

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

FORM 3

AMENDED REPORT

|   |  |   |
|---|--|---|
| <b>APPLICATION FOR PERMIT TO DRILL</b>  |  | <b>1. WELL NAME and NUMBER</b><br>KENDALL 12-17-3-1E  |
| <b>2. TYPE OF WORK</b><br>DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/> |  | <b>3. FIELD OR WILDCAT</b><br>WILDCAT   |
| <b>4. TYPE OF WELL</b><br>Oil Well      Coalbed Methane Well: NO  |  | <b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>  |
| <b>6. NAME OF OPERATOR</b><br>UTE ENERGY UPSTREAM HOLDINGS LLC  |  | <b>7. OPERATOR PHONE</b><br>720 420-3235  |
| <b>8. ADDRESS OF OPERATOR</b><br>1875 Lawrence St Ste 200, Denver, CO, 80202  |  | <b>9. OPERATOR E-MAIL</b><br>rgarrison@uteenergy.com  |
| <b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b><br>FEE  | <b>11. MINERAL OWNERSHIP</b><br>FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>    | <b>12. SURFACE OWNERSHIP</b><br>FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| <b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b><br>MIKE KENDALL  |  | <b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b><br>801-546-2230  |
| <b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b><br>1638 E. GORDON AVE, ,  |  | <b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>   |
| <b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>   | <b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b><br>YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/> | <b>19. SLANT</b><br>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             | 2260 FSL 483 FWL | NWSW    | 17      | 3.0 S    | 1.0 E | U        |
| Top of Uppermost Producing Zone | 2260 FSL 483 FWL | NWSW    | 17      | 3.0 S    | 1.0 E | U        |
| At Total Depth                  | 2260 FSL 483 FWL | NWSW    | 17      | 3.0 S    | 1.0 E | U        |

|   |   |  |
|---|---|--|
| <b>21. COUNTY</b><br>UINTAH   | <b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b><br>483 | <b>23. NUMBER OF ACRES IN DRILLING UNIT</b><br>40  |
| <b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b><br>920 | <b>26. PROPOSED DEPTH</b><br>MD: 9988    TVD: 9988      |  |
| <b>27. ELEVATION - GROUND LEVEL</b><br>5009   | <b>28. BOND NUMBER</b><br>LPM9032132                    | <b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b><br>437478 |

**Hole, Casing, and Cement Information**

| String | Hole Size | Casing Size | Length   | Weight | Grade & Thread | Max Mud Wt. | Cement         | Sacks | Yield | Weight |
|--------|-----------|-------------|----------|--------|----------------|-------------|----------------|-------|-------|--------|
| SURF   | 12.25     | 8.625       | 0 - 1000 | 24.0   | J-55 ST&C      | 8.4         | Class G        | 450   | 1.15  | 15.8   |
| PROD   | 7.875     | 5.5         | 0 - 9988 | 17.0   | N-80 LT&C      | 10.0        | Light (Hibond) | 300   | 3.66  | 10.5   |
|        |           |             |          |        |                |             | Class G        | 150   | 2.95  | 11.0   |
|        |           |             |          |        |                |             | Class G        | 450   | 1.65  | 13.0   |

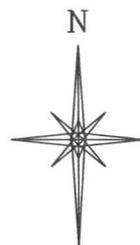
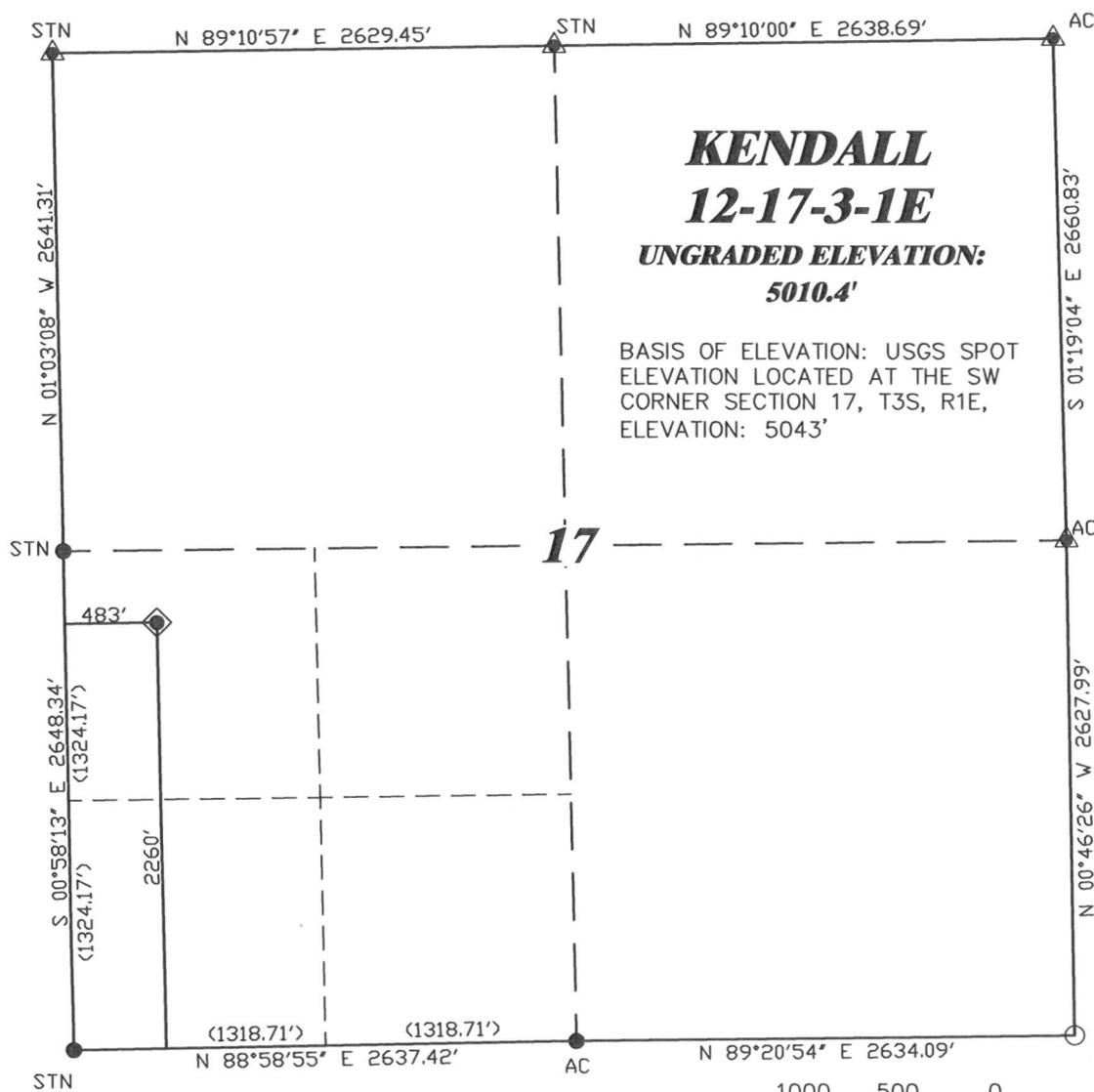
**ATTACHMENTS**

