

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 Thurston 10-7-9-24		
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 BIG VALLEY		
4. TYPE OF WELL Gas Well <input type="checkbox"/> Coalbed Methane Well: NO <input type="checkbox"/>				5. UNIT or COMMUNITIZATION AGREEMENT NAME		
6. NAME OF OPERATOR THURSTON ENERGY OPERATING				7. OPERATOR PHONE 214 704-3896		
8. ADDRESS OF OPERATOR 365 W. 50 N. Ste W-8, Vernal, UT, 84078				9. OPERATOR E-MAIL rcurton@thurstonenergy.com		
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) U-0145459		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	1942 FSL 2023 FEL	NWSE	7	9.0 S	24.0 E	S
Top of Uppermost Producing Zone	1942 FSL 2023 FEL	NWSE	7	9.0 S	24.0 E	S
At Total Depth	1942 FSL 2023 FEL	NWSE	7	9.0 S	24.0 E	S
21. COUNTY UINTAH		22. DISTANCE TO NEAREST LEASE LINE (Feet) 698		23. NUMBER OF ACRES IN DRILLING UNIT 640		
		25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1400		26. PROPOSED DEPTH MD: 8000 TVD: 8000		
27. ELEVATION - GROUND LEVEL 5125		28. BOND NUMBER UT-000181		29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE White River Permit #49-2286		

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 Russell H. Cox	TITLE Operations Manager	PHONE 435 789-8580
SIGNATURE	DATE 12/27/2010	EMAIL russell.cox@thurstonenergy.com
API NUMBER ASSIGNED 43047514290000	APPROVAL  Permit Manager	

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	7.875	5.5	0	8000		
Pipe	Grade	Length	Weight			
	Grade N-80 LT&C	8000	17.0			

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Proposed Hole, Casing, and Cement

String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	12.25	8.625	0	2000		
Pipe	Grade	Length	Weight			
	Grade J-55 ST&C	2000	24.0			

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Thurston Energy Operating Company

365 West 50 North STE. W-8 Vernal, UT 84078 (435)789-8580

10 Point Plan

Thurston Energy Operating Company

Thurston 10-7-9-24

Surface Location NW ¼ SE ¼ of Section 7, T9S, R24E, S.L.B.&M.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum

Formation	Depth	Datum
Green River	Surface	+5,125' G.L.
Wasatch	4,377'	+842'
Mesaverda	6,208'	-1083'
TD	8000	-2875

A 12 ¼" hole will be drilled to 2,000'±. The hole will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Production Formation Depth

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information:

Proposed:

RWS 13D-6-9

RWS 15D-6-9

RWS 13D-5-9

Bonanza 9-24-31

Bonanza 9-23-43

Bonanza 9-23-33

Bonanza 9-23-44

Bonanza 9-23-34

Bonanza 9-24-12

Bonanza 9-24-43

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Abandon Location:

Federal 11-8
Federal 12-8
Hatch 923-13A
NBE 1ML-12-9

Abandon Wells:

Dirty Devil 1-8

Producing Wells:

RWS 14d-6
RWS 16ML-6
Red Wash FED 1-18
Bonanza 9-24-21

Shut in Wells:

Bonanza 9-24-11
Bonanza 9-24-42
Bonanza 9-24-22
Bonanza 9-24-11
NBE 8ML-12-9
Red Wash FED 1-18

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4. Proposed Casing:

Hole Size	Casing Size	Weight #/FT	Grade	Coupling & Thread	Casing Depth	New/Used
12 1/4"	8 5/8"	24#	J-55	STC	2000'	New
7 7/8"	5 1/2"	17#	N-80	LTC	8000'	New

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Cement Program:

Surface Casing will be cemented from 2000' to surface as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead	8 5/8"	Premium V 100%, Gel 16%, Gisonite 10# sack, Salt 3%, Flocele .25# sack	250 ^{sks} ±	3.82ft ³	11.0 ^{ppg}
Tail	8 5/8"	Premium G Class "G CNT 100%, Calcium Chloride 2%, Flocele .25# sks	62 ^{sks} ±	1.15ft ³	12.8 ^{ppg}
Top Job	8 5/8"	Premium G Class G CMT 100%, Calcium Chloride 3% Flocele 60# 50 Gal of Sodium Silicate	20 ^{sks} ±	1.15ft ³	12.8 ^{ppg}

Production Casing will be cemented from TD to 1800' or higher as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead	5 1/2"	Premium V Prem Lite II .05#/sk Static free, .25#/sk Cello Flake, 5#sk KOL Seal, .002 gps FP-6L, 10% Bentonite, .5% Na2SiO3, 3% KCL	440 ^{sks} ±	3.82ft ³	11.0 ^{ppg}

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Tail 5 ½" Premium G 375^{sk}± 1.56ft³ 14.3^{ppg}

Class "G", .05% Static Free,
2 NaCl, .1% R-3, 2% Bentonite

Top of tail @4000'

5. BOP and pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000 psi WP BOP system as described in the BOP and pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standers set forth in "On Shore Order #2". The BOP will be mechanically checked daily during drilling operations.

6. Mud Program:

Interval	Mud ^{wt} lbs/gal	Vis. Sec/qt	Fluid Loss M1/30 ^{mins}	Mud Type
0-2000	Air/clear water	N/A	No control	Air/Water
2000-TD	8.4-12.0	30	8-10	Water/Gel

7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and logging:

- a) Test: None are anticipated
- b) Coring: Possibility of sidewall coring
- c) Sampling: Every 10' from 2000' to TD
- d) Logging: Type: DLL/SFL W/GR and SP @ Interval: TD to Surface Casing. Type: FDC/CNL W/GR and CAL @ interval: TD to Surface Casing.

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9. Abnormalities (including sour gas):

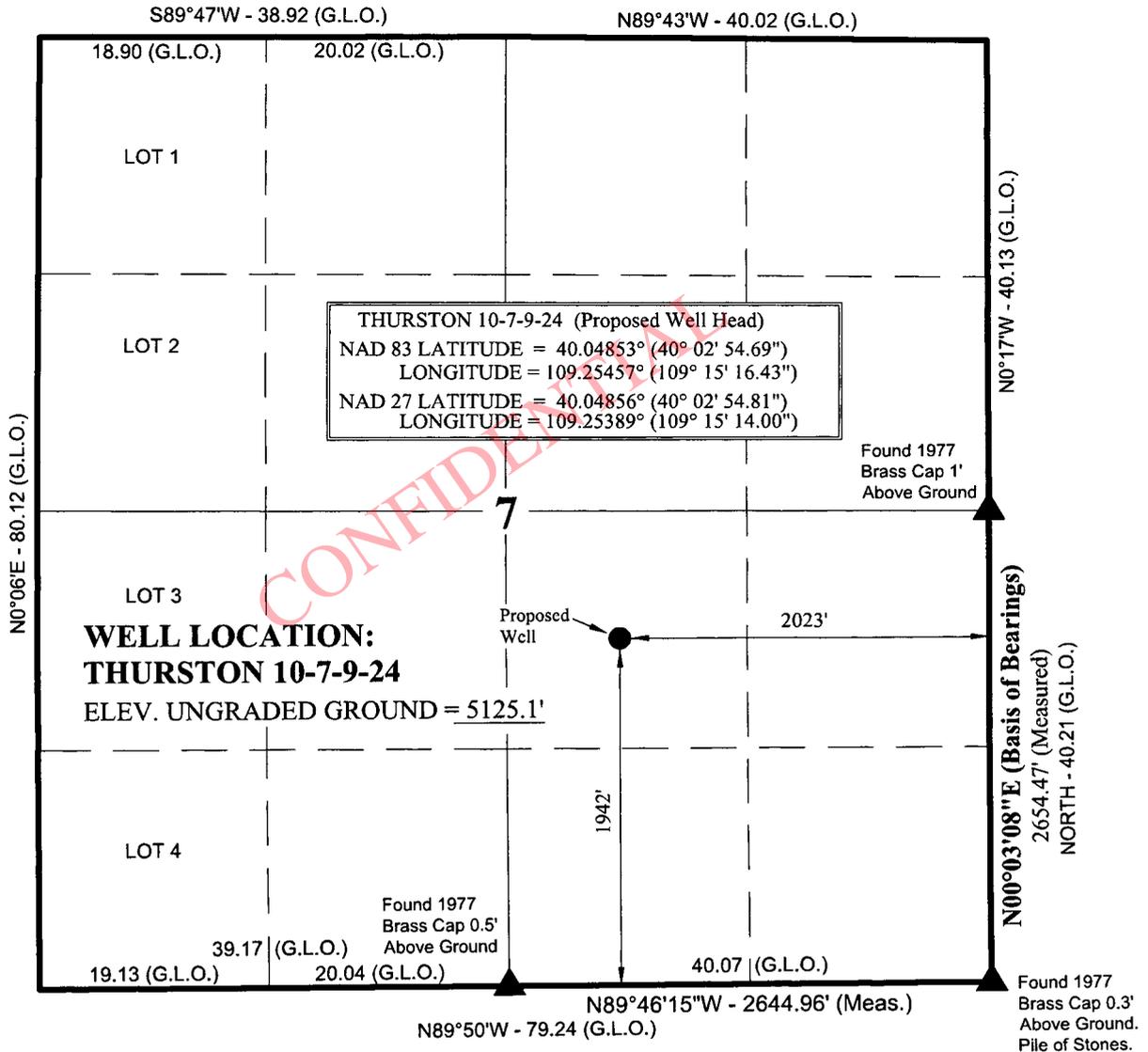
No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Green River and Wasatch formations. Other wells drilled in the area have not encountered over pressured zones or H₂S.

10. Drilling Schedule:

The anticipated starting date is 04/01/2011 Duration of operations is expected to be 30 days.

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T9S, R24E, S.L.B.&M.

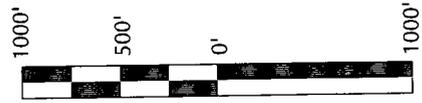


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**WELL LOCATION:
THURSTON 10-7-9-24**
ELEV. UNGRADED GROUND = 5125.1'

NOTES:

- ▲ = Section Corners Located
- 1. Well footages are measured at right angles to the Section Lines.
- 2. Government Land Office (G.L.O.) distances are shown in feet or chains. 1 chain = 66 feet.
- 3. Bearings are based on Global Positioning Satellite observations.
- 4. BASIS OF ELEVATION IS BENCH MARK 46 EAM LOCATED IN THE SW 1/4 OF SECTION 23, T9S, R24E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE BONANZA 7.5 MIN. QUADRANGLE AS BEING 5550'.



