

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 UTE 16-1A-4-1				
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT UNDESIGNATED				
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME				
6. NAME OF OPERATOR FINLEY RESOURCES INC						7. OPERATOR PHONE 817 231-8735				
8. ADDRESS OF OPERATOR PO Box 2200, Fort Worth, TX, 76113						9. OPERATOR E-MAIL awilkerson@finleyresources.com				
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) 14-20-H62-4896			11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>				
13. NAME OF SURFACE OWNER (if box 12 = 'fee') Coleman et al.						14. SURFACE OWNER PHONE (if box 12 = 'fee') 435-564-1666				
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 148 West Center Street, ,						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		990 FNL 462 FEL		NENE	16	4.0 S	1.0 E	U		
Top of Uppermost Producing Zone		990 FNL 462 FEL		NENE	16	4.0 S	1.0 E	U		
At Total Depth		990 FNL 462 FEL		NENE	16	4.0 S	1.0 E	U		
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 462			23. NUMBER OF ACRES IN DRILLING UNIT 40				
25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1300			26. PROPOSED DEPTH MD: 8500 TVD: 8500			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 43-8496				
27. ELEVATION - GROUND LEVEL 5256			28. BOND NUMBER RLB 0011294							
Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
COND	17.5	13.375	0 - 60	48.0	H-40 ST&C	0.0	Class G	41	1.17	15.8
SURF	12.25	8.625	0 - 358	32.0	J-55 ST&C	8.6	Premium Lite High Strength	47	3.53	11.0
							Class G	111	1.17	15.8
PROD	7.875	5.5	0 - 8500	15.5	J-55 LT&C	9.5	50/50 Poz	961	1.24	13.2
ATTACHMENTS										
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
NAME Don Hamilton				TITLE Agent			PHONE 435 719-2018			
SIGNATURE				DATE 05/14/2012			EMAIL starpoint@etv.net			
API NUMBER ASSIGNED 43047526620000				APPROVAL			 Permit Manager			

Finley Resources, Inc.
UTE 16-1A-4-1
990' FNL & 462' FEL, NE/4 NE/4, Sec 16, T4S, R1E, U.S.B.&M.
Uintah County, UT

Drilling Program

1. Formation Tops

Surface	5,256'
Green River	2,506'
Black Shale	6,421'
Uteland Butte	6,966'
Wasatch	7,396'
TD	8,500'

2. Depth to Oil, Gas, Water, or Minerals

Black Shale	6,421' - 6,966'	(Oil)
Uteland Butte	6,966' - TD	(Oil)

Fresh water may be encountered in the Duchesne Formation, but is not expected below about 300'.

3. Pressure Control

Section BOP Description

Surface 12-1/4" diverter

Interm/Prod The 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 system.

A 5M BOP system will consist of 2 ram preventers (double or two singles) and an annular preventer (see attached diagram). A choke manifold rated to at least 5,000 psi will be used.

4. Casing

Description	Interval		Weight (ppf)	Grade	Coup	Pore Press @ Shoe	MW @ Shoe	Frac Grad @ Shoe	Safety Factors		
	Top	Bottom							Burst	Collapse	Tension
Conductor 13 3/8	0'	60'	48	H-40	STC	--	--	--	1,730	770	322,000
Surface 8 5/8	0'	358'	32	J-55	STC	8.33	8.6	11	3,930	2,530	417,000
Production 5 1/2	0'	8,500'	15.5	J-55	LTC	9	9.5	11	21.57	21.27	36.40
									4,810	4,040	217,000
									1.54	1.21	1.65

Assumptions:

Surface casing MASP = (frac gradient + 1.0 ppg) - (gas gradient)

Intermediate casing MASP = (reservoir pressure) - (gas gradient)

Production casing MASP = (reservoir pressure) - (gas gradient)

All collapse calculations assume fully evacuated casing with a gas gradient

All tension calculations assume air weight of casing

Gas gradient = 0.1 psi/ft

All casing shall be new.

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

5. Cement

Job	Hole Size	Fill	Slurry Description	ft ³	OH excess	Weight (ppg)	Yield (ft ³ /sk)
				sacks			
Conductor	17 1/2	60'	Class G w/ 2% KCl + 0.25 lbs/sk Cello Flake	48	15%	15.8	1.17
				41			
Surface Lead	12 1/4	200'	Premium Lite II w/ 3% KCl + 10% bentonite	165	100%	11.0	3.53
				47			
Surface Tail	12 1/4	158'	Class G w/ 2% KCl + 0.25 lbs/sk Cello Flake	130	100%	15.8	1.17
				111			
Production Tail	7 7/8	5,500'	50/50 Poz/Class G w/ 3% KCl + 2% bentonite	1191	25%	13.2	1.24
				961			

The surface casing will be cemented to surface. In the event that cement does not reach surface during the primary cement job, a remedial job will be performed.

Actual cement volumes for the production casing string will be calculated from an open hole caliper log, plus 25% excess.

6. Type and Characteristics of Proposed Circulating Medium**Interval Description**

Surface - 358' An air and/or fresh water system will be utilized.

358' - TD A water based mud system will be utilized. Hole stability may be improved with additions of KCl or a similar inhibitive substance. In order to control formation pressure the system will be weighted with additions of bentonite, and if conditions warrant, with barite.

Anticipated maximum mud weight is 9.5 ppg.

7. Logging, Coring, and Testing

Logging: A dual induction, gamma ray, and caliper log will be run from TD to the base of the surface casing. A compensated neutron/formation density log will be run from TD to the top of the Garden Gulch formation. A cement bond log will be run from PBDT to the cement top behind the production casing.

Cores: As deemed necessary.

DST: There are no DST's planned for this well.

8. Anticipated Abnormal Pressure or Temperature

Maximum anticipated bottomhole pressure will be approximately equal to total depth (feet) multiplied by a 0.47 psi/ft gradient.

$$8,500' \times 0.47 \text{ psi/ft} = 3978 \text{ psi}$$

No abnormal temperature is expected. No H₂S is expected.

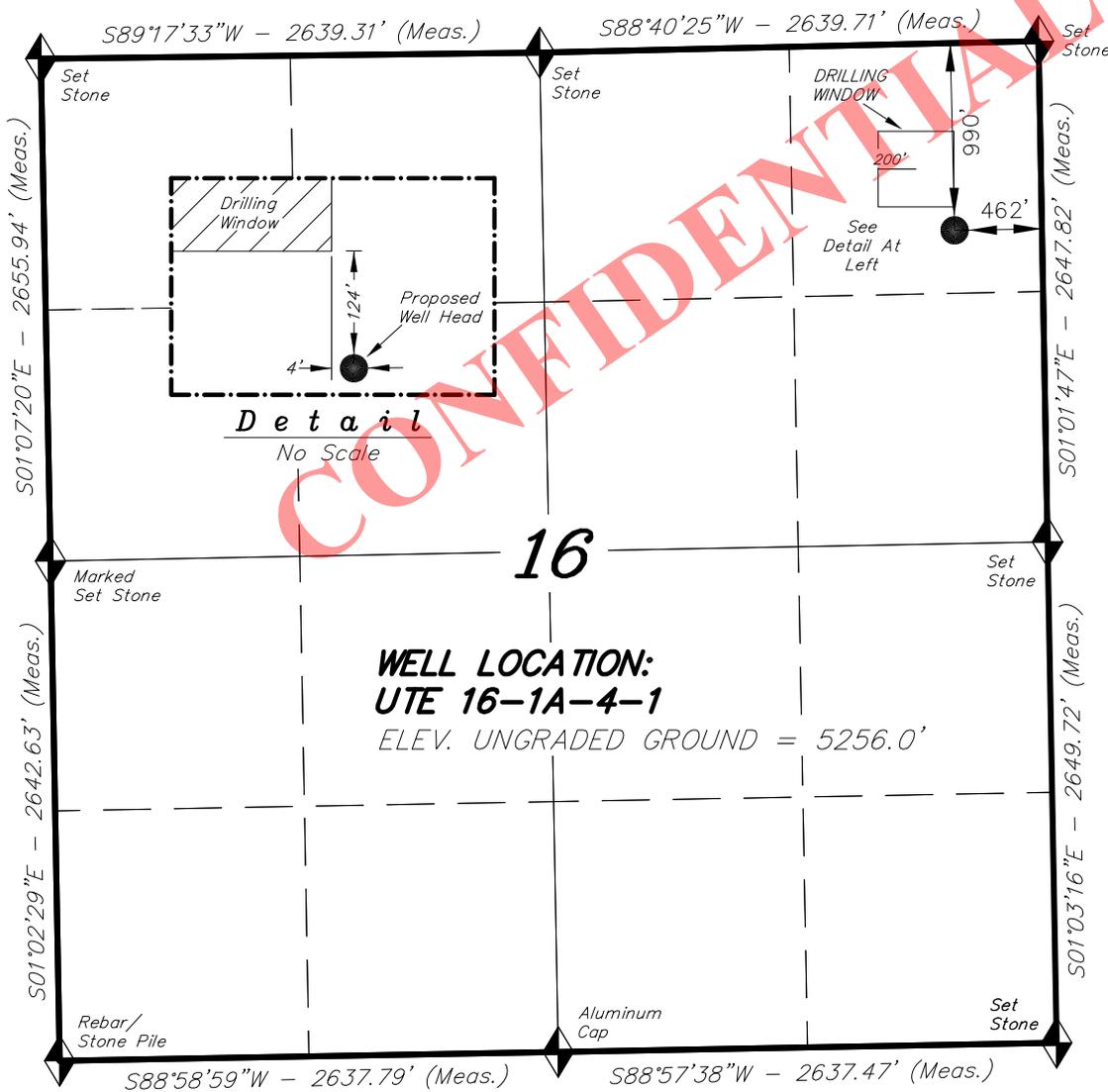
9. Other Aspects

This is planned as a vertical well.

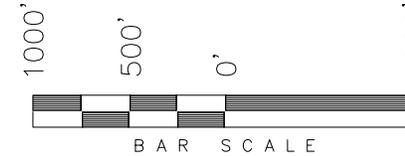
CONFIDENTIAL

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

FINLEY RESOURCES INC.



WELL LOCATION, UTE 16-1A-4-1,
 LOCATED AS SHOWN IN THE NE 1/4 NE
 1/4 OF SECTION 16, T4S, R1E,
 U.S.B.&M. UINTAH COUNTY, UTAH.



NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.

WELL LOCATION:
UTE 16-1A-4-1
 ELEV. UNGRADED GROUND = 5256.0'

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.