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                      |

|  |  |                                     |
|--|--|-------------------------------------|
| <b>NAME</b> Jenn Mendoza                     | <b>TITLE</b> Regulatory Specialist   | <b>PHONE</b> 720 420-3229           |
| <b>SIGNATURE</b>                             | <b>DATE</b> 09/12/2012   | <b>EMAIL</b> jmendoza@uteenergy.com |
| <b>API NUMBER ASSIGNED</b><br>43047531010000 | <b>APPROVAL</b><br><br><br>Permit Manager |                                     |

**R. 1 E.**



SCALE 1" = 1000'

**T. 3 S.**

**KENDALL  
12-17-3-1E  
UNGRADED ELEVATION:  
5010.4'**

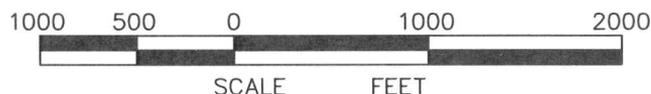
BASIS OF ELEVATION: USGS SPOT  
ELEVATION LOCATED AT THE SW  
CORNER SECTION 17, T3S, R1E,  
ELEVATION: 5043'

**LATITUDE (NAD 83)**  
NORTH 40.221128 DEG.  
**LONGITUDE (NAD 83)**  
WEST 109.914519 DEG.

**LATITUDE (NAD 27)**  
NORTH 40.221168 DEG.  
**LONGITUDE (NAD 27)**  
WEST 109.913817 DEG.

**NORTHING**  
691533.87  
**EASTING**  
2442906.50

**DATUM**  
SPCS UTC (NAD 27)

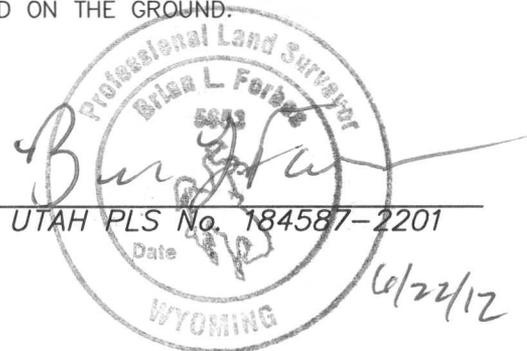


**SURVEYOR'S STATEMENT**

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 JUNE 14, 2012 AND THAT THIS PLAT CORRECTLY SHOWS THE LOCATION OF KENDALL 12-17-3-1E AS STAKED ON THE GROUND.

**LEGEND**

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



|   |  |   |  |
|---|--|---|--|
| <p><b>DRG RIFFIN &amp; ASSOCIATES, INC.</b><br/>1414 ELK ST., ROCK SPRINGS, WY 82901<br/>(307) 362-5028</p> |  | <p><b>PLAT OF DRILLING LOCATION<br/>FOR<br/>UTE ENERGY</b></p>  |  |
| <p><b>DRAWN: 6/21/12 - NDP</b></p>  |  | <p><b>SCALE: 1" = 1000'</b></p>   |  |
| <p><b>REVISED: NA</b></p>   |  | <p><b>DRG JOB No. 19309</b></p>   |  |
|   |  | <p><b>2260' F/SL &amp; 483' F/WL, NWSW, SECTION 17,<br/>T. 3 S., R 1 E., U.S.M.<br/>UINTAH COUNTY, UTAH</b></p> |  |
|   |  | <p><b>EXHIBIT 1</b></p>   |  |