

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 Deep Creek 25-13A-4-2
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 LELAND BENCH
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) Fee	11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" 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') Deep Creek Investments LLC		14. SURFACE OWNER PHONE (if box 12 = 'fee') 435-823-3231
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 2400 Sunnyside Avenue, Salt Lake City, UT 84108		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	1026 FSL 767 FWL	SWSW	25	4.0 S	2.0 E	U
Top of Uppermost Producing Zone	1026 FSL 767 FWL	SWSW	25	4.0 S	2.0 E	U
At Total Depth	1026 FSL 767 FWL	SWSW	25	4.0 S	2.0 E	U

21. COUNTY UINTAH	22. DISTANCE TO NEAREST LEASE LINE (Feet) 767	23. NUMBER OF ACRES IN DRILLING UNIT 40
27. ELEVATION - GROUND LEVEL 4750	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completion) 1200	26. PROPOSED DEPTH MD: 8500 TVD: 8500
	28. BOND NUMBER RLB0011294	29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 43-11500

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 - 80	48.0	H-40 ST&C	0.0	Class G	41	1.17	15.8
Surf	12.25	8.625	0 - 100	32.0	J-55 ST&C	8.6	Premium Lite High Strength	164	3.53	11.0
							Class G	212	1.17	15.8
Prod	7.875	5.5	0 - 8500	15.5	J-55 LT&C	9.2	50/50 Poz	1327	1.24	12.8

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 Zachary Archer	TITLE Landman	PHONE 817-231-8759
SIGNATURE	DATE 02/03/2014	EMAIL zarcher@finleyresources.com
API NUMBER ASSIGNED 43047542860000		APPROVAL

Received: February 05, 2014

Finley Resources, Inc.
Deep Creek 25-13A-4-2
1026' FSL & 767' FWL, SW/4 SW/4, Sec 25, T4S, R2E, U.S.B.&M.
Uintah County, UT

Drilling Program

1. Formation Tops

Duchesne River	surface
Green River(top)	2,085'
Green River(pay)	4,200'
Wasatch	6,600'
TD	8,500'

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

Green River(pay)	2,700' - 4,200'	(Oil)
Wasatch	6,600' - TD	(Oil)

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

3. Pressure Control

<u>Section</u>	<u>BOP Description</u>
Surface	12-1/4" c/w/ener

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'	1,000'	32	J-55	STC	8.33	8.6	11	3,930	2,530	417,000
									7.72	7.62	13.03
Production 5 1/2	0'	8,500'	15.5	J-55	LTC	9	9.2	11	4,810	4,040	217,000
									1.54	1.26	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	700'	Premium Lite II w/ 3% KCl + 10% bentonite	578	100%	11.0	3.53
				164			
Surface Tail	12 1/4	300'	Class G w/ 2% KCl + 0.25 lbs/sk Cello Flake	248	100%	12.8	1.17
				212			
Production Tail	7 7/8	7,600'	50/50 Poz/Class G w/ 3% KCl + 2% bentonite	1646	25%	12.8	1.24
				132			

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

<u>Interval</u>	<u>Description</u>
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Surface - 1,000'	An air and/or fresh water system will be utilized.
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1,000' - 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.
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Anticipated maximum mud weight is 9.2 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

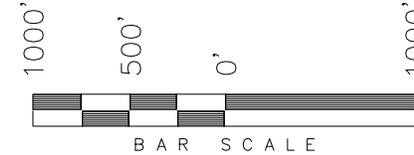
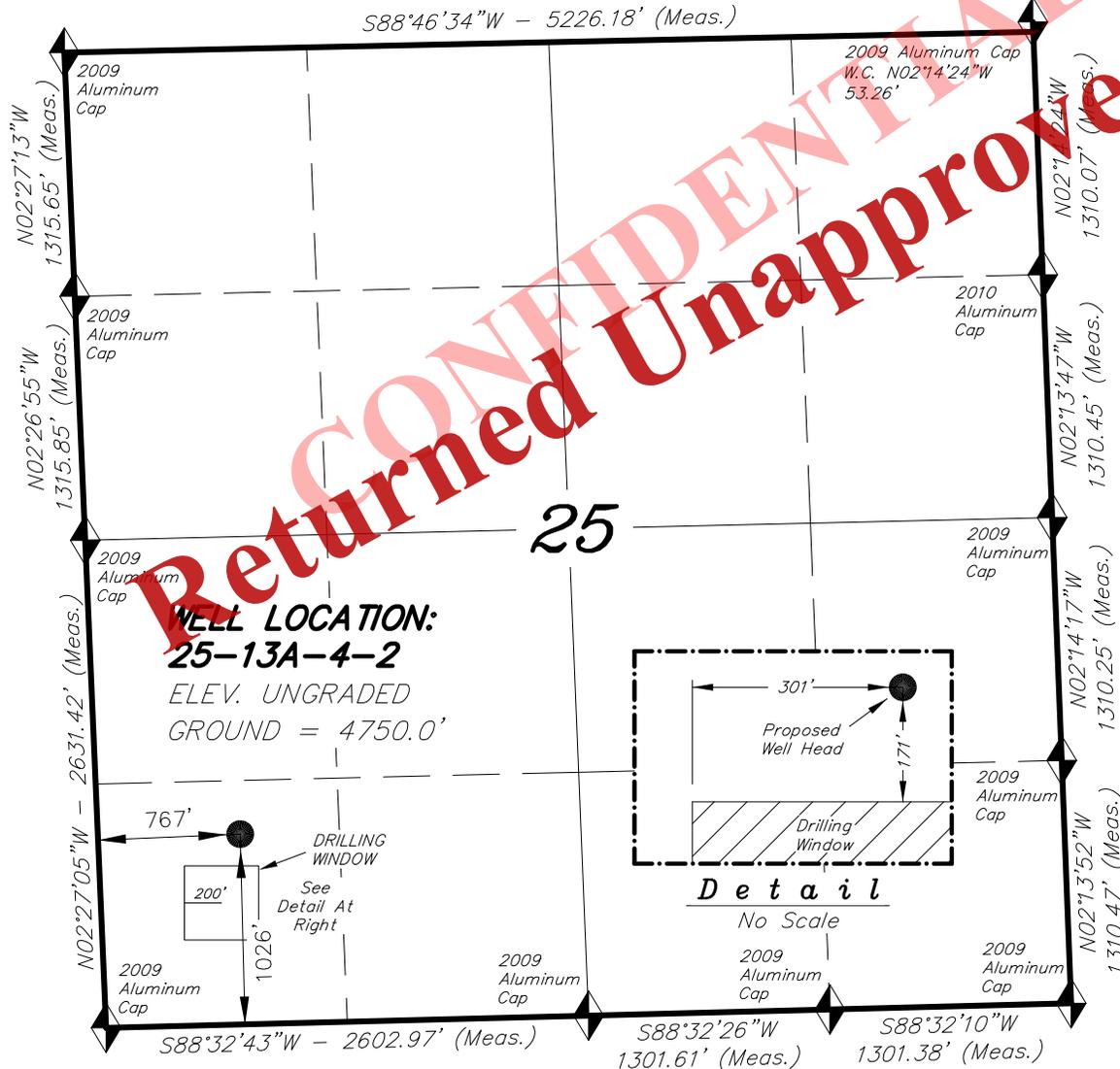
This is planned as a vertical well.

