FORM 3

AMENDED REPORT ☐

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

APPLICATION FOR PERMIT TO DRILL

	1. WELL NAME and NUMBER LISONBEE 11-20-2-1W
2. TYPE OF WORK DRILL NEW WELL ● REENTER P&A WELL ○ DEEPEN WELL ○	**3. FIELD OR WILDCAT** BLUEBELL
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO	**5. UNIT or COMMUNITIZATION AGREEMENT NAME**
6. NAME OF OPERATOR UTE ENERGY UPSTREAM HOLDINGS LLC	**7. OPERATOR PHONE** 720 420-3235
8. ADDRESS OF OPERATOR 1875 Lawrence St Ste 200, Denver, CO, 80202	**9. OPERATOR E-MAIL** rgarrison@uteenergy.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) FEE	**11. MINERAL OWNERSHIP** FEDERAL ○ INDIAN ○ STATE ○ FEE ●
12. SURFACE OWNERSHIP FEDERAL ○ INDIAN ○ STATE ○ FEE ●	
13. NAME OF SURFACE OWNER (if box 12 = 'fee') JIM LISONBEE	**14. SURFACE OWNER PHONE (if box 12 = 'fee')** 435-724-2318
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') ROUTE 4 BOX 3071-C, ,	**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 ○ (Submit Commingling Application) NO ●
19. SLANT VERTICAL ● DIRECTIONAL ○ HORIZONTAL ○	

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	1641 FSL 1500 FWL	NESW	20	2.0 S	1.0 W	U
Top of Uppermost Producing Zone	1641 FSL 1500 FWL	NESW	20	2.0 S	1.0 W	U
At Total Depth	1641 FSL 1500 FWL	NESW	20	2.0 S	1.0 W	U

21. COUNTY UINTAH	**22. DISTANCE TO NEAREST LEASE LINE (Feet)** 1500	**23. NUMBER OF ACRES IN DRILLING UNIT** 640
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1320	**26. PROPOSED DEPTH** MD: 13000 TVD: 13000
27. ELEVATION - GROUND LEVEL 5075	**28. BOND NUMBER** LPM9032132	**29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE** 437478

Hole, Casing, and Cement Information

String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
I1	9.875	7.625	0 - 10000	29.7	P-110 LT&C	9.5	Class G	1100	2.3	12.5
L1	6.75	5.5	9900 - 13000	17.0	P-110 LT&C	14.0	Class G	300	1.15	15.8
Surf	14.75	10.75	0 - 500	40.5	J-55 ST&C	8.4	Class G	500	1.15	15.8

ATTACHMENTS

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

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	☑ COMPLETE DRILLING PLAN
☑ AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	☐ FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
☐ DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	☑ TOPOGRAPHICAL MAP

NAME Jenn Mendoza	**TITLE** Regulatory Specialist	**PHONE** 720 420-3229
SIGNATURE	**DATE** 10/05/2012	**EMAIL** jmendoza@uteenergy.com

API NUMBER ASSIGNED 43047532790000 **APPROVAL**

Ute Energy Upstream Holdings LLC
Lisonbee 11-20-2-1W
SW/NE of Section 20, T2S, R1W
SHL and BHL: 1641' FSL & 1500' FWL
Duchesne County, Utah

Please contact Josh Chevalier with technical questions at (720) 895-4982.

DRILLING PLAN

1-2. Geologic Surface Formation and Estimated Tops of Important Geologic Markers

Formation	Depth - MD
Uinta	Surface
Upper Green River Marker	6,757
Mahogany	7,218
Garder Gulch (TGR3)	8,204
Black Shale	9,410
Uteland	9,891
Wasatch	10,066
TD	13,000

3. Estimated Depths of Anticipated Water, Oil, Gas Or Minerals

Green River Formation (Oil) 6,757' – 10,066'
Wasatch Formation (Oil) 10,066' – 13,000'

Fresh water may be encountered in the Uinta Formation, but would not be expected below 2500'. All usable (>10,000 PPM TDS) water and prospectively valuable minerals (as described by DOGM at onsite) encountered during drilling will be recorded by depth and adequately protected.

All water shows and water bearing geologic units will be reported to the geologic and engineering staff of DOGM prior to running the next string of casing or before plugging orders are requested. Usage of the State of Utah form *Report of Water Encountered* is acceptable, but not required. All water shows must be reported within one (1) business day after being encountered. Detected water flows shall be sampled, analyzed, and reported to the geologic and engineering staff at DOGM. DOGM may request additional water samples for further analysis.

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

Location & Sample Interval
Flow Rate
Hardness
Water Classification (State of Utah)
Dissolved Iron (Fe) (ug/l)
Dissolved Magnesium (Mg) (mg/l)
Dissolved Bicarbonate ($NaHCO_3$) (mg/l)
Dissolved Sulfate (SO_4) (mg/l)
Date Sampled
Temperature
pH
Dissolved Calcium (Ca) (mg/l)
Dissolved Sodium (Na) (mg/l)
Dissolved Carbonate (CO_3) (mg/l)
Dissolved Chloride (Cl) (mg/l)
Dissolved Total Solids (TDS) (mg/l)

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4. Proposed Casing & Cementing Program

Casing Design:

Size	Interval		Weight	Grade	Coupling	Design Factors		
	Top	Bottom				Burst	Collapse	Tension
Conductor								
16"	0'	40'	65	H-40	STC	1,640	670	439
Hole Size 24"								
Surface casing						3,130	1,580	420,000
10-3/4"	0'	500'	40.5	J-55	STC			
Hole Size 14-3/4"						9.4	7.8	20.7
Intermediate Casing						9,470	5,340	769,000
7-5/8"	0'	10,000'	29.7	P-110	LTC			
Hole Size 9-7/8"						2.4	1.3	2.5
Prod Liner						10,640	7,460	445,000
5-1/2"	9,800'	13,000'	17	P-110	LTC			
Hole Size 6-3/4"						1.3	1.4	9.2

Assumptions:

1. Surface casing max anticipated surface pressure (MASP) = Frac gradient – gas gradient
2. Intermediate & Production casing MASP = Pore pressure – gas gradient
3. All collapse calculations assume fully evacuated casing w/gas gradient Internal & 10.0 ppg External
4. All tension calculations assume air weight

Frac gradient at surface casing shoe = 11.0 ppg
Pore pressure at surface casing shoe = 8.33 ppg
FIT at Intermediate casing shoe = 15.0 ppg
Pore pressure at Intermediate casing shoe = 9.5 ppg
Gas gradient = 0.115 psi/ft

Minimum Safety Factors:
Burst = 1.000
Collapse = 1.125
Tension = 1.800

All casing will be new and shall meet or exceed API standards for new casing.

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

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Cementing Design:

Job	Fill	Description	Excess	Sacks	Weight (ppg)	Yield (ft^3/sk)
Surface casing	500' - surface	Class V 2% chlorides	100%	500	15.8	1.15
Intermediate Casing	10,000' to Surface	Hifill Class V 3% chlorides	25% in open-hole 0% in Cased hole	1100	12.5	2.3
Prod Liner	13,000' to 9,800'	Class G 10% chlorides	25%	300	15.8	1.15

*Actual volume pumped will have excess over gauge hole or caliper log if available
- Compressive strength of Production tail cement: 500 psi @ 5 hours

Waiting On Cement: A minimum of four (4) hours shall elapse prior to attempting any pressure testing of the BOP equipment which would subject the surface casing cement to pressure, and a minimum of six (6) hours shall elapse before drilling out of the wiper plug, cement, or shoe. Compressive strength shall be a minimum of 500 psi prior to drilling out.

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

The intermediate string of casing cement job will be aimed at bringing cement to surface. In the event that during the intermediate cementing operation the cement does not circulate to surface, then a remedial cementing operation shall not be performed, however a CBL will be run prior to completions.

The production casing cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals.

As a minimum, usable water zones shall be isolated and/or protected by having a cement top for the Intermediate casing at least 200 feet above the base of the usable water. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

Top plugs shall be used to reduce contamination of cement by displacement fluid. A Tuned spacer will be used to prevent contamination of the lead cement by the drilling mud.

All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or to 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action shall be taken.

A Form 9, "Sundry Notices and Reports on Wells" shall be filed with DOGM within 30 days after the work is completed. This report must include the following information:

Setting of each string of casing showing the size, grade, weight of casing set, depth, amounts and type of cement used, whether cement circulated of the top of the cement behind the casing, depth of the cementing tools used, casing method and results, and the date of the work done. Spud date will be shown on the first reports submitted.

5. Drilling Fluids Program

The Conductor section (from 0' to 40') will be drilled by Auger and final depth determined by when the Competent formation is encountered at a minimum depth of 40'.