REGISTERED LAND SURVEYOR
 12-09-11
 STACY W.
 REGISTERED LAND SURVEYOR
 REGISTRATION No. 189377
 STATE OF UTAH

◆ = SECTION CORNERS LOCATED

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

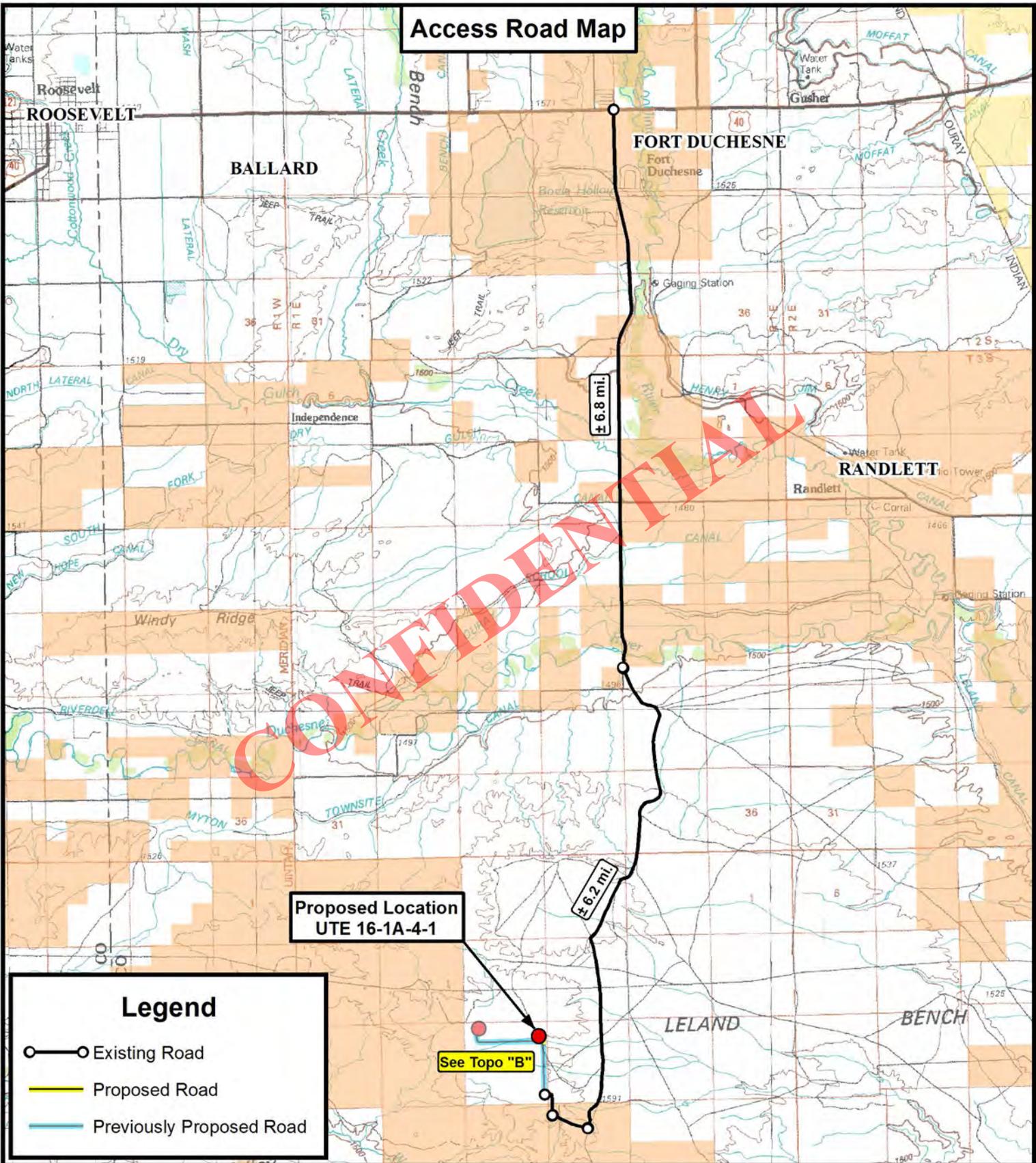
UTE 16-1A-4-1
 (Surface Location) NAD 83
 LATITUDE = 40° 08' 22.49"
 LONGITUDE = 109° 52' 48.06"

TRI STATE LAND SURVEYING & CONSULTING
 180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
 (435) 781-2501

DATE SURVEYED: 11-06-11	SURVEYED BY: C.D.S.
DATE DRAWN: 12-09-11	DRAWN BY: R.B.T.
REVISED:	SCALE: 1" = 1000'

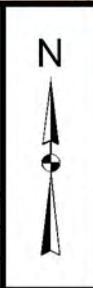
RECEIVED: May 14, 2012

Access Road Map



Tri State Land Surveying, Inc.
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078
 P: (435) 781-2501
 F: (435) 781-2518

DRAWN BY:	D.C.R.	REVISED:
DATE:	12-12-2011	
SCALE:	1:100,000	



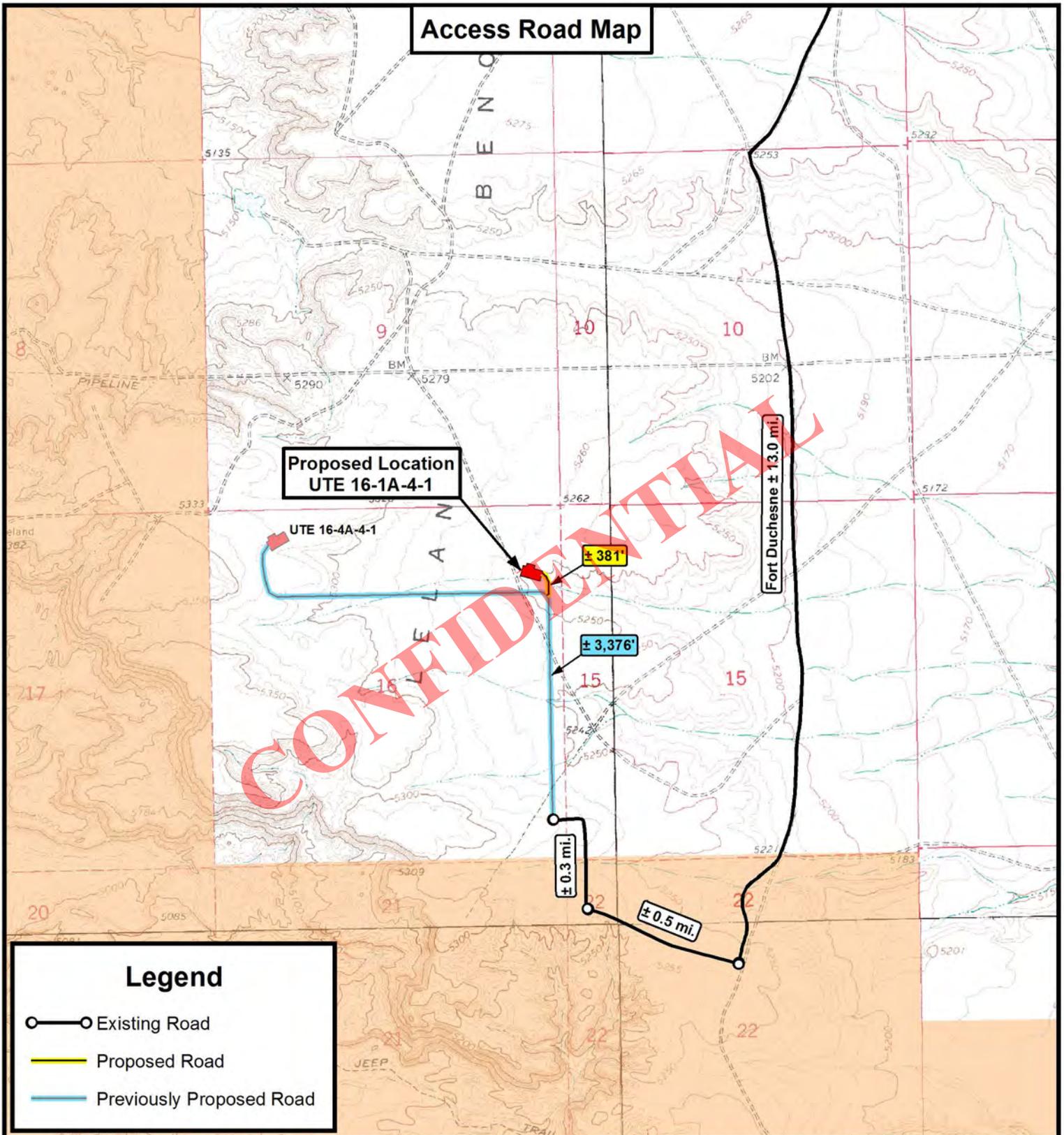
FINLEY RESOURCES INC.

UTE 16-1A-4-1
 SEC. 16, T4S, R1E, U.S.B.&M.
 Uintah County, UT.

TOPOGRAPHIC MAP

SHEET **A**

Access Road Map



Legend

- Existing Road
- Proposed Road
- Previously Proposed Road

THE PARCEL INFORMATION SHOWN HAS NOT BEEN SURVEYED BY TRI-STATE LAND SURVEYING, INC. - TRI-STATE DOES NOT WARRANTY PROPERTY PARCEL DATA OR ANY ASSOCIATED INFORMATION. A PROPERTY SURVEY IS REQUIRED TO DETERMINE THE ACTUAL LOCATION OF PROPERTY LINES AND SHOW ACCURATE DISTANCES ACROSS PARCELS.

**Tri State
Land Surveying, Inc.**
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

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FINLEY RESOURCES INC.