CONFIDENTIAL
Returned Unapproved

T4S, R2E, U.S.B.&M.

FINLEY RESOURCES INC.

WELL LOCATION, 25-13A-4-2,
 LOCATED AS SHOWN IN THE SW 1/4
 SW 1/4 OF SECTION 25, T4S, R2E,
 U.S.B.&M. UINTAH COUNTY, UTAH.

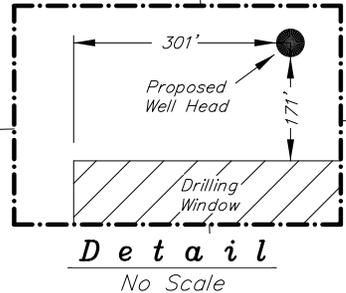


NOTES:

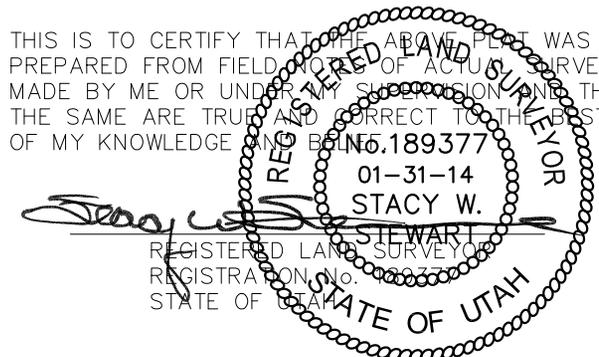
1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.



WELL LOCATION:
25-13A-4-2
 ELEV. UNGRADED
 GROUND = 4750.0'



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.



◆ = 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'

