

**FILED**

MAY 28 2013

SECRETARY, BOARD OF  
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF QEP ENERGY COMPANY FOR AN ORDER AUTHORIZING THE FLARING OF GAS IN EXCESS OF THE AMOUNTS ALLOWED UNDER UTAH ADMIN. CODE RULE R649-3-20(1.1) FROM A TOTAL OF SIX WELLS LOCATED WITHIN TOWNSHIP 10 SOUTH, RANGES 17 AND 18 EAST, DUCHESNE AND UINTAH COUNTIES, UTAH

**PETITIONER'S EXHIBITS**

Docket No. 2013-017

Cause No. 259-03

Pursuant to Utah Admin. Code Rule R641-105-500, Petitioner QEP Resources Company ("QEP"), by and through its counsel of record, Beatty & Wozniak, P.C., hereby respectfully submits the following exhibits intended to be offered into evidence in support of its Request for Agency Action ("RAA") at the June 26, 2013 hearing on this cause:

- EXHIBIT "1"** – General Utah Index plat (1 page).
- EXHIBIT "2"** – Plat reflecting location of wells and unit boundaries (1 page).
- EXHIBIT "3"** – Plat reflecting boundary of Nautilus (Green River) Unit (1 page).
- EXHIBIT "4"** – Plat reflecting boundary of Scylla (Green River) Unit (1 page).
- EXHIBIT "5"** – Plat reflecting boundary of Nemo (Green River) Unit (1 page).

- EXHIBIT “6”** – Ownership Information for the WR16G-32-10-17 Well (1 page).
- EXHIBIT “7”** – Ownership Information for the WRB 16G-17-10-17 Well (1 page).
- EXHIBIT “8”** – Ownership Information for the RB DS 1G-7-10-18 Well (1 page).
- EXHIBIT “9”** – Ownership Information for the RB DS 14G-8-10-18 Well (1 page).
- EXHIBIT “10”** – Ownership Information for the RB DS 14G-6-10-18 Well (1 page).
- EXHIBIT “11”** – Ownership Information for the RB DS 14G-7-10-18 Well (1 page).
- EXHIBIT “12”** – Copies of Sundry Notices approving flaring by the BLM for the WR 16G-17-10-17, RB DS Fed 14G-8-10-18 and DS 14G-6-10-18 Wells (9 pages).
- EXHIBIT “13”** – Letter dated April 18, 2013, from QEP to the School and Institutional Trust Lands Administration forwarding a royalty payment for the excess gas flared from the WR 16G-32-10-17 Well (2 pages).
- EXHIBIT “14”** – Gas Analysis for all of the subject wells except the recently completed DS 14G-7-10-18 Well. QEP should have the gas analysis for this well by the date of the hearing (5 pages).
- EXHIBIT “15”** – Right-of-Way Applications submitted by QEP to date (6 pages).
- EXHIBIT “16”** – Examples of Well Interdependency (1 page).

**EXHIBIT “17”** – Plat showing horizontal v. vertical well development (1 page).

Respectfully submitted this 28th day of May, 2013.

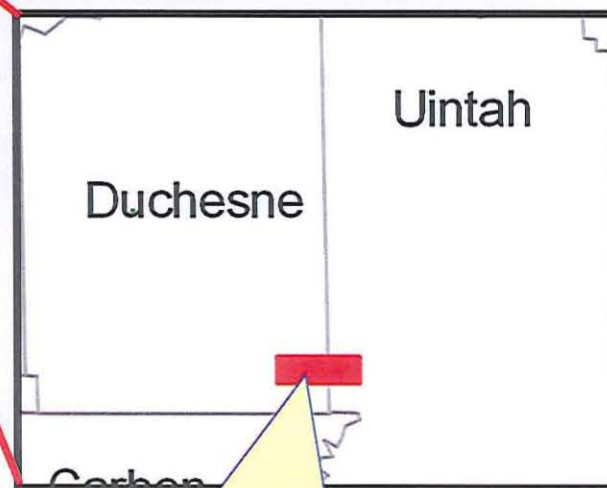
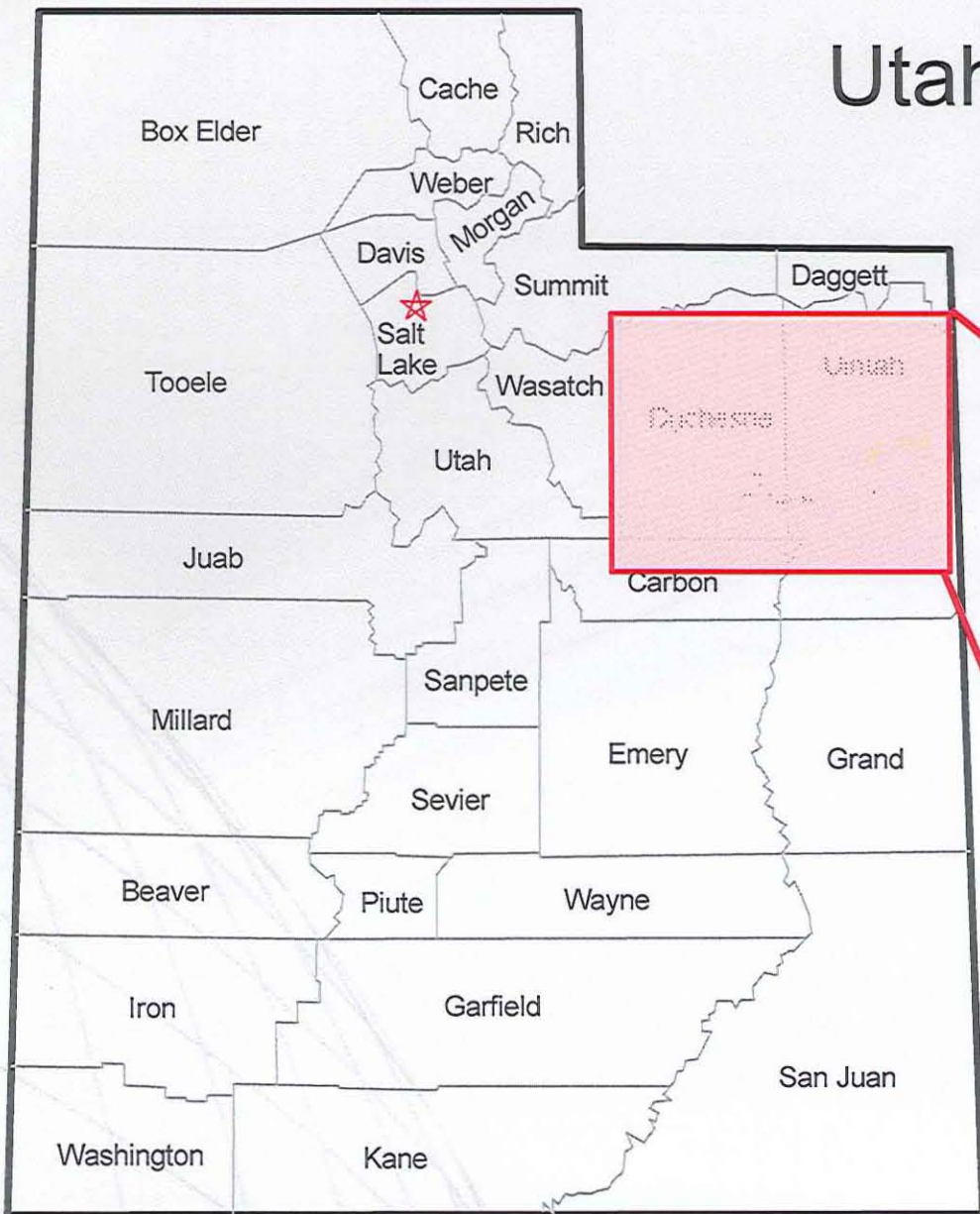
**BEATTY & WOZNIAK, P.C.**

By:  \_\_\_\_\_

William E. Ward  
7440 Creek Road, Suite 300  
Sandy, UT 84093  
Telephone: (801) 566-8446  
Facsimile: (801) 566-8447  
E-Mail: [WWard@bwenergylaw.com](mailto:WWard@bwenergylaw.com)  
Attorneys for Petitioner QEP Resources  
Company