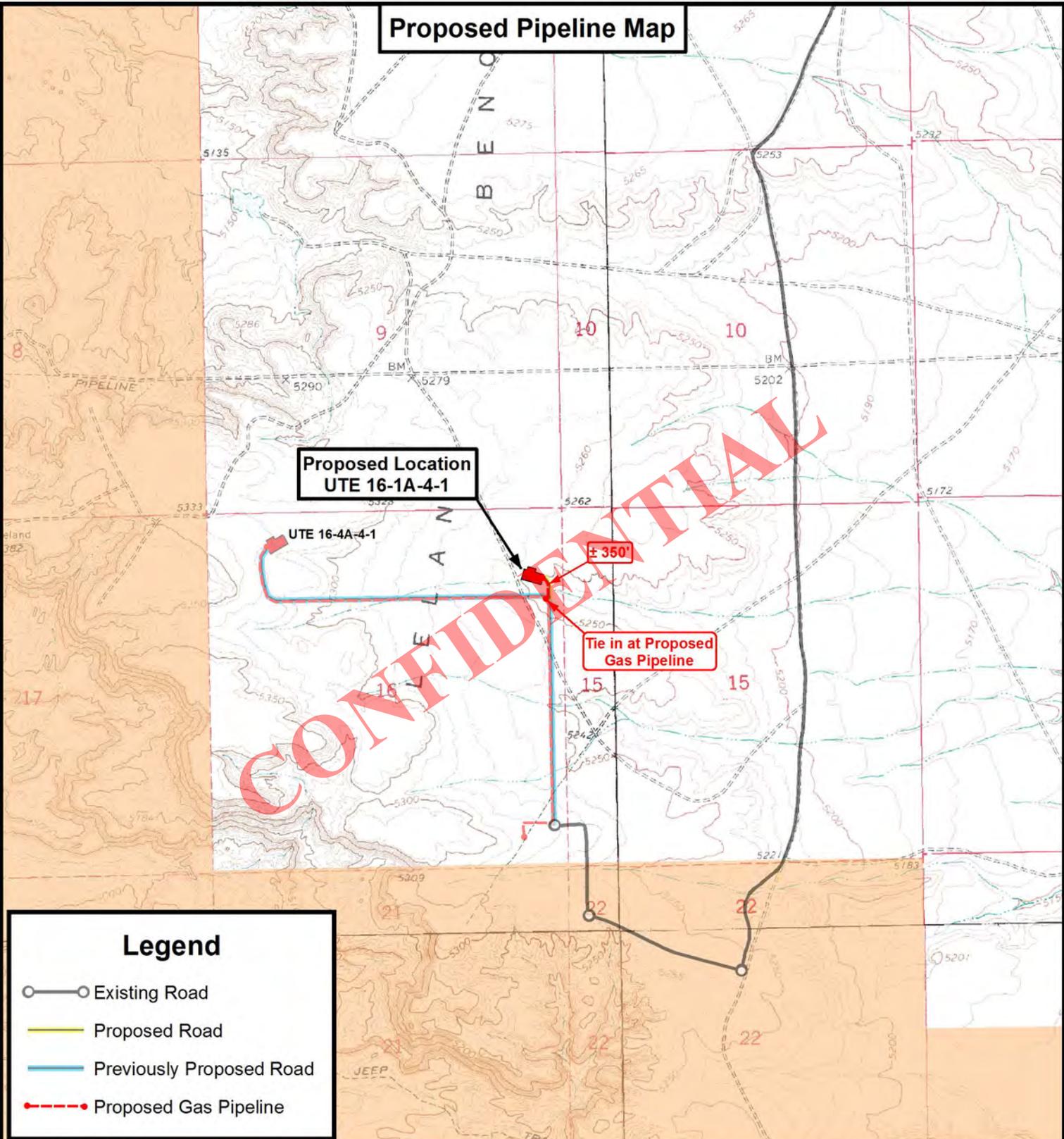
UTE 16-1A-4-1
SEC. 16, T4S, R1E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	D.C.R.	REVISED:
DATE:	12-12-2011	
SCALE:	1" = 2,000'	

TOPOGRAPHIC MAP

SHEET
B

Proposed Pipeline Map



Legend

- Existing Road
- Proposed Road
- Previously Proposed Road
- Proposed Gas Pipeline

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SEC. 16, T4S, R1E, U.S.B.&M.
Uintah County, UT.

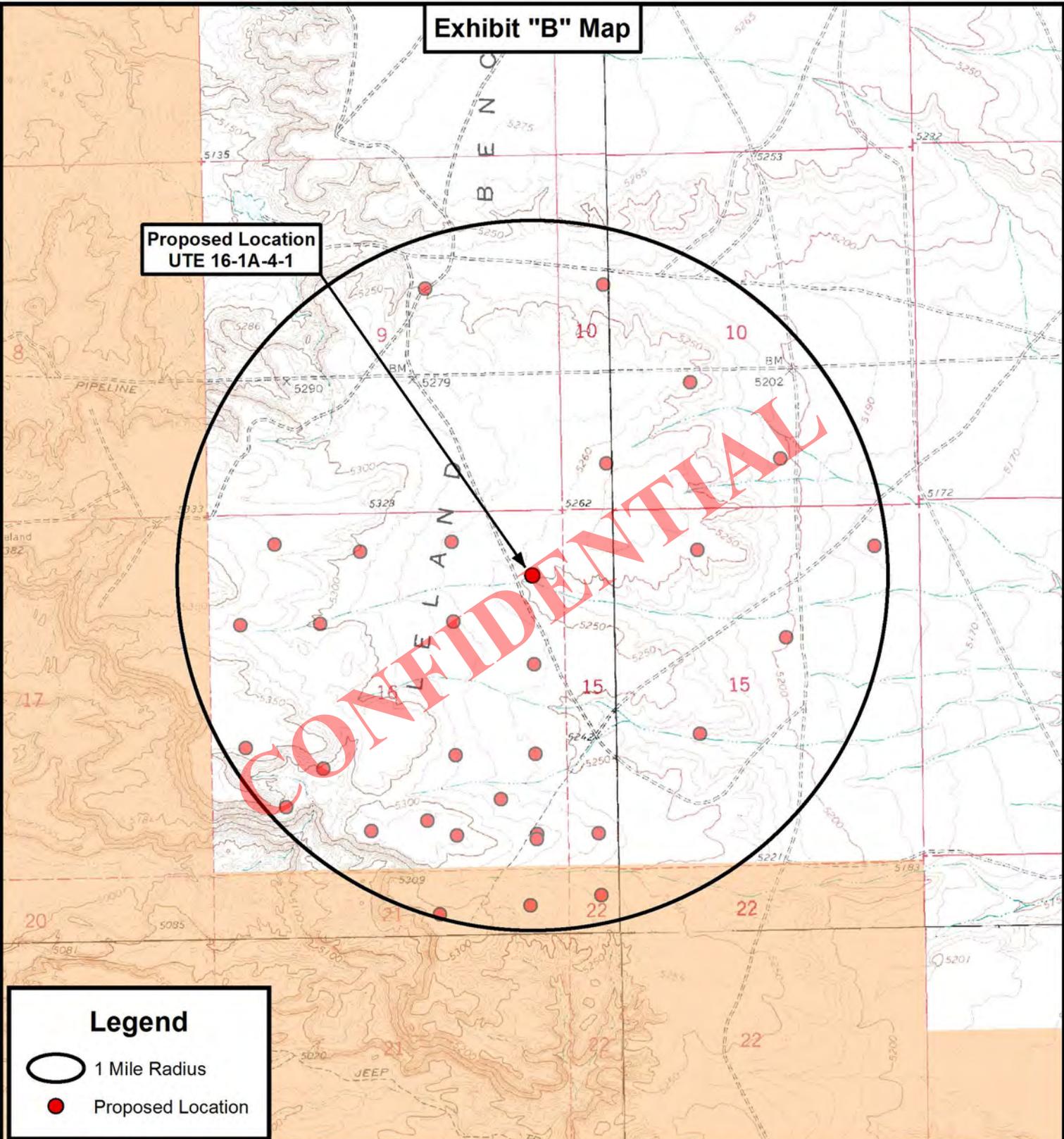
DRAWN BY:	D.C.R.	REVISED:
DATE:	12-12-2011	
SCALE:	1" = 2,000'	

TOPOGRAPHIC MAP

SHEET
C

Exhibit "B" Map

**Proposed Location
UTE 16-1A-4-1**



Legend

-  1 Mile Radius
-  Proposed Location

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FINLEY RESOURCES INC.

UTE 16-1A-4-1
SEC. 16, T4S, R1E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	D.C.R.	REVISED:
DATE:	12-12-2011	
SCALE:	1" = 2,000'	

TOPOGRAPHIC MAP

SHEET **D**

MEMORANDUM OF SURFACE USE AGREEMENT
AND GRANT OF EASEMENTS

WHEREAS, Salradus, L.L.C., Bonnie Coleman managing member, whose address is 148 West Center Street, Heber City, UT 84032, Coleman Mountain Holdings, L.L.C., Mary Jo Coleman Adamson managing member, whose address is P.O. Box 610, Roosevelt, UT 84066, Joseph N. Coleman, Trustee of the Coleman Family Trust, dated June 7, 1991, whose address is 393 East Center, Heber City, UT 84032, and Leila Coleman, Trustee of the Coleman Family Trust dated June 28, 1991, whose address is 950 South 400 East #112, St. George, UT 84770 (hereinafter collectively referred to as "Coleman"), and Uintah Resources, Inc. whose address is 3165 E. Millrock Drive, Suite 550, Salt Lake City, UT 84121 ("Optionee") (Coleman and Optionee are hereinafter collectively referred to as "Owner") and Finley Resources, Inc., whose address is P.O. Box 2200, Fort Worth, Texas, 76113 ("Operator"), have entered into that certain Easement, Right-of-Way and Surface Use Agreement, hereinafter the "SUA", dated effective April 24th, 2012 covering the following lands owned by Owner in Uintah County, Utah, to wit:

Township 4 South, Range 1 East, U.S.M.
Section 13: All
Section 16: All
Section 23: N/2

hereinafter the "Lands"

WHEREAS, in the SUA Owner grants and conveys unto Operator a non-exclusive right to enter upon and use the Lands and Owner's adjacent lands for certain oil and gas related purposes, together with a right-of-way across the Lands to maintain and construct access roads, well sites, holding tanks and other such related facilities necessary for Operator's oil and gas operations.

This Memorandum of Surface and Damage Agreement shall serve as notice of the agreement covering the Lands and that the SUA is binding upon Owner and Operator's respective successors and/or assigns.

The terms and provisions of the unrecorded SUA are referred to and incorporated herein, and made a part hereof to the same extent as though set out verbatim. Should any conflict arise between the terms of this Memorandum of Surface Use Agreement and Grant of Easements and the SUA, the terms of the SUA shall control.

Executed this 24th day of April, 2012.