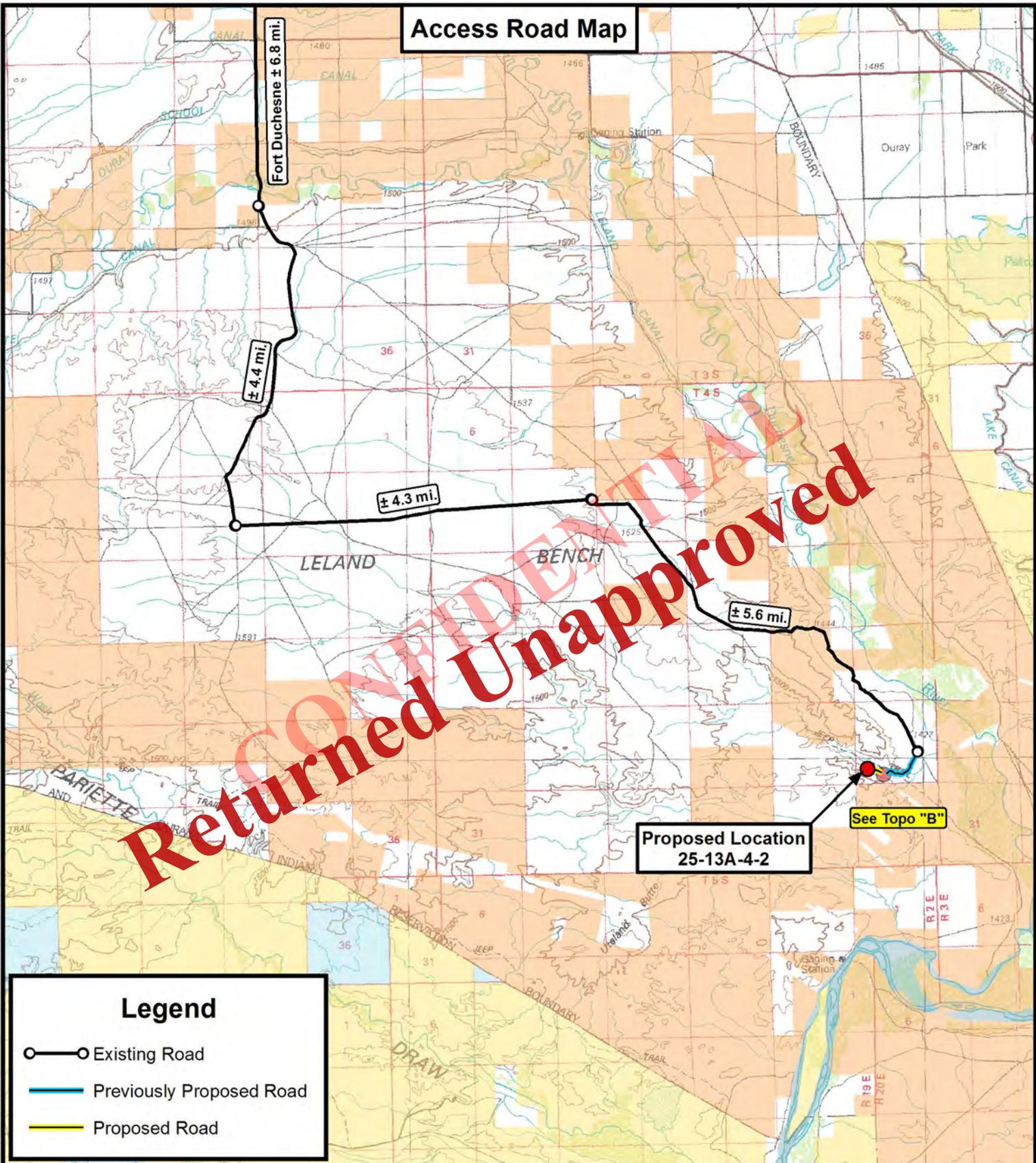
NAD 83 (SURFACE LOCATION)	
LATITUDE	= 40°06'11.62"
LONGITUDE	= 109°43'22.13"

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

DATE SURVEYED: 01-30-14	SURVEYED BY: G.D.O.
DATE DRAWN: 01-31-14	DRAWN BY: L.C.S.
REVISED:	SCALE: 1" = 1000'

Received: February 03, 2014

Access Road Map



Legend

- Existing Road
- Previously Proposed Road
- Proposed Road

Proposed Location
25-13A-4-2

See Topo "B"



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

P: (435) 781-2501
F: (435) 781-2518



FINLEY RESOURCES INC.

25-13A-4-2
Sec. 25, T4S, R2E, U.S.B.&M.
Uintah County, UT.

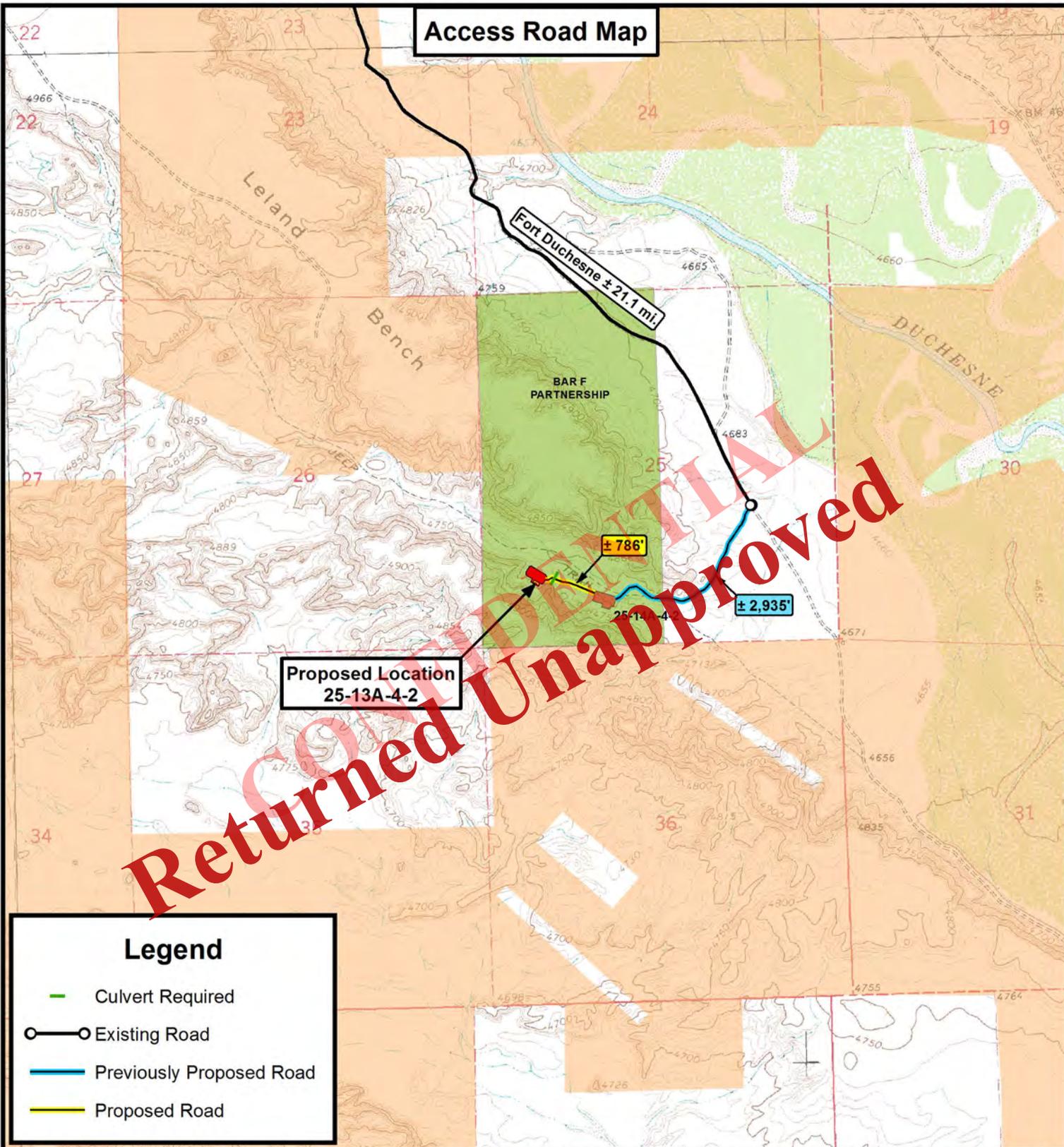
DRAWN BY:	J.A.S.	REVISED:
DATE:	01-31-2014	
SCALE:	1:100,000	