6504.0093  
270732

# Utah Index



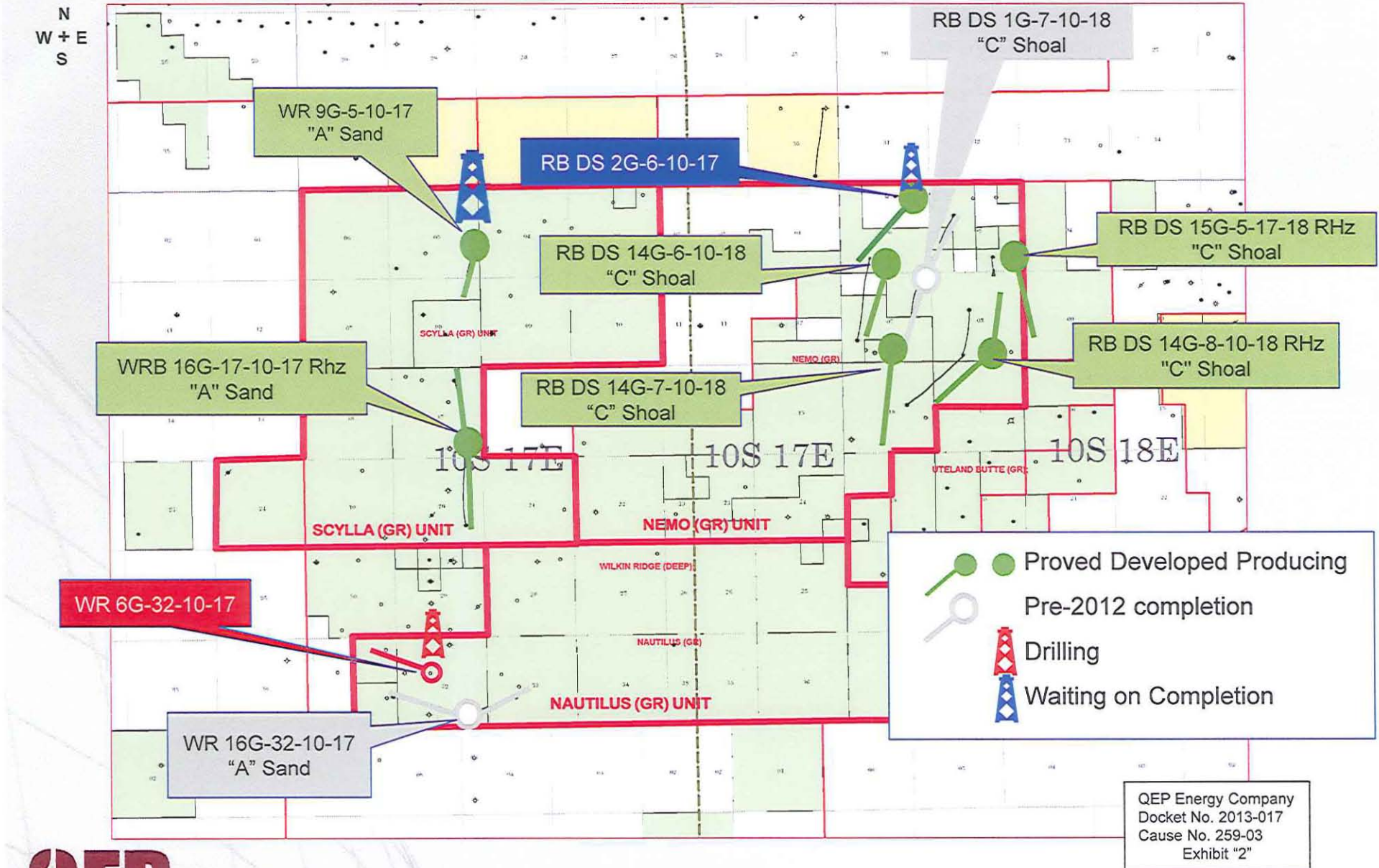
Pendragon -Wilkin Ridge Area

QEP Energy Company  
Docket No. 2013-017  
Cause No. 259-03  
Exhibit "1"





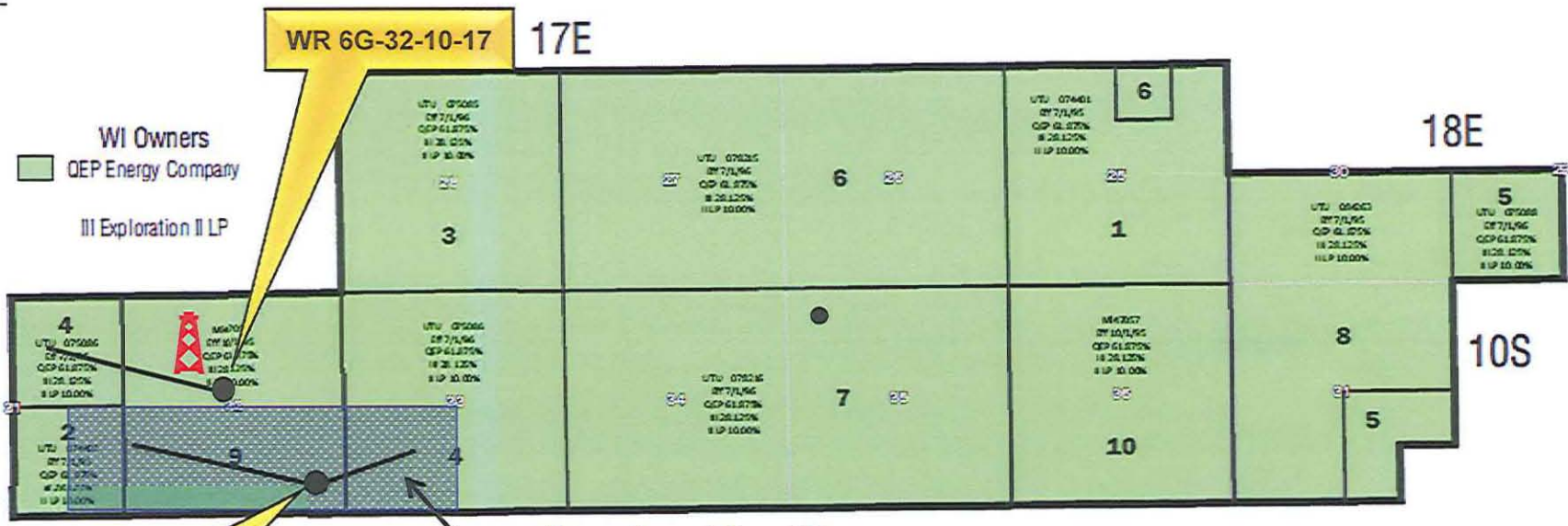
# Pendragon 2012-13 Drilling Program Status to Date



QEP Energy Company  
 Docket No. 2013-017  
 Cause No. 259-03  
 Exhibit "2"



N  
W + E  
S



WR 16G-32-10-17

WR 6G-32-10-17 17E

Initial Green River PA "A"  
560.00 areas – eff. January 20, 2011

Unit tract number  
**3**  
Tract boundary  
Unit boundary (proposed)

	Acres	% of Total
Federal Lands	5,880.00	82.12%
State Lands	1,280.00	17.88%
<b>TOTAL</b>	<b>7,160.00</b>	<b>100.00%</b>

QEP Energy Company 61.875%  
III Exploration II, LP 38.125%



## Nautilus (Green River) Unit

FROM THE SURFACE TO THE BASE  
OF THE GREEN RIVER FORMATION

Uintah and Duchesne Counties, Utah

QEP Energy Company  
Docket No. 2013-017  
Cause No. 259-03  
Exhibit "3"





N  
W + E  
S

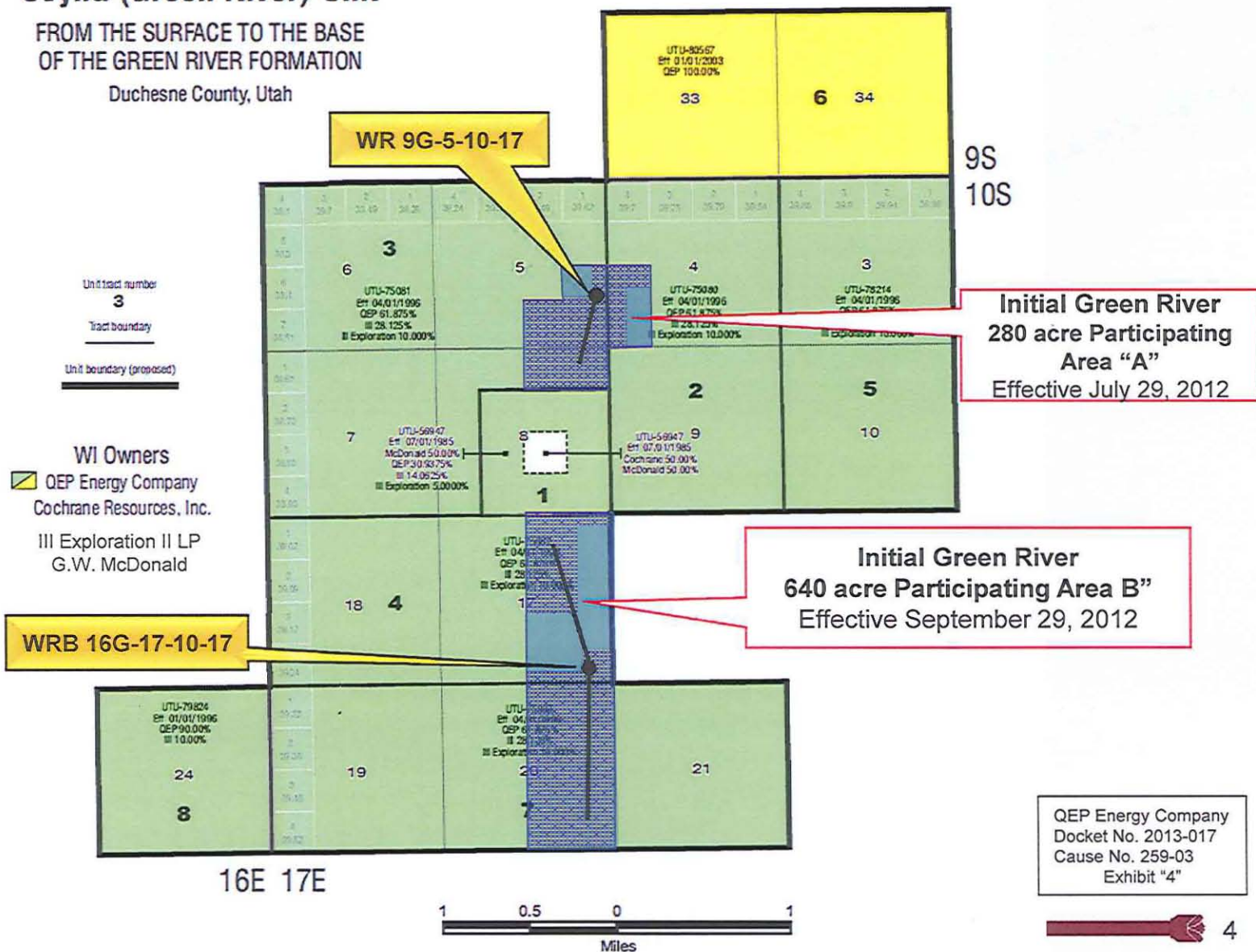


	Acreage	% of Total
Federal Lands	10,217.54	100.00%
State Lands	0.00	0.00%
<b>TOTAL</b>	<b>10,217.54</b>	<b>100.00%</b>