OWNER:


Salradus, L.L.C.
Bonnie S. Coleman, managing member
148 West Center Street
Heber City, UT 84032

Coleman Mountain Holdings, L.L.C.
Mary Jo Coleman Adamson, Managing Member
P.O. Box 610
Roosevelt, UT 84066

Joseph N. Coleman

Coleman Family Trust
Joseph N. Coleman, Trustee
393 East Center
Heber City, UT 84032

The Coleman Family Trust
Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

Uintah Resources, Inc.
By: Todd Dana
Its: President

OPERATOR:

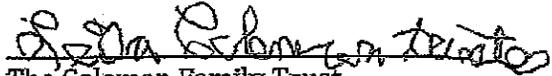
Clinton Koerth

Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

CONFIDENTIAL


Coleman Mountain Holdings, L.L.C.
Mary Jo Coleman, managing member.
610 N. Mesa Circle, PO Box 610
Roosevelt, UT 84066

Coleman Family Trust
Joseph N. Coleman, Trustee
393 East Center
Heber City, UT 84032


The Coleman Family Trust
Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770


Uintah Resources, Inc.
By: ~~Todd Dana~~ Vincent J Memmott
Its: President

OPERATOR:

Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

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Coleman Mountain Holdings, L.L.C.
Mary Jo Coleman Adamson, Managing Member
P.O. Box 610
Roosevelt, UT 84066

Coleman Family Trust
Joseph N. Coleman, Trustee
393 East Center
Heber City, UT 84032



The Coleman Family Trust
Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

Uintah Resources, Inc.
By: Todd Dana
Its: President

OPERATOR:

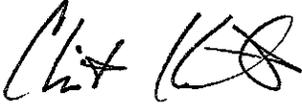
Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

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API Well Completion by 3047526620000
Weila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

Uintah Resources, Inc.
By: Todd Dana
Its: President

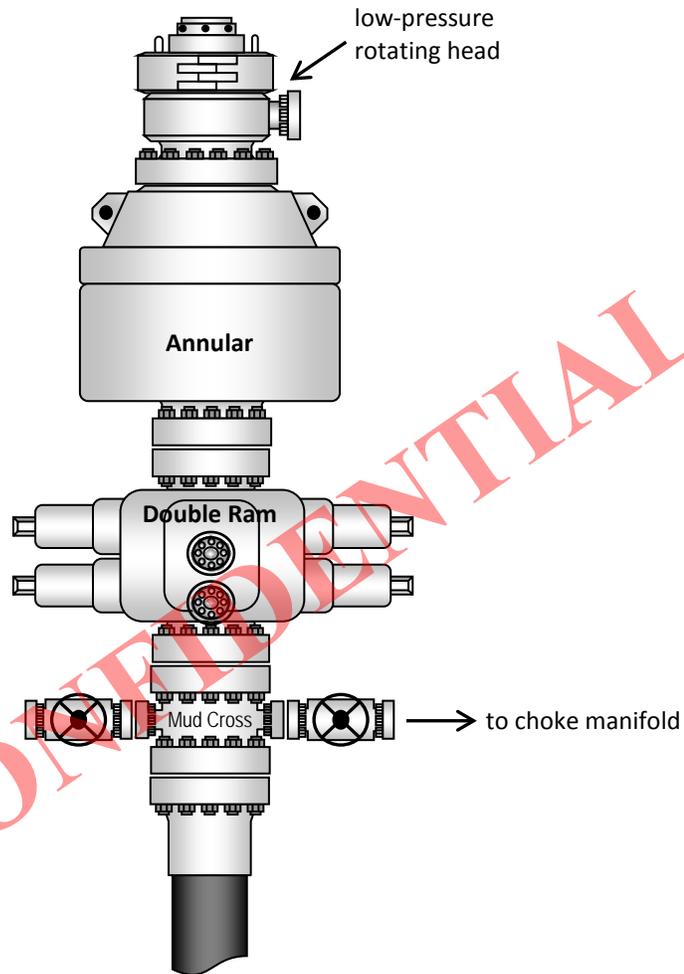
OPERATOR:



Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

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Typical 5M BOP stack configuration





2580 Creekview Road
Moab, Utah 84532
435/719-2018

May 15, 2012

Mrs. Diana Mason
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Request for Exception to Spacing – Finley Resources, Inc. – **Ute 16-1A-4-1**
990' FNL & 462' FEL, NE/4 NE/4, Section 16, T4S, R1E, USB&M
Uintah County, Utah

Dear Diana:

Finley Resources, Inc. respectfully submits this request for exception to spacing (R649-3-2) based on topography since the well is located less than 460 feet to the drilling unit boundary. Finley Resources, Inc. is the only owner and operator within 460 feet of the surface and target location as well as all points along the intended well bore path and are not within 460 feet of any uncommitted tracts or a unit boundary.

Thank you very much for your timely consideration of this application. Please feel free to contact Matthew Cooper of Finley Resources, Inc. at 817-231-8738 or myself should you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink that reads "Don Hamilton".

Don Hamilton
Agent for Finley Resources, Inc.

cc: Matthew Cooper, Finley Resources, Inc.

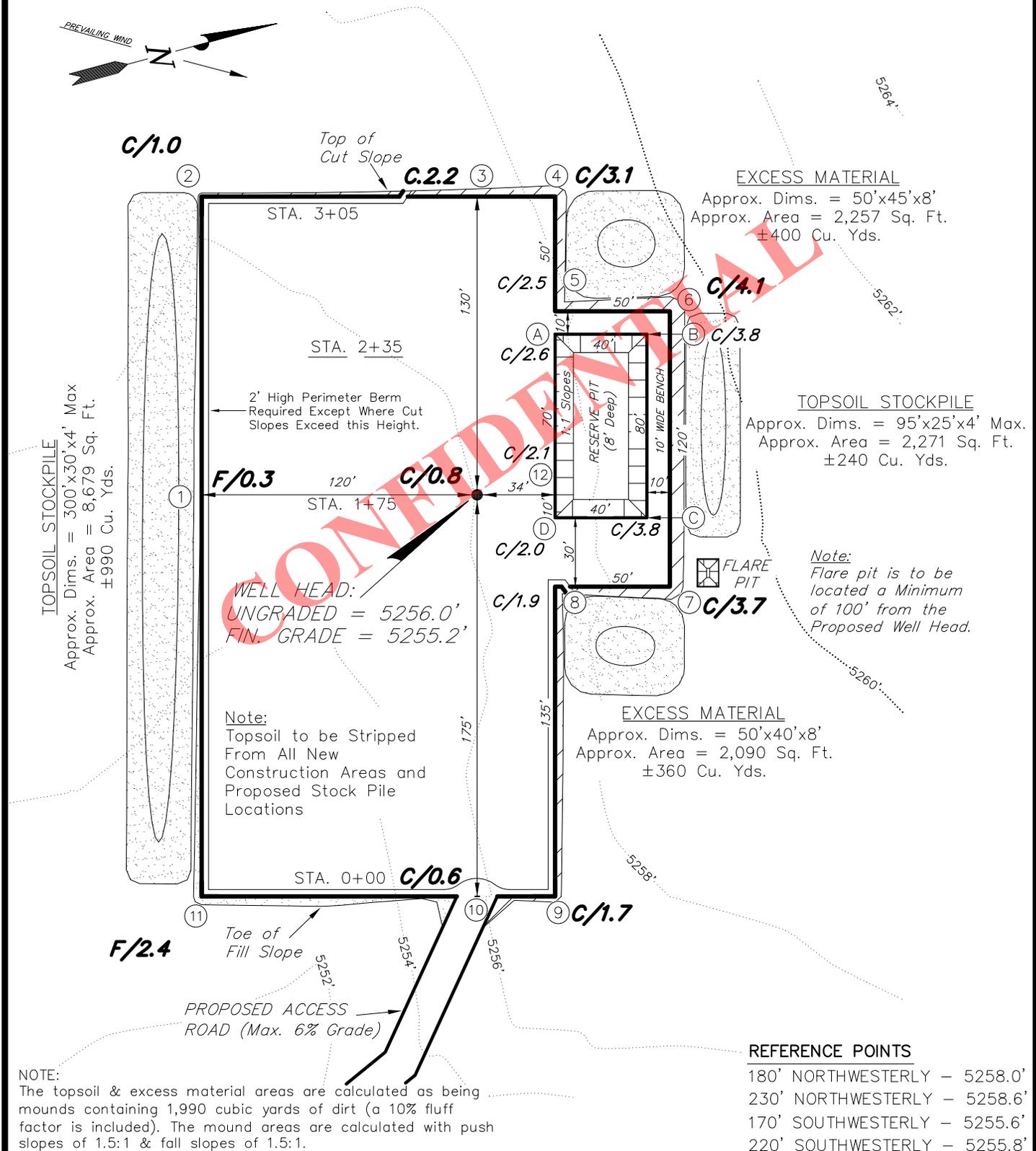
RECEIVED: May 14, 2012

FINLEY RESOURCES INC.

PROPOSED LOCATION LAYOUT

UTE 16-1A-4-1

Pad Location: NENE Section 16, T4S, R1E, U.S.B.&M.



NOTE: The topsoil & excess material areas are calculated as being mounds containing 1,990 cubic yards of dirt (a 10% fluff factor is included). The mound areas are calculated with push slopes of 1.5:1 & fall slopes of 1.5:1.

SURVEYED BY:	C.D.S.	DATE SURVEYED:	11-06-11
DRAWN BY:	R.B.T.	DATE DRAWN:	12-09-11
SCALE:	1" = 60'	REVISED:	

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

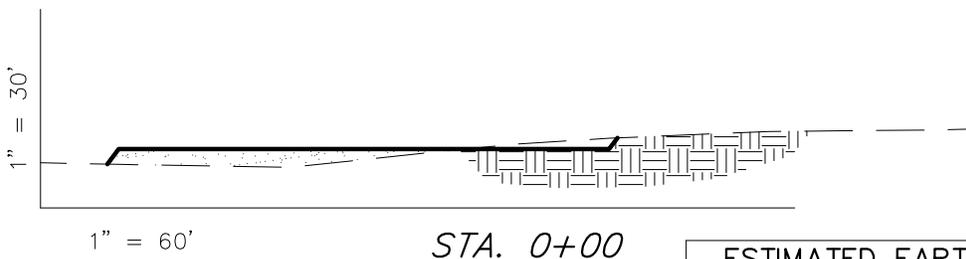
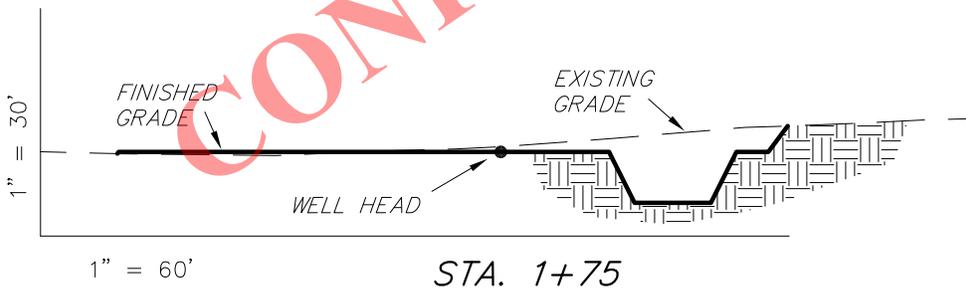
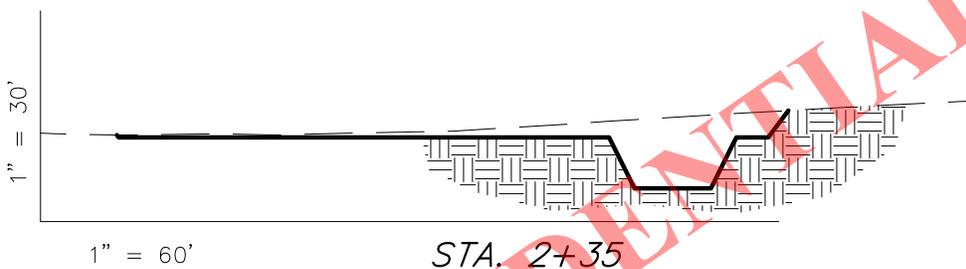
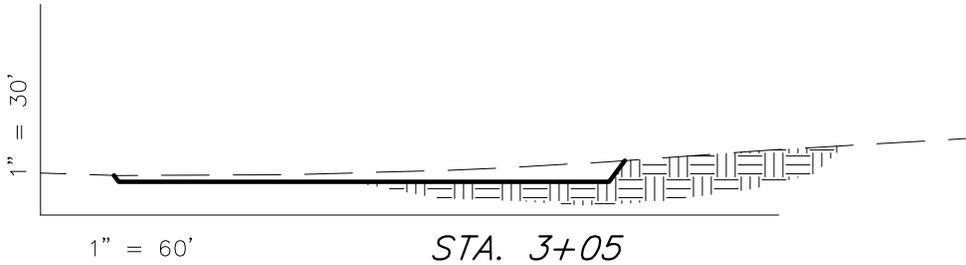
RECEIVED: May 14, 2012

FINLEY RESOURCES INC.