TOPOGRAPHIC MAP

SHEET
A

Received: February 03, 2014

Access Road Map



Legend

- Culvert Required
- Existing Road
- Previously Proposed Road
- 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.



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FINLEY RESOURCES INC.

25-13A-4-2
Sec. 25, T4S, R2E, U.S.B.&M.
Uintah County, UT.

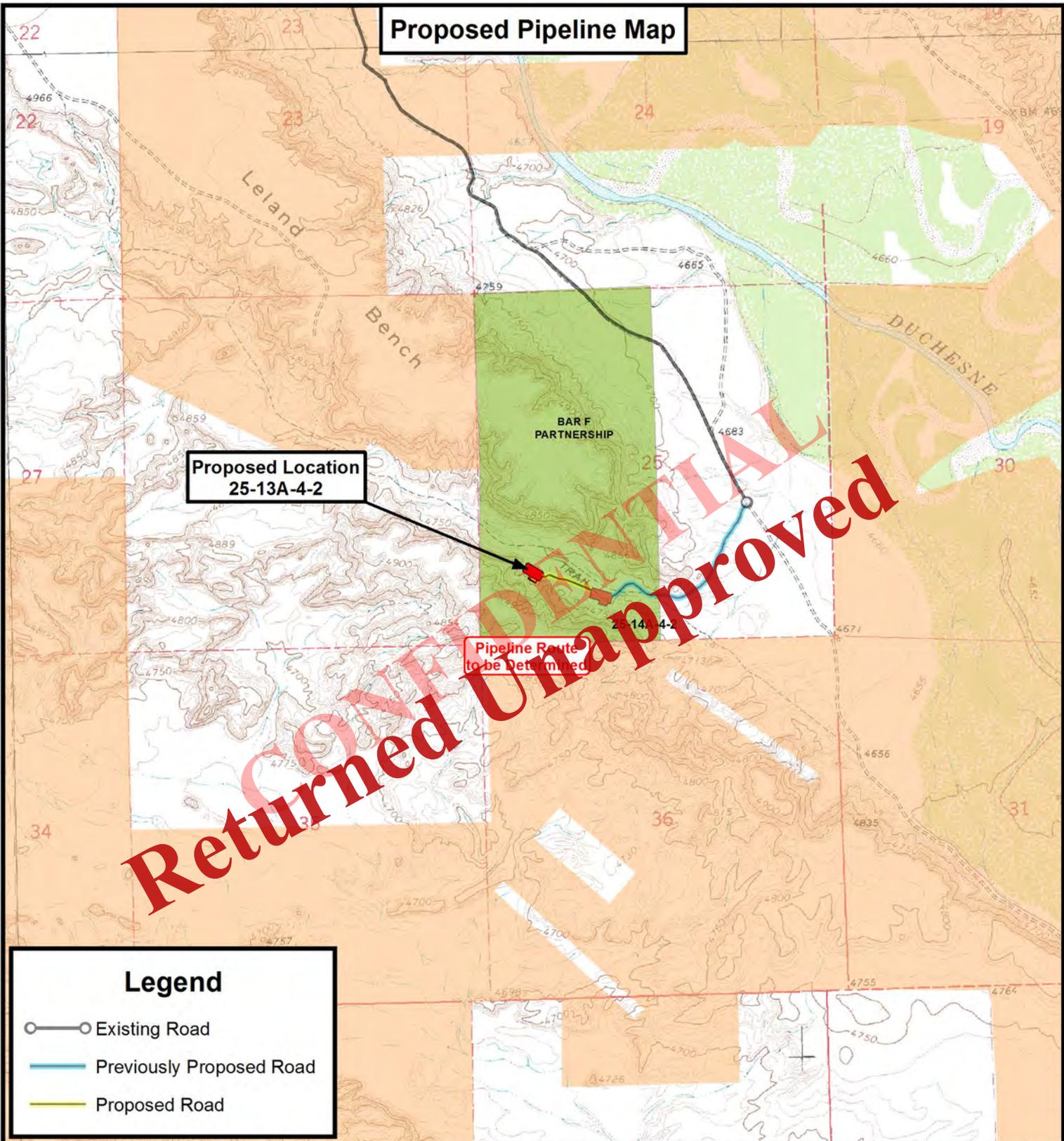
DRAWN BY:	J.A.S.	REVISED:
DATE:	01-31-2014	
SCALE:	1" = 2,000'	