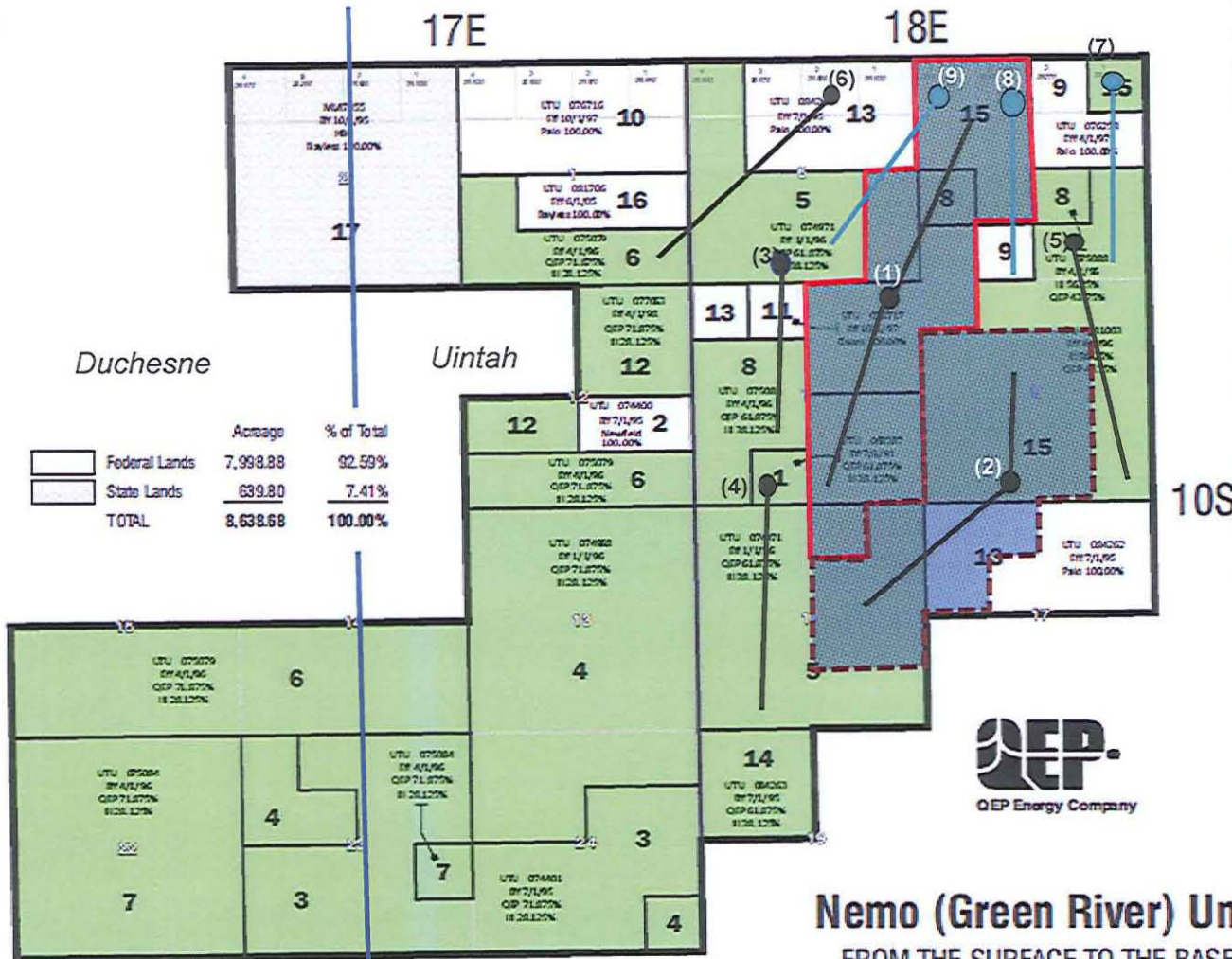
## Scylla (Green River) Unit

FROM THE SURFACE TO THE BASE  
OF THE GREEN RIVER FORMATION

Duchesne County, Utah



N  
W + E  
S



	Acres	% of Total
Federal Lands	7,998.88	92.59%
State Lands	639.80	7.41%
<b>TOTAL</b>	<b>8,638.68</b>	<b>100.00%</b>

Unit tract number  
**3**

Tract boundary  
---

Unit boundary (proposed)  
---

**WI Owners**

QEP Energy Company

Palo Production Corporation  
III Exploration II LP

Newfield Production Company

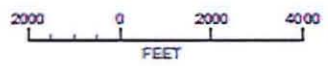
Robert L. Bayless Producer LLC

Gasco Production Company

Wapiti Energy, LLC



**Nemo (Green River) Unit**  
FROM THE SURFACE TO THE BASE  
OF THE GREEN RIVER FORMATION  
Uintah and Duchesne Counties, Utah



- Order of Wells**
- 1) DS 1G-7-10-18  
Initial GR PA "A"  
759.72 acres  
Eff. July 26, 2011
  - 2) DS 14G-8-10-18  
1st Revision of PA "A"  
In the works  
1,439.72 acres
  - 3) DS 14G-6-10-18
  - 4) DS 14G-7-10-18
  - 5) DS 15G-5-10-18
  - 6) DS 2G-6-10-18
- 2013 Future Drilling**
- 7) DS 1G-5-10-18
- 2014 Future Drilling**
- 8) DS 3G-5-10-18
  - 9) DS 4G-5-10-18

QEP Energy Company  
Docket No. 2013-017  
Cause No. 259-03  
Exhibit "5"





## Nautilus Unit - Well Ownership:

➤ WR 16G-32-10-17: DOFP – January 20, 2011

### Working Interest Owners

QEP Energy Company	61.8750%
III Exploration II, LP	38.1250%

### Royalty Interest Owners

<i>Lessor:</i>	<i>Original Lessee:</i>	<i>Lease No.</i>	<i>Lease Date</i>	<i>Lease Status</i>
SITLA	Gerrity Oil & Gas Corporation	ML-47056	10-6-1995	HBP
BLM	D. Scott Hays	UTU-74402	7-1-1995	HBP
BLM	Wilbanks Corporation	UTU-75086	4-1-1996	HBP

### Overriding Royalty Interest Owners

Noble Energy Inc.  
Roger Hively Management Trust  
Petrex Corporation



QEP Energy Company  
Docket No. 2013-017  
Cause No. 259-03  
Exhibit "6"

# Scylla Unit - Well Ownership:

➤ WRB 16G-17-10-17: DOFP – September 29, 2012

## Working Interest Owners

QEP Energy Company	61.8750%
III Exploration II, LP	38.1250%

## Royalty Interest Owners

<i>Lessor:</i>	<i>Original Lessee:</i>	<i>Lease No.</i>	<i>Lease Date</i>	<i>Lease Status</i>
BLM	Wilbanks Corporation	UTU-75082	4-1-1996	HBP
BLM	Wilbanks Corporation	UTU-75083	4-1-1996	HBP

## Overriding Royalty Interest Owners

Noble Energy Inc.  
Roger Hively Management Trust  
Cochrane Resources, Inc.  
LVL Inc.  
Gundi B. Hays  
Patricia McDonald Chandler Trust

QEP Energy Company  
Docket No. 2013-017  
Cause No. 259-03  
Exhibit "7"





## NEMO Unit - Well Ownership:

➤ RB DS 1G-7-10-18: DOFP – July 26, 2011

### Working Interest Owners

QEP Energy Company	52.8125%
III Exploration II, LP	47.1875%

### Royalty Interest Owners

<i>Lessor:</i>	<i>Original Lessee:</i>	<i>Lease No.</i>	<i>Lease Date</i>	<i>Lease Status</i>
BLM	Sonja V. McCormick	UTU-74971	4-1-1996	HBP
BLM	Wilbanks Corporation	UTU-88069	4-1-1996	HBP
BLM	Turner Petroleum Land Service, Inc.	UTU-81003	2-1-2004	HBP

### Overriding Royalty Interest Owners

Noble Energy Inc.

Roger Hively Management Trust



QEP Energy Company  
Docket No. 2013-017  
Cause No. 259-03  
Exhibit "8"



## NEMO Unit - Well Ownership:

➤ RB DS 14G-8-10-18: DOFP – July 12, 2011

### Working Interest Owners

QEP Energy Company	52.8125%
III Exploration II, LP	47.1875%

### Royalty Interest Owners

<i>Lessor:</i>	<i>Original Lessee:</i>	<i>Lease No.</i>	<i>Lease Date</i>	<i>Lease Status</i>
BLM	Palo Production Corp.	UTU-84262	7-1-1995	HBP
BLM	Sonja V. McCormick	UTU-74971	4-1-1996	HBP
BLM	Wilbanks Corporation	UTU-88069	4-1-1996	HBP
BLM	Turner Petroleum Land Services, Inc.	UTU-81003	2-1-2004	HBP

### Overriding Royalty Interest Owners

Noble Energy Inc.  
Roger Hively Management Trust  
Palo Production Corp.



QEP Energy Company  
Docket No. 2013-017  
Cause No. 259-03  
Exhibit "9"

## NEMO Unit - Well Ownership:

➤ RB DS 14G-6-10-18: DOFP – March 30, 2013

### Working Interest Owners

QEP Energy Company	44.196429%
III Exploration II, LP	27.232143%
Robert L. Bayless, Producer LLC	14.285714%
Gasco Production Company	7.142857%
Wapiti Energy, LLC	7.142857%

### Royalty Interest Owners

<i>Lessor:</i>	<i>Original Lessee:</i>	<i>Lease No.</i>	<i>Lease Date</i>	<i>Lease Status</i>
BLM	Palo Production Corp.	UTU-84262	7-1-1995	HBP
BLM	Sonja V. McCormick	UTU-74971	4-1-1996	HBP
BLM	Wilbanks Corporation	UTU-88069	4-1-1996	HBP
BLM	CNG Producing Co.	UTU-76717	10-1-1997	HBP

### Overriding Royalty Interest Owners

Noble Energy Inc.  
 Roger Hively Management Trust  
 Palo Production Corp.  
 Robin Dean  
 Thomas G. Fails  
 Paul Hayes  
 Dawne F. Meyer  
 Howard O. Sharpe, Trust  
 Gasco Production Company

QEP Energy Company  
 Docket No. 2013-017  
 Cause No. 259-03  
 Exhibit "10"





## NEMO Unit - Well Ownership:

➤ RB DS 14G-7-10-18: DOFP – April 24, 2013

### Working Interest Owners

QEP Energy Company	61.8750%
III Exploration II, LP	38.1250%

### Royalty Interest Owners

<i>Lessor:</i>	<i>Original Lessee:</i>	<i>Lease No.</i>	<i>Lease Date</i>	<i>Lease Status</i>
BLM	Oakmont Corporation	UTU-68387	7-1-1991	HBP
BLM	Sonja V. McCormick	UTU-74971	4-1-1996	HBP
BLM	Wilbanks Corporation	UTU-88069	4-1-1996	HBP

