

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-80566
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator QUINEX ENERGY CORPORATION		7. If Unit or CA Agreement, Name and No.
3a. Address 465 SOUTH 200 WEST BOUNTIFUL, UTAH 84010		8. Lease Name and Well No. JOELYN FEDERAL 1-27
3b. Phone No. (include area code) 1-801-292-3800		9. API Well No. 43-013-34072
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 660 FNL 1980 FWL, SEC. 27, TWP 9 SOUTH, RNG 17 EAST At proposed prod. zone SAME AS ABOVE UTM E 585831.69, N 4428865.83 NAD 27		10. Field and Pool, or Exploratory WILDCAT Undesignated
14. Distance in miles and direction from nearest town or post office* 15.5 MILES SOUTH, SOUTHEAST OF MYTON UTAH		11. Sec., T. R. M. or Blk. and Survey or Area SEC. 27, T9S, R17E NENU
15. Distance from proposed* location to nearest property or lease line, ft. 660' TO THE SECTION LINE 660' FROM LONE TREE UNIT (Also to nearest drig. unit line, if any)		12. County or Parish DUCHESNE
16. No. of acres in lease 1800		13. State UT
17. Spacing Unit dedicated to this well 40		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1293' S OF LONE TREE 14-22-9-17		20. BLM/BIA Bond No. on file KEMPER BOND #3SE 589025-00
19. Proposed Depth 7,000'		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5303 GL		23. Estimated duration 20 DAYS DRILL 20 DAYS COMP
22. Approximate date work will start* 10/01/2008		

24. Attachments

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

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

25. Signature 	Name (Printed/Typed) DeForrest Smouse	Date 04/04/2007
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Title
PRESIDENT

Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 09-09-08
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Title
ENVIRONMENTAL MANAGER

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

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.

**Federal Approval of this
Action is Necessary**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No. UTU-80566	
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA Agreement, Name and No.	
8. Lease Name and Well No. JOELYN FEDERAL 1-27	
9. API Well No. 43-013-34072	
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1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone	11. Sec., T. R. M. or Blk. and Survey or Area SEC. 29, T9S, R17E
2. Name of Operator QUINEX ENERGY CORPORATION	
3a. Address 465 SOUTH 200 WEST BOUNTIFUL, UTAH 84010	3b. Phone No. (include area code) 1-801-292-3800
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 660 FNL 1980 FWL, SEC. 27, TWP 9 SOUTH, RNG 17 EAST At proposed prod. zone 585 837 * 4428845 Y 40.007507 -109.994331	
12. County or Parish DUCHESNE	
13. State UT	
14. Distance in miles and direction from nearest town or post office* 15.5 MILES SOUTH, SOUTHEAST OF MYTON UTAH	17. Spacing Unit dedicated to this well 40
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| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature	Name (Printed/Typed) DeForrest Smouse	Date 04/04/2007
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Title
PRESIDENT