TOPOGRAPHIC MAP

SHEET
B

Received: February 03, 2014

Proposed Pipeline Map



**Proposed Location
25-13A-4-2**

Pipeline Route
to be Determined

Returned Unapproved

Legend

-  Existing Road
-  Previously Proposed Road
-  Proposed Road

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FINLEY RESOURCES INC.

25-13A-4-2
Sec. 25, T4S, R2E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	J.A.S.	REVISED:
DATE:	01-31-2014	
SCALE:	1" = 2,000'	

TOPOGRAPHIC MAP

SHEET
C

Received: February 03, 2014

Exhibit "B" Map

Proposed Location
25-13A-4-2

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Legend

- Proposed Location
- 1 Mile Radius

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.

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FINLEY RESOURCES INC.

25-13A-4-2
Sec. 25, T4S, R2E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	J.A.S.	REVISED:
DATE:	01-31-2014	
SCALE:	1" = 2,000'	

TOPOGRAPHIC MAP

SHEET
D

Received: February 03, 2014

**AFFIDAVIT OF EASEMENT, RIGHT-OF-WAY
AND SURFACE USE AGREEMENT**

State: Utah
County: Uintah
Affiant: Scott Ramsey, Land Manager, Finley Resources Inc.

Pursuant to the State of Utah R649-3-34.7, I Scott Ramsey personally attests and duly swears and deposes the following information:

My name is Scott Ramsey. I am the Land Manger for Finley Resources Inc., authorized to do business in the State of Utah, whose address is 1308 Lake Street, Fort Worth, Texas 76102, hereinafter referred to as ("Finley"). Finley owns, operates and manages oil and gas properties in Uintah County, Utah. Finley is the owner of certain oil and gas leasehold in the Section 26, 27 & 35 Township 4 South Range 2 East where a future drillsite location, right-of-way, easement will be located.

Finley and the Surface Owner, Deep Creek Investments, LLC have executed a Surface Use Agreement, covering but not limited to, future drill site locations, right-of-ways and easements, dated January 29, 2014 which include the right of ingress and egress, the right to construct drill site locations and rights-of-way under, through and across the following lands:

Township 4 South, Range 2 East, USM

- Section 7: S/2
- Section 8: S/2
- Section 9: NE/4 & S/2
- Section 10: W/2NW/4 & W/2SW/4
- Section 15: S/2
- Section 16: N/2
- Section 21: All
- Section 22: All
- Section 26: Lot 3, 4, 7, 8, 11, 12, W/2SW/4, SE/4SW/4 & the SW/4SE/4
- Section 27: Lot 1, 2, W/2NE/4 & NW/4
- Section 28: ALL
- Section 35: Lot 1, 2, W/2NE/4 & the NW/4

Furthermore, this shall serve as sufficient notice of Finley's agreement to access the aforementioned lands for the future development of the oil and gas leasehold.

Scott Ramsey, Land Manager
Finley Resources Inc.

ACKNOWLEDGEMENT

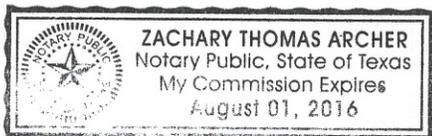
STATE OF TEXAS §

COUNTY OF TARRANT §

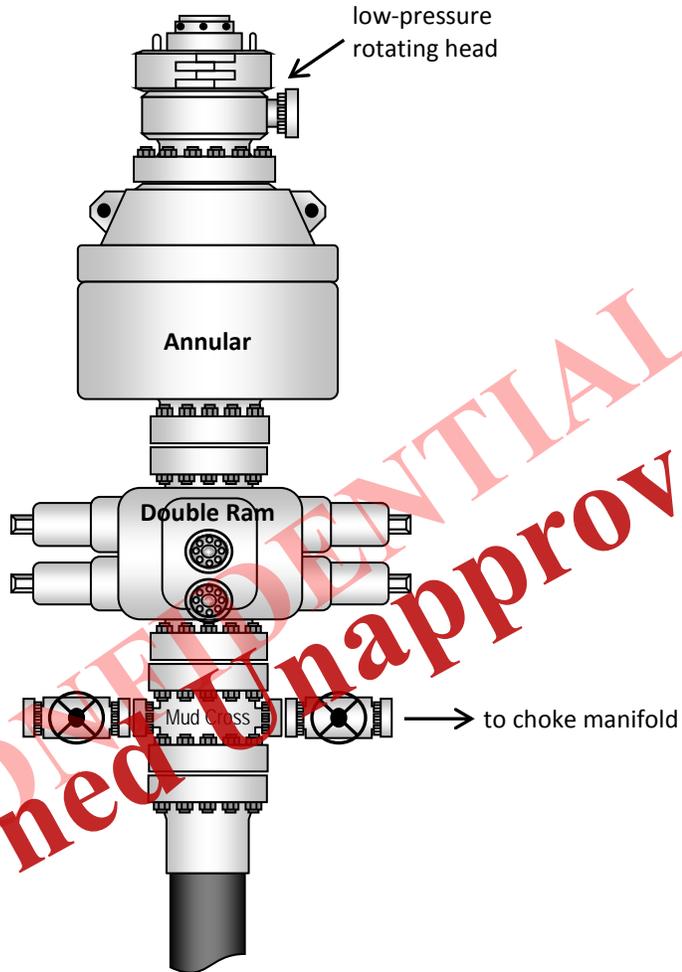
Before me the undersigned, a Notary Public, in and for said County and State, on this 29th day of January, 2014, personally appeared Scott Ramsey, as Land Manager, of Finley Resources Inc., to me known to be the identical person who subscribed the name of the maker therefore to the foregoing instrument, and acknowledged to me that he executed the same as his own free and voluntary act and deed for the uses and purposes therein set forth.