### Overriding Royalty Interest Owners

Chatfield Company  
Noble Energy Inc.  
Roger Hively Management Trust  
J. Robert Outerbridge



QEP Energy Company  
Docket No. 2013-017  
Cause No. 259-03  
Exhibit "11"



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
UTU75082

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

7. If Unit or CA/Agreement, Name, and/or No.

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
WEST RIVER BEND 16-17-10-17

2. Name of Operator  
QEP ENERGY COMPANY

Contact: JAN NELSON  
E-Mail: jan.nelson@qepres.com

9. API Well No.  
43-013-32057-00-S1

3a. Address  
11002 EAST 17500 SOUTH  
VERNAL, UT 84078

3b. Phone No. (include area code)  
Ph: 435.781.4331  
Fx: 435.781.4395

10. Field and Pool, or Exploratory  
WILDCAT

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 17 T10S R17E SESE 483FSL 1002FEL

11. County or Parish, and State  
DUCHESNE COUNTY, UT

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Venting and/or Flaring
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

QEP ENERGY COMPANY REQUESTS AUTHORIZATION TO FLARE GAS BEYOND THE 30 DAY LIMIT ESTABLISHED IN NTL-4A. THE WELL IS LOCATED APPROXIMATELY 6 MILES FROM THE NEAREST GAS GATHERING SYSTEM, THREE RIVERS PIPELINE. THE WELL STARTED PRODUCING 9/30/12, AND THE INITIAL PRODUCTION FOR THE WELL WAS APPROXIMATELY 306 BBLS OIL, 117 BBLS WATER, AND THE FIRST METERED GAS WAS 9/30/12, 51 MCFD. THE WELL IS CURRENTLY MAKING APPROXIMATELY 387 BBLS OIL, 48 BBLS WATER, 98 MCFD.

QEP ENERGY COMPANY IS CURRENTLY WORKING TO PERMIT A GAS GATHERING SYSTEM FOR THIS FIELD AND WILL BE SUBMITTING R-O-W PERMITS IN THE NEAR FUTURE. IT IS ESTIMATED THAT THE R-O-W WILL TAKE APPROXIMATELY 18 MONTHS TO PERMIT AND WITH CONSTRUCTION TIME INCLUDED. QEP REQUESTS APPROVAL TO FLARE GAS ON THIS WELL FOR A MINIMUM OF TWO YEARS WITH A REVIEW OF THE AREA AND ADJACENT WELLS IN THE LATER PART OF 2013.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #161651 verified by the BLM Well Information System  
For QEP ENERGY COMPANY, sent to the Vernal  
Committed to AFMSS for processing by ROBIN R. HANSEN on 01/02/2013 (13RRH6127SE)

Name (Printed/Typed) JAN NELSON

Title PERMIT AGENT

Signature (Electronic Submission)

Date 12/04/2012

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By JERRY KENCZKA

Title AFM FOR MINERAL RESOURCES

Date 01/04/2013

Conditions of approval, if any, are attached. Approval of this notice 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.

Office Vernal

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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**Revisions to Operator-Submitted EC Data for Sundry Notice #161651**

	<b>Operator Submitted</b>	<b>BLM Revised (AFMSS)</b>
Sundry Type:	FLARE NOI	FLARE NOI
Lease:	UTU75082	UTU75082
Agreement:	UTU88573X	
Operator:	QEP ENERGY COMPANY 11002 EAST 17500 SOUTH VERNAL, UT 84078 Ph: 435-781-4331	QEP ENERGY COMPANY 11002 EAST 17500 SOUTH VERNAL, UT 84078 Ph: 435-781-4032 Fx: 435-781-4045
Admin Contact:	JAN NELSON PERMIT AGENT E-Mail: jan.nelson@qepres.com Cell: 435-828-8719 Ph: 435-781-4331 Fx: 435-781-4395	JAN NELSON PERMIT AGENT E-Mail: jan.nelson@qepres.com Cell: 435.828.8719 Ph: 435.781.4331 Fx: 435.781.4395
Tech Contact:	JAN NELSON PERMIT AGENT E-Mail: jan.nelson@qepres.com Cell: 435-828-8719 Ph: 435-781-4331 Fx: 435-781-4395	JAN NELSON PERMIT AGENT E-Mail: jan.nelson@qepres.com Cell: 435.828.8719 Ph: 435.781.4331 Fx: 435.781.4395
Location:		
State:	UT	UT
County:	DUCHESNE	DUCHESNE
Field/Pool:	EIGHT MILE FLAT	WILDCAT
Well/Facility:	WEST RIVER BEND 16-17-10-17 Sec 17 T10S R17E Mer SLB SESE 483FSL 1022FEL	WEST RIVER BEND 16-17-10-17 Sec 17 T10S R17E SESE 483FSL 1002FEL

# CONDITIONS OF APPROVAL

## QEP Energy

### Notice of Intent Request to Vent/Flare Gas

Lease: UTU-75082  
Well: WRB 16-17-10-17  
Location: SESE Sec 17, T10S, R17E

#### GOVERNMENT CONTACTS BUREAU OF LAND MANAGEMENT - VERNAL FIELD OFFICE 170 South 500 East, Vernal, Utah 84078 (435) 781-4400

Petroleum Engineer: Robin L Hansen	Cell: 828-7628	Office: 781-2777
Petroleum Engineer: Michael Lee	Cell: 828-7875	Office: 781-4432
Suprv. I&E Inspector: Randy Bywater	Cell: 828-7754	Office: 781-4489
Branch Chief I&E: Johnny Bowen	Cell: 828-7501	Office: 781-4412

Temporary permission to flare produced gas is approved as requested with the following condition:

1. The vented gas past the 30 day limit established in NTL-4A shall be metered and reported to ONRR.
2. The vented gas shall be incinerated through a flair stack that is maintained and operational for all gas that is vented from the wellhead.
3. The Operator will test the efficiency of controls annually and ensure that flaring/combustors meet >90% efficiency. The test will be reported to the BLM by Sundry.
4. This approval is effective for a period of one year from the date of the well completion. Prior to the one year anniversary, operator will meet with the appropriate AO in the Vernal Field Office and show that a plan is in progress to market the wellhead gas.

If you have any other questions concerning this matter, please contact Robin L Hansen of this office at (435) 781-2777



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

<b>SUBMIT IN TRIPLICATE - Other Instructions on reverse side.</b>		5. Lease Serial No. UTU81003
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No. UTU87719X
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. RB DS FED 14G-8-10-18	
2. Name of Operator QEP ENERGY COMPANY	Contact: VALYN DAVIS E-Mail: Valyn.Davis@qepres.com	9. API Well No. 43-047-35933-00-S1
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435-781-4369 Fx: 435-781-4395	10. Field and Pool, or Exploratory DESERT SPRING
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  Sec 8 T10S R18E SESW 461FSL 1783FWL 39.952470 N Lat, 109.920370 W Lon		11. County or Parish, and State  UINTAH COUNTY, UT

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Venting and/or Flaring
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

QEP ENERGY COMPANY REQUESTS AUTHORIZATION TO FLARE GAS BEYOND THE 30 DAY LIMIT ESTABLISHED IN NTL-4A. THE WELL IS LOCATED APPROXIMATELY 6 MILES FROM THE NEAREST GAS GATHERING SYSTEM, THE THREE RIVERS PIPELINE. THE WELL STARTED PRODUCING JULY 12, 2012.

QEP ENERGY COMPANY IS CURRENTLY WORKING TO PERMIT A GAS GATHERING SYSTEM FOR THIS FIELD AND WILL BE SUBMITTING R-O-W PERMITS IN THE NEAR FUTURE. IT IS ESTIMATED THAT THE R-O-W WILL TAKE APPROXIMATELY 18 MONTHS TO PERMIT AND WITH CONSTRUCTION TIME INCLUDED, QEP ENERGY COMPANY REQUESTS APPROVAL TO FLARE GAS ON THIS WELL FOR A MINIMUM OF TWO YEARS WITH A REVIEW OF THE AREA AND ADJACENT WELLS IN THE LATER PART OF 2013.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #144307 verified by the BLM Well Information System For QEP ENERGY COMPANY, sent to the Vernal Committed to AFMSS for processing by ROBIN R. HANSEN on 08/29/2012 (12RRH4121SE)	
Name (Printed/Typed) VALYN DAVIS	Title REGULATORY AFFAIRS ANALYST
Signature (Electronic Submission)	Date 07/31/2012

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>JERRY KENCZKA</u>	Title <u>AFM FOR MINERAL RESOURCES</u>	Date <u>09/06/2012</u>
Conditions of approval, if any, are attached. Approval of this notice 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.		Office <u>Vernal</u>

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.