CROSS SECTIONS

UTE 16-1A-4-1

Pad Location: NENE Section 16, T4S, R1E, U.S.B.&M.



CONFIDENTIAL

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

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

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	1,300	1,300	Topsoil is not included in Pad Cut Volume	0
PIT	690	0		690
TOTALS	1,990	1,300	1,120	690

SURVEYED BY:	C.D.S.	DATE SURVEYED:	11-06-11
DRAWN BY:	R.B.T.	DATE DRAWN:	12-09-11
SCALE:	1" = 60'	REVISED:	

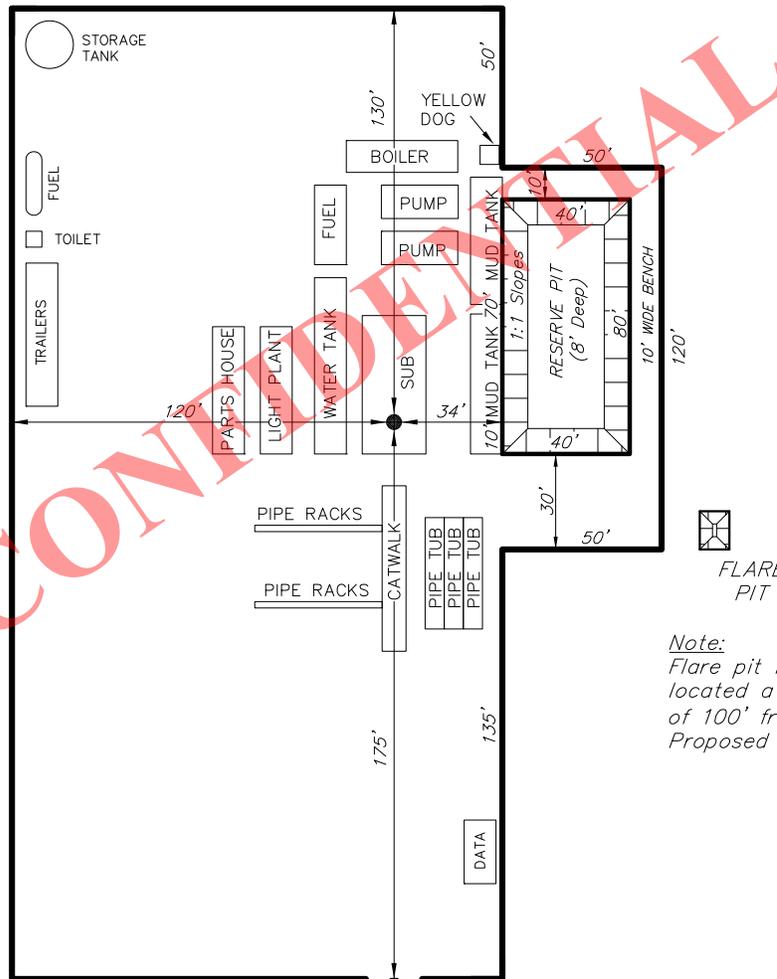
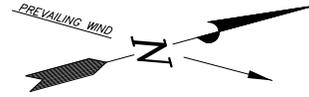
Tri State (435) 781-2501
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

FINLEY RESOURCES INC.

TYPICAL RIG LAYOUT

UTE 16-1A-4-1

Pad Location: NENE Section 16, T4S, R1E, U.S.B.&M.

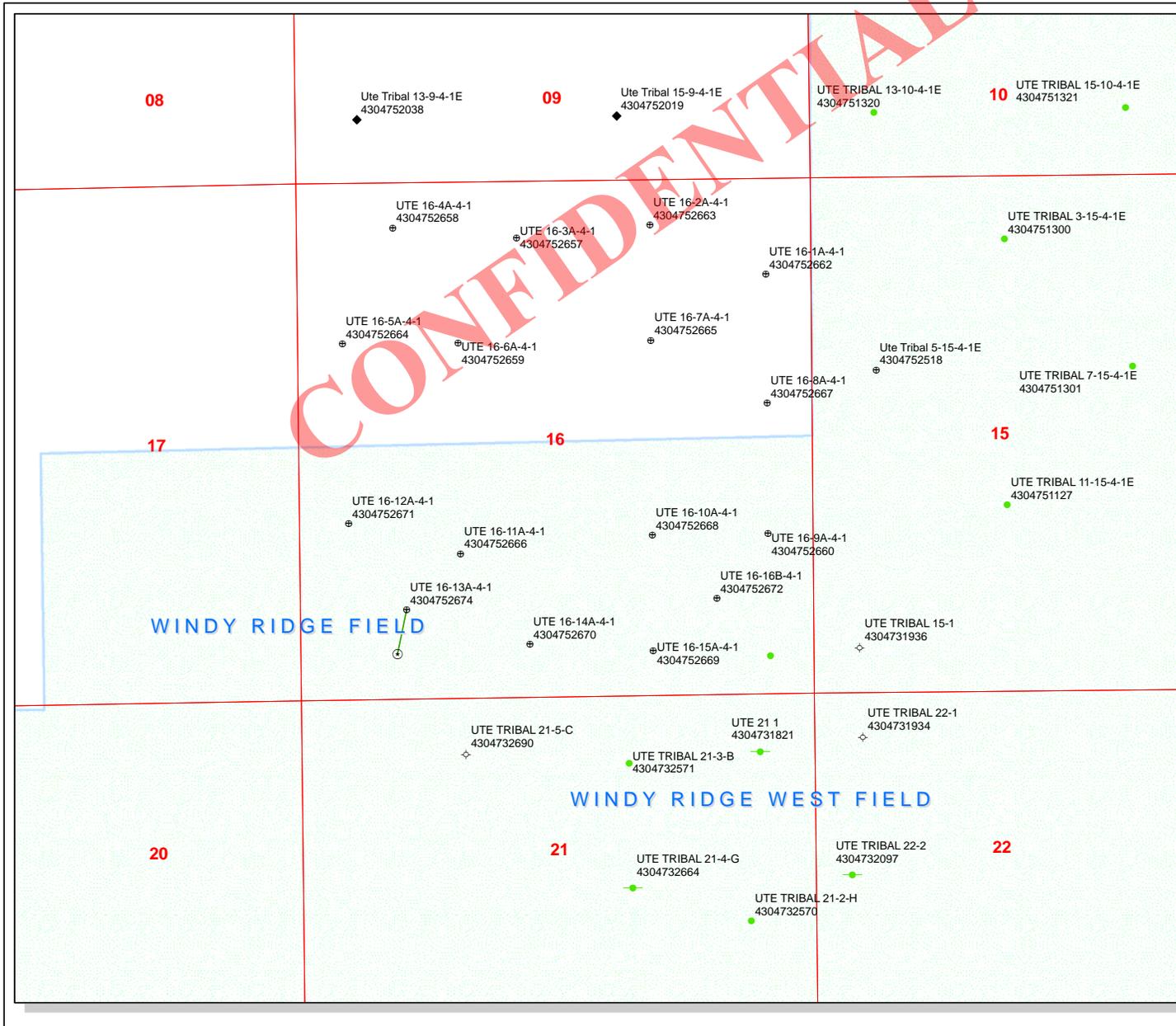


Note:
Flare pit is to be located a Minimum of 100' from the Proposed Well Head.

PROPOSED ACCESS ROAD (Max. 6% Grade)

SURVEYED BY:	C.D.S.	DATE SURVEYED:	11-06-11
DRAWN BY:	R.B.T.	DATE DRAWN:	12-09-11
SCALE:	1" = 60'	REVISED:	

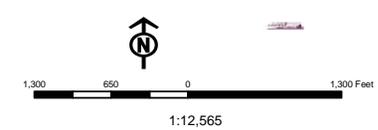
Tri State (435) 781-2501
 Land Surveying, Inc.
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078



API Number: 4304752662
Well Name: UTE 16-1A-4-1
Township T0.4 . Range R0.1 . Section 16
Meridian: UBM
 Operator: FINLEY RESOURCES INC

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	OPS - Operation Suspended
PP GEOTHERMAL	PA - Plugged Abandoned
PP OIL	PGW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
Fields STATUS	
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



ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator FINLEY RESOURCES INC
Well Name UTE 16-1A-4-1
API Number 43047526620000 **APD No** 5919 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NENE **Sec** 16 **T w** 4.0S **Rng** 1.0E 990 FNL 462 FEL
GPS Coord (UTM) 595408 4443855 **Surface Owner** Coleman et al.

Participants

Ted Smith (DOGM), Clay O'Neil, Matthew Cooper(Finley), Bill Civish (BLM), Don Hamilton (Star Point Enterprises), Mary Jo, Scott.Cody, and Bert Coleman, (Coleman Brothers),Dayton Slaugh (Tri-State Survey)

Regional/Local Setting & Topography

The general area is on Leland Bench, which is located about 14 miles south of Fort Duchesne, Uintah County, Utah. Broad flats with low growing desert shrub type vegetation characterize the area. A few rolling hills and slopes leading to higher flats occur. The Uinta formation dominates the surface. Soils are dominated by deep sandy clay loams with erosion pavement common on slopes. No springs, seeps or flowing streams are known to occur in the area. The Duchesne River is approximately 4 miles to the north and is the nearest source of flowing water. All lands in the immediate area are privately owned. Solid blocks or scattered Ute Tribal lands surround the area.

Access to the proposed well site is by State of Utah or Uintah County roads and existing or proposed oilfield development roads. Distance from Randlett, Utah is approximately 7 miles. Approximately 381 feet of new road will be constructed to reach the pad.

The proposed pad for the Ute 16-1A-4-1 oil well is laid out in a southeast to northwest direction. Maximum cut is 4.1 feet at Location Corner 6. The location is within the normal drilling window and appears to be a good site for constructing a pad, drilling and operating a well.

Coleman Brothers LLC. own the surface. Mary Jo, Scott, Cody, and Bert Coleman represented the Colman Brothers and had no problems with the site.