The surface interval will then be drilled to ±500' with air/mist system. The air rig is equipped with a 6 ½" blooie line, which is a straight run to the reserve pit. A variance is in request for this operation. The request can be found in section 12 of this plan.

From ±500' to 13,000' a second rig will be utilized to reduce drilling surprises and rig cycle time. Beyond the 10,000' to TD, the same big rig will be used. For both rig periods, from ±500' to TD a brine water system will be utilized. Clay inhibition and hole stability will be achieved with a polymer (DAP) additive; the reserve pit will be lined to address this additive. This brine water system will typically contain Total Dissolved Solids (TDS) of less than 3000 PPM. Anticipated mud weight at intermediate TD is 9.5 lbs/gal. If it is necessary to control formation fluids or pressure, the system will be weighted with the addition of brine. The production hole TD expected MW is no more than 14.0 ppg. This weight will be achieved with barite and/or calcium carbonate weighting agents. There will be enough weighting agent on location to increase the entire system to 16.0 ppg MW.

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

No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 13,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of this well.

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

Ute Energy will visually monitor pit levels and flow from the well during drilling operations.

6. Minimum Specifications for Pressure Control

A 10,000 psi BOP System will be used on this well from Drill-out of surface casing to TD. All BOPE for this well will be installed and tested per Onshore Order No. 2. All operations will be conducted by personnel certified in Well Control by IADC from the position of driller and higher.

The 10M configuration is as follows:

- Float in drillstring
- Inside BOP or safety valve
- Safety valve with same pipe threading
- Rotating Head below rotary table
- Fillup line
- 11" Annular Preventer – rated to 5,000 psi
- 11" bore, 4-1/2" x 7-5/8" VBRs – rated to 10,000 psi
- 11" bore, Blind Ram – rated to 10,000 psi

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- 11” bore, 4-1/2” & 7-5/8” VBRs – rated to 10,000 psi
- 11” bore Drilling Spool with 2 side outlets (Choke side at 3” minimum & Kill side at 2” minimum)
    - 2 Kill line valves at 2” minimum – one with a check valve
    - Kill line at 2” minimum
    - 2 Choke line valves at 3” minimum
    - Choke line at 3” minimum
    - 2 adjustable chokes on manifold
    - Pressure gauge on choke manifold

7. BOPE Test Criteria

A Function Test of the Ram BOP equipment shall be made every trip and annular preventer every week. All required BOP tests and/or drills shall be recorded in the Driller’s Report.

Chart recorders will be used for all pressure tests. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to representatives upon request.

At a minimum, the Annular preventer will be tested to 50% of its rating for ten minutes. All other equipment (Rams, valves, manifold) will be tested at 5,000 psi for the 5M system for 10 minutes with a test plug. If we were to change rams for any reason post drillout we shall test the rams to 70% of surface casing internal yield.

At a minimum, the above pressure tests will be performed when such conditions exist:

- BOP’s are initially installed
- Whenever a seal subject to pressure test is broken
- Following repairs to the BOPs
- Every 30 days

8. Accumulator

The Accumulator will have sufficient capacity to open the hydraulically-controlled choke line valve (HCR), close all rams and annular preventer as well maintain 200 psi above nitrogen precharge of the accumulator without use of accumulator pumps. The fluid reservoir volume will be double the usable volume of the accumulator system. The fluid level will be maintained per manufacturer’s specifications.

The BOP system will have 2 independent power sources to close both rams and annular preventer, while opening HCR. Nitrogen bottles will be 1 source and electric and/or air powered pumps will be the other.

The accumulator precharge will be conducted every 6 months and maintained to be within the specifications of Onshore Order No. 2

A manual locking device or automatic locking device will be installed on both ram preventers and annular preventer.
Remote controls will be readily accessible to the driller and be capable of closing all preventers. Main controls will be available to allow full functioning of all preventers and HCR.

9. Testing, Logging and Coring Programs

The logging program will consist of a Gamma Ray log from TD to base of surface casing. A cement bond log will be run from PBTD to Surface. No drill stem testing or coring is planned for this well.

10. Anticipated Abnormal Pressures or Temperature

No abnormal temperatures or pressures are anticipated from surface to the intermediate shoe. Pressure no greater than 14.0 ppg is expected beneath the intermediate shoe to TD. No hydrogen sulfide has been encountered or is known to exist from previous wells drilled to similar depths in this area.

Maximum anticipated bottomhole pressure will be approximately equal to total depth in feet multiplied by a 0.728 psi/ft gradient, and a maximum anticipated surface pressure will be approximately equal to the bottomhole pressure calculated minus the pressure of a partially evacuated hole calculated at a 0.22 psi/ft gradient.

11. Anticipated Starting Date and Duration of Operations

It is anticipated that drilling operations will commence in March 1, 2013, and take approximately twenty (20) days from spud to rig release and two weeks for completions.

12. Variances Requested from Onshore Order No. 2

1. A diverter is utilized for surface air drilling, rather than a lubricated rotating head.
2. The blooie line is 45 ft from the wellbore rather than 100' and is not anchored down.
3. The blooie line is not equipped with an automatic igniter or continuous pilot light.
4. The compressor is located on the rig itself and not 100 ft from the wellbore.

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Well Name: **Lisonbee**
Operator: UTE Energy Upstream Holdings LLC
String Type: Production
Location: Uintah County

Design Parameters:

Collapse
Mud Weight : 10.00 ppg
Design is based on evacuated pipe

Minimum Design Factors:

Collapse
Design Factor 1

Burst
Design Factor 1

Environment:
H2S Considered? NO
Surface Temperature: 60 deg. F
Bottom Hole temperature: 200 deg. F
Temperature Gradient: 1.4 deg/100'
Minimum Section Length: 100'
Cement top: 800'

Burst
Max Anticipated
Surface Pressure: 7264 psi
Internal Gradient: 0.22 psi/ft
Calculated BHP: 9464 psi

No Backup mud specified

Tension - Non Directional String

8 Round LTC 1.80 (J)

Tension is based on air weight.

Segment Length (ft)	Size (in)	Nominal weight (ppf)	Grade	End Finish	TVD (ft)	MD (ft)	ID (in)
10000	7.625	29.7	P-110	LTC	13000	13000	6.875

Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
5200	5340	1.03	8804	9470	1.08	297.0	769	2.59

Collapse is based on a vertical depth of 10,000', a mud weight of 10.0 ppg. The Casing is considered to be evacuated for collapse purposes.
Burst Strength is not adjusted for tension

Received: October 05, 2012

Well Name: **Lisonbee**
Operator: UTE Energy Upstream Holdings LLC
String Type: Production
Location: Uintah County

Design Parameters:

Collapse
Mud Weight : 10.00 ppg
Design is based on evacuated pipe

Minimum Design Factors:

Collapse
Design Factor 1

Burst
Design Factor 1

Environment:
H2S Considered? NO
Surface Temperature: 60 deg. F
Bottom Hole temperature: 242 deg. F
Temperature Gradient: 1.4 deg/100'
Minimum Section Length: 100'
Cement top: 800'

Burst
Max Anticipated
Surface Pressure: 8760 psi
Internal Gradient: 0.22 psi/ft
Calculated BHP: 9464 psi

No Backup mud specified

Tension - Non Directional String

8 Round LTC 1.80 (J)

Tension is based on air weight.

Segment Length (ft)	Size (in)	Nominal weight (ppf)	Grade	End Finish	TVD (ft)	MD (ft)	ID (in)
3200	5.5	17	P-110	LTC	13000	13000	4.892

Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1664	7460	4.48	9464	10640	1.12	54.4	445	8.18

Collapse is based on a vertical depth of 13,000', a mud weight of 10.0 ppg. The Casing is considered to be evacuated for collapse purposes.
Burst Strength is not adjusted for tension