SCALE

SURVEYOR'S CERTIFICATE

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.

John R. Laughlin
 PROFESSIONAL LAND SURVEYOR
 REGISTRATION No. 6028691
 STATE OF UTAH

**THURSTON ENERGY
OPERATING COMPANY**

LEGAL PLAT

THURSTON 10-7-9-24
1942' FSL, 2023' FEL
NW 1/4 SE 1/4 OF SECTION 7, T9S, R24E,
S.L.B.&M., UINTAH COUNTY, UTAH.



TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
 209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 10-25-10	SURVEYED BY: D.J.S.	SHEET 2 OF 11
DATE DRAWN: 10-26-10	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'		

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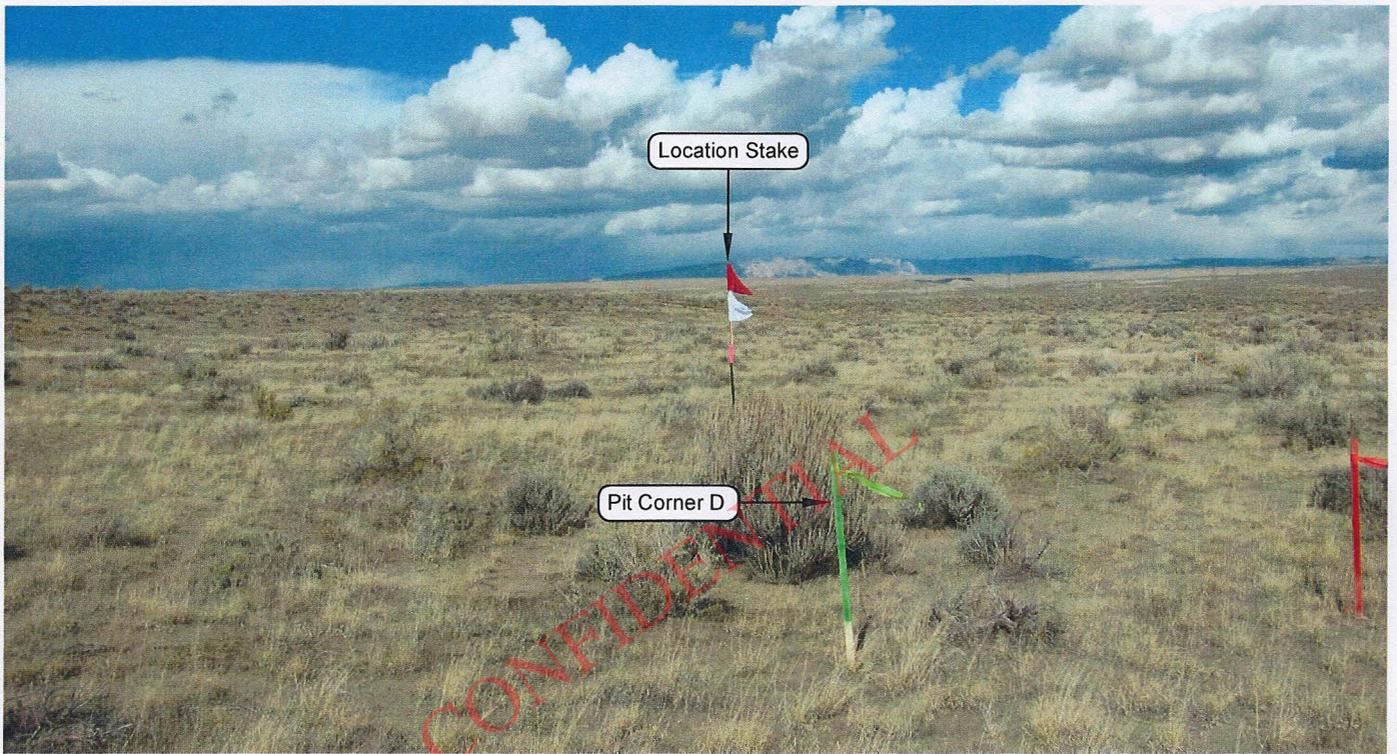


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY

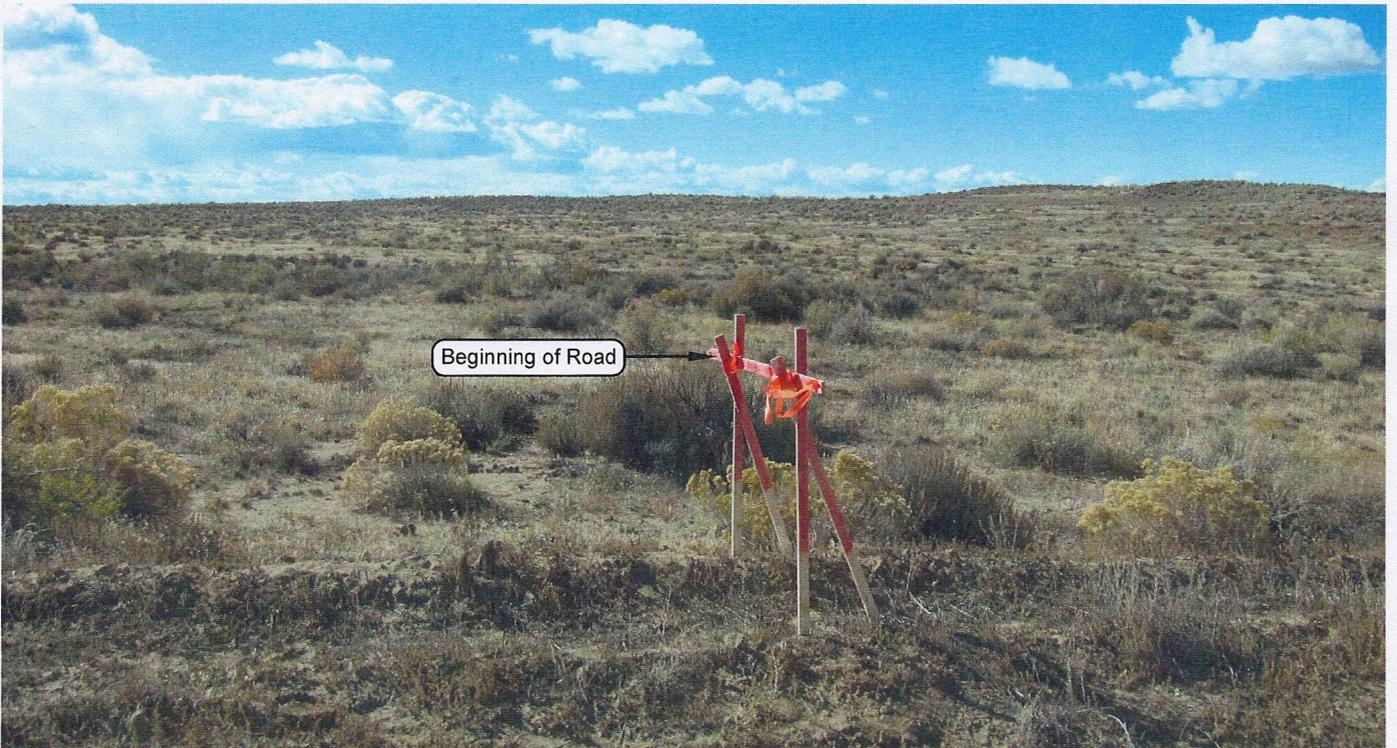


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: WESTERLY

**THURSTON ENERGY
OPERATING COMPANY**

LOCATION PHOTOS

**THURSTON 10-7-9-24
1942' FSL, 2023' FEL**

**NW 1/4 SE 1/4 OF SECTION 7, T9S, R24E,
S.L.B.&M., UINTAH COUNTY, UTAH.**

TIMBERLINE

(435) 789-1365

ENGINEERING & LAND SURVEYING, INC.

209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE PHOTOS TAKEN:
10-25-10

PHOTOS TAKEN BY: D.J.S.

SHEET

DATE DRAWN:
10-27-10

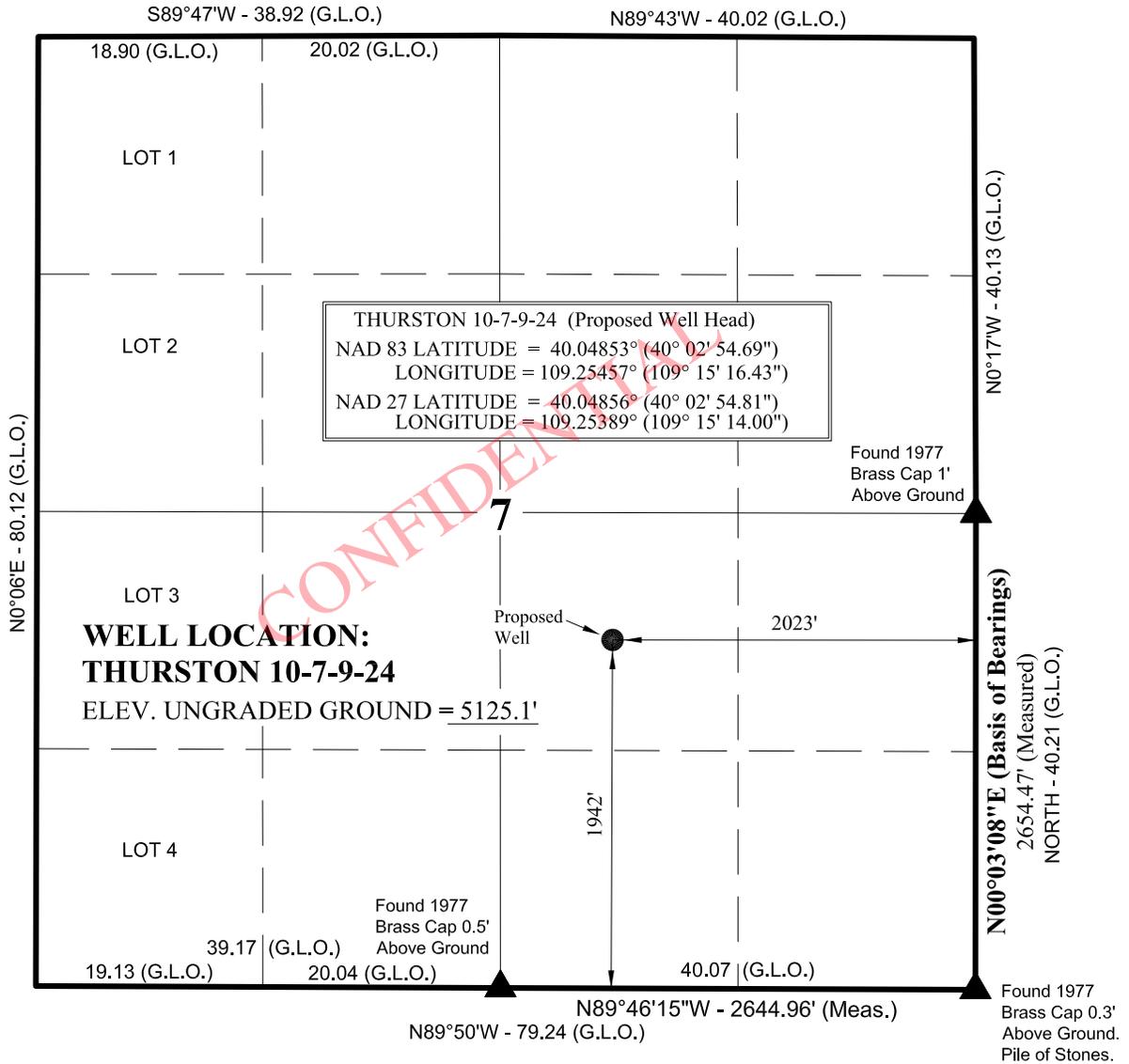
DRAWN BY: M.W.W.