NOTARY PUBLIC
My Commission Expires: 8. 1. 2016

[SEAL]



Typical 5M BOP stack configuration



FINLEY

resources

P.O. Box 2200
Fort Worth, TX 76113
817-231-8735

February 3, 2014

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. – **Deep Creek 25-13A-4-2**
1026' FSL & 767' FWL, SW/4 SW/4, Section 25, T4S, R2E, USB&M
Uintah County, Utah

Dear Diana:

Finley Resources, Inc. respectfully submits this request for exception to spacing (R649-3-3) based on geology 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 neither the surface nor target locations are 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 me at 817-231-8759 should you have any questions or need additional information.

Sincerely,

Zachary Archer
Finley Resources, Inc.
817-231-8759

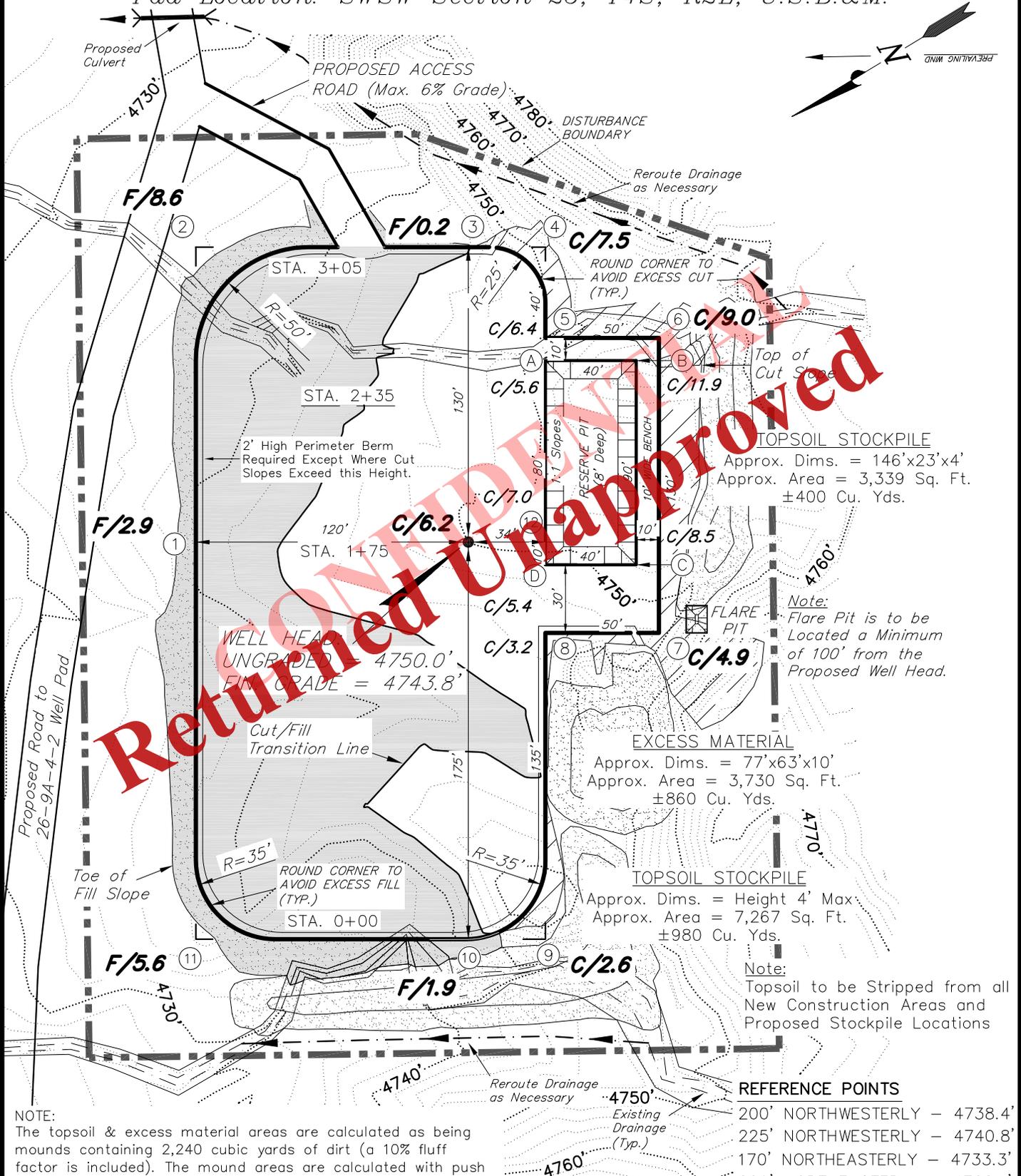
Received: February 03, 2014

FINLEY RESOURCES INC.