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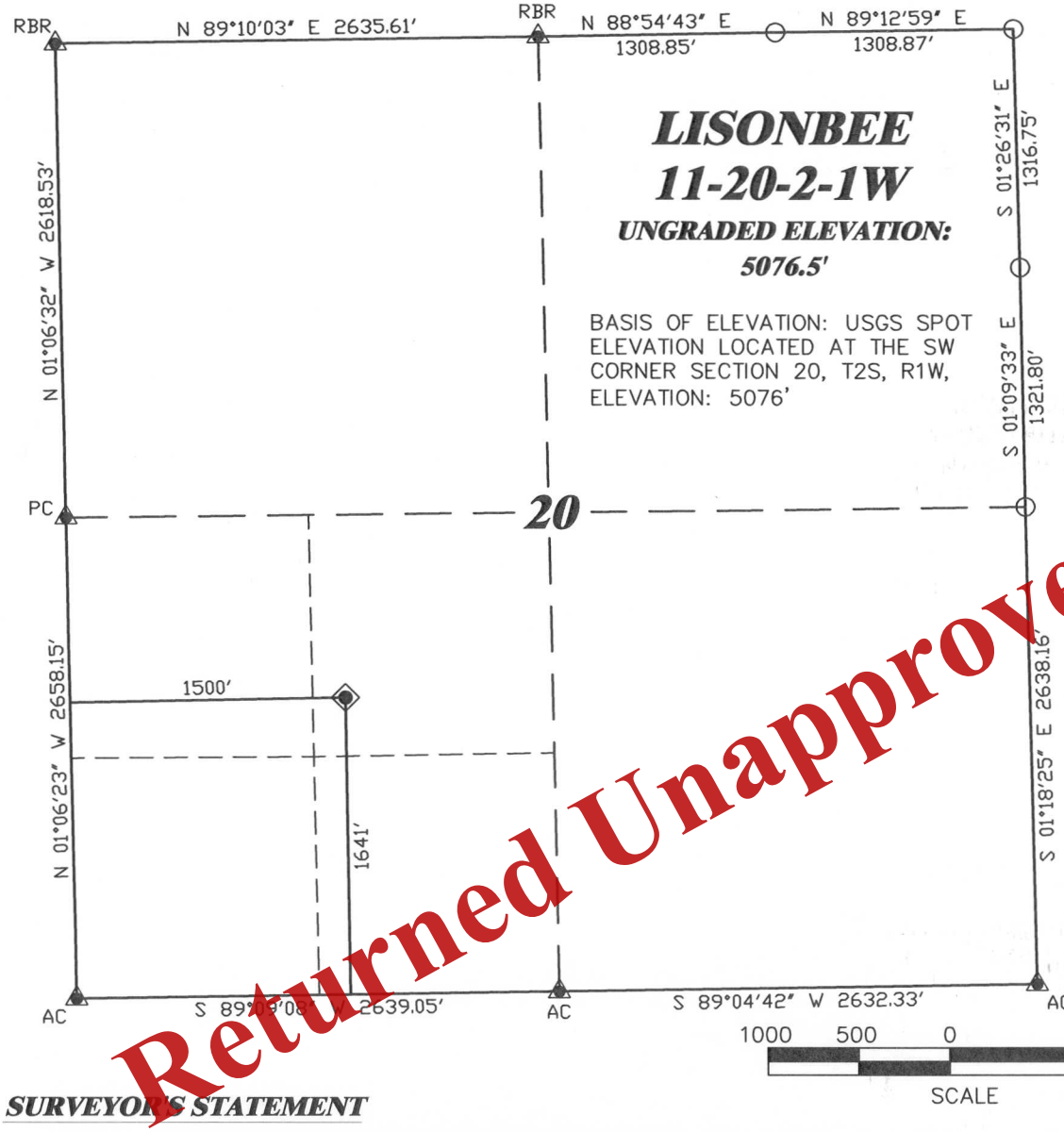
R. 1 W.



N

SCALE 1" = 1000'

T. 2 S.

LATITUDE (NAD 83)
NORTH 40.292120 DEG.
LONGITUDE (NAD 83)
WEST 110.024203 DEG.

LATITUDE (NAD 27)
NORTH 40.292162 DEG.
LONGITUDE (NAD 27)
WEST 110.023497 DEG.

NORTHING
716866.98
EASTING
2411856.74

DATUM
SPCS UTC (NAD 27)

SURVEYOR'S STATEMENT

I, BRIAN L. FORBES, OF ROCK SPRINGS, WYOMING, HEREBY STATE: THIS MAP WAS MADE FROM NOTES TAKEN DURING AN ACTUAL FIELD SURVEY DONE UNDER MY DIRECT SUPERVISION ON SEPTEMBER 11, 2012 AND THAT THIS PLAT CORRECTLY SHOWS THE LOCATION OF LISONBEE 11-20-2-1W AS STAKED ON THE GROUND.

REGISTERED LAND SURVEYOR No. 184587 BRIAN L. FORBES STATE OF UTAH

UTAH PLS No. 184587-2201

9/18/12

LEGEND

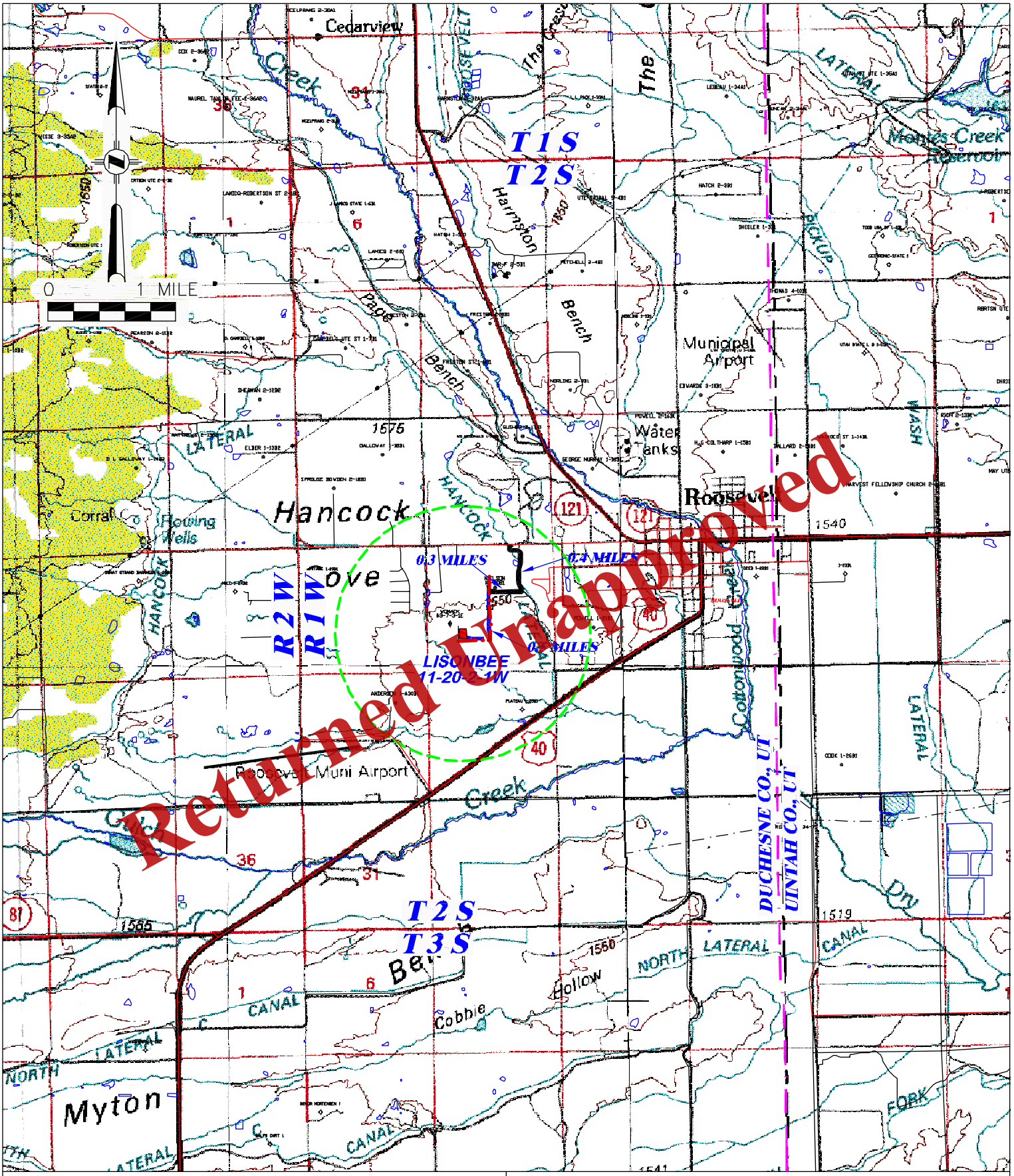
- WELL LOCATION
- BOTTOM HOLE LOC. (APPROX)
- FOUND MONUMENT
- PREVIOUSLY FOUND MONUMENT
- CALCULATED CORNER

DRG GRIFFIN & ASSOCIATES, INC.
(307) 362-5028
1414 ELK ST., ROCK SPRINGS, WY 82901

PLAT OF DRILLING LOCATION FOR UTE ENERGY

DRAWN: 9/17/12 - JMB	SCALE: 1" = 1000'
REVISED: NA	DRG JOB No. 19560
	EXHIBIT 1

1641' F/SL & 1500' F/WL, NESW, SECTION 20, T. 2 S., R. 1 W., UINTAH SPECIAL MERIDIAN, DUCHESNE COUNTY, UTAH



DRIFFIN & ASSOCIATES, INC. (307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901	**PROPOSED ACCESS FOR UTE ENERGY LISONBEE 11-20-2-1W SECTION 20, T2S, R1W**
DRAWN: 9/17/12 - JMB	SCALE: 1" = MILE
REVISED: NA	DRG JOB No. 19560
	TOPO A
	PROPOSED ROAD - - - - - EXISTING ROAD ———

