill hole with 27 bbl's of 2% kcl water. Tubing pressure up to 1000 #psi with no circ. Tubing plugged. stand swivel back & pooch with 220 joint's of 2 3/8" L-80 tubing. Pump off bit sub & F-nipple was plugged with rust. Tally & make up new pump off bit sub, F-nipple & RIH with 220 joint's of tubing. RU swivel & pump. Fill hole with 28 bbl of 2% kcl water to break circ. Drill kill plug out in 15 min. Take a kick of 1900 #psi on pump & at surface. Stand swivel back. Continued to tally & pick up tubing. EOT @7965'. Shut tubing in. Turn well over to flow back crew fro night with a flow rate of 100 BPH. Rig crew SDFN | | | |
| 8 | 8/9/2014 | 8/10/2014 | 8/9/14: FCP=1200 #psi on a 19/64 choke. Continued to tally & pick up tubing. Tag up on frac plug @10,880'. RU swivel & pump. Fill tubing with 12 bbl's. Drill plug out in 20 min. Swivel in tag up on frac plug @11,065'. Drill out plug in 20 min. Run 2-6k wob, swivel rpm 115, Pump rate 2.5 bpm with 750 #psi. Swivel in tag up on frac plug #3 @11,263.5'. Pooch LD 3 joint's. Make up tubing hanger & land in well head. EOT @11,169'. RD swivel & floor. ND hydrill & bop's. NU well head & flow line. Shut well in. RDMO turn well over to production. Move rig & equipment 2 miles. Spot rig to side of location. SDFN | | | |
| 9 | 8/25/2014 | 8/26/2014 | 08/25/2014: Road rig 11.5 miles, MIRU Basin Swabbing #3. FCP = 300# psi. Spot in equipment. Change equipment over for 2 3/8 tbg. SDFN | | | |
| 10 | 8/26/2014 | 8/27/2014 | 08/26/2014: ND well head. NU bops, RU floor and tbg equipment. PU 2 jts. Tag @ 11210'. 53' of sand on plug. RU swivel. Pump 60 BBL's of 2 % KCL and kill well. Pump additional 200 BBL's w/ no returns. LD 2 jts. Shut in the tbg. Casing is up sales line. SDFN w/ EOT @ 11158' | | | |
| 11 | 8/27/2014 | 8/28/2014 | 08/27/2014: Get circulation w/ foaming unit. UN load well. Clean out 53' of sand from 11210' to 11268' Drill out 2 plugs @ 11268' 11270' in 1.75 hrs. w/ 2 - 4 k on mill. W/ 1500# pumping 20 GPM w/ foaming unit. Turning 100 rpm's. Pump 15 BBL's tbg kill. Hung back swivel. Pull string float. Talley, rabbit, RIH w/ 15 Jts Tag @ 11770' PU swivel. Pump down tbg w/ foaming unit. Get foam to mill. Clean out 2' Lose returns. Pump for 2.5 hrs. No returns. Pump tbg kill. Hang back swivel. Pull string float. LD 4 jts. MU hanger w/ sub. Land well w/ EOT @ 11656' Close pipe rams and annular bag. Shut in tbg. Turn well over to production. | | | |
| 12 | 8/28/2014 | 8/29/2014 | 08/28/2014: ND bops, NU well head. Rack out equipment. RDMO. | | | |
| 13 | 9/4/2014 | 9/5/2014 | 09/04/2014: Road rig 9 miles. MIRU. Nd well head. NU Bop's . RU floor and tbg equipment. Pull tbg hanger. RU power swivel and pump lins. Shut pip rams and annlr bag. Close TIW. Casing is up sales line. SDFN | | | |
| 14 | 9/5/2014 | 9/6/2014 | 09/05/2014: . RIH w/ 4Jts Tag @ 11759'. RU foaming unit. Try to get circulation w/ 1 unit. RU 2nd unit @ 11:30 Got circulation @ 13:00 Clean to sand from 11759' to 12211' Plug is wrapped around mill. Work Tbg try to get plug off w/ no success. Pump 15 bbl tbg kill. LD w/ 6 Jts Shut pipe rams and annular Close TIW. Turn casing up sales line. SDFN EOT @ 12032'. Pump 300 BBL's total | | | |
| 15 | 9/8/2014 | 9/9/2014 | 09/08/2014: Bleed well down to flow back tank. Pump 10 bbl's down tbg. RIH and tag @ 12211' Get circulation w/ 2 foaming units Bottom perf @ 12256' Clean out from 12211' to 12234' w/ 2 - 8 k on mill . Pumping w/ 2 foaming units w/ 1950# on each. Turning 110 Rpm's. @ 12234' could not get mill to drill. Made no progress in 1 1/2 hr's Pump tbg. Hang back swivel. Pull string float. POOH w/ tbg. Note: pump off the bit. SWIFN | | | |