Surface Use Plan

Current Surface Use

Grazing
Wildlfe Habitat

**New Road
Miles**

0.07

Well Pad

Width 150 Length 300

Src Const Material

Onsite

Surface Formation

ALLU

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetlands N

Flora / Fauna

Overall vegetation at this site is fair. The vegetation on Leland Bench is a desert shrub/forb type. Similar species are common throughout the area. Principal species are shadscale, bud sage, winter fat, horsebrush, broom snakeweed, Indian ricegrass, needle and thread grass, curly mesquite grass, scarlet globe mallow, matt and Gardiner saltbrush, hordeum jabutum and annual mustards. A few occurrences of cheat grass, rabbit brush, buckwheat, Mormon tea and other species occur but are not common. Impacts from past and current grazing do not exist.

Because of the lack of water and cover the area is not rich in fauna. Species include antelope, coyotes and small mammals and rodents. Some shrub dependent birds may occur but were not observed. Historically, but not currently, sheep and wild horses grazed the area. Light winter cattle grazing currently exist.

Soil Type and Characteristics

Soils are a moderately deep sandy loam

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required? N

Berm Required? N

Erosion Sedimentation Control Required? N

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

Reserve Pit

Site-Specific Factors	Site Ranking	
Distance to Groundwater (feet)	100 to 200	5
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)		0
Affected Populations		
Presence Nearby Utility Conduits	Unknown	10
	Final Score	30 3 Sensitivity Level

Characteristics / Requirements

Reserve pit 40' x 80' x 8' is planned in a cut on the southeast corner of the location. A liner with a minimum thickness of 16-mils is required. A sub-liner may not be needed because of the lack of rock in the area. Flare pit will be constructed 10' x 20' x 5'

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

Other Observations / Comments

Coleman Brothers LLC. own the surface. Mary Jo, Scott, Cody, Bert Coleman attended the presite. A signed surface use agreement has been completed. The Colman Brothers and had no problems with the site.

Ted Smith
Evaluator

6/6/2012
Date / Time

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**Application for Permit to Drill
Statement of Basis
Utah Division of Oil, Gas and Mining**

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
5919	43047526620000	LOCKED	OW	P	No
Operator	FINLEY RESOURCES INC		Surface Owner-APD	Coleman et al.	
Well Name	UTE 16-1A-4-1		Unit		
Field	UNDESIGNATED		Type of Work	DRILL	
Location	NENE 16 4S 1E U 990 FNL (UTM) 595408E 4443850N		462 FEL GPS Coord		

Geologic Statement of Basis

The mineral rights for the proposed well are owned by the Ute Tribe. The BLM will be the agency responsible for evaluating and approving the drilling, casing and cement programs.

Brad Hill
APD Evaluator

6/20/2012
Date / Time

Surface Statement of Basis

The general area is on Leland Bench, which is located about 14 miles south of Fort Duchesne, Uintah County, Utah. Broad flats with low growing desert shrub type vegetation characterize the area. A few rolling hills and slopes leading to higher flats occur. The Uinta formation dominates the surface. Soils are dominated by deep sandy clay loams with erosion pavement common on slopes. No springs, seeps or flowing streams are known to occur in the area. The Duchesne River is approximately 4 miles to the north and is the nearest source of flowing water. All lands in the immediate area are privately owned. Solid blocks or scattered Ute Tribal lands surround the area.

Access to the proposed well site is by State of Utah or Uintah County roads and existing or proposed oilfield development roads. Distance from Randlett, Utah is approximately 7 miles. Approximately 381 feet of new road will be constructed to reach the pad.

The proposed pad for the Ute 16-1A-4-1 oil well is laid out in a north to south direction across a flat with a slight slope to the southeast. Maximum cut is 4.1 feet at Location Corner 2. The location is within the normal drilling window and appears to be a good site for constructing a pad, drilling and operating a well.

Coleman Brothers LLC. own the surface. Mary Jo, Scott, Docy, Bert Coleman attended the presite. A signed surface use agreement has been completed. The Colman Brothers and had no problems with the site.

The minerals are owned by the United States Government and held in trust for the Ute Indian Tribe.

Uintah County has recently passed a new ordinance to regulate extraction industries. This ordinance requires a conditional use permit for all oil or gas wells in areas not zoned as industrial. Ute Energy is required to obtain a permit for this and other wells on Leland Bench.

Ted Smith
Onsite Evaluator

6/6/2012
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

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WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 5/14/2012

API NO. ASSIGNED: 43047526620000

WELL NAME: UTE 16-1A-4-1

OPERATOR: FINLEY RESOURCES INC (N3460)

PHONE NUMBER: 435 719-2018

CONTACT: Don Hamilton

PROPOSED LOCATION: NENE 16 040S 010E

Permit Tech Review:

SURFACE: 0990 FNL 0462 FEL

Engineering Review:

BOTTOM: 0990 FNL 0462 FEL

Geology Review:

COUNTY: UINTAH

LATITUDE: 40.13957

LONGITUDE: -109.88001

UTM SURF EASTINGS: 595408.00

NORTHINGS: 4443850.00

FIELD NAME: UNDESIGNATED

LEASE TYPE: 2 - Indian

LEASE NUMBER: 14-20-H62-4896

PROPOSED PRODUCING FORMATION(S): WASATCH

SURFACE OWNER: 4 - Fee

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: INDIAN - RLB 0011294
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: 43-8496
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

Commingling Approved

LOCATION AND SITING:

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

Comments: Presite Completed

Stipulations: 1 - Exception Location - dmason
4 - Federal Approval - dmason
5 - Statement of Basis - bhll
23 - Spacing - 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: UTE 16-1A-4-1
API Well Number: 43047526620000
Lease Number: 14-20-H62-4896
Surface Owner: FEE (PRIVATE)
Approval Date: 7/2/2012

Issued to:

FINLEY RESOURCES INC , PO Box 2200, Fort Worth, TX 76113

Authority:

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

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

Exception Location:

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

General:

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

Conditions of Approval:

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.

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

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 <http://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:



For John Rogers
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-4896
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: UTE 16-1A-4-1
2. NAME OF OPERATOR: FINLEY RESOURCES INC	9. API NUMBER: 43047526620000
3. ADDRESS OF OPERATOR: PO Box 2200 , Fort Worth, TX, 76113	PHONE NUMBER: 817 231-8735 Ext
9. FIELD and POOL or WILDCAT: WINDY RIDGE	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0990 FNL 0462 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 16 Township: 04.0S Range: 01.0E Meridian: U	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: 11/15/2012 <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 checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input 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.

Finley Resources Inc. respectfully submits this Sundry Notice requesting to change and extend the surface casing for this well. An updated Drilling Program reflecting these requested changes is attached.

Accepted by the Utah Division of Oil, Gas and Mining

Date: November 15, 2012

By: Don Hamilton

NAME (PLEASE PRINT) Don Hamilton	PHONE NUMBER 435 719-2018	TITLE Agent
SIGNATURE N/A	DATE 11/9/2012	

Finley Resources, Inc.
UTE 16-1A-4-1
990' FNL & 462' FEL, NE/4 NE/4, Sec 16, T4S, R1E, U.S.B.&M.
Uintah County, UT

Drilling Program

1. Formation Tops

Surface	5,256'
Green River	2,506'
Black Shale	6,421'
Uteland Butte	6,966'
Wasatch	7,396'
TD	8,500'

2. Depth to Oil, Gas, Water, or Minerals

Black Shale	6,421' - 6,966'	(Oil)
Uteland Butte	6,966' - TD	(Oil)

Fresh water may be encountered in the Duchesne Formation, but is not expected below about 300'.

3. Pressure Control

Section BOP Description

Surface 12-1/4" diverter

Interm/Prod The 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 system.

A 5M BOP system will consist of 2 ram preventers (double or two singles) and an annular preventer (see attached diagram). A choke manifold rated to at least 5,000 psi will be used.

4. Casing

Description	Interval		Weight (ppf)	Grade	Coup	Pore Press @ Shoe	MW @ Shoe	Frac Grad @ Shoe	Safety Factors		
	Top	Bottom							Burst	Collapse	Tension
Conductor 13 3/8	0'	60'	48	H-40	STC	--	--	--	1,730	770	322,000
Surface 8 5/8	0'	500'	24	J-55	STC	8.33	8.6	11	2,950	1,370	244,000
Production 5 1/2	0'	8,500'	15.5	J-55	LTC	9	9.5	11	4,810	4,040	217,000
									1.54	1.21	1.65

Assumptions:

Surface casing MASP = (frac gradient + 1.0 ppg) - (gas gradient)

Intermediate casing MASP = (reservoir pressure) - (gas gradient)

Production casing MASP = (reservoir pressure) - (gas gradient)

All collapse calculations assume fully evacuated casing with a gas gradient

All tension calculations assume air weight of casing

Gas gradient = 0.1 psi/ft

All casing shall be new. Top Joint of surface casing will be J-55 STC 32 ppf casing.

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

5. Cement

Job	Hole Size	Fill	Slurry Description	ft ³	OH excess	Weight (ppg)	Yield (ft ³ /sk)
				sacks			
Conductor	17 1/2	60'	Class G w/ 2% KCl + 0.25 lbs/sk Cello Flake	48	15%	15.8	1.17
				41			
Surface Lead	12 1/4	500'	Class G w/ 2% KCl + 0.25 lbs/sk Flocele	413	100%	15.8	1.15
				359			
Production Tail	7 7/8	5,500'	50/50 Poz/Class G w/ 3% KCl + 2% bentonite	1191	25%	13.2	1.24
				961			

The surface casing will be cemented to surface. In the event that cement does not reach surface during the primary cement job, a remedial job will be performed.

Actual cement volumes for the production casing string will be calculated from an open hole caliper log, plus 25% excess.

6. Type and Characteristics of Proposed Circulating Medium**Interval****Description**

Surface - 500'

An air and/or fresh water system will be utilized.

500' - TD

A water based mud system will be utilized. Hole stability may be improved with additions of KCl or a similar inhibitive substance. In order to control formation pressure the system will be weighted with additions of bentonite, and if conditions warrant, with barite.

Anticipated maximum mud weight is 9.5 ppg.

7. Logging, Coring, and Testing

Logging: A dual induction, gamma ray, and caliper log will be run from TD to the base of the surface casing. A compensated neutron/formation density log will be run from TD to the top of the Garden Gulch formation. A cement bond log will be run from PBTB to the cement top behind the production casing.

Cores: As deemed necessary.

DST: There are no DST's planned for this well.

8. Anticipated Abnormal Pressure or Temperature

Maximum anticipated bottomhole pressure will be approximately equal to total depth (feet) multiplied by a 0.47 psi/ft gradient.

$$8,500' \times 0.47 \text{ psi/ft} = 3978 \text{ psi}$$

No abnormal temperature is expected. No H₂S is expected.