PROPOSED LOCATION LAYOUT

25-13A-4-2

Pad Location: SWSW Section 25, T4S, R2E, U.S.B.&M.



Returned Unapproved

NOTE:

The topsoil & excess material areas are calculated as being mounds containing 2,240 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.

REFERENCE POINTS

- 200' NORTHWESTERLY - 4738.4'
- 225' NORTHWESTERLY - 4740.8'
- 170' NORTHEASTERLY - 4733.3'
- 220' NORTHEASTERLY - 4728.1'

SURVEYED BY:	G.D.O.	DATE SURVEYED:	01-30-14
DRAWN BY:	L.C.S.	DATE DRAWN:	01-31-14
SCALE:	1" = 60'	REVISED:	

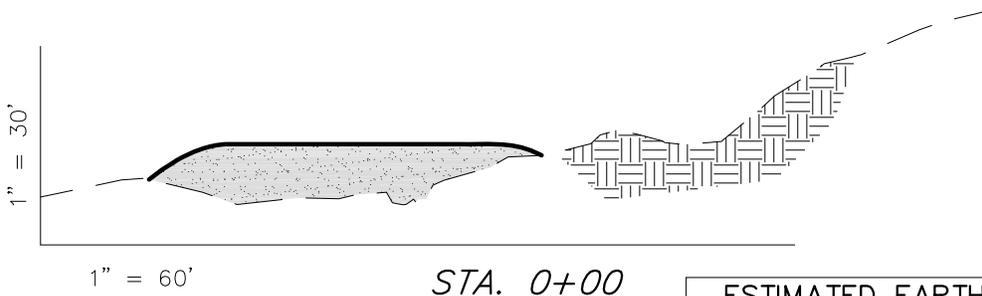
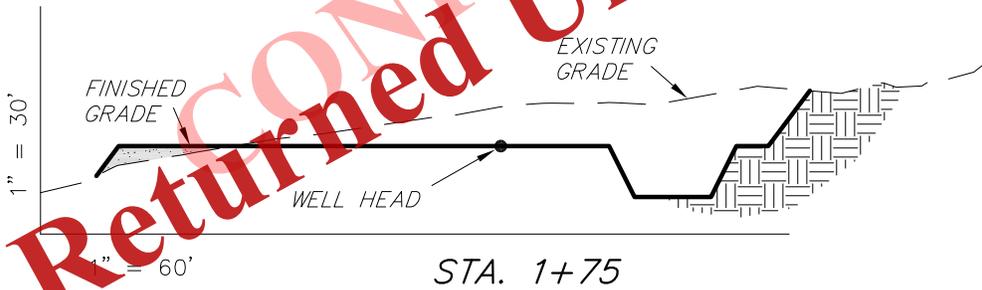
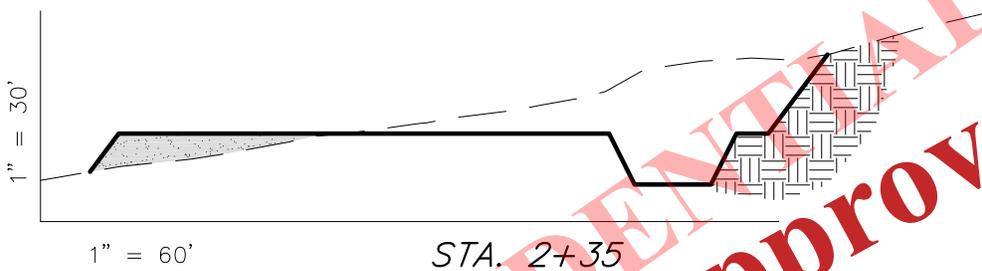
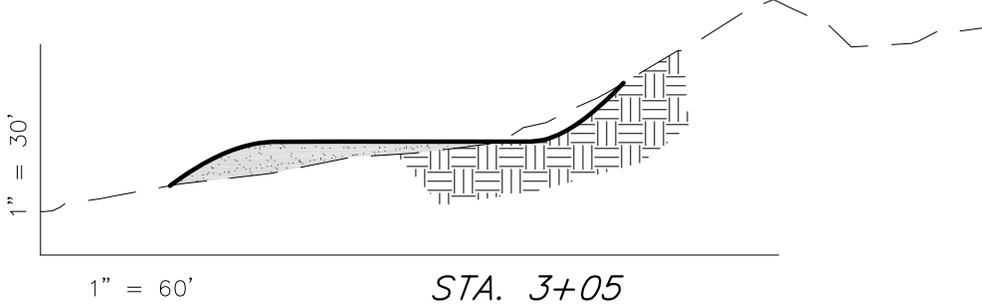
Tri State (435) 781-2501
 Land Surveying, Inc.
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

FINLEY RESOURCES INC.