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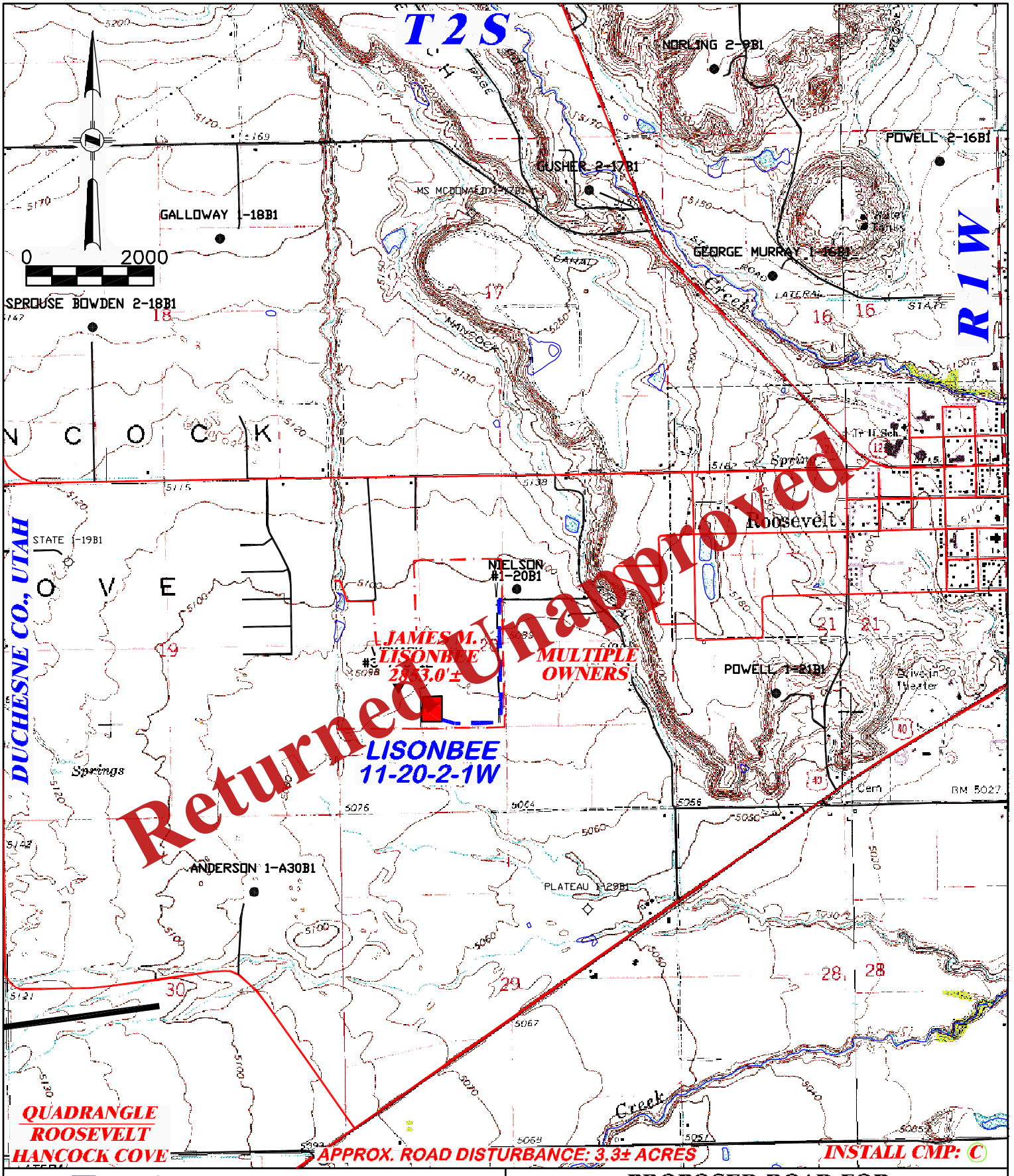


DRG RIFFIN & ASSOCIATES, INC.
(307) 362-5028
1414 ELK ST., ROCK SPRINGS, WY 82901

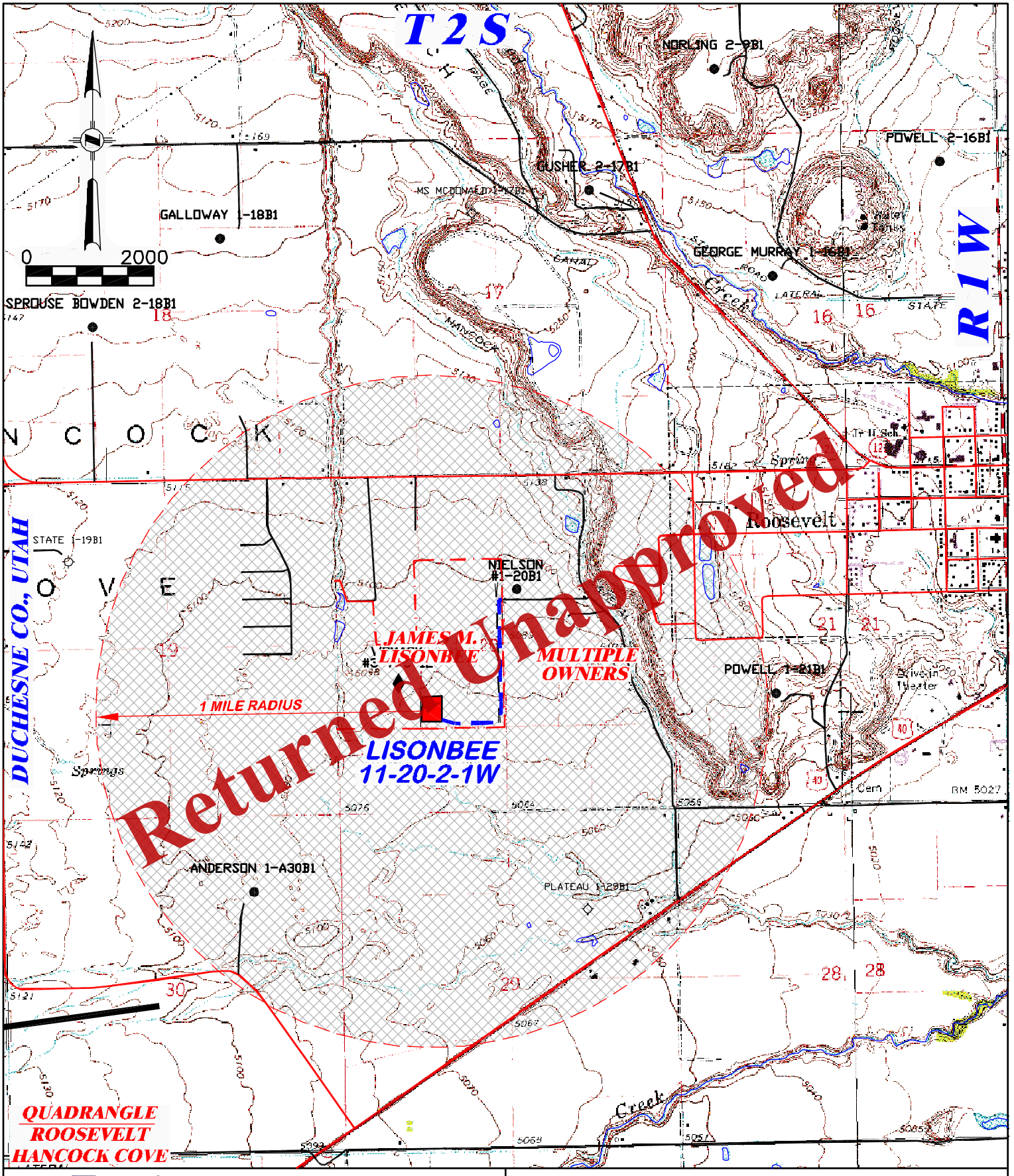
PROPOSED ROAD FOR
UTE ENERGY
LISONBEE 11-20-2-1W
SECTION 20, T2S, R1W

DRAWN: 9/17/12 - JMB	SCALE: 1" = 2000'
REVISED: NA	DRG JOB No. 19560
	TOPO B

TOTAL PROPOSED LENGTH: 2853.0'±

PROPOSED ROAD - - - - - - EXISTING ROAD ——————

Received: October 05, 2012



DRIFFIN & ASSOCIATES, INC. (307) 362-5028 — 1414 ELK ST., ROCK SPRINGS, WY 82901	**ONE MILE RADIUS FOR UTE ENERGY LISONBEE 11-20-2-1W SECTION 20, T2S, R1W**
DRAWN: 9/17/12 - JMB	SCALE: 1" = 2000'
REVISED: NA	DRG JOB No. 19560
	TOPO C
	PROPOSED ROAD — — — — EXISTING ROAD ———