QEP Energy Company

Daily Summary

Well Name: BW 15-18-7-22

| API 43-047-51179 | Surface Legal Location S18-T7S-R22E | Field Name BASER WASH | County UINTAH | State UTAH | Well Configuration Type Vertical | |
|----------------------------|--|--|---|------------------------|-------------------------------------|-------------------------------------|
| Unique Well ID UT101812 | Ground Elevation (ft) 5,151 | Casing Flange Elevation (ft) 5,151.00 | Current KB to GL (ft) 14.00 | KB to CF (ft) 14.00 | Spud Date 1/9/2011 19:00 | Dry Hole TD Date 5/11/2011 00:00 |
| RPT # | Start Date | End Date | Summary | | | |
| 16 | 9/9/2014 | 9/10/2014 | 09/09/2014: MU over shot w/ 2 1/2 Grapple, bumper sub, X-O, RICH w/ 356 Jts of 2 3/8 L-80 Tbg. Tag @ 11200' Try several times to work pass w/ no success. POOH w/ 356 Jts of 2 3/8 L-80 Tbg and fishing tools. RIH w/ 5 blades insert carbine mill, Bit sub, RIH w/ 185 jts SWIFN W/ EOT @ 5827 Pump 75 BBL's of 2 % KCL to control well. | | | |
| 17 | 9/10/2014 | 9/11/2014 | 09/10/2014: Bleed well down to flow back tank. Pump 20 bbls kill. RIH w/ tbg Tag @ 11267' RU power swivel. Get circulation w/2 Foaming unit. Ream on tight spot from 11267' w/ 2 - 4 k on mill. Turning 80 rpm's w/ 1900# psi on foaming units. Clear tight spot in 1 hr. PU 2 jts hang back swivel. PU 12 Jts POOH w/ 15 Jts Pump 15 BBL kill. Pull string float. RIH w/ 27 Jts Tag @ 12181'. RU swivel Try to get circulation w/ foaming units Kill well 45 min in to pumping. Pump tbg kill. POOH w/ 6 Jts SWIFN w/ EOT @ 11999' . | | | |
| 18 | 9/11/2014 | 9/12/2014 | 09/11/2014: Weatherford got circulation w/ foaming units by 7:00 A.m. RIH w/ 6 jts. PU Swivel and broke 1" fitting. Fix swivel. Fish @ 12234' Bottom perf @ 12256' Clean out from 12181' to 12234' w/ 2 to 4 k on mill. W/ 1900# psi. On foaming unit. Turning 80 rpm's. Roll hole clean POOH w/ tbg , bit sub and mill. RIH w/ 3 3/4 over shot w/ 2 1/2 grapple, bumper sub and tbg to put EOT @ 3652' SWIFN. 309 BBLs recovered, Pump 200 BBL's Gain of 109 BBL's | | | |
| 19 | 9/12/2014 | 9/13/2014 | 09/12/2014: . Continue to RIH w/ 135 Jts of 2 3/8 L-80 tbg. Pumping 85 BBLs to control tbg. Pump 50 bbls down tbg . w/ 100 # psi. Stack out 6 k on to fish. Pressure up to 400# psi. PU and set down 10 k. On to fish. POOH w/ tbg & LD fish. RIH w/ 3 5/8 hurricane mill, Pump off bit sub. F- Nipple, 379 Jts of 2 3/8 L-80 Tbg. SWIFN w/ EOT @ 12030' 110 BBL's Non recovered | | | |
| 20 | 9/15/2014 | 9/16/2014 | 09/15/2014: RIH w/ 5 Jts. Tag @ 12180' PU power swivel. Bottom perf's @ 12256'. Clean out from 12180' to 12257'. W/ 4-8k on mill. Pumping w/ 2 foaming units w/ 1900# psi. Turning 100RPM's. Last 2 hrs. Made no progress. POOH w/ 8 Jts. Pump 15 BBL's tbg kill . Pull string float. MU tbg hanger. Land well w/ EOT @ 12040' ND bops, Drop ball, NU well head. Pump off bit w/ 60 BBL's with no pressure. Shut in well. RDMO. Final report | | | |