Revisions to Operator-Submitted EC Data for Sundry Notice #144307

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	FLARE NOI	FLARE NOI
Lease:	UTU81003	UTU81003
Agreement:	UTU87719X	UTU87719X (UTU87719X)
Operator:	QEP ENERGY COMPANY 11002 EAST 17500 SOUTH VERNAL, UT 84078 Ph: 435-781-4369	QEP ENERGY COMPANY 11002 EAST 17500 SOUTH VERNAL, UT 84078 Ph: 435-781-4032 Fx: 435-781-4045
Admin Contact:	VALYN DAVIS REGULATORY AFFAIRS ANALYST E-Mail: davis.contractor@qepres.com  Ph: 435-781-4369	VALYN DAVIS REGULATORY AFFAIRS ANALYST E-Mail: Valyn.Davis@qepres.com Cell: 435-828-1058 Ph: 435-781-4369 Fx: 435-781-4395
Tech Contact:	VALYN DAVIS REGULATORY AFFAIRS ANALYST E-Mail: davis.contractor@qepres.com  Ph: 435-781-4369	VALYN DAVIS REGULATORY AFFAIRS ANALYST E-Mail: Valyn.Davis@qepres.com Cell: 435-828-1058 Ph: 435-781-4369 Fx: 435-781-4395
Location:		
State:	UT	UT
County:	UINTAH	UINTAH
Field/Pool:	UTELAND BUTTE	DESERT SPRING
Well/Facility:	RBDS 14G-8-10-18 Sec 8 T10S R18E Mer SLB SESW 461FSL 1783FWL	RB DS FED 14G-8-10-18 Sec 8 T10S R18E SESW 461FSL 1783FWL 39.952470 N Lat, 109.920370 W Lon

# CONDITIONS OF APPROVAL

## QEP Energy

### Notice of Intent Request to Vent/Flare Gas

Lease: UTU-81003  
Well: RBDS 14G-8-10-18  
Location: SESW Sec 8, T10S, R18E

#### GOVERNMENT CONTACTS BUREAU OF LAND MANAGEMENT - VERNAL FIELD OFFICE 170 South 500 East, Vernal, Utah 84078 (435) 781-4400

Petroleum Engineer: Robin L Hansen	Cell: 828-7628	Office: 781-2777
Petroleum Engineer: Michael Lee	Cell: 828-7875	Office: 781-4432
Suprv. I&E Inspector: Randy Bywater	Cell: 828-7754	Office: 781-4489
Branch Chief I&E: Johnny Bowen	Cell: 828-7501	Office: 781-4412

Temporary permission to flare produced gas is approved as requested with the following condition:

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1. The vented gas past the 30 day limit established in NTL-4A shall be metered and reported to ONRR.
2. The vented gas shall be incinerated through a flair stack that is maintained and operational for all gas that is vented from the wellhead.
3. The Operator will test the efficiency of controls annually and ensure that flaring/combustors meet >90% efficiency.
4. This approval is effective for a period of one year from the date of the well completion. Prior to the one year anniversary, operator will meet with the appropriate AO in the Vernal Field Office and show that a plan is in progress to market the wellhead gas.

If you have any other questions concerning this matter, please contact Robin L Hansen of this office at (435) 781-2777



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

<b>SUBMIT IN TRIPLICATE - Other Instructions on reverse side.</b>		5. Lease Serial No. UTU88069
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No. UTU87719X
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. DS 14G-6-10-18
2. Name of Operator QEP ENERGY COMPANY Contact: JAN NELSON E-Mail: jan.nelson@qepres.com		9. API Well No. 43-047-53023-00-X1
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435.781.4331 Fx: 435.781.4395	10. Field and Pool, or Exploratory UNDESIGNATED
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 6 T10S R18E SESW 863FSL 1725FWL 39.968081 N Lat, 109.939428 W Lon		11. County or Parish, and State UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Venting and/or Flaring
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

QEP ENERGY COMPANY REQUESTS AUTHORIZATION TO FLARE GAS BEYOND THE 30 DAY LIMIT ESTABLISHED IN NTL-4a. THE WELL IS LOCATED APPROXIMATELY 1 MILE FROM THE NEAREST GAS GATHERING SYSTEM, THE MONARCH NATURAL GAS, LLC PIPELINE. THE INITIAL PRODUCTION FOR THE WELL WAS APPROXIMATELY 285 BBLS OF OIL, 12 BBLS OF WATER AND 38 MCF OF GAS PER DAY. THE WELL IS CURRENTLY MAKING APPROXIMATELY 136 BBLS OF OIL, 0 BBLS OF WATER AND 60 MCF OF GAS (METERED) PER DAY. QEP HAS BEEN WORKING WITH MONARCH NATURAL GAS, LLC IN ORDER TO ESTABLISH A GAS TRANSPORTATION AGREEMENT THAT WILL GRANT US ACCESS INTO MONARCH'S LINE.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #204710 verified by the BLM Well Information System  
For QEP ENERGY COMPANY, sent to the Vernal  
Committed to AFMSS for processing by BOBBI SCHROEDER on 04/18/2013 (13BJS0873SE)

Name (Printed/Typed) JAN NELSON	Title PERMIT AGENT
Signature (Electronic Submission)	Date 04/18/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JERRY KENCZKA</u>	Title <u>AFM FOR MINERAL RESOURCES</u>	Date <u>05/02/2013</u>
Conditions of approval, if any, are attached. Approval of this notice 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.		Office <u>Vernal</u>

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.

Revisions to Operator-Submitted EC Data for Sundry Notice #204710

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	FLARE NOI	FLARE NOI
Lease:	UTU88069	UTU88069
Agreement:	UTU87719X	UTU87719X (UTU87719X)
Operator:	QEP ENERGY COMPANY 11002 EAST 17500 SOUTH VERNAL, UT 84078 Ph: 435-781-4331	QEP ENERGY COMPANY 11002 EAST 17500 SOUTH VERNAL, UT 84078 Ph: 435-781-4032 Fx: 435-781-4045
Admin Contact:	JAN NELSON PERMIT AGENT E-Mail: jan.nelson@qepres.com Cell: 435-828-8719 Ph: 435.781.4331 Fx: 435-781-4395	JAN NELSON PERMIT AGENT E-Mail: jan.nelson@qepres.com Cell: 435.828.8719 Ph: 435.781.4331 Fx: 435.781.4395
Tech Contact:	JAN NELSON PERMIT AGENT E-Mail: jan.nelson@qepres.com Cell: 435-828-8719 Ph: 435.781.4331 Fx: 435-781-4395	JAN NELSON PERMIT AGENT E-Mail: jan.nelson@qepres.com Cell: 435.828.8719 Ph: 435.781.4331 Fx: 435.781.4395
Location:		
State:	UT	UT
County:	UINTAH	UINTAH
Field/Pool:	UTELAND BUTTE	UNDESIGNATED
Well/Facility:	DS 14G-6-10-18 Sec 6 T10S R18E Mer SLB SESW 863FSL 1725FWL	DS 14G-6-10-18 Sec 6 T10S R18E SESW 863FSL 1725FWL 39.988081 N Lat, 109.939428 W Lon

# CONDITIONS OF APPROVAL

## QEP Energy

### Notice of Intent Request to Vent/Flare Gas

Lense: UTU-88069  
Well: DS 14G-6-10-18  
Location: SESW Sec 6, T10S, R18E

**GOVERNMENT CONTACTS**  
**BUREAU OF LAND MANAGEMENT - VERNAL FIELD OFFICE**  
170 South 500 East, Vernal, Utah 84078 (435) 781-4400

Petroleum Engineer: Robin L Hansen	Cell: 828-7628	Office: 781-2777
Petroleum Engineer: Michael Lee	Cell: 828-7875	Office: 781-4432
Suprv. I&E Inspector: Randy Bywater	Cell: 828-7754	Office: 781-4489
Branch Chief I&E: Johnny Bowen	Cell: 828-7501	Office: 781-4412

Temporary permission to flare produced gas is approved as requested with the following condition:

- 
1. The vented gas past the 30 day limit established in NTL-4A shall be metered and reported to ONRR.
  2. The vented gas shall be incinerated through a flair stack that is maintained and operational for all gas that is vented from the wellhead.
  3. The Operator will test the efficiency of controls annually and ensure that flaring/combustors meet >90% efficiency.
  4. This approval is effective for a period of one year from the date of the well completion. Prior to the one year anniversary, operator will meet with the appropriate AO in the Vernal Field Office and show that a plan is in progress to market the wellhead gas.

If you have any other questions concerning this matter, please contact Robin L Hansen of this office at (435) 781-2777



QEP Energy Company

Independence Plaza  
1050 17th Street, Suite 500  
Denver, CO 80265  
Tel: 303.672.6900  
Fax: 303.294.9632

Certified Mail Return Receipt Requested - #7011 1150 0001 3910 0486

April 18, 2013

School and Institutional Trust Lands Administration  
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102  
Attention: Mr. Ron Carlson

RE: Utah State Lease ML-47056  
Nautilus (Green River) Unit  
Township 10 South – Range 17 East, SLM  
WR 16G-32-10-17 Well  
Duchesne County, Utah

Dear Mr. Carlson,

QEP Energy Company ("QEP") as operator of the Nautilus (Green River) Unit and Unit Operating Agreement (the "Unit"), drilled and completed the WR 16G-32-10-17 well (the "Well") as a producing well in paying quantities. The BLM established and approved the 560.00 acre Initial Participating Area "A" effective January 20, 2011, based on this Well.

In accordance with your email dated April 10, 2013, addressed to Mr. Nielsen, the School and Institutional Trust Lands Administration (SITLA) received a Notice of Violation from the State of Utah Division of Oil Gas and Mining (UDOGM). The notice stated that flared gas from the Well on mineral lease ML-47056 exceeded the allowable limits. Accordingly, SITLA attached a spreadsheet with an estimate of royalty payable, less the allowable monthly flared gas limit, for \$19,625.00 covering the period from April 2011 through December 2012.

Thereafter, under your email dated April 15, 2013, SITLA agreed the participation of lease ML-47056 is limited to its acreage contribution in the Initial Participating Area "A" of the Unit. Furthermore, SITLA agreed to revise the estimate of royalty payable to \$11,215.00.

Hence, enclosed herewith is QEP's check number 4240715 dated April 17, 2012, made payable to SITLA in the amount of \$11,215.00 covering the period from April 2011 through December 2012.

Further, in order to comply with the UDOGM flaring restriction of 1800 MCF/Month, we have curtailed production from the WR 16G-32-10-17 from a pre-curtailement average of 113 bopd and 130 mcf/d to a current average of 26 bopd and 29 mcf/d.

QEP Energy Company  
Docket No. 2013-017  
Cause No. 259-03  
Exhibit 13

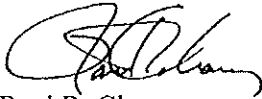


Because of operational issues we will not be able to use the previously approved pipeline Right-of-Way (ROW). We have surveyed a new proposed ROW and are waiting on completion of archeology and paleontology surveys and an onsite consultation with a SITLA representative. After the surveys and consultation are completed we will submit a pipeline ROW request.

The well will remain curtailed until such time as we receive the ROW and the pipeline and tie-in are constructed. Due to the reduction in oil production SITLA's royalty payment will be reduced by approximately \$600/day.

In the event you have any questions in this regard, please do not hesitate to contact me at (303) 640-4210.