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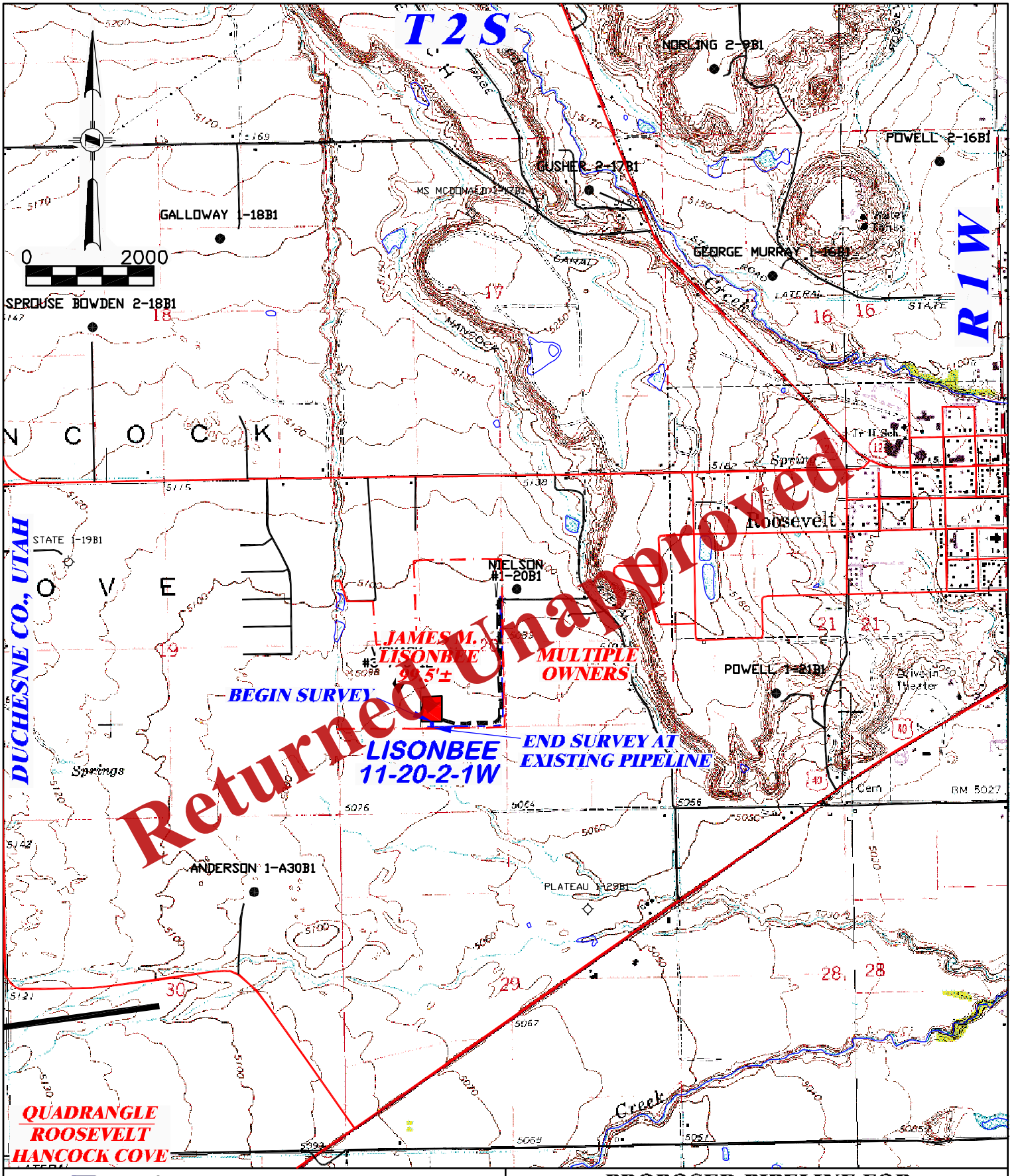


DRG RIFFIN & ASSOCIATES, INC.
(307) 362-5028
1414 ELK ST., ROCK SPRINGS, WY 82901

PROPOSED PIPELINE FOR
UTE ENERGY
LISONBEE 11-20-2-1W
SECTION 20, T2S, R1W

DRAWN: 9/17/12 - JMB	SCALE: 1" = 2000'
REVISED: NA	DRG JOB No. 19560
	TOPO D

TOTAL PROPOSED LENGTH: 99.5'±

PROPOSED PIPELINE — — — EXISTING ROAD ———

Received: October 05, 2012

MEMORANDUM of SURFACE USE AGREEMENT AND GRANT OF EASEMENTS

David Eckelberger is Landman for Ute Energy Upstream Holdings LLC, authorized to do business in Utah (hereinafter referred to as "Ute Energy"). Ute Energy owns, operates and manages oil and gas interests in Uintah and Duchesne Counties, Utah.

WHEREAS, that certain Surface Use Agreement and Grant of Easements (the "Agreement") dated effective June 1st, 2012 has been entered into by and between **James M. Lisonbee**, whose address is Route 4 Box 3071-C, Roosevelt, UT 84066 ("Owner") and **Ute Energy Upstream Holdings LLC**, whose address is 1875 Lawrence Street, Suite 200, Denver, CO 80202 ("Operator").

WHEREAS, Owner owns the surface estate of the real property in Duchesne County, Utah (the "Property"), legally described as:

Township 2 South, Range 1 West, USM

Section 20: SENW, N2SW

WHEREAS, for an agreed upon monetary consideration, Operator may construct the necessary well site pads ("Well Pads") for drilling, completion, re-completion, reworking, re-entry, production, maintenance and operation of oil and gas wells on the Property. Ute Energy, its agents, employees, assigns, contractors and subcontractors, may enter upon and use the Well Pads for the purposes of drilling, completing, producing, maintaining, and operating wells to produce oil, gas and associated hydrocarbons, including the construction and use of frac pits, tank batteries, water disposal pits, production equipment, compressor sites and other facilities used to produce and market oil, gas and associated hydrocarbons.

WHEREAS, Operator has the right to a non-exclusive access easement on the Property for ingress and egress by Operator and its employees, contractors, sub-contractors, agents, and business invitees as needed to conduct oil and gas operations.

WHEREAS, Operator has the right to a non-exclusive pipeline easement to construct, maintain, inspect, operate and repair a pipeline or pipelines, pigging facilities and related appurtenances for the transportation of oil, gas, petroleum products, water and any other substances recovered during oil and gas production.

WHEREAS, the Agreement contains various other terms, provisions and conditions, all of which are incorporated herein by reference, and made a part hereof in all respects as thought the same were fully set forth herein. Executed copies of the Agreement are in the possession of the Owner and Operator.

WHEREAS, this Agreement shall run with the land and be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns as stated in the Agreement.

THEREFORE, Operator is granted access to the surface estate and the Agreement constitutes a valid and binding surface use agreement as required under Utah Admin. Code Rule R649-3-34(7).

This Memorandum is executed this 7th day of August, 2012.