9. Other Aspects

This is planned as a vertical well.

Variance Request for FIT Requirements:

Finley Resources, Inc. respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the Pressure integrity test (PIT, also known as a formation integrity test (FIT)). This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

Variance Request for Air Drilling Requirements:

Finley Resources, Inc. respectfully requests a variance to Onshore Order #2, III.E.1

- Dust suppression equipment. Variance granted for water mist system to substitute for the dust suppression equipment.
- Blooie line discharge 100' from the well bore. Variance granted for blooie line discharge to be 75' from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the wellbore. Variance granted for truck/trailer mounted air compressors.
- Straight run blooie line. Variance granted for targeted "T's" at bends.
- Automatic igniter. Variance granted for igniter due to water mist.
- Air drilling operations will be conducted only during drilling of the surface casing hole, there is no history of hydrocarbons being encountered in this hole section in the area where these wells are to be drilled.

RECEIVED

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 12 2012

APPLICATION FOR PERMIT TO DRILL OR REENTER

BLM

CONFIDENTIAL

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 1420H624899
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator FINLEY RESOURCES, INC. Contact: DON S HAMILTON E-Mail: starpoint@etv.net		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. BOX 2200 FT. WORTH, TX 76113	3b. Phone No. (include area code) Ph: 435-719-2018 Fx: 435-719-2019	8. Lease Name and Well No. UTE 16-1A-4-1
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NENE 990FNL 462FEL 40.139581 N Lat, 109.880017 W Lon At proposed prod. zone NENE 990FNL 462FEL 40.139581 N Lat, 109.880017 W Lon		9. API Well No. 43-047-520002
14. Distance in miles and direction from nearest town or post office* 14.5 MILES SOUTH OF FT DUCHESNE, UTAH	15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 462	10. Field and Pool, or Exploratory N/A
16. No. of Acres in Lease 640.00	17. Spacing Unit dedicated to this well 40.00	11. Sec., T., R., M., or Blk. and Survey or Area Sec 16 T4S R1E Mer UBM
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 0	19. Proposed Depth 8500 MD 8500 TVD	12. County or Parish UINTAH
20. BLM/BIA Bond No. on file RLB0011294	21. Elevations (Show whether DF, KB, RT, GL, etc.) 5256 GL	13. State UT
22. Approximate date work will start 08/15/2012	23. Estimated duration 60 DAYS	

24. Attachments

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall 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 authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) DON S HAMILTON Ph: 435-719-2018	Date 07/08/2012
Title PERMITTING AGENT		
Approved by (Signature)	Name (Printed/Typed) Jerry Kenczka	Date NOV 20 2012
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify 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.

RECEIVED

Additional Operator Remarks (see next page)

NOV 29 2012

Electronic Submission #142345 verified by the BLM Well Information System
For FINLEY RESOURCES, INC., sent to the Vernal
Committed to AFMSS for processing by LESLIE ROBINSON on 07/18/2012 ()

NOTICE OF APPROVAL

UDOGM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

12550979AE

NOS-12/29/11



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

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Finley Resources, INC
Well No: Ute 16-1A-4-1
API No: 43-047-52662

Location: NENE, Sec. 16, T4S, R1E
Lease No: 14-20-H62-4899
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

Construction Activity (Notify Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist)	- The Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist shall be notified at least 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday.
Construction Completion (Notify Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist)	- Upon completion of the pertinent APD/ROW construction, notify the Ute Tribe Energy & Minerals Dept. for a Tribal Technician to verify the Affidavit of Completion. Notify the BLM Environmental Scientist prior to moving on the drilling rig.
Spud Notice (Notify BLM Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify BLM Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings to: blm_ut_vn_opreport@blm.gov .
BOP & Related Equipment Tests (Notify BLM Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify BLM 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)**

- Any deviation of submitted APD's, which includes BBCs surface use plan, and ROW applications the operator will notify the BLM in writing and will receive written authorization of any such change with appropriate authorization.
- The operator will implement "Safety and Emergency Plan." The operator's safety director will ensure its compliance.
- All operator employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APD's, COAs, and ROW permits/authorizations on their person(s) during all phases of construction.
- All vehicular traffic, personnel movement, construction/restoration operations should be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.
- All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
- The personnel from the BLM should be notified should cultural remains from subsurface deposits be exposed or identified during construction. All construction will cease until resources can be identified and protected properly.
- Production facilities would be painted Juniper Green to blend in with the surrounding habitat, unless otherwise stated from the private land owner agreement.
- Site reclamation would be accomplished for portions of the well pad not needed for production, within 6 months of completion, weather permitting. This also includes any roads, and pipeline areas that have been disturbed as well. Roads and pipeline disturbances can undergo reclamation immediately after the pipeline is installed and after the roads are built. Please contact surface owner or the BLM AO for possible seed mixes to use in the project area. Non-natives can be used; however lbs/ac must be kept low to minimize the chance of a monoculture.
- If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
 - a. do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;
 - b. limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (April 1 to August 31); and
 - c. limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.
- Screen all pump intakes with 3/32 inch mesh material.
- Approach velocities for intake structures will follow the National Marine Fisheries Service's document "Fish Screening Criteria for Anadromous Salmonids". For projects with an in-stream intake that operate in stream reaches where larval fish may be present, the approach velocity will not exceed 0.33 feet per second (ft/s).
- Report any fish impinged on the intake screen to the Service (801.975.3330) and the Utah Division of Wildlife Resources:

Northeastern Region
318 North Vernal Ave, Vernal, UT 84078
Phone: (435) 781-9453

Finley can only use one of the following water sources listed in Finley's APD.

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

SITE SPECIFIC DOWNHOLE COAs:

- Surface casing setting depth shall be 500 ft. Surface casing cementing volumes pumped shall be increased and cement shall continue to be brought to surface.
- Additional cement required, for Cementing Program covering Production Casing string. Production casing cement shall be brought up and into the surface.
- Surface casing cement shall be brought to surface.
- A variance is granted for Onshore Order #2 Drilling Operations III. B. I. pressure integrity test (PIT) or formation integrity test (FIT) of surface casing shoe.
- A variance is granted for Onshore Order #2 Drilling Operations III. E. "Blooie line discharge 100 feet from well bore and securely anchored" Blooie line can be 75 feet. All requirements will be adhered to covering air/gas drilling operations as described in Onshore Order #2 III. E. 1. Drilling Operations, Special Drilling Operations, air/gas drilling.

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 BLM_UT_VN_Welllogs@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.
- 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 ($\frac{1}{4}$ $\frac{1}{4}$, 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, 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.

BLM - Vernal Field Office - Notification Form

Operator FINLEY RESOURCES Rig Name/# CAPSTAR 31
Submitted By ARDEN SULLIVAN Phone Number 801-428-3542
Well Name/Number UTE 16-1A-4-1
Qtr/Qtr NENW Section 16 Township 4S Range 1E
Lease Serial Number 1420H624899
API Number 43-047-52662

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

Date/Time _____ AM PM

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

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

Date/Time _____ AM PM

BOPE

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

Date/Time 1/24/2013 20:00 AM PM

Remarks _____

RECEIVED
JAN 25 2013
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

BLM - Vernal Field Office - Notification Form

Operator FINLEY RESOURCES Rig Name/# CAPSTAR 321
Submitted By ARDEN SULLIVAN Phone Number 801-428-3542
Well Name/Number UTE 16-1A-4-1
Qtr/Qtr NENE Section 16 Township 4S Range 1E
Lease Serial Number 1420H624899
API Number 43-047-52662

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

Date/Time _____ AM PM

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

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

Date/Time 1/28/2013 23:00 AM PM

BOPE

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

RECEIVED

JAN 28 2013

DIV. OF OIL, GAS & MINING

Date/Time _____ AM PM

Remarks CSG DEPTH: 7807' 5.5: 17# J-55 LT&C / CEMENT
NOTIFICATION: 1/29/2013 @ 7:00 AM

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

FORM 6

ENTITY ACTION FORM

Operator: Finley Resources, Inc
Address: 1308 Lake Street
city Fort Worth
state TX zip 76102

Operator Account Number: N 3460
Phone Number: (817) 231-8735

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
047-52662	Ute 16-1A-4-1		NENE	16	4S	1E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	10897	12/21/2012		2/19/2013		
Comments: <u>WSTC</u>							CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
047-52663	Ute 16-2A-4-1		NWNE	16	4S	1E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	10898	1/6/2013		2/19/2013		
Comments: <u>WSTC</u>							CONFIDENTIAL

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
047-52665	Ute 16-7A-4-1		SWNE	16	4S	1E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	10899	11/17/2012		2/19/2013		
Comments: <u>WSTC</u>							CONFIDENTIAL

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)

April Wilkerson

Name (Please Print)

April Wilkerson
Signature

Regulatory Analyst

Title

1/15/2013

Date

RECEIVED

FEB 04 2013

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

FORM 6

ENTITY ACTION FORM

Operator: Finley Resources, Inc
Address: 1308 Lake Street
city Fort Worth
state TX zip 76102

Operator Account Number: N 3460
Phone Number: (817) 231-8735

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
047-52662	Ute 16-1A-4-1		NENE	16	4S	1E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	10897	12/21/2012		2/19/2013		
Comments: <u>WSTC</u>							CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
047-52663	Ute 16-2A-4-1		NWNE	16	4S	1E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	10898	1/6/2013		2/19/2013		
Comments: <u>WSTC</u>							CONFIDENTIAL

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
047-52665	Ute 16-7A-4-1		SWNE	16	4S	1E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	10899	11/17/2012		2/19/2013		
Comments: <u>WSTC</u>							CONFIDENTIAL

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)

April Wilkerson

Name (Please Print)

April Wilkerson
Signature

Regulatory Analyst

Title

1/15/2013

Date

RECEIVED

FEB 04 2013

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: 14-20-H62-4896
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: UTE 16-1A-4-1	
2. NAME OF OPERATOR: FINLEY RESOURCES INC	9. API NUMBER: 43047526620000	
3. ADDRESS OF OPERATOR: PO Box 2200 , Fort Worth, TX, 76113	PHONE NUMBER: 817 231-8735 Ext	9. FIELD and POOL or WILDCAT: WINDY RIDGE
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0990 FNL 0462 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 16 Township: 04.0S Range: 01.0E Meridian: U		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"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 3/18/2013	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<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 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"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Please see attached		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY March 20, 2013		
NAME (PLEASE PRINT) April Wilkerson	PHONE NUMBER 817 231-8735	TITLE Reg & Enviro Analyst
SIGNATURE N/A	DATE 3/19/2013	

On 12/20/12 MIRU Pro-Petro. Drill a 12-3/4" surface hole to 550' via air mist. Run 12 jts.of 8-5/8" 24# ST&C csg.as follows: Guide shoe, 1 jt.; baffle plate, 11 jts.to surface. Ran 5 centralizers-- 4 on the bottom 4 jts.and 1 on the top jt. Land shoe at 542'GL. RU Pro-Petro cementers and cement surface csg.as follows: Pump 20 bbl.of gel water, 20 bbl.of fresh water and pump 360 sxs.of "G" cement with flo-cele and 2% CaCl and drop plug and displace with 31-1/2 bbl.of fresh water. Had est.80 sxs.of cement to surface with full returns. Bump plug at 5:00AM on 12/21/12. Spudded well at 2:00PM on 12/20/12. Will install csg.head. Report discontinued until Capstar #321 moves in after Christmas. Costs to follow. BLM and State of Utah were notified prior to spud and cement. No witnesses.