Sincerely,  
QEP Energy Company



Raul R. Chavez  
Senior Landman  
Email: [raul.chavez@qepres.com](mailto:raul.chavez@qepres.com)

Enclosure

cc: LaVonne Garrison  
School and Institutional Trust Lands Administration  
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102

**Applied Technology Services**

1210 D Street, Rock Springs, WY 82901 (307) 352-7292

Meter Name: WR 16G-32-10-17  
Field Name: WILCKENS RIDGE  
Analyst: DETERS

Meter Location #: 106420      Report Date: 01/23/2013 12:42  
Cylinder Pressure: 0      Sample Dates(s): 01/23/2013 to 01/23/2013  
Line Pressure: 16      Flowing Temp: 68

**Gas Analysis by Chromatograph @14.73**

NAME	MOLE%	BTU	SG	GPM
Nitrogen	2.4902	0.0000	0.0241	0.0000
Methane	80.0677	810.5547	0.4435	0.0000
CO2	0.4370	0.0000	0.0066	0.0000
Ethane	8.8107	156.2837	0.0915	2.3557
H2S	0.0000	0.0000	0.0000	0.0000
Propane	4.7591	120.0207	0.0725	1.3108
i-Butane	0.5333	17.3825	0.0107	0.1745
n-Butane	1.4560	47.6090	0.0292	0.4589
i-Pentane	0.2905	11.6495	0.0072	0.1062
n-Pentane	0.5361	21.5404	0.0134	0.1943
Hexanes	0.3501	16.6889	0.0104	0.1439
Heptanes	0.1919	10.5839	0.0066	0.0885
Octanes	0.0720	4.5097	0.0028	0.0369
Nonanes	0.0054	0.3787	0.0002	0.0030
<b>Ideal Total</b>	<b>100.0000</b>	<b>1217.2017</b>	<b>0.7188</b>	<b>4.8727</b>

**Gross BTU/Real Cu Ft. @ 60 deg F**  
 Pressure Base = 14.73      14.65      15.025  
 Dry = 1221.3504    1214.6946    1245.8956  
 Saturated = 1201.4566    1194.7987    1226.0101  
 Actual BTU = 1221.3504    1214.6946    1245.8956  
 Real S.G. = 0.720959    0.720946    0.721009  
 Compressibility = 0.996603    0.996622    0.996535

**Gasoline Content**  
 Pressure Base = 14.73  
 Propane GPM = 1.3108  
 Butane GPM = 0.6334  
 14# Gasoline GPM = 0.6219  
 26# Gasoline GPM = 0.8772  
 Total GPM = 4.8727

**Sulfur Content**  
 Mercaptans ppm = N/A  
 H2S ppm = 390.00

**Dewpoints**  
 H2O #/mmcf = N/A  
 Hydrocarbon = N/A  
 @ psig = N/A

Comments

**Applied Technology Services**

1210 D Street, Rock Springs, WY 82901 (307) 352-7292

Meter Name: WRB 16-17-10-17 Flare Gas  
Field Name: NINE MILE CANYON  
Analyst: JOHNSON

Meter Location #: 106432      Report Date: 10/04/2012 16:18  
Cylinder Pressure: 0      Sample Dates(s): 10/04/2012 to 10/04/2012  
Line Pressure: 3      Flowing Temp: 86

**Gas Analysis by Chromatograph @14.73**

NAME	MOLE%	BTU	SG	GPM
Nitrogen	0.9242	0.0000	0.0089	0.0000
Methane	65.5668	663.7568	0.3632	0.0000
CO2	1.1501	0.0000	0.0175	0.0000
Ethane	14.6746	260.2972	0.1524	3.9235
H2S	0.0000	0.0000	0.0000	0.0000
Propane	9.9237	250.2679	0.1511	2.7333
i-Butane	1.2325	40.1724	0.0247	0.4032
n-Butane	3.5190	115.0659	0.0706	1.1091
i-Pentane	0.6413	25.7171	0.0160	0.2345
n-Pentane	1.1940	47.9746	0.0297	0.4327
Hexanes	0.6857	32.6867	0.0204	0.2819
Heptanes	0.3566	19.6677	0.0123	0.1645
Octanes	0.1209	7.5725	0.0048	0.0619
Nonanes	0.0106	0.7433	0.0005	0.0060
<b>Ideal Total</b>	<b>100.0000</b>	<b>1463.9221</b>	<b>0.8721</b>	<b>9.3506</b>

**Gross BTU/Real Cu Ft. @ 60 deg F**

Pressure Base = 14.73      14.65      15.025  
Dry = 1471.8469 1463.8101 1501.4866  
Saturated = 1447.7832 1439.7435 1477.4337  
Actual BTU = 1471.8469 1463.8101 1501.4866  
Real S.G. = 0.876449 0.876423 0.876544  
Compressibility = 0.994616 0.994645 0.994508

**Gasoline Content**

Pressure Base = 14.73  
Propane GPM = 2.7333  
Butane GPM = 1.5124  
14# Gasoline GPM = 1.2689  
26# Gasoline GPM = 1.7929  
Total GPM = 9.3506

**Sulfur Content**

Mercaptans ppm = N/A  
H2S ppm = 42.50

**Dewpoints**

H2O #/mmcf = N/A  
Hydrocarbon = N/A  
@ psig = N/A

Comments

**Applied Technology Services**

1210 D Street, Rock Springs, WY 82901 (307) 352-7292

Meter Name: RB DS 1G-7-10-18  
Field Name: WILCKENS RIDGE  
Analyst: DETERS

Meter Location #: 106424      Report Date: 03/12/2013 09:14  
Cylinder Pressure: 0      Sample Dates(s): 03/12/2013 to 03/12/2013  
Line Pressure: 12      Flowing Temp: 89

**Gas Analysis by Chromatograph @14.73**

NAME	MOLE%	BTU	SG	GPM
Nitrogen	2.7348	0.0000	0.0265	0.0000
Methane	81.8516	828.6138	0.4534	0.0000
CO2	0.3310	0.0000	0.0050	0.0000
Ethane	8.3961	148.9295	0.0872	2.2449
H2S	0.0000	0.0000	0.0000	0.0000
Propane	4.0091	101.1063	0.0610	1.1042
i-Butane	0.4758	15.5083	0.0095	0.1557
n-Butane	1.1137	36.4163	0.0223	0.3510
i-Pentane	0.2236	8.9667	0.0056	0.0818
n-Pentane	0.3748	15.0594	0.0093	0.1358
Hexanes	0.2539	12.1032	0.0076	0.1044
Heptanes	0.1450	7.9972	0.0050	0.0669
Octanes	0.0637	3.9898	0.0025	0.0326
Nonanes	0.0269	1.8864	0.0012	0.0151
<b>Ideal Total</b>	<b>100.0000</b>	<b>1180.5769</b>	<b>0.6961</b>	<b>4.2924</b>

**Gross BTU/Real Cu Ft. @ 60 deg F**

Pressure Base = 14.73      14.65      15.025  
 Dry = 1184.2958    1177.8437    1208.0901  
 Saturated = 1165.0200    1158.5657    1188.8221  
 Actual BTU = 1184.2958    1177.8437    1208.0901  
 Real S.G. = 0.698056    0.698044    0.698100  
 Compressibility = 0.996860    0.996877    0.996797

**Gasoline Content**

Pressure Base = 14.73  
 Propane GPM = 1.1042  
 Butane GPM = 0.5067  
 14# Gasoline GPM = 0.4767  
 26# Gasoline GPM = 0.6705  
 Total GPM = 4.2924

**Sulfur Content**

Mercaptans ppm = N/A  
 H2S ppm = 4.00

**Dewpoints**

H2O #/mmcf = N/A  
 Hydrocarbon = N/A  
 @ psig = N/A

Comments

**Applied Technology Services**

1210 D Street, Rock Springs, WY 82901 (307) 352-7292

Meter Name: RB DS 14G-8-10-18  
Field Name: NINE MILE CANYON  
Analyst: DETERS

Meter Location #: 106430      Report Date: 01/23/2013 13:36  
Cylinder Pressure: 0      Sample Dates(s): 01/23/2013 to 01/23/2013  
Line Pressure: 19      Flowing Temp: 85

**Gas Analysis by Chromatograph @14.73**

NAME	MOLE%	BTU	SG	GPM
Nitrogen	3.6834	0.0000	0.0356	0.0000
Methane	84.3051	853.4515	0.4670	0.0000
CO2	0.5314	0.0000	0.0081	0.0000
Ethane	6.8443	121.4038	0.0711	1.8300
H2S	0.0000	0.0000	0.0000	0.0000
Propane	2.9382	74.0991	0.0447	0.8093
i-Butane	0.3131	10.2053	0.0063	0.1024
n-Butane	0.7029	22.9838	0.0141	0.2215
i-Pentane	0.1346	5.3977	0.0034	0.0492
n-Pentane	0.2203	8.8516	0.0055	0.0798
Hexanes	0.1574	7.5031	0.0047	0.0647
Heptanes	0.1016	5.6036	0.0035	0.0469
Octanes	0.0504	3.1568	0.0020	0.0258
Nonanes	0.0173	1.2132	0.0008	0.0097
<b>Ideal Total</b>	<b>100.0000</b>	<b>1113.8693</b>	<b>0.6666</b>	<b>3.2394</b>

**Gross BTU/Real Cu Ft. @ 60 deg F**

Pressure Base = 14.73    14.65    15.025  
 Dry = 1116.9446    1110.8618    1139.3769  
 Saturated = 1098.7957    1092.7109    1121.2350  
 Actual BTU = 1116.9446    1110.8618    1139.3769  
 Real S.G. = 0.668213    0.668203    0.668250  
 Compressibility = 0.997247    0.997262    0.997191

**Gasoline Content**

Pressure Base = 14.73  
 Propane GPM = 0.8093  
 Butane GPM = 0.3240  
 14# Gasoline GPM = 0.3041  
 26# Gasoline GPM = 0.4269  
 Total GPM = 3.2394

**Sulfur Content**

Mercaptans ppm = N/A  
 H2S ppm = 4.00

**Dewpoints**

H2O #/mmcf = N/A  
 Hydrocarbon = N/A  
 @ psig = N/A

Comments



**Applied Technology Services**

1210 D Street, Rock Springs, WY 82901 (307) 352-7292

Meter Name: DS 14G-6-10-18  
Field Name: NINE MILE CANYON  
Analyst: DETERS

Meter Location #: 106441      Report Date: 04/03/2013 10:07  
Cylinder Pressure: 0      Sample Dates(s): 04/03/2013 to 04/03/2013  
Line Pressure: 5      Flowing Temp: 45