CROSS SECTIONS

25-13A-4-2

Pad Location: SWSW Section 25, T4S, R2E, U.S.B.&M.



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ESTIMATED EARTHWORK QUANTITIES (No Shrink or swell adjustments have been used) (Expressed in Cubic Yards)				
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	4,440	4,440	Topsoil is not included in Pad Cut Volume	0
PIT	780	0		780
TOTALS	5,220	4,440	1,250	780

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

SURVEYED BY:	G.D.O.	DATE SURVEYED:	01-30-14
DRAWN BY:	L.C.S.	DATE DRAWN:	01-31-14
SCALE:	1" = 60'	REVISED:	

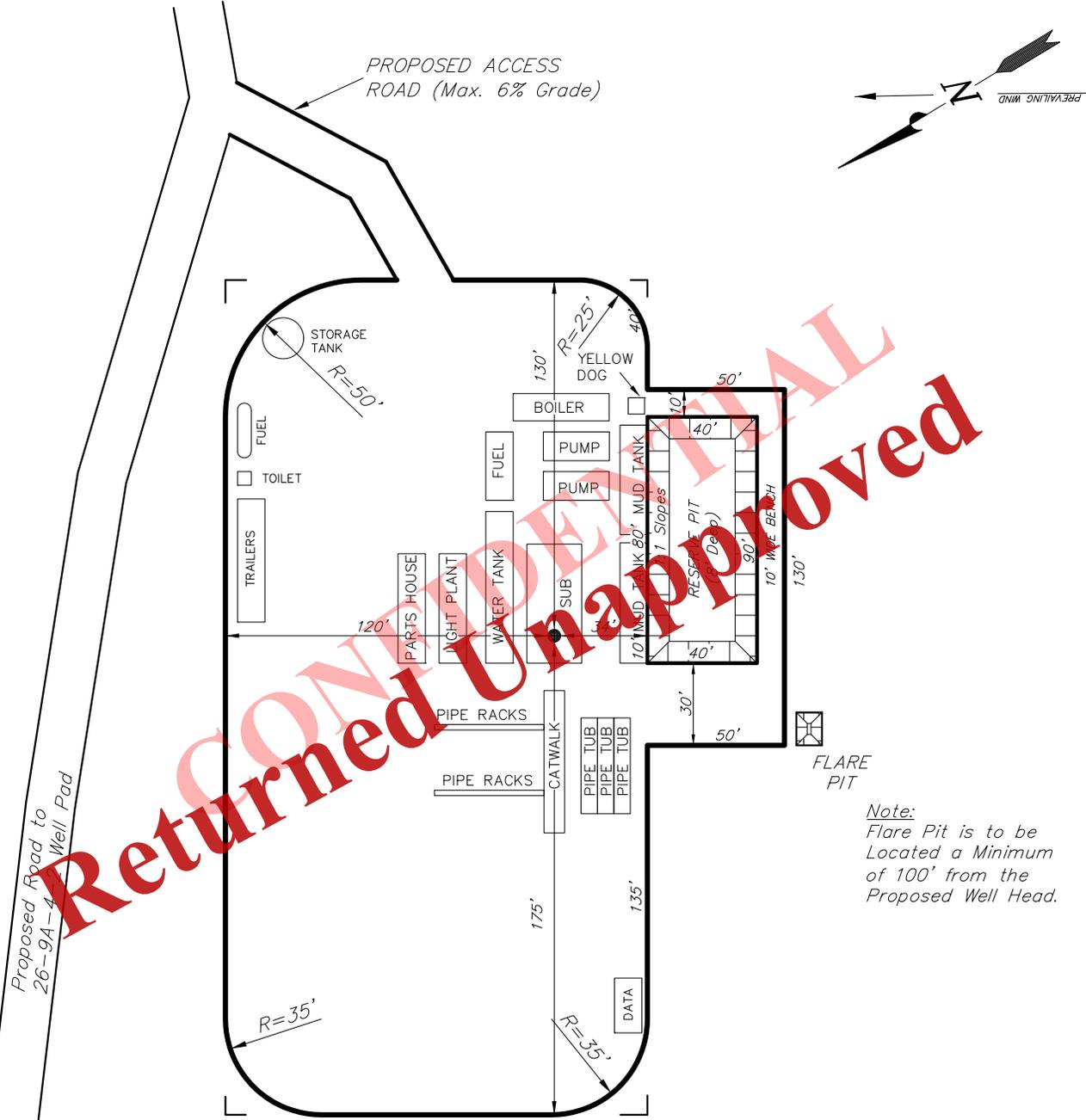
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 180 NORTH VERNAL AVE. VERNAL, UTAH 84078
 (435) 781-2501

FINLEY RESOURCES INC.

TYPICAL RIG LAYOUT

25-13A-4-2

Pad Location: SWSW Section 25, T4S, R2E, U.S.B.&M.



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

SURVEYED BY:	G.D.O.	DATE SURVEYED:	01-30-14
DRAWN BY:	L.C.S.	DATE DRAWN:	01-31-14
SCALE:	1" = 60'	REVISED:	

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

Received: February 03, 2014



GARY R. HERBERT
Governor

SPENCER J. COX
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

February 11, 2014

FINLEY RESOURCES INC
PO Box 2200
Fort Worth, TX 76113

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

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the Deep Creek 25-13A-4-2 well, API 43047542860000 that was submitted February 03, 2014 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