1

Date Last Revised:

OF 11

T9S, R24E, S.L.B.&M.



NOTES:

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 JOHN R. LAUGHLIN
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 PROFESSIONAL LAND SURVEYOR
 REGISTRATION No. 6028691
 STATE OF UTAH

**THURSTON ENERGY
 OPERATING COMPANY**

LEGAL PLAT

**THURSTON 10-7-9-24
 1942' FSL, 2023' FEL
 NW 1/4 SE 1/4 OF SECTION 7, T9S, R24E,
 S.L.B.&M., UTAH COUNTY, UTAH.**



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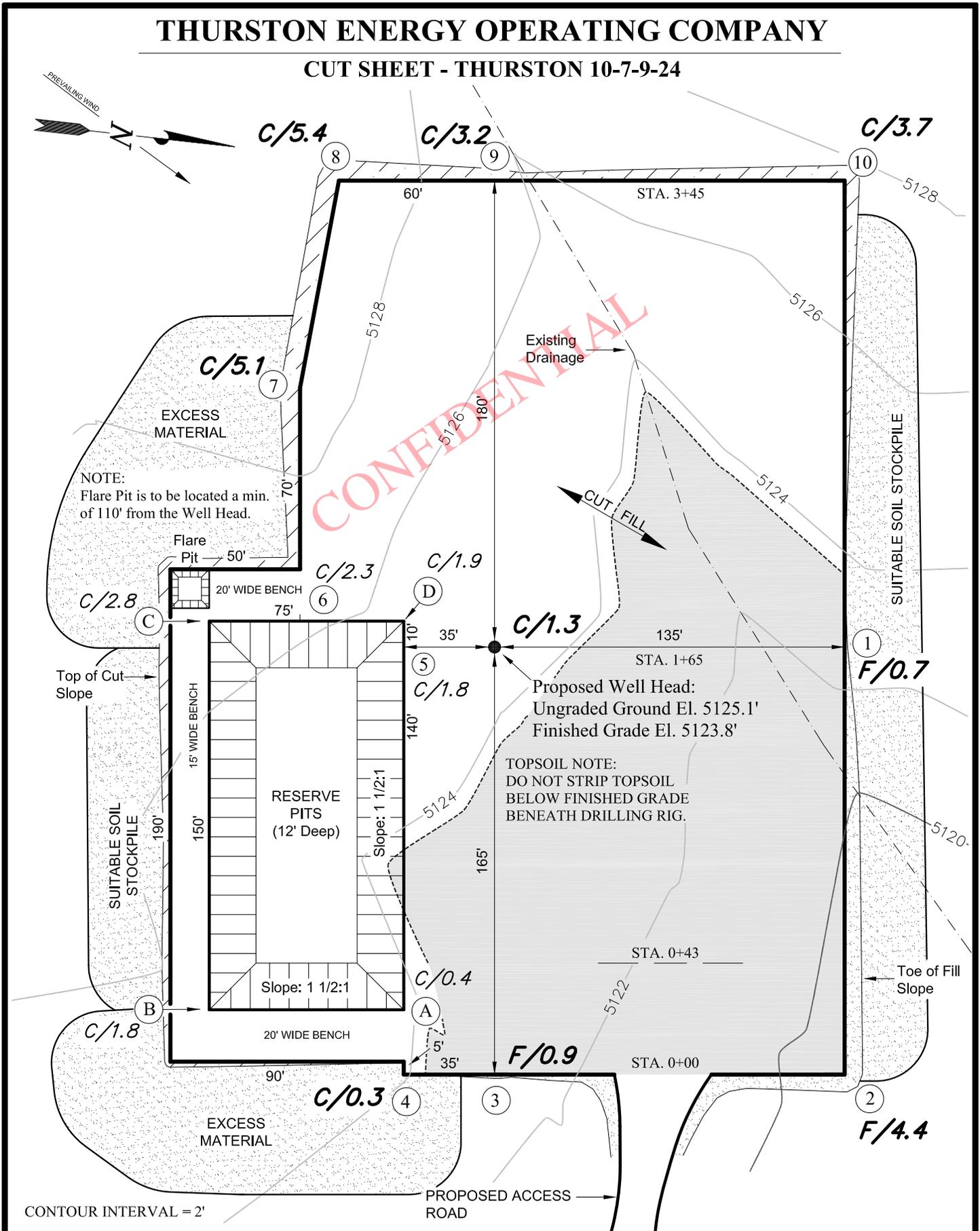
ENGINEERING & LAND SURVEYING, INC.

209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 10-25-10	SURVEYED BY: D.J.S.	SHEET 2 OF 11
DATE DRAWN: 10-26-10	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised:	

THURSTON ENERGY OPERATING COMPANY

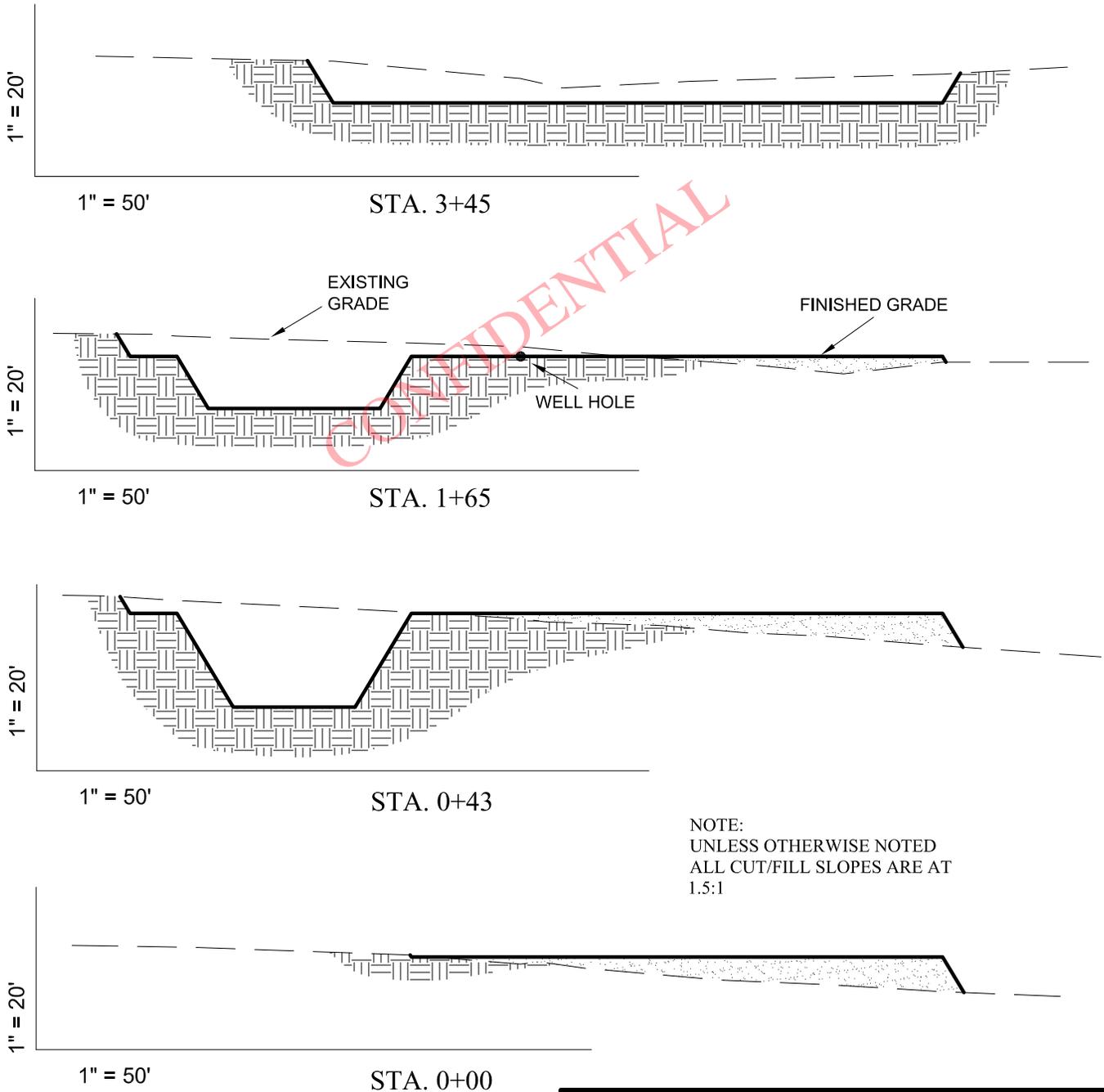
CUT SHEET - THURSTON 10-7-9-24



Section 7, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NW SE	Footage Location: 1942' FSL & 2023' FEL
Date Surveyed: 10-25-10	Date Drawn: 10-26-10	Date Last Revision:	TIMBERLINE (435) 789-1365 ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078
Surveyed By: D.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'	
			SHEET 3 OF 11