**Gas Analysis by Chromatograph @14.73**

NAME	MOLE%	BTU	SG	GPM
Nitrogen	0.9186	0.0000	0.0089	0.0000
Methane	52.2133	528.5744	0.2892	0.0000
CO2	21.5581	0.0000	0.3276	0.0000
Ethane	11.1856	198.4095	0.1161	2.9907
H2S	0.0000	0.0000	0.0000	0.0000
Propane	7.7941	196.5611	0.1187	2.1467
i-Butane	1.0922	35.5994	0.0219	0.3573
n-Butane	2.6930	88.0570	0.0540	0.8488
i-Pentane	0.5508	22.0879	0.0137	0.2014
n-Pentane	0.9226	37.0698	0.0230	0.3343
Hexanes	0.5919	28.2153	0.0176	0.2433
Heptanes	0.3184	17.5608	0.0110	0.1469
Octanes	0.1321	8.2740	0.0052	0.0677
Nonanes	0.0293	2.0547	0.0013	0.0165
<b>Ideal Total</b>	<b>100.0000</b>	<b>1162.4640</b>	<b>1.0083</b>	<b>7.3536</b>

**Gross BTU/Real Cu Ft. @ 60 deg F**

Pressure Base = 14.73    14.65    15.025  
 Dry = 1168.8380 1162.4553 1192.3774  
 Saturated = 1149.9120 1143.5270 1173.4601  
 Actual BTU = 1168.8380 1162.4553 1192.3774  
 Real S.G. = 1.013386 1.013356 1.013498  
 Compressibility = 0.994547 0.994576 0.994437

**Gasoline Content**

Pressure Base = 14.73  
 Propane GPM = 2.1467  
 Butane GPM = 1.2061  
 14# Gasoline GPM = 1.0934  
 26# Gasoline GPM = 1.5413  
 Total GPM = 7.3536

**Sulfur Content**

Mercaptans ppm = N/A  
 H2S ppm = 2.00

**Dewpoints**

H2O #/mmcf = N/A  
 Hydrocarbon = N/A  
 @ psig = N/A

Comments

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU75082
2. Name of Operator QEP ENERGY COMPANY Contact: JAN NELSON E-Mail: jan.nelson@qepres.com		6. If Indian, Allottee or Tribe Name.
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435.781.4331	7. If Unit or CA/Agreement, Name and/or No. UTU88573X
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T10S R17E Mer SLB SESE 483 FSL 1002FEL		8. Well Name and No. WEST RIVER BEND 16-17-10-17
		9. API Well No. 43-013-32057
		10. Field and Pool, or Exploratory EIGHT MILE FLAT
		11. County or Parish, and State DUCHESNE COUNTY, UT

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture-Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

In order for QEP Energy Company (QEP) to market the gas from the West River Bend 16-17-10-17, QEP is proposing to install a surface pipeline and tie into an existing 8 inch Monarch Natural Gas, LLC gathering line. The project will consist of one 3 inch welded steel line and will be approximately 529 feet in length. The pipeline will be welded on location and dragged into place. Arch and Paleo have both been cleared for this project. This is within the Scylla Unit and Right-of-Way will be required for this action.

Please see attached.

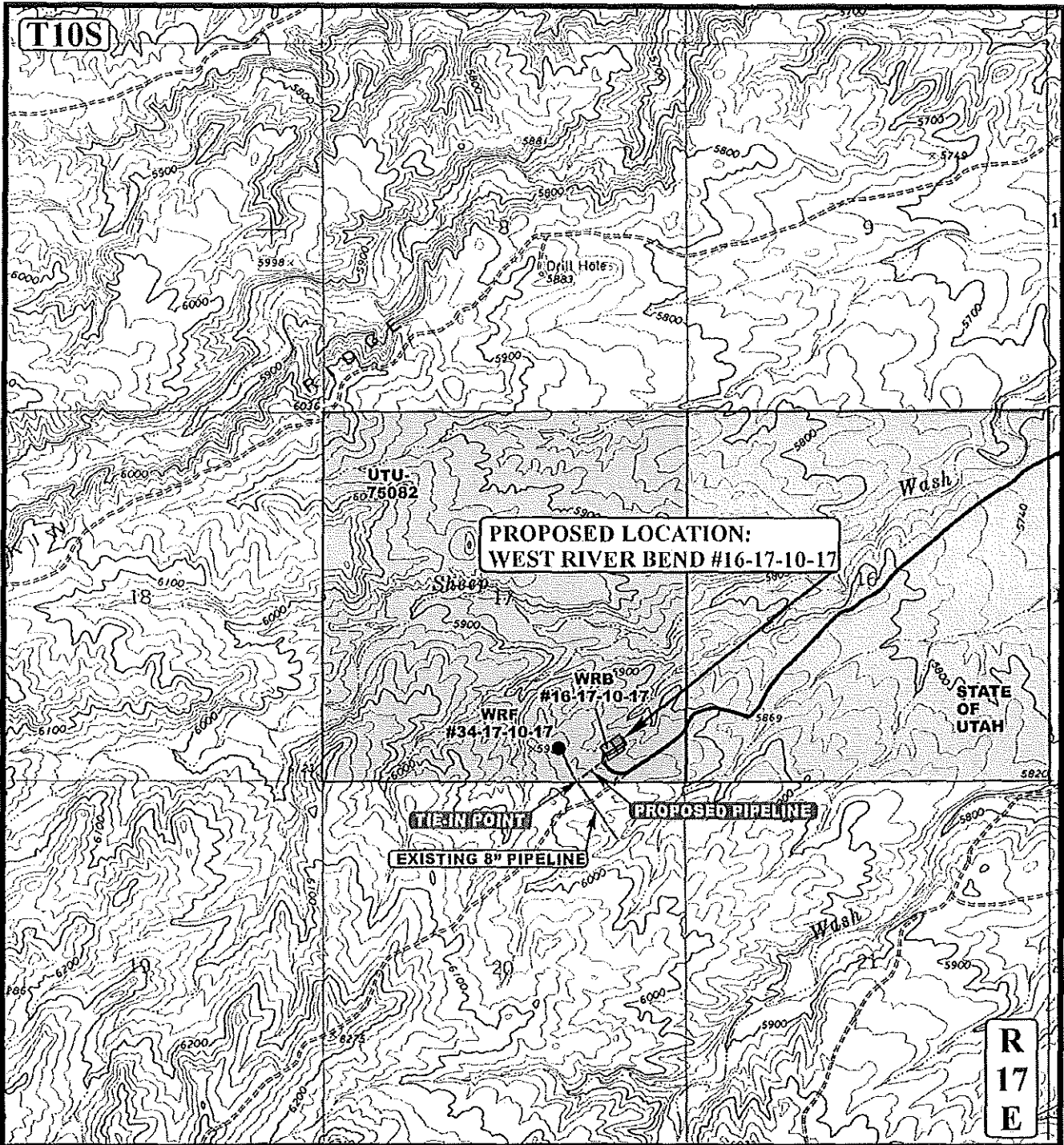
14. I hereby certify that the foregoing is true and correct. Electronic Submission #208658 verified by the BLM Well Information System For QEP ENERGY COMPANY, sent to the Vernal	
Name (Printed/Typed) JAN NELSON	Title PERMIT AGENT
Signature (Electronic Submission)	Date 05/28/2013

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice 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.		Office _____

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.

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



APPROXIMATE TOTAL PIPELINE DISTANCE = 529' +/-

**LEGEND:**  
 ——— PROPOSED ACCESS ROAD  
 - - - - - EXISTING PIPELINE  
 - - - - - PROPOSED PIPELINE



**QEP ENERGY COMPANY**  
 WEST RIVER BEND #16-17-10-17  
 SECTION 17, T10S, R17E, S.L.B.&M.  
 483' FSL 1022' FEL

**UELS** Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC MAP** 11 03 11  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: J.L.G. REV: 04-08-13 S.O.

**D**  
 TOPO



**INTERMOUNTAIN  
PALEO-CONSULTING**

**Stephen D. Sandau** *Paleontologist*

P. O. Box 1125  
Vernal, UT, 84078  
*Phone & Fax (435) 789-7402*  
*Cell: (801) 592-4328*  
*E-mail: intermountainpalco@yahoo.com*

**IPC #13-31**

# **Paleontological Reconnaissance Survey Report**

**Survey of QEP Energy's Proposed Pipelines for "WRB #16-17-10-17" &  
"WR #16G-32-10-17" (Sec. 17 & 32, T 10 S, R 17 E)**

**Wilkin Ridge Topographic Quadrangle  
Duchesne County, Utah**

**May 7, 2013**

**Prepared by Stephen D. Sandau  
Paleontologist for  
Intermountain Paleo-Consulting  
P. O. Box 1125  
Vernal, Utah 84078**





CULTURAL RESOURCE INVENTORY OF  
QEP ENERGY COMPANY'S PROPOSED  
WRB 16-17-10-17 AND WR 16G-32-10-17 PIPELINES  
(T10S, R17E, SECTIONS 17, 20, AND 32)  
DUCHESNE COUNTY, UTAH

By:

Jacki A. Montgomery

Prepared For:

Bureau of Land Management  
Vernal Field Office  
and  
State of Utah  
School & Institutional Trust Lands Administration

Prepared Under Contract With:

QEP Energy Company  
11002 East 17500 South  
Vernal, Utah 84078

Prepared By:

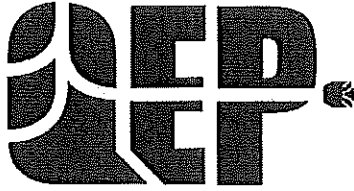
Montgomery Archaeological Consultants, Inc.  
P.O. Box 219  
Moab, Utah 84532

MOAC Report No. 13-059

April 23, 2013

United States Department of Interior (FLPMA)  
Permit No. 13-UT-60122

State of Utah Antiquities Project (Survey)  
Permit No. U-13-MQ-0214b,s



**QEP Energy Company**

11002 East 17500 South  
Vernal, UT 84078  
Telephone 435-781-4331  
Fax 435-781-4395

[Jan.Nelson@qepres.com](mailto:Jan.Nelson@qepres.com)

May 22, 2013

Mr. Jim Davis:  
Supervisor, Oil & Gas Field Operations  
State of Utah School and Institutional Trust Lands Administration  
675 East 500 South Suite 500  
Salt Lake City, Utah 84102-2818

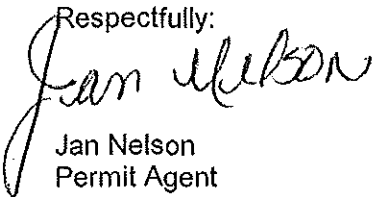
In order to comply to Rule R649-3-20, Gas Flaring or Venting, QEP Energy Company is proposing to change the pipeline route that was originally approved in the APD for the WR 16G-32-10-17. This change will allow QEP Energy Company to access and existing tap in Monarch Natural Gas, LLC gathering system. The new route is approximately 3,064 feet in length and will consist of a 3 inch surface poly line that will tie into the WR 6G-32-10-17 that we are currently drilling. The pipeline stays within the Nautilus Unit, Lease # ML-47056 which will not require a Right-of-Way.