David Eckelberger
Landman

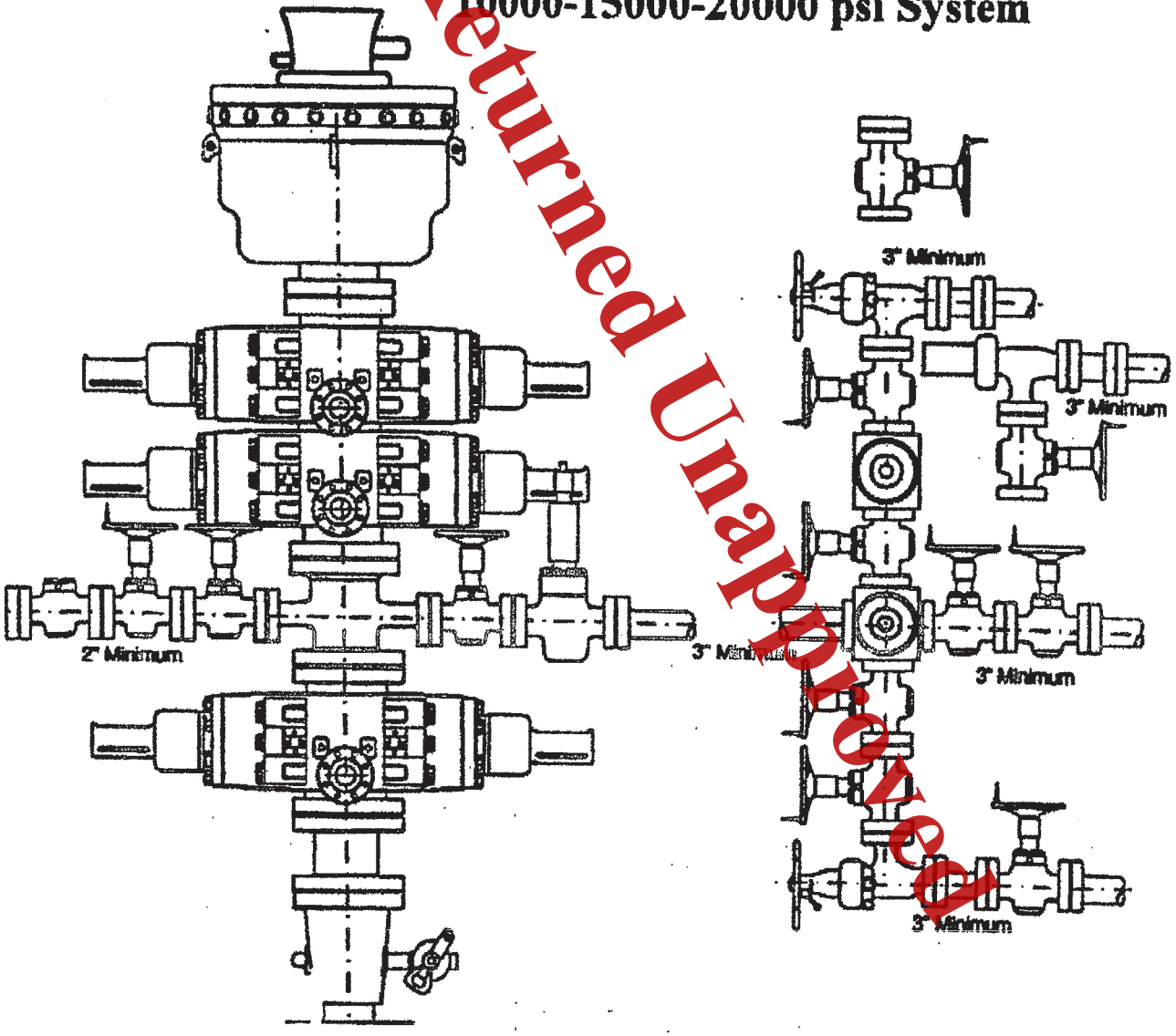
Ent 448661 Bk A654 Pg 323
Date: 15-AUG-2012 10:14:54AM
Fee: $12.00 Check
Filed By: CBM
CAROLYNE MADSEN, Recorder
DUCHESNE COUNTY CORPORATION
For: UTE ENERGY

ACKNOWLEDGEMENT

STATE OF COLORADO)
} ss
COUNTY OF DENVER)