THURSTON ENERGY OPERATING COMPANY

CROSS SECTION - THURSTON 10-7-24



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

REFERENCE POINTS

- 185' NORTHERLY = 5123.1'
- 235' NORTHERLY = 5123.2'
- 230' WESTERLY = 5126.7'
- 280' WESTERLY = 5129.0'

ESTIMATED EARTHWORK QUANTITIES

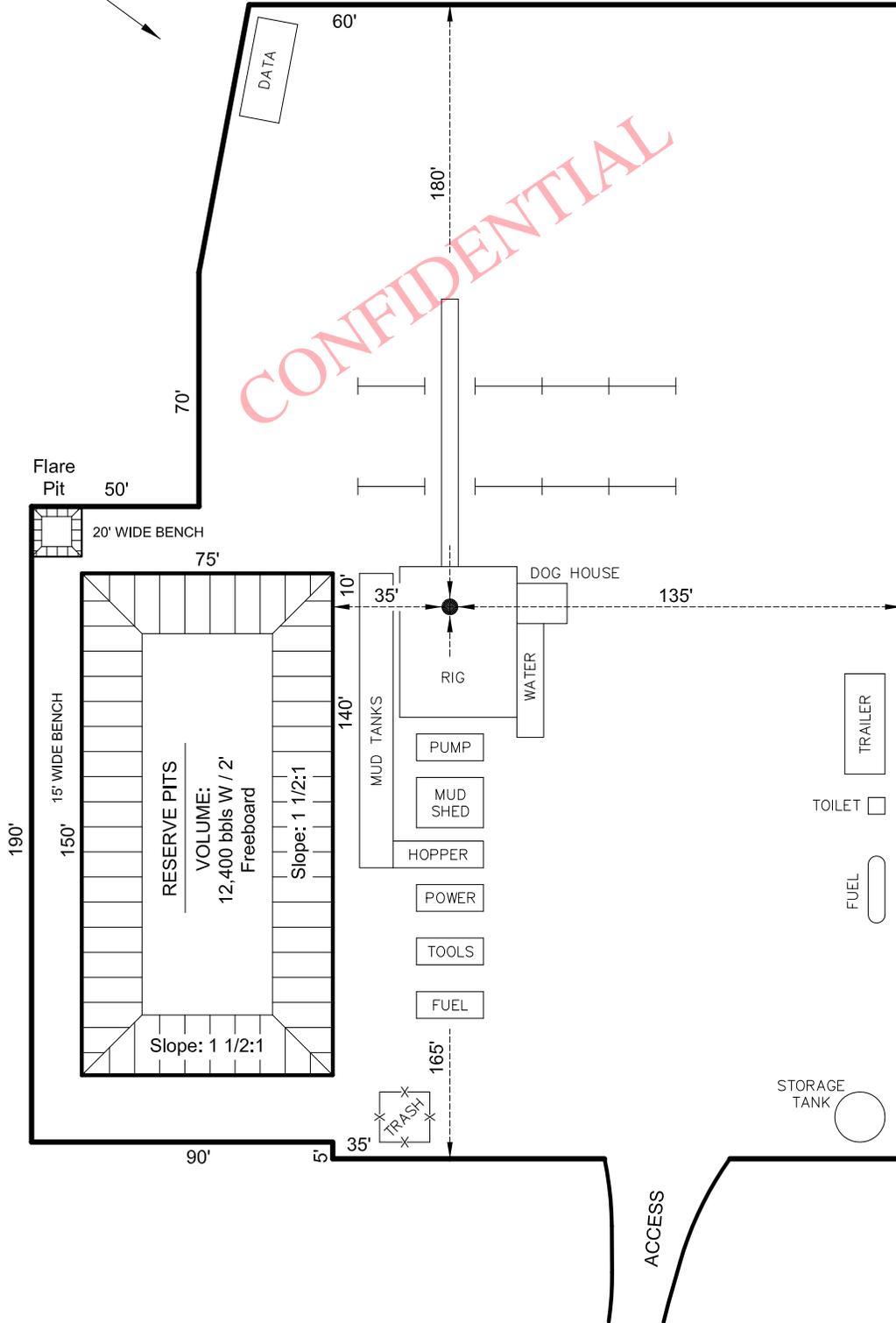
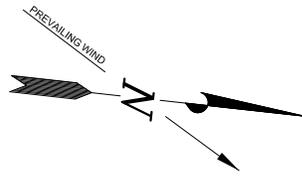
(No shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

CUT	Excess Material = 4,840
6" Topsoil Stripping = 1,500	Topsoil & Pit Backfill = 4,840 (Full Pit Volume)
Remaining Location = 5,890	
TOTAL CUT = 7,390	
FILL = 2,550	Excess Unbalance = 0 (After Rehabilitation)

Section 7, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NW SE	Footage Location: 1942' FSL & 2023' FEL
Date Surveyed: 10-25-10	Date Drawn: 10-26-10	Date Last Revision:	TIMBERLINE (435) 789-1365 ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078
Surveyed By: D.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'	
			SHEET 4 OF 11

THURSTON ENERGY OPERATING COMPANY

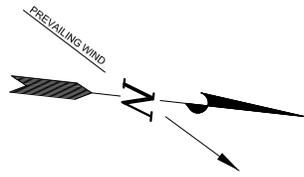
RIG LAYOUT - THURSTON 10-7-9-24



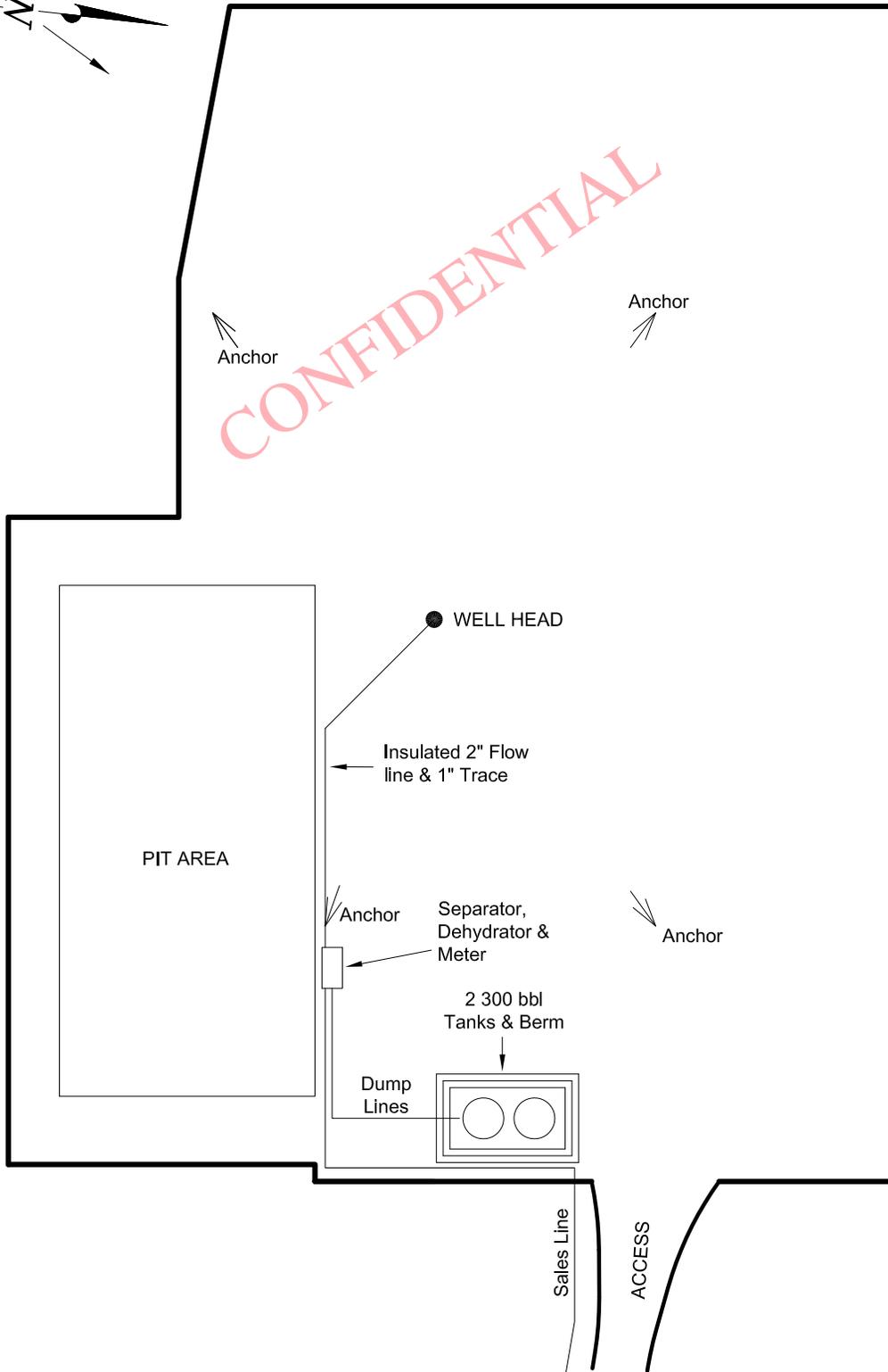
Section 7, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NW SE	Footage Location: 1942' FSL & 2023' FEL
Date Surveyed: 10-25-10	Date Drawn: 10-26-10	Date Last Revision:	TIMBERLINE (435) 789-1365 ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078
Surveyed By: D.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'	
			SHEET 5 OF 11