1/25/2013

RD from 16-14A. . Rig up Capstar #321. Set lock downs on csg.head and test seals--OK. NU BOP's and related equip.. RU and test BOP, blinds, pipes and valves to 3000# and annular to 1500# and csg.to 1500#. Install wear bushing. TIH with new bit, National mud motor and BHA--Tag cement at 460'. Slip and cut drill line (75'). Pressure test csg.to 1500# for 30 min..OK. Drill cement and float equip.from 460' to 505'. Drill new formation from 505' to 660' .

1/26/2013

Drill from 660'-831'--171'/hr. RS. Drill from 831' to 4333'--155.6'/hr

1/27/213

Drill from 4333-4760"--71'/hr. RS. Rig repair--work on brakes. Drill from 4760-6297'---90'/hr--lost returns at 5918'. Mix and pump LCM sweeps and got good returns back at 5925'. Lost 1200 bbl.throughout tour due to seepage and lost circ..Have been dusting sawdust to control losses since 4200'.

1/28/2013

Drill from 6297-6809'---73'/hr. RS. Drill from 6809-7810'---60.6'/hr. Circ.and cond.hole and pump sweeps.

1/29/2013

Circ.and cond.hole and displace 60 vis brine to 4000'. TOOH for logs. Run Weatherford Triple Combo log. LTD=7810'. Pull wear bushing. Run 186 jts.of 5-1/2" 17# LT&C J-55 csg. Shoe at 7807'--FC at 7763'

1/30/2013

Continue to run 5-1/2" 17# J-55 LT&C csg..Csg.shoe at 7808' and FC at 7763' KB. Safety mtg.and RU Halliburton. Psi test. Pump 40 bbl.of water and cement with 400 sxs.of 10.5 ppg lead followed by 700 sxs.of 12.0 ppg tail and wash up and drop plug and displace plug with 180 bbl.of cla-sta water. Final lift psi=1400#. Bump plug at 1900# at noon on 1/29/13. Float held. Had partial returns on displacement. RD cementers.. Lay down landing jt.and install wellhead packing and test to 5000#.--OK. Clean pits and RD 3321. Release rig at 4:00PM on 1/29/13.. Hours on ute 16-3A report.

On 2/13/13 MIRU Cutters WL. Ran a gauge ring to tag at 7771'. Ran a CBL/VDL/GR log from tag at 7770' to surface. Top of lead est.at 340' and top of tail at 3200'. RDMO Cutters WL. RDUFA

On 3/11/13 MIRU Cutters WL. Perforate the following Wasatch intervals as follows using a 3-1/8" csg.gun at 3 JPF and 120* phasing per the CBL log dated 2/13/13 and correlated to the Weatherford Compact Triple Combo.log dated 1/28/13: 73732-76'; 7447-50'; 7470-73' & 7482-85' (13'---42 holes). No pressure prior to or after perforating. Hole full of water. SIFN. On 3/12/13 will perform frac work.

On 3/12/13 SICP=135#. Break down Wasatch perms.7372-7485' at 2659#. Frac this gross perforated with a 20# x-linked gel water system as follows: Pump 1000 gal.of 15% HCL followed by a 104 bbl.pad and stage 2-6 ppg 20/40 mesh sand in 289 bbl.of water and flush with 500 gal.of acid and 177 bbl.of slick water. Total of 656 bbl.of fluid and 39M# of sand. Max.rate=52.8; Ave=46.9 BPM; Max,psi=3795#; Ave=3482#; ISIP=2606# (0.78); 5 min=2498#. Set a composite frac plug at 7350' Zone #2: Perforate the following Uteland Butte/Castle Peak intervals per the bond log as follows using a 3-1/* csg.gun at 3 JPF and 120* phasing: 7030-33'; 7040-43'; 7050-53'; 7066-68'; 7085-91'; 7107-11'; 7145-47'; 7196-98'; 7203-05'; 7217-21' & 7226-29' (33'); Start to frac this zone as follows: Pump 4400 gal.of acid and had leak on Baker's frac head. Replace ring gasket. Resume pumping of acid and leaking in same place after OK pressure test. Flush csg.with 170 bbl.of water and SIFN. Pull head and take to shop to inspect or replace. Will resume fracs on 3/13/13.

Frac report will follow on 3/15/13 report. Have frac'd a total of 5 zones and will continue with the 3 additional zones on 3/14/13. On 3/13/13 frac zone #2 as follows using a Hybrid system: Finish pumping 6000 gal.of acid followed by 0.25-1.35 ppg 20/40 mesh sand in slick water and then pump 2-4 ppg sand in x-link gel water and flush with 500 gal.of acid and 167 bbl.of water. Total of 139M# of sand and a total load of 3716 bbl.Max.rt=58.1; Ave=58.1; Max.psi=3244#; Ave=2950#; ISIP=2027#(.72); 5 min=1841#. Set a frac plug at 6950'. Zone#3: Perf.Castle Peak intervals: 6824-27'; 6859-62'; 6864-68'; 6870-73'; 6876-88' (24'). Frac with a x-link gel water system as follows: Pump a 254 bbl.pad and stage 2-6 ppg sand in 680 bbl.and flush with 500 gal.of acid and 163 bbl.of slick water. Tot.97M# sand.Tot.load of 1128 bbl.Max.rt=60.9; Ave=60.4; Max.psi=3082#; Ave=2822#; ISIP=2061#(.72). Set a frac plug at 6750'. Zone #4: Perf.6612-15 & 6645-51'(9); Frac with 36# of sand in 543 bbl.fluid. Max.rt=59.8; Ave=59.4; max.psi=3645#; Ave=3381#; ISIP=2387#(.78). Used a x-link fluid. Set a frac plug at 6500'. Zone #5: Douglas Creek-Perf.6355-71' (16'); Frac with x-link fluid with 100M# of sand and a total load of 1122 bbl.Max.spi=2529#; Ave=2295#. max.rt=46.4; Ave=45.9; ISIP=1718#(.70); Set a frac plug at 6250'. Zone #6: perf.Douglas Creek intervals 6021-24'; 6054-57' & 6088-92' (10'). SD due to frac equip.problems.

On 3/14/13 frac zone #6 interval Douglas Creek with x-link gel system with 48M# of 20/40 sand with a total load of 680 bbl.Max.rt=60; Ave=60.; Max.psi=3025#; Ave=2822#; ISIP=1631#; Set a frac plug at 6000'. Zone #7: Perf.Garden Gulch inter.5936-50' (14');Frac with x-link with 62500# of sand and a total load of 967 bbl.Max.rt=52.5; Ave=47.5; Max.psi=3275#; Ave=2787#; ISIP=2082#(.78). Set a frac plug at 5100'. Zone #8: Green River: Perf.4951-59' (8'). Frac with x-link using 32M# sand and a tot.load of 534 bbl.Max.rt=34.9; Ave=34.1; Max.psi=2168#; AVE=1923#; ISIP=1568#; (.75); SI the well and RDMO Service companies. After a 3 hour SI period open the csg.to flow back tank with 1250# on a 20/64" choke. Open the well at 3:00PM on 3/14/13. At 6:00AM on 3/15/13 the csg.is flowing on a 22/64" choke at 90 bbl.per hour with no oil or gas and no sand and have rec.a total of 1500 bbl.of frac water with a total load to recover of 7400 bbl.with a current FCP=500#. Continue to flow to clean up.

RECEIVED

CONFIDENTIAL

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

JUL 23 2013

AMENDED REPORT [] FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL [X] GAS WELL [] DRY [] OTHER []
b. TYPE OF WORK: NEW WELL [] HORIZ. LATS. [] DEEP-EN [] RE-ENTRY [] DIFF. RESVR. [] OTHER []

2. NAME OF OPERATOR: Finley Resources, Inc

3. ADDRESS OF OPERATOR: 1308 Lake Street CITY Fort Worth STATE TX ZIP 76102 PHONE NUMBER: (817) 231-8735

4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 990 FNL, 462 FEL AT TOP PRODUCING INTERVAL REPORTED BELOW: 990 FNL, 462 FEL AT TOTAL DEPTH: 990 FNL, 462 FEL

5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-4896

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME: Ute

8. WELL NAME and NUMBER: UTE16-1A-4-1

9. API NUMBER: 4304752662

10. FIELD AND POOL, OR WILDCAT: Windy Ridge

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 16 4S 1E

12. COUNTY: Uintah 13. STATE: UTAH

14. DATE SPUNDED: 1/25/2013 15. DATE T.D. REACHED: 12/28/2012 16. DATE COMPLETED: 3/26/2013 ABANDONED [] READY TO PRODUCE [X] 17. ELEVATIONS (DF, RKB, RT, GL): 5256 GL

18. TOTAL DEPTH: MD 7,810 TVD 7,810 19. PLUG BACK T.D.: MD 7,725 TVD 7,725 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) 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. Includes rows for 12 1/4 and 7 7/8 hole sizes.

25. TUBING RECORD

Table with columns: SIZE, DEPTH SET (MD), PACKER SET (MD), SIZE, DEPTH SET (MD), PACKER SET (MD), SIZE, DEPTH SET (MD), PACKER SET (MD). Includes row for 2 7/8 size.

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. Includes row for GreenRiver/Wasat.

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

Table with columns: DEPTH INTERVAL, AMOUNT AND TYPE OF MATERIAL. Includes row for 4951-7485 interval with 8900 bbl tot. fluid and 553,500# of 20/40 mesh sand.

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

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE: 4/1/2013		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 77	GAS - MCF: 0	WATER - BBL: 245	PROD. METHOD: pump
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS. 50	API GRAVITY 38.60	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 77	GAS - MCF: 0	WATER - BBL: 245	INTERVAL STATUS: Prod	

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: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	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: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	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: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:	

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

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	2,478				
Garden Gulch	5,207				
Douglas Creek	5,993				
Black Shale	6,680				
Castle Peak	6,782				
Uteland Butte	7,152				
Wasatch	7,307				
TD	7,810				

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) April Wilkerson

TITLE Regulatory Analyst

SIGNATURE _____

DATE 6/28/2013

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)).

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