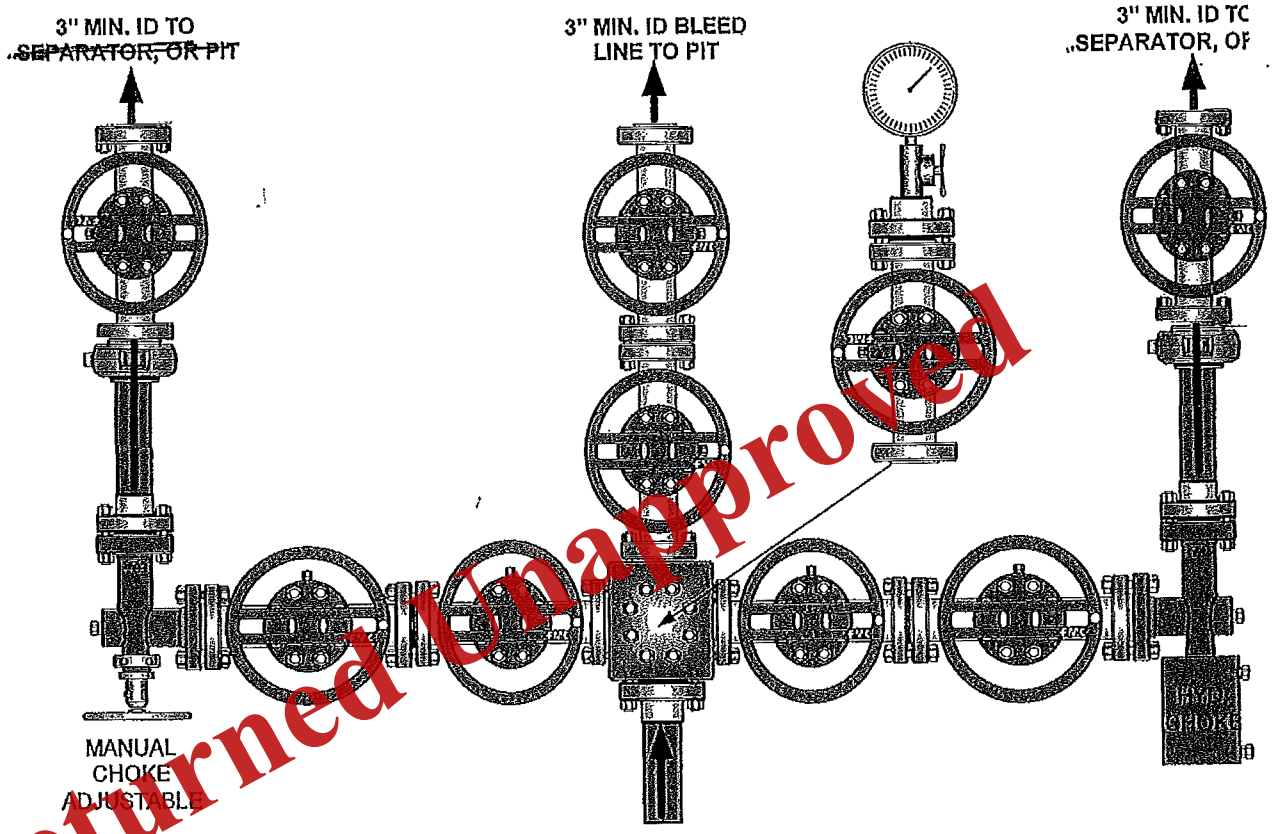
Received: October 05, 2012

10000-15000-20000 psi System

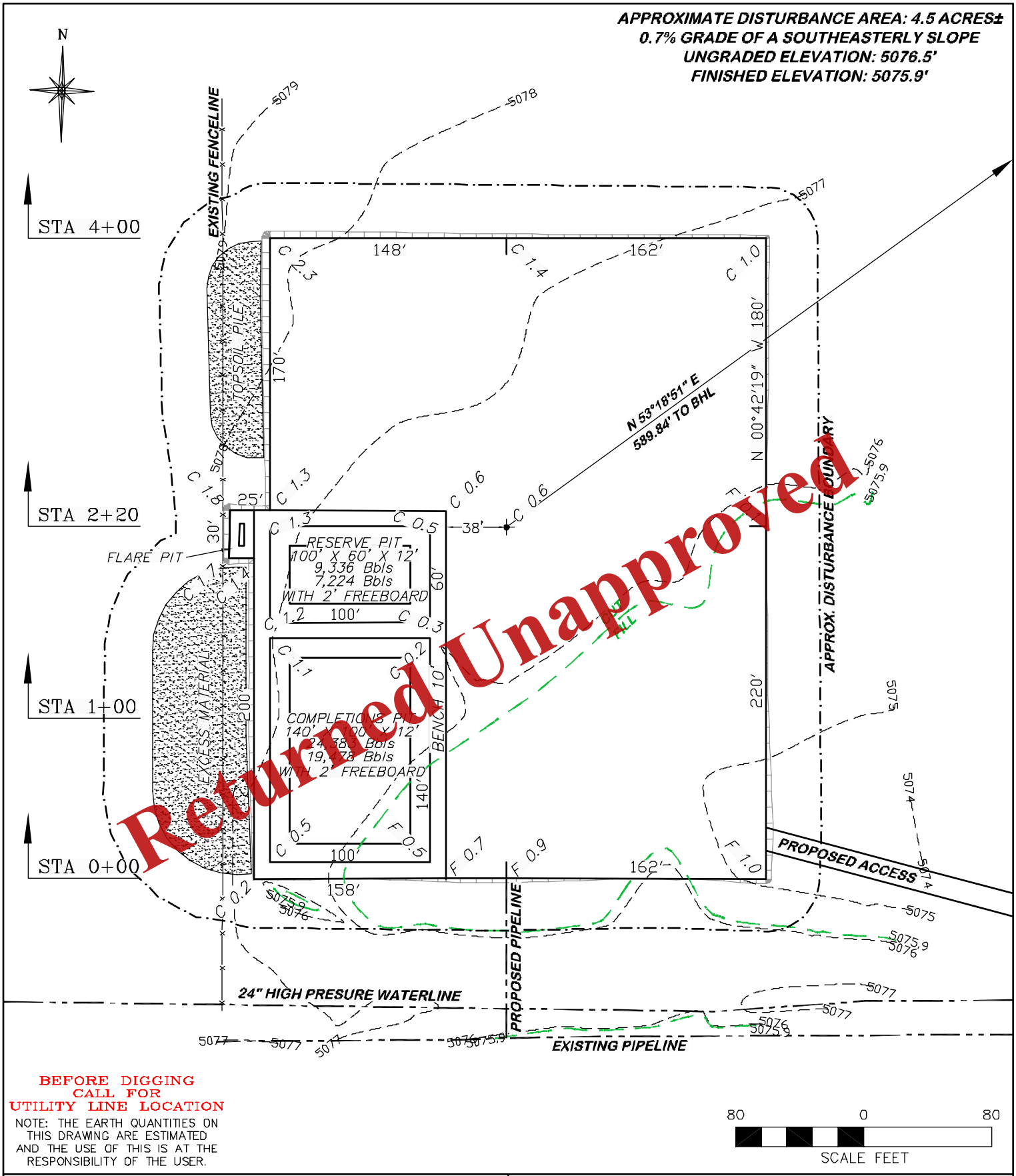


Capstar

CHOKE MANIFOLD CONFIGURATION
W/ 5,000 PSI WP VALVES



Received: October 05, 2012



BEFORE DIGGING
CALL FOR
UTILITY LINE LOCATION

NOTE: THE EARTH QUANTITIES ON THIS DRAWING ARE ESTIMATED AND THE USE OF THIS IS AT THE RESPONSIBILITY OF THE USER.

80 0 80
SCALE FEET

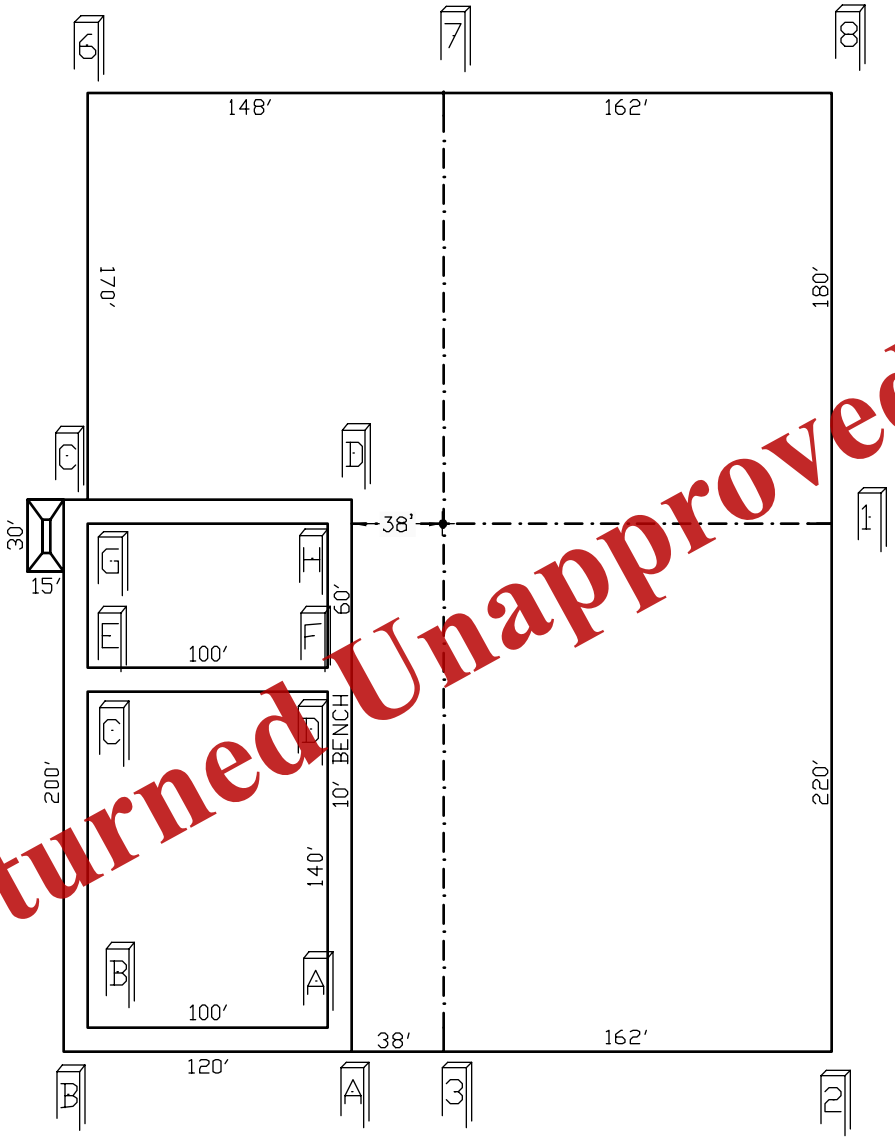
DRG RIFFIN & ASSOCIATES, INC.
(307) 362-5028
1414 ELK ST., ROCK SPRINGS, WY 82901

DRAWN: 9/17/12 - JMB	SCALE: 1" = 80'
REVISED: NA	DRG JOB No. 19560
	FIGURE #1

UTE ENERGY
LISONBEE 11-20-2-1W
SECTION 20, T2S, R1W

UNGRADED ELEVATION: 5076.5'
FINISHED ELEVATION: 5075.9'

Received: October 05, 2012



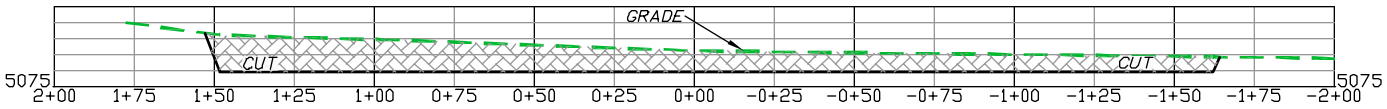
DRG RIFFIN & ASSOCIATES, INC.
(307) 362-5028
1414 ELK ST., ROCK SPRINGS, WY 82901

DRAWN: 9/17/12 - JMB	SCALE: 1" = 80'
REVISED: NA	DRG JOB No. 19560
	FIGURE #1A

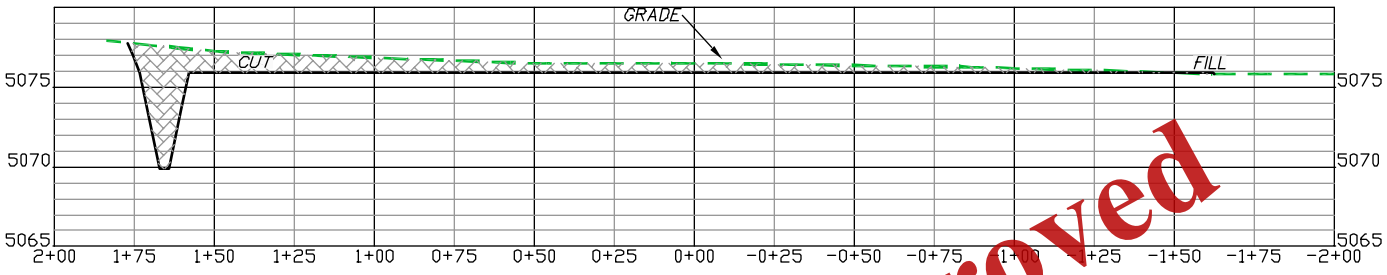
PAD LAYOUT
UTE ENERGY
LISONBEE 11-20-2-1W
SECTION 20, T2S, R1W

UNGRADED ELEVATION: 5076.5'
FINISHED ELEVATION: 5075.9'