THURSTON ENERGY OPERATING COMPANY

PRODUCTION LAYOUT - THURSTON 10-7-9-24



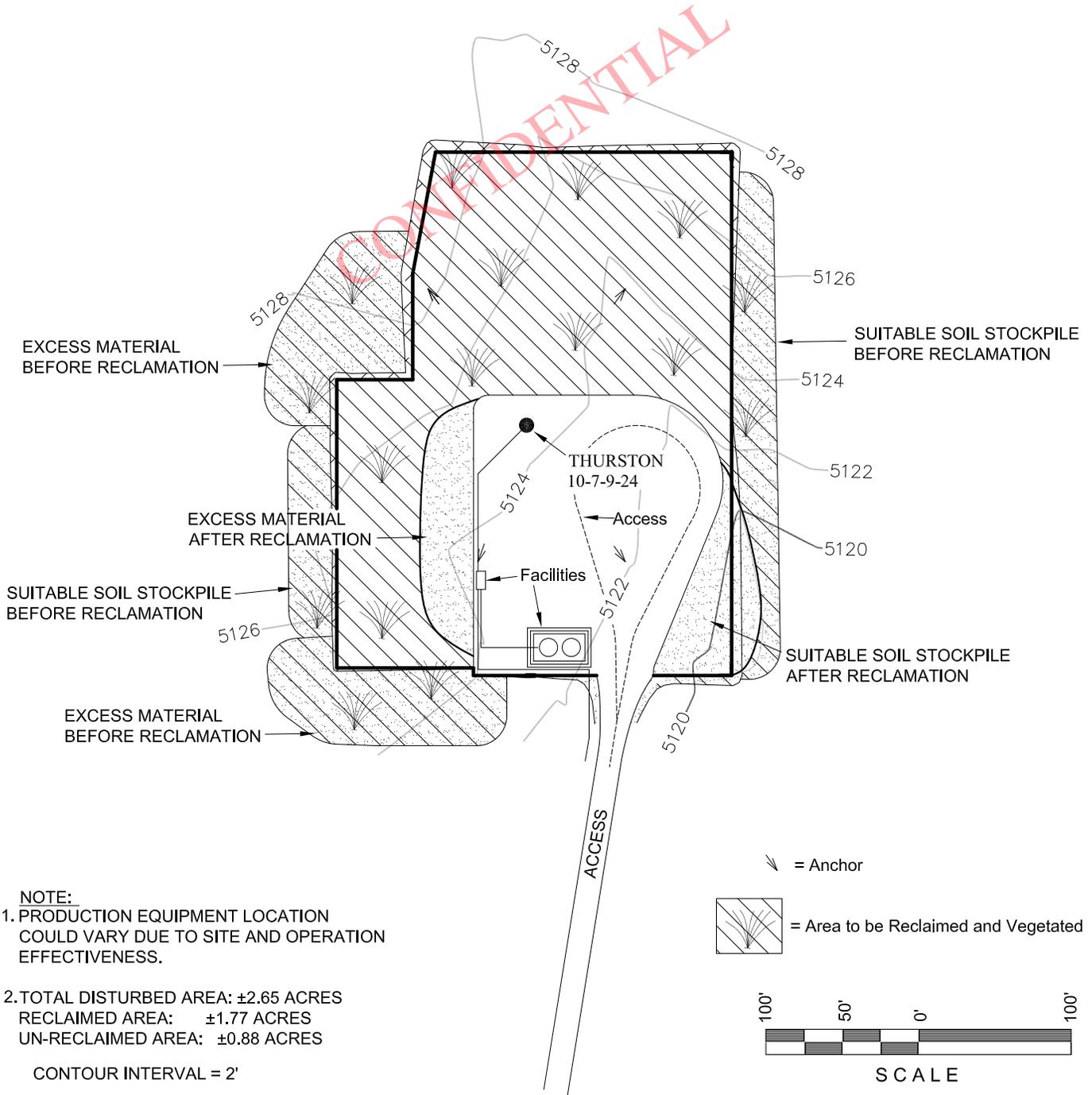
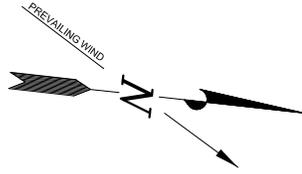
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Section 7, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NW SE	Footage Location: 1942' FSL & 2023' FEL
Date Surveyed: 10-25-10	Date Drawn: 10-26-10	Date Last Revision:	TIMBERLINE (435) 789-1365 ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078
Surveyed By: D.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'	
			SHEET 6 OF 11

THURSTON ENERGY OPERATING COMPANY

INTERIM RECLAMATION DIAGRAM - THURSTON 10-7-9-24

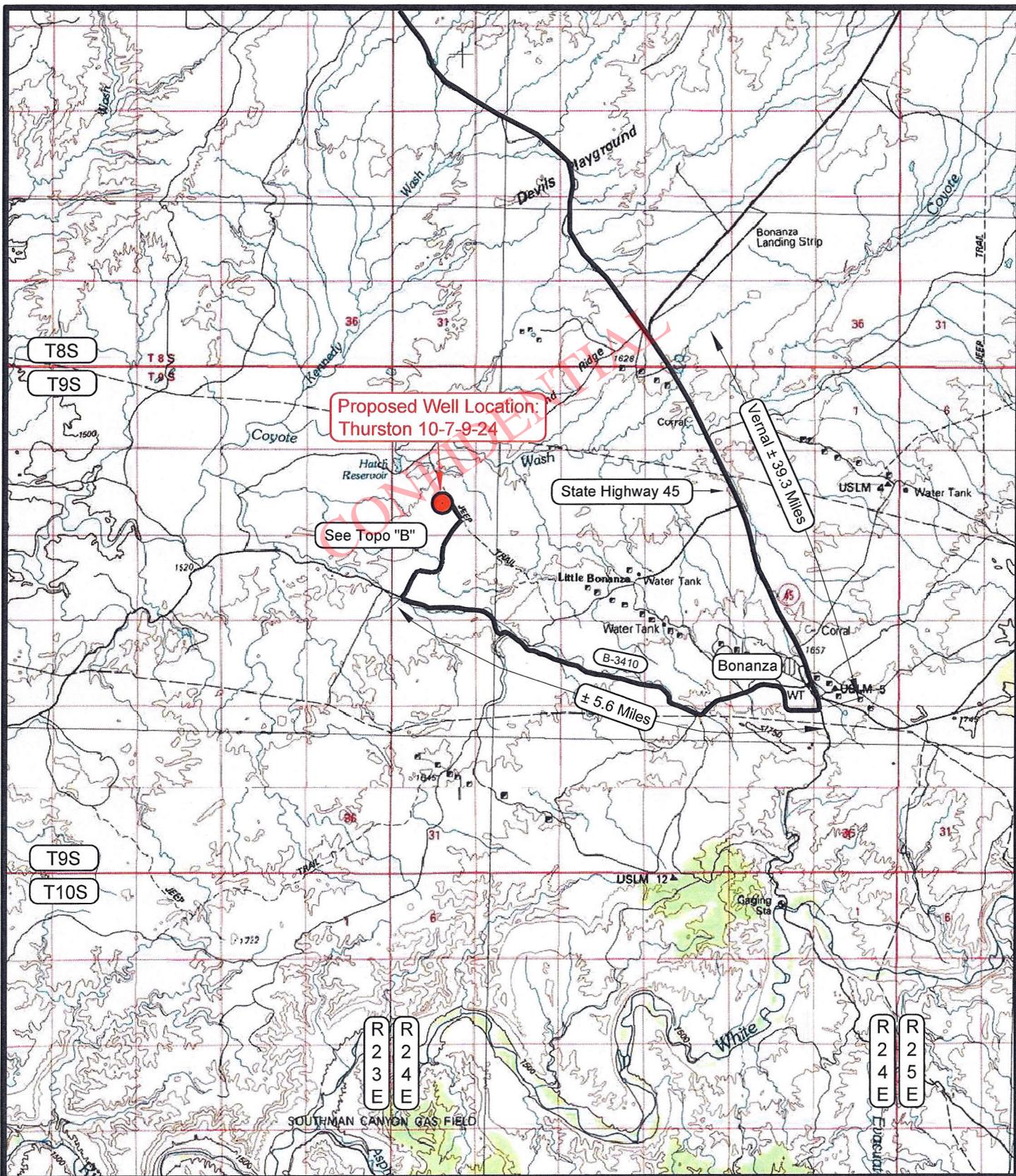


NOTE:
 1. PRODUCTION EQUIPMENT LOCATION
 COULD VARY DUE TO SITE AND OPERATION
 EFFECTIVENESS.

2. TOTAL DISTURBED AREA: ±2.65 ACRES
 RECLAIMED AREA: ±1.77 ACRES
 UN-RECLAIMED AREA: ±0.88 ACRES

CONTOUR INTERVAL = 2'

Section 7, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NW SE	Footage Location: 1942' FSL & 2023' FEL	
Date Surveyed: 10-25-10	Date Drawn: 10-26-10	Date Last Revision:	TIMBERLINE (435) 789-1365 ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078	
Surveyed By: D.J.S.	Drawn By: M.W.W.	Scale: 1" = 100'		
			SHEET 7 OF 11	