Approved by (Signature)	Name (Printed/Typed)	Date
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Title	Office
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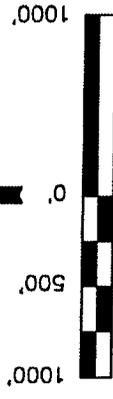
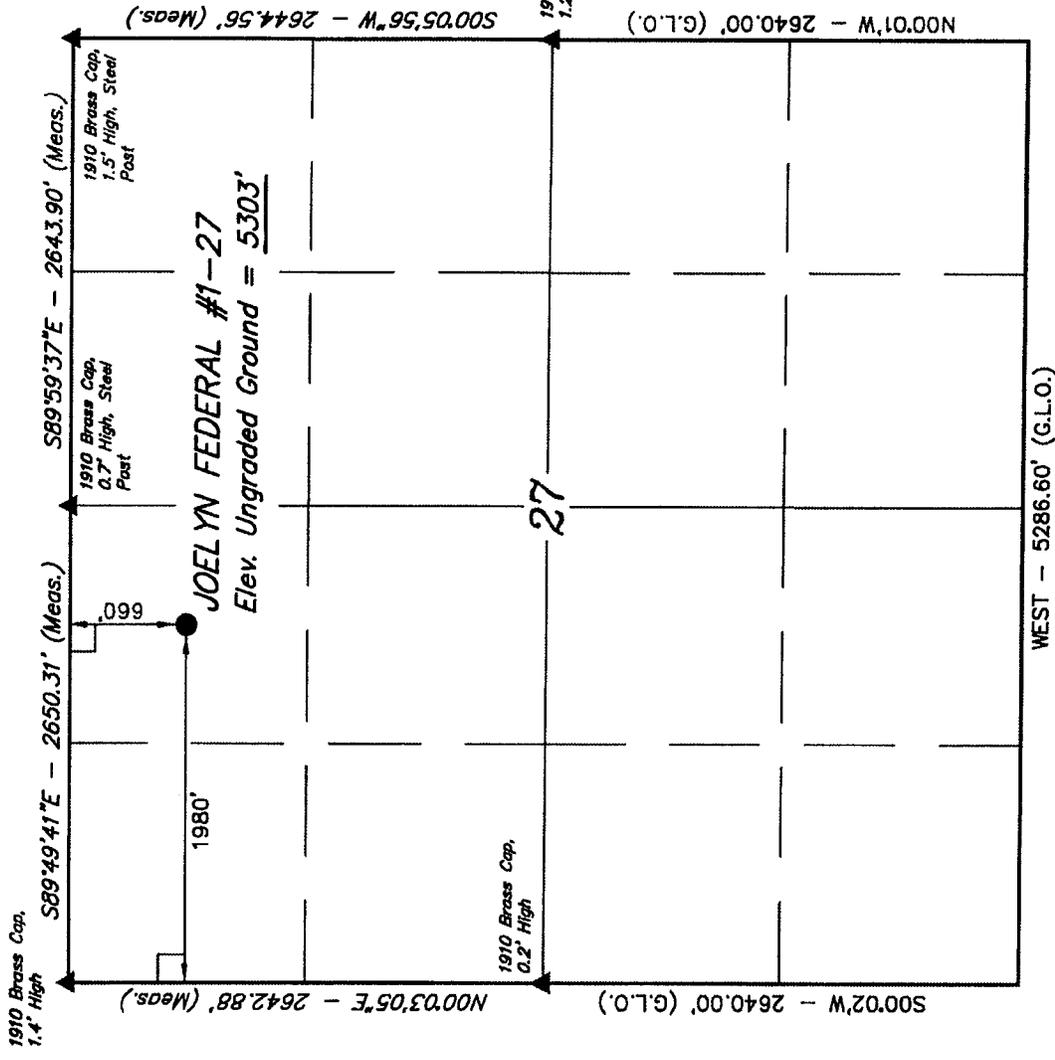
T9S, R17E, S.L.B.&M.

QUINEX ENERGY CORP.

Well location, JOELYN FEDERAL #1-27, located as shown in the NE 1/4 NW 1/4 of Section 27, T9S, R17E, S.L.B.&M., Duchesne County, Utah.

BASIS OF ELEVATION

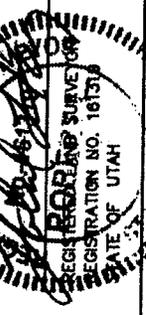
SPOT ELEVATION LOCATED AT THE NORTHWEST CORNER OF SECTION 23, T9S, R17E, S.L.B.&M. TAKEN FROM THE PARIETTE DRAW SW, QUADRANGLE, UTAH, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5198 FEET.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



Revised: 08-15-08 K.G.

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

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	11-28-06	11-30-06
PARTY	REFERENCES	
G.O. B.B. C.H.	G.L.O. PLAT	
WEATHER	FILE	
COLD	QUINEX ENERGY CORP.	

BASIS OF BEARINGS

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

- (AUTONOMOUS NAD 83)
- LATITUDE = 40°00'26.60" (40.007389)
- LONGITUDE = 109°59'42.47" (109.995131)
- (AUTONOMOUS NAD 27)
- LATITUDE = 40°00'26.73" (40.007425)
- LONGITUDE = 109°59'39.93" (109.994425)

LEGEND:

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