Received: October 05, 2012



STA 4+00



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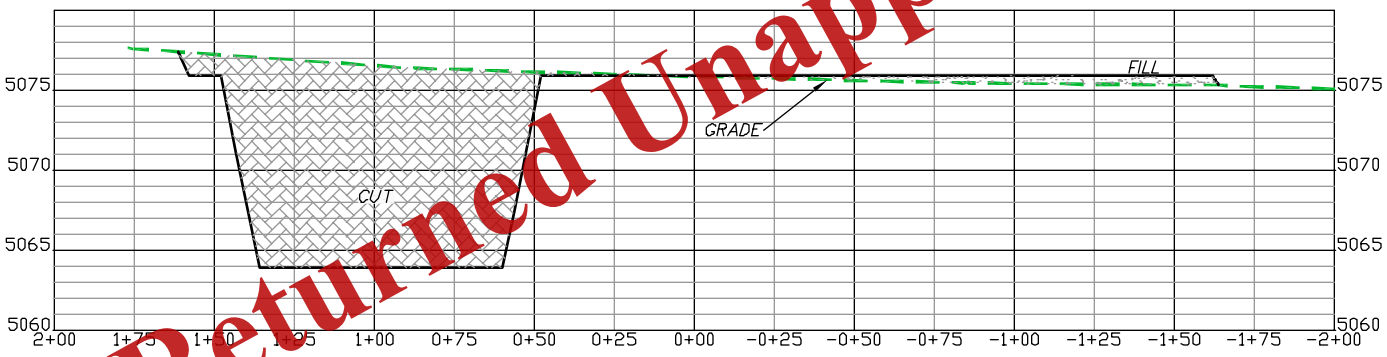

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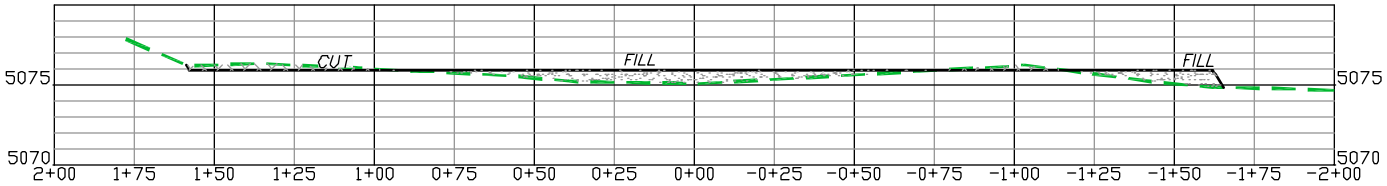
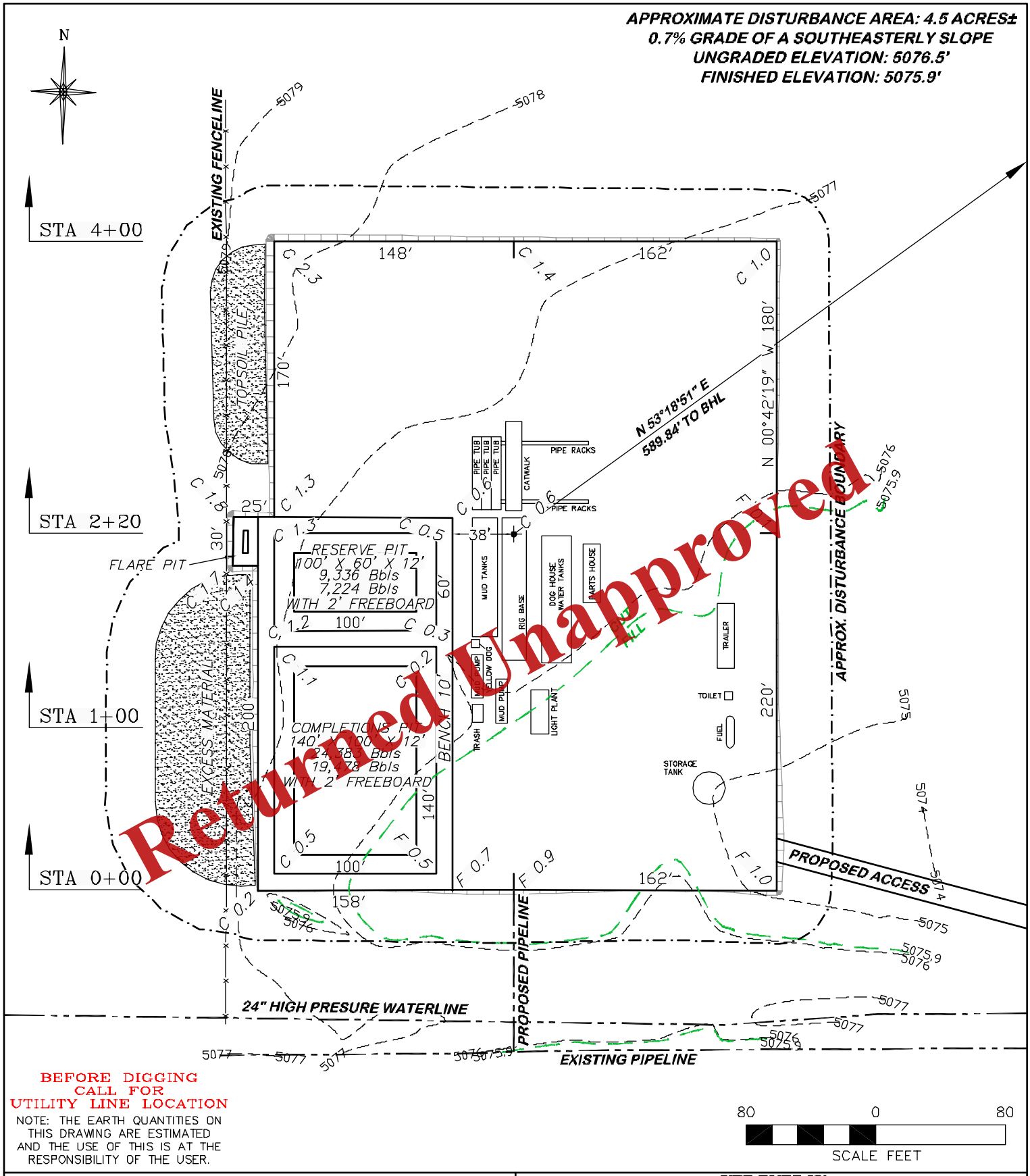


STA 0+00

DRIFFIN & ASSOCIATES, INC. (307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901	**UTE ENERGY** **LISONBEE 11-20-2-1W** **SECTION 20, T2S, R1W**
DRAWN: 9/17/12 - JMB	HORZ. 1" = 60' VERT. 1" = 10'
REVISED: NA	DRG JOB No. 19560
	FIGURE #2
	UNGRADED ELEVATION: 5076.5' FINISHED ELEVATION: 5075.9'

Received: October 05, 2012



DRG RIFFIN & ASSOCIATES, INC.
1414 ELK ST., ROCK SPRINGS, WY 82901
(307) 362-5028

UTE ENERGY
LISONBEE 11-20-2-1W
SECTION 20, T2S, R1W

ESTIMATED EARTHWORK

ITEM	CUT	FILL	TOPSOIL	EXCESS
PAD	2994 CY	462 CY	2347 CY	185 CY
PIT	7011 CY			7011 CY
TOTALS	10005 CY	462 CY	2347 CY	7196 CY

DRAWN: 9/17/12 - JMB	SCALE: 1" = 80'
REVISED: NA	DRG JOB No. 19560
	FIGURE #3

Received: October 05, 2012

API Number: 4304753279

Well Name: LISONBEE 11-20-2-1W

Township T02.0S Range R01.0W Section 20

Meridian: UBM

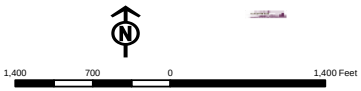
Operator: UTE ENERGY UPSTREAM HOLDINGS LLC

Map Prepared:
Map Produced by Diana Mason

Units
STATUS
ACTIVE
EXPLORATORY
GAS STORAGE
NF PP OIL
NF SECONDARY
PI OIL
PP GAS
PP GEOTHERML
PP OIL
SECONDARY
TERMINATED

Fields
STATUS
Unknown
ABANDONED
ACTIVE
COMBINED
INACTIVE
STORAGE
TERMINATED

Wells Query
Status
APD - Aproved Permit
DRL - Spuded (Drilling Commenced)
GIW - Gas Injection
GS - Gas Storage
LOC - New Location
OPS - Operation Suspended
PA - Plugged Abandoned
PGW - Producing Gas Well
POW - Producing Oil Well
SGW - Shut-in Gas Well
SOW - Shut-in Oil Well
TA - Temp. Abandoned
TW - Test Well
WDW - Water Disposal
WIW - Water Injection Well
WSW - Water Supply Well
Bottom Hole Location - OilGasDb



1:13,484

Received: October 10, 2012

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

December 04, 2012

UTE ENERGY UPSTREAM
HOLDINGS LLC
1875 Lawrence St Ste 200
Denver, CO 80202

Re: Application for Permit to Drill - UINTAH County, Utah

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the LISONBEE 11-20-2-1W well, API 43047532790000 that was submitted October 05, 2012 is being returned unapproved. If you plan on drilling this well in the future, you must first submit a new application.

Should you have any questions regarding this matter, please call me at (801) 538-5312.

Sincerely,

Diana Mason
Environmental Scientist

Enclosure
cc: Bureau of Land Management, Vernal, Utah