LEGEND

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER

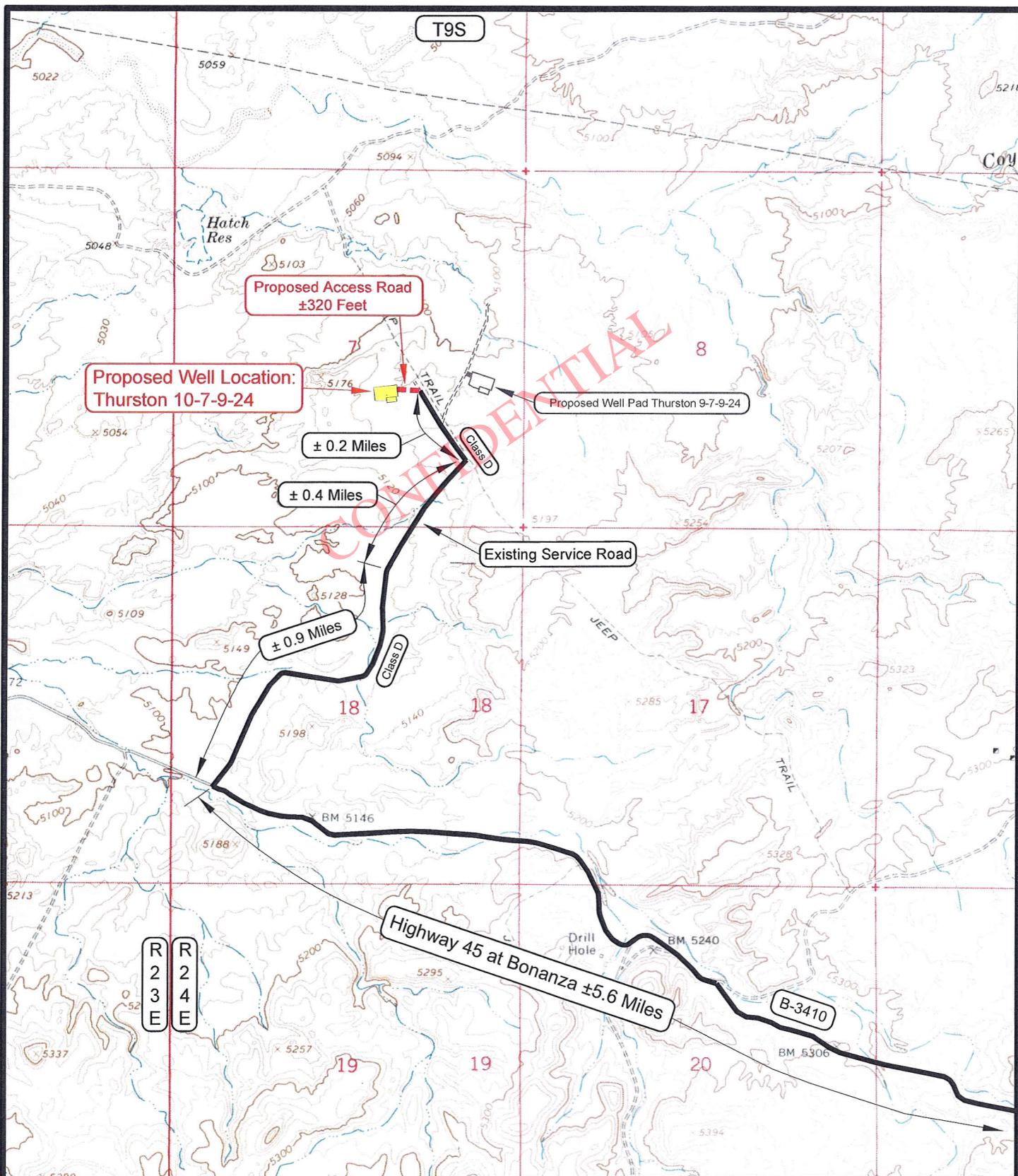
THURSTON ENERGY OPERATING COMPANY

Thurston 10-7-9-24
SECTION 7, T9S, R24E, S.L.B.&M.
1942' FSL & 2023' FEL

TOPOGRAPHIC MAP "A"		DATE SURVEYED: 10-25-10
SCALE: 1:100,000		DATE DRAWN: 10-27-10
DRAWN BY: M.W.W.	REVISED:	

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
 209 NORTH 300 WEST - VERNAL, UTAH 84078

SHEET
8
 OF 11



R
2
3
E

R
2
4
E

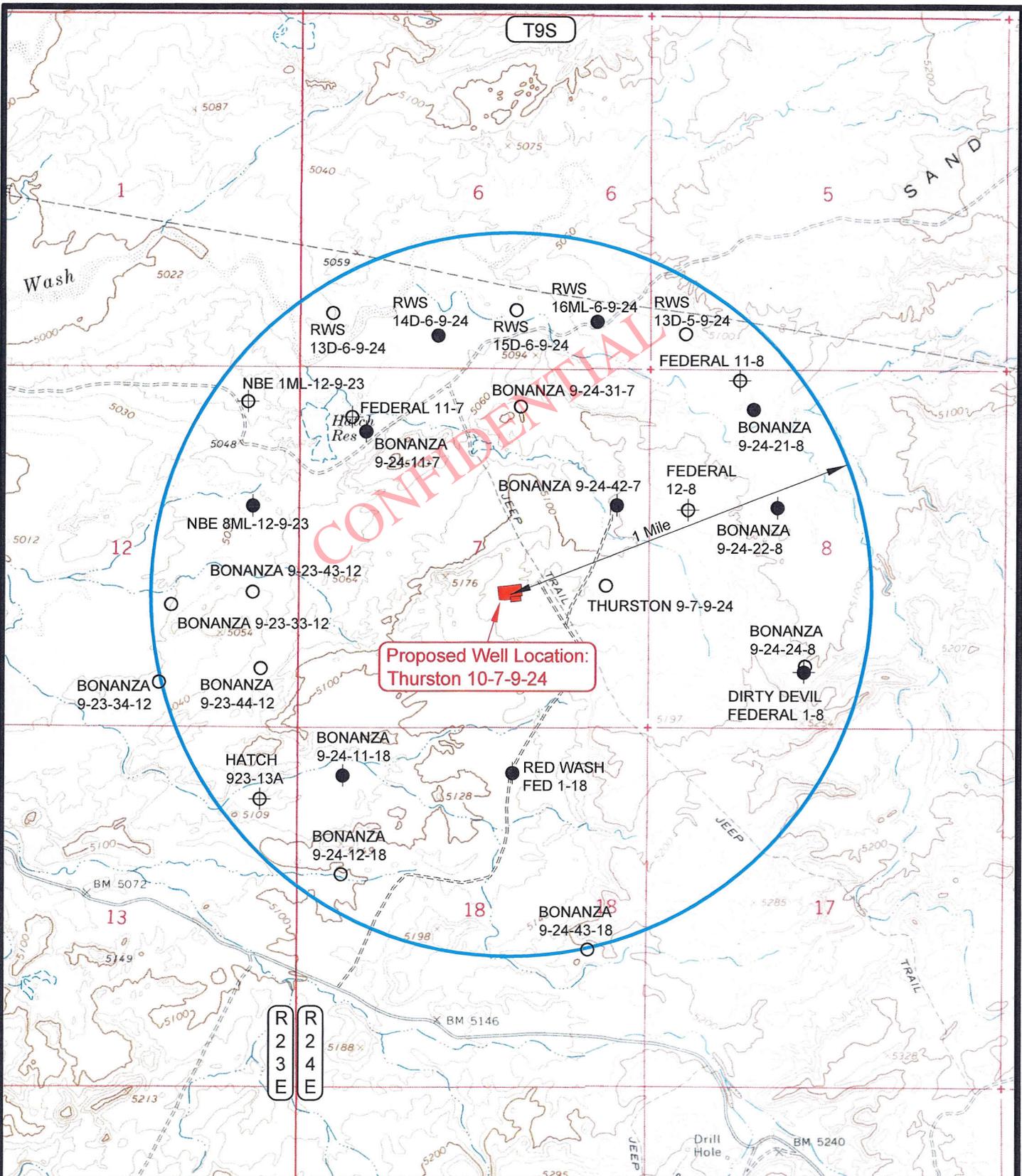
LEGEND	
PROPOSED ACCESS ROAD	(B-5460) = COUNTY ROAD CLASS & NUMBER
--- = SUBJECT WELL	--- = LEASE LINE AND / OR PROPERTY LINE
--- = OTHER WELLS	
— = EXISTING ROAD	
— = EXISTING ROAD (TO BE IMPROVED)	

TOPOGRAPHIC MAP "B"	DATE SURVEYED: 10-25-10
	DATE DRAWN: 10-27-10
SCALE: 1" = 2000'	REVISED:
DRAWN BY: M.W.W.	

THURSTON ENERGY OPERATING COMPANY

Thurston 10-7-9-24
SECTION 7, T9S, R24E, S.L.B.&M.
1942' FSL & 2023' FEL

TIMBERLINE	(435) 789-1365	SHEET
ENGINEERING & LAND SURVEYING, INC.		9
209 NORTH 300 WEST - VERNAL, UTAH 84078		OF 11



**Proposed Well Location:
Thurston 10-7-9-24**

LEGEND

- ⊘ = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- = PROPOSED WELL
- ⊘ = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL
- ⊘ = ABANDONED LOCATION

THURSTON ENERGY OPERATING COMPANY

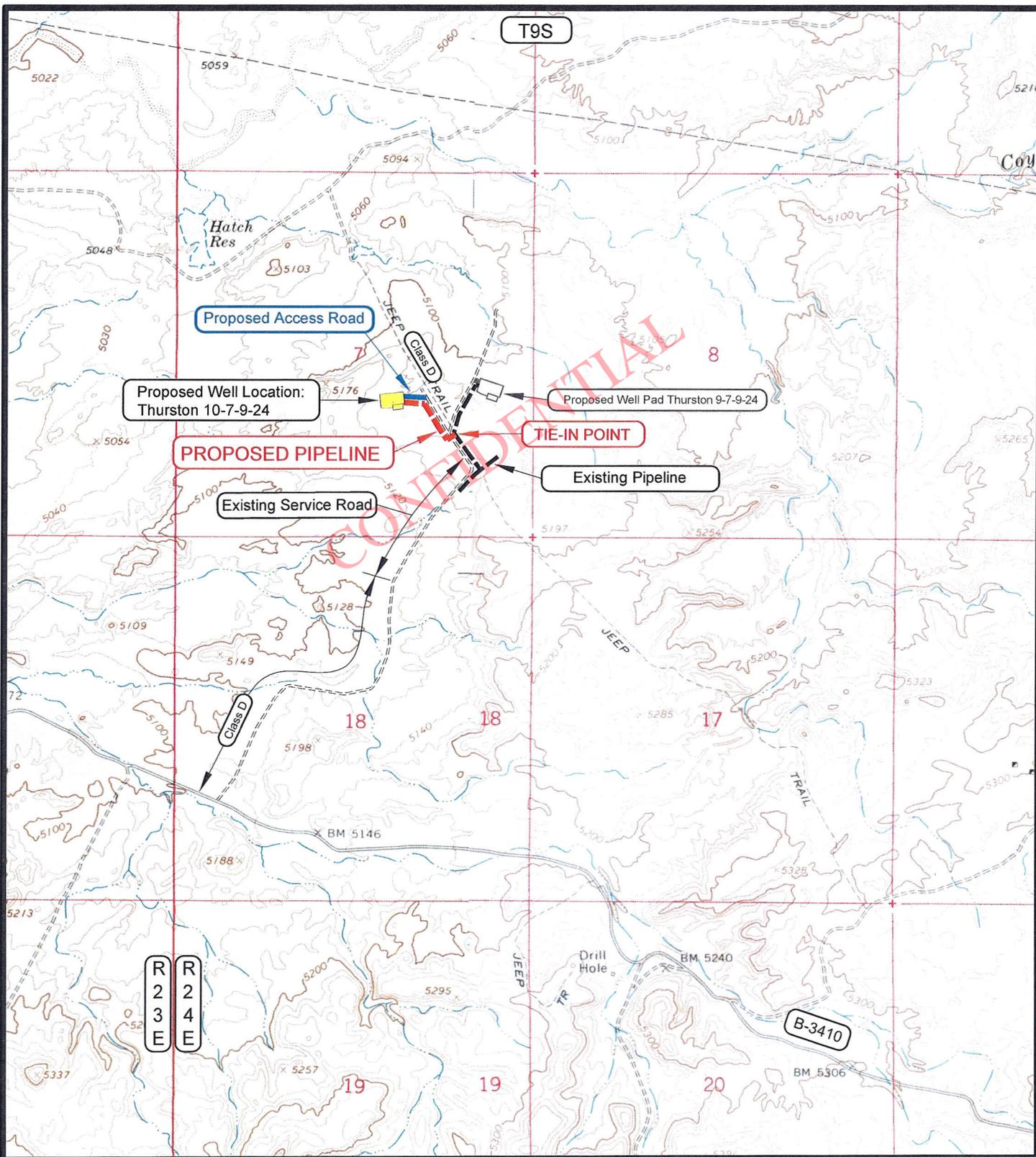
**Thurston 10-7-9-24
SECTION 7, T9S, R24E, S.L.B.&M.
1942' FSL & 2023' FEL**