Map showing the proposed pipeline route, Cultural and Paleontological survey reports are enclosed for your review.

QEP Energy Company respectfully requests surface use approval from the State of Utah School and Institutional Trust Lands Administration ("SITLA") for the use of the State of Utah surface ownership lands located in Section 32-10S-17E for the above infrastructure. If you approve of this proposed action on State of Utah property, please sign and return to me at your earliest convenience.

As always, we appreciate SITLA's consideration of this request and your cooperation for this project.

Respectfully:

  
Jan Nelson  
Permit Agent

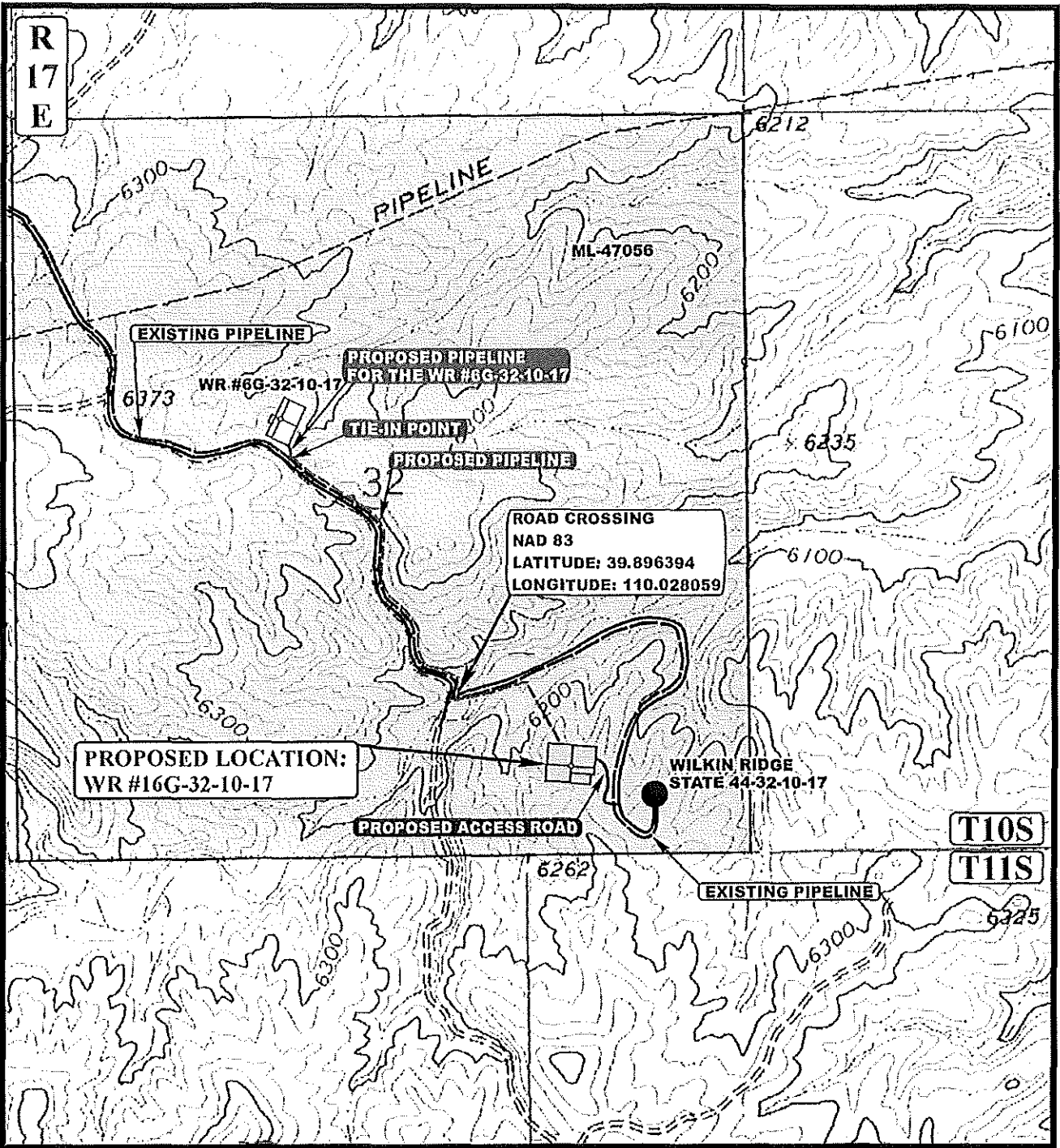
Surface use approved by SITLA

Date: \_\_\_\_\_

By: \_\_\_\_\_

Jim Davis

R  
17  
E



APPROXIMATE TOTAL PIPELINE DISTANCE = 3,064' +/-

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)

**QEP ENERGY COMPANY**

WR #16G-32-10-17  
 SECTION 32, T10S, R17E, S.L.B.&M.  
 635' FSL 1282' FEL

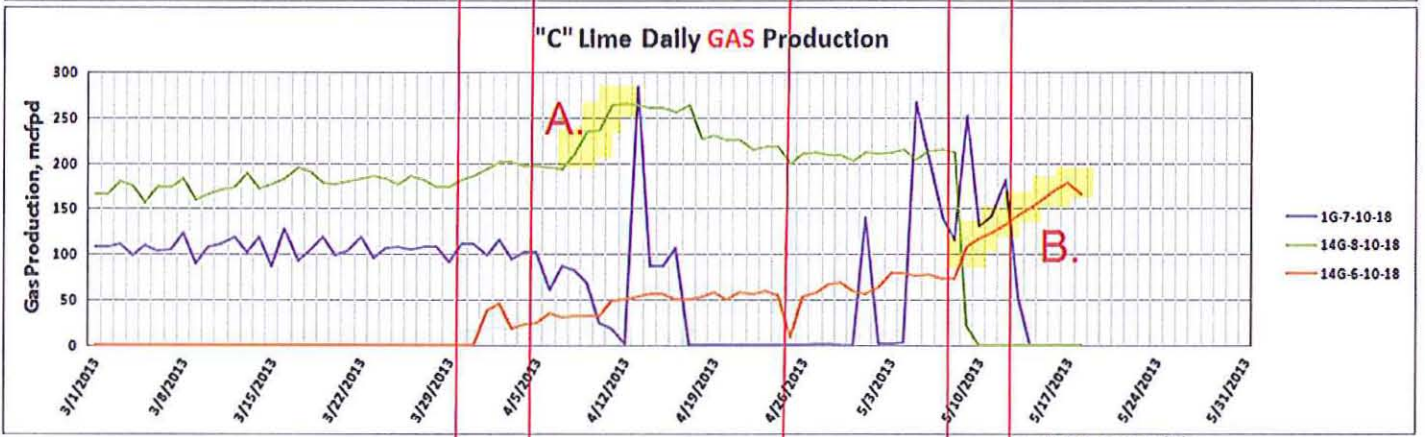
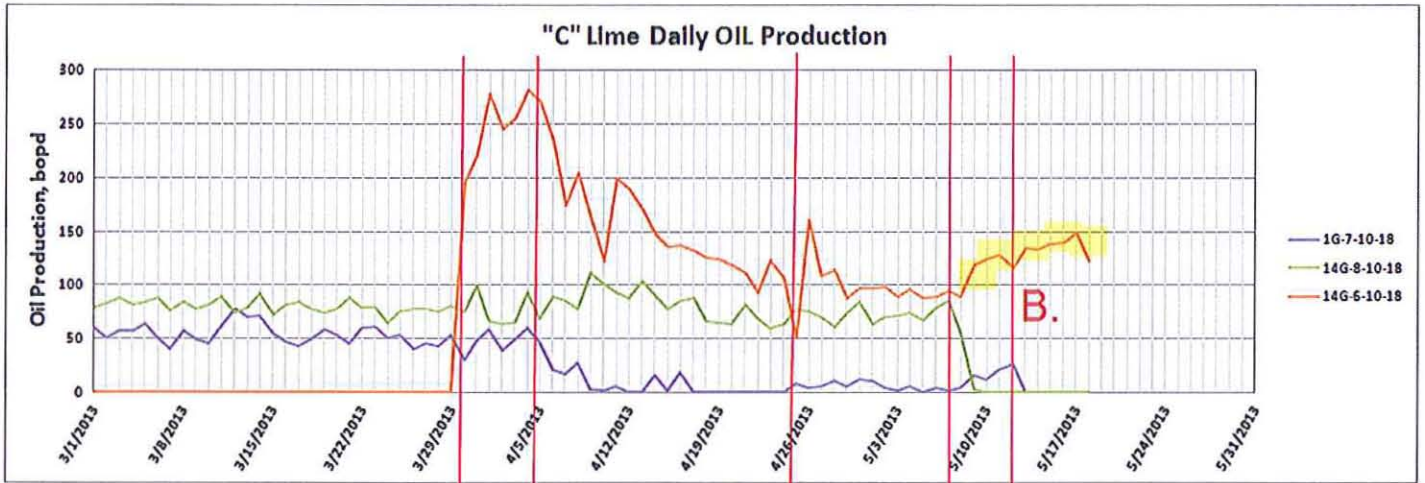