TOPOGRAPHIC MAP "C"		DATE SURVEYED: 10-25-10
		DATE DRAWN: 10-27-10
SCALE: 1" = 2000'	DRAWN BY: M.W.W.	REVISED:



TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
 209 NORTH 300 WEST - VERNAL, UTAH 84078

SHEET
10
 OF 11



APPROXIMATE PIPELINE LENGTH = ± 965 FEET

LEGEND

- — — — = PROPOSED PIPELINE
- - - - = OTHER PIPELINE
- — — — = PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = LEASE LINE AND / OR PROPERTY LINE
- B-5460 = COUNTY ROAD CLASS & NUMBER

THURSTON ENERGY OPERATING COMPANY

Thurston 10-7-9-24
SECTION 7, T9S, R24E, S.L.B.&M.
1942' FSL & 2023' FEL

TOPOGRAPHIC MAP "D"		DATE SURVEYED: 10-25-10
		DATE DRAWN: 10-27-10
SCALE: 1" = 2000'	DRAWN BY: M.W.W.	REVISED:



TIMBERLINE ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078	(435) 789-1365	SHEET
		11
		OF 11

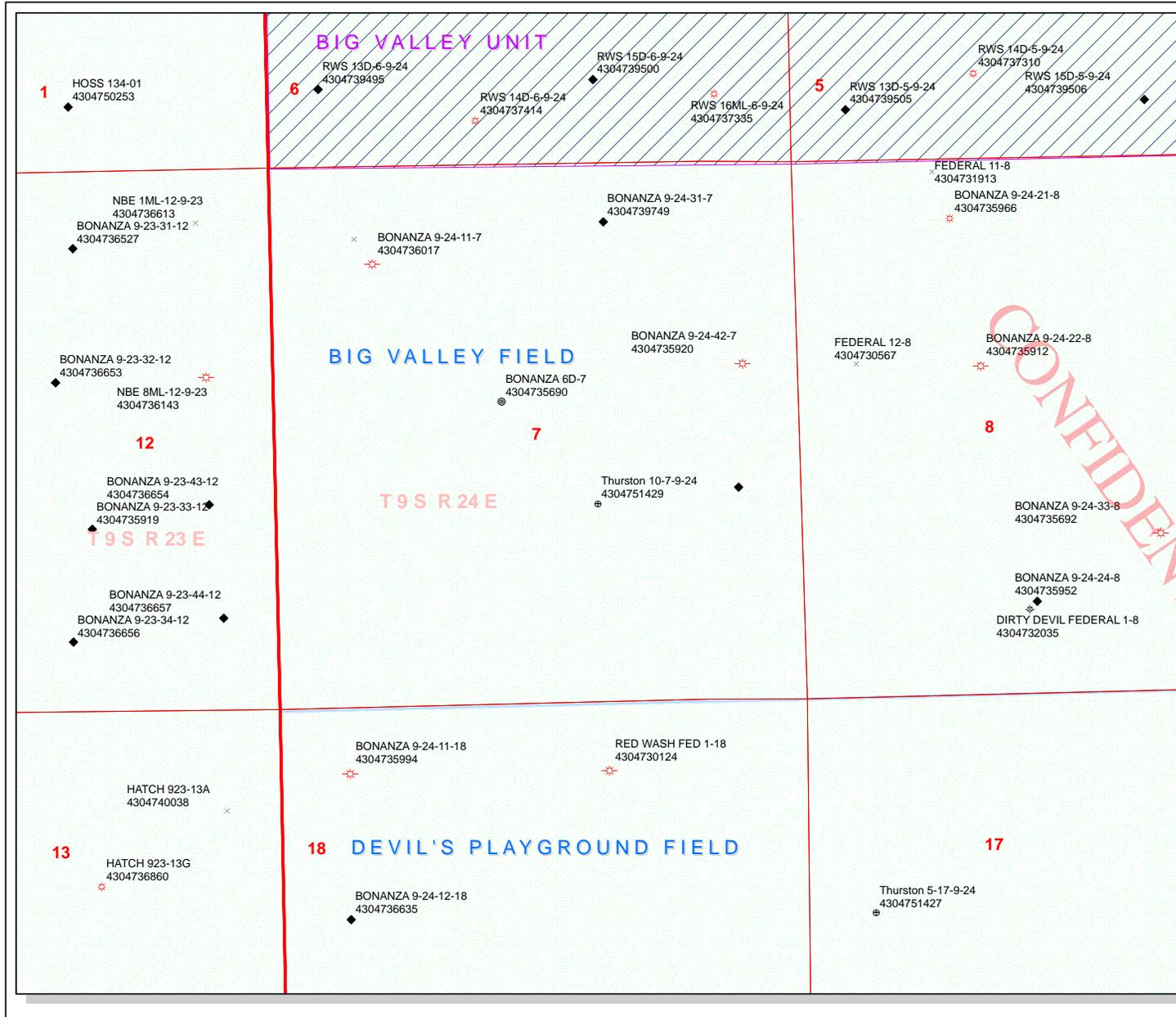
THURSTON ENERGY OPERATING COMPANY

Thurston 10-7-9-24

Section 7, T9S, R24E, S.L.B.&M.

From the intersection of U.S. Highway 40 and 500 East Street in Vernal, Utah, proceed in an easterly then southerly direction along U.S. Highway 40 approximately 3.3 miles to the junction of State Highway 45. Exit right and proceed in a southerly direction along State Highway 45 approximately 36 miles to the junction of County B Road 3410 (this road is located approximately 0.5 miles south of Bonanza, Utah). Exit right and proceed in a westerly direction along County B Road 3410 approximately 5.6 miles to the junction of a Class D County Road to the northeast. Exit right and proceed in a northeasterly direction along the Class D County Road approximately 0.9 miles to a service road. Proceed northeasterly along the service road approximately 0.4 miles to the junction of a second Class D County Road. Exit left and proceed in a northwesterly direction along the second Class D County Road approximately 0.2 miles to the proposed access road. Follow road flags in a westerly direction approximately 320 feet to the proposed location.

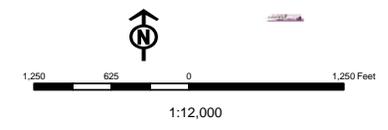
Total distance from Vernal, Utah to the proposed well location is approximately 46.5 miles.



API Number: 4304751429
Well Name: Thurston 10-7-9-24
Township 09.0 S Range 24.0 E Section 07
Meridian: SLBM
Operator: THURSTON ENERGY OPERATING

Map Prepared:
 Map Produced by Diana Mason

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



CONFIDENTIAL

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/27/2010

API NO. ASSIGNED: 43047514290000

WELL NAME: Thurston 10-7-9-24

OPERATOR: THURSTON ENERGY OPERATING (N2790)

PHONE NUMBER: 435 789-8580

CONTACT: Russell H. Cox

PROPOSED LOCATION: NWSE 07 090S 240E

Permit Tech Review:

SURFACE: 1942 FSL 2023 FEL

Engineering Review:

BOTTOM: 1942 FSL 2023 FEL

Geology Review:

COUNTY: UINTAH

LATITUDE: 40.04851

LONGITUDE: -109.25390

UTM SURF EASTINGS: 648949.00

NORTHINGS: 4434391.00

FIELD NAME: BIG VALLEY

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-0145459

PROPOSED PRODUCING FORMATION(S): MESA VERDE

SURFACE OWNER: 1 - Federal

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT**
- Bond:** FEDERAL - UT-000181
- Potash**
- Oil Shale 190-5**
- Oil Shale 190-3**
- Oil Shale 190-13**
- Water Permit:** White River Permit #49-2286
- 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:** Cause 179-15
 - Effective Date:** 7/17/2008
 - Siting:** 460' Fr Exterior Lease Boundary
 - R649-3-11. Directional Drill**
-

Comments: Presite Completed

Stipulations: 4 - Federal Approval - dmason



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: Thurston 10-7-9-24
API Well Number: 43047514290000
Lease Number: U-0145459
Surface Owner: FEDERAL
Approval Date: 12/28/2010

Issued to:

THURSTON ENERGY OPERATING, 365 W. 50 N. Ste W-8, 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 Cause 179-15. 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.

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:

A handwritten signature in black ink, appearing to read "John Rogers", written in a cursive style.

For John Rogers
Associate Director, Oil & Gas

RECEIVED

DEC 21 2010

Form 3160-3
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. U-0145459
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Thurston Energy Operating Company		7. If Unit or CA Agreement, Name and No.
3a. Address 360 W 50 N W-8 Vernal, UT 84078		8. Lease Name and Well No. Thurston 10-7-9-24
3b. Phone No. (include area code) 435-789-8580		9. API Well No. 43 047 51429
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 1942' FSL 2023' FEL NWSE Sec 7, T9S, R24E, SLB&M At proposed prod. zone same		10. Field and Pool, or Exploratory Devil's Playground
14. Distance in miles and direction from nearest town or post office* 46.5 miles south of Vernal, Utah		11. Sec., T. R. M. or Blk. and Survey or Area NWSE Sec. 7, T9S, R24E SLB&M
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 698'	16. No. of acres in lease 640	12. County or Parish Uintah
17. Spacing Unit dedicated to this well 40	13. State Ut	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,400'	19. Proposed Depth 8000'	20. BLM/BIA Bond No. on file UTB000181
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5125.1' GL	22. Approximate date work will start* 04/01/2011	23. Estimated duration 30 days
24. Attachments		

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

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

25. Signature 	Name (Printed/Typed) Russell Cox	Date 12/29/2010
Title Operations Manager		

Approved by (Signature) 	Name (Printed/Typed) Jerry Kenczka	Date AUG 11 2011
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached

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)

*(Instructions on page 2)

NOTICE OF APPROVAL

UDOGM

RECEIVED
AUG 18 2011
DIV. OF OIL, GAS & MINING

DEC 30 2010

RIMMED



**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:	Thurston Energy Operating Co.	Location:	NWSE, Sec. 7, T9S, R24E
Well No:	Thurston 10-7-9-24	Lease No:	UTU-0145459
API No:	43-047-51429	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.

CONDITIONS OF APPROVAL:

Thurston 10-7-9-24

DOI-BLM-UT-G010-2011-0317-EA

Additional Surface Conditions of Approval or monitoring are listed in the Surface Use Plan of the APDs.

- Construction and drilling activities are not allowed from January 1 – August 31 to minimize impacts during golden eagle nesting. This timing limitation only applies to Section 19, T9S, and R24E.
- If it is anticipated that construction and drilling activities will occur during any of the given timing restrictions, a BLM or qualified biologist shall be notified so surveys can be conducted. Depending upon the results of the surveys, permission to proceed may or may not be granted by the Authorized Officer.
- See mitigation / applicant committed design features in EA-0317 for more specifics on conditions of approval for potential air quality impacts
- All production tanks except on the 7-9-9-24 location will be placed towards the front of the well pad to maximize interim reclamation, and lessen the potential long term impacts that can occur to soils and vegetation.
- Topsoil shall be wrapped around corner #10 for the 5-27-9-24 location as discussed on the onsite 6/30/2010.
- All access roads shall be built to BLM standards. The crown and ditch method is the standard which helps control runoff from increasing potential erosion rates to the road surfaces. This will also help

divert any seasonal flows off the road into vegetated areas to increase the chance for reclamation success on road disturbance areas that shall be reseeded after construction has ceased, preferably in the fall before ground freeze.

- All production equipment will be painted Covert Green to help blend in with surrounding vegetation.
- On all locations a permanent reference point must be established prior to any reclamation activities. This reference point helps to establish the criteria for successful reclamation based on the Green River District Reclamation Guidelines.
- A dike/berm will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater-treater). It will be constructed of compacted subsoil, be impervious, hold 110% of the capacity of the largest tank, and be independent of the back cut.
- The reserve pit will be fenced on three sides during drilling operations and on the fourth side when the rig moves off location. It will be fenced, and the fence maintained, until the pit undergoes reclamation efforts.
- To insure impermeability, the reserve pit will be lined with a 16 ml or greater liner and felt prior to spudding.
- Reserve pits will be closed as soon as possible, but no later than 180 days from time of drilling/well completion, unless the BLM Authorized Officer gives an extension. Pits must be dry of fluids or they must be removed via vac-truck or other environmentally acceptable method prior to backfilling, re-contouring and replacement of topsoil. Mud and cuttings left in pit must be buried at least 3-feet below re-contoured grade. The operator will be responsible for re-contouring any subsidence areas that develop.
- Any hydrocarbons in the reserve pit will be removed immediately upon well completion; in accordance with 43 CFR 3162.7-1. Pits must be free of oil and other liquid and solid wastes prior to filling.
- The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear. The existing access road surface and pad area will be kept free of trash during all operations. All traffic will be confined to the approved disturbed surface area.
- The operator will control noxious weeds and invasive plants along corridors for roads, pipelines, well sites, or other applicable facilities, through a Pesticide Use Permit (PUP).
- An Interim Surface Reclamation Plan for surface disturbance on the well pad, access road, and pipeline has been completed and will be followed for reclamation of the surface. At a minimum, this will include the Best Management Practice of the reshaping of the pad to the original contour to the extent possible; the re-spreading of the top soil up to the rig anchor points; and, reseeded the unused area using appropriate reclamation methods (Thurston's reclamation plan).

The interim/final seed mix for reclamation will be:

Table 2.3.5 Interim/Final Reclamation Seed Mixture

Common name	Latin name	lbs/acre	Recommended seed planting depth
Squirreltail grass	<i>Elymus elymoides</i>	3.0	¼ - ½"
Siberian Wheatgrass	<i>Agropyron fragile</i>	2.0	½"
Needle and Thread	<i>Stipa comata</i>	3.0	½"
Bluebunch Wheatgrass	<i>Pseudoroegneria spicata</i>	3.0	½"
Shadscale	<i>Atriplex confertifolia</i>	0.50	½"
Gardner's saltbush	<i>Atriplex gardneri</i>	0.50	½"
Scarlet globemallow	<i>Sphaeralcea coccinea</i>	0.10	⅛ - ¼"

- All pounds are pure live seed.
- All seed and mulch will be certified weed free.
- Rates are set for drill seeding; double rate if broadcasting.

- Following well plugging and abandonment, the location, access roads, pipelines, and other facilities shall be fully reclaimed. All disturbed surfaces shall be reshaped to approximate the original contour; the top soil re-spread over the surface; and, the surface re-vegetated. The surface of approved staging areas where construction activities did not occur may require disking or ripping and reseeding. In order the Final Abandonment Notice to be approved Thurston must meet the requirement for successful reclamation as outlined in the Green River District Reclamation Guidelines.

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

SITE SPECIFIC DOWNHOLE COAs:

- Gamma Ray Log shall be run from Total Depth to Surface.
- Cement for the production casing must be brought 200 feet above the surface casing shoe.

Variances Granted:

Air Drilling:

- Properly lubricated and maintained rotating head. Variance granted to use a properly maintained and lubricated diverter bowl in place of a rotating head.
- Blooie line discharge 100 feet from the well bore. Variance granted for blooie line discharge to be 45 feet from the well bore.
- Compressors located in the opposite direction from the blooie line, a minimum of 100 feet from the well bore. Variance granted for truck/trailer mounted air compressors located within 45 feet of the well.
- In lieu of mud products on location for a “kill medium”, water will be pulled from the reserve pit and used as a kill fluid.
- Automatic igniter. Variance granted due to lack of productive formations in the interval for the surface sassing.
- FIT test. Variance granted due to known geology and problems that can occur with the FIT test.

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 work-over 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.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.
- 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 (1/4, 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, work-over, 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 work-over 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
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 Gas Well	5. LEASE DESIGNATION AND SERIAL NUMBER: U-0145459
2. NAME OF OPERATOR: THURSTON ENERGY OPERATING	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 365 W. 50 N. Ste W-8 , Vernal, UT, 84078	7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: 214 704-3896 Ext	8. WELL NAME and NUMBER: THURSTON 10-7-9-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1942 FSL 2023 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 07 Township: 09.0S Range: 24.0E Meridian: S	9. API NUMBER: 43047514290000
	9. FIELD and POOL or WILDCAT: BIG VALLEY
	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: 2/22/2012	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

APD Extension.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: February 28, 2012

By:

NAME (PLEASE PRINT) Kayti Hill	PHONE NUMBER 435 789-8580	TITLE Office Manager
SIGNATURE N/A	DATE 2/22/2012	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047514290000

API: 43047514290000

Well Name: THURSTON 10-7-9-24

Location: 1942 FSL 2023 FEL QTR NWSE SEC 07 TWNP 090S RNG 240E MER S

Company Permit Issued to: THURSTON ENERGY OPERATING

Date Original Permit Issued: 12/28/2010

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

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

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

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

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

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

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

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

Signature: Kayti Hill

Date: 2/22/2012

Title: Office Manager Representing: THURSTON ENERGY OPERATING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 4, 2013

Thurston Energy Operating
365 W. 50 N. Ste. W-8
Vernal, UT 84078

Re: APD Rescinded – Thurston 10-7-9-24, Sec. 7, T.9, R.24E,
Uintah County, Utah API No. 43-047-51429

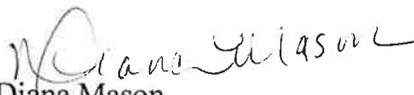
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 28, 2010. On February 28, 2012 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 4, 2013.

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

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

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Uintah





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

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



APR 17 2015

IN REPLY REFER TO:
3160 (UTG011)

Chris Curton
Thurston Energy Operating Company
4925 Greenville Ave., #840
Dallas, TX 75206

RECEIVED

MAY 04 2015

DIV. OF OIL, GAS & MINING

43 047 51429

Dear Chris:

The referenced Applications for Permit to Drill (APD) have expired. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced applications has expired. If you intend to drill at these locations in the future, a new Application for Permit to Drill must be submitted.

Lease	Well	Aliquot	Sec., T., R.	Date Rec'd	Date Exp'd
UTSL-071725C	Thurston 5-27-9-24	SWNW	Sec. 27-T9S-R24E	10/20/2010	8/10/2013
UTSL-071725C	Thurston 15-27-9-24	SWSE	Sec. 27-T9S-R24E	10/20/2010	8/10/2013
UTU-0145459	Thurston 9-7-9-24	SWNW	Sec. 7-T9S-R24E	10/20/2010	8/10/2013
→ UTU-0145459	Thurston 10-7-9-24	NWSE	Sec. 7-T9S-R24E	12/30/2010	8/10/2013
UTU-5217	Thurston 7-9-9-24 WA	SWNE	Sec. 9-T9S-R24E	12/16/2010	8/11/2013
UTU-31266	Thurston 13-19-9-24	Lot 4	Sec. 19-T9S-R24E	10/20/2010	8/16/2013
UTU-31266	Thurston 8-20-9-24	SENE	Sec. 20-T9S-R24E	10/20/2010	8/10/2013
UTU-31266	Thurston 13-20-9-24	SWSW	Sec. 20-T9S-R24E	10/20/2010	8/10/2013

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

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

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

cc: UDOGM
bcc: Well File
I&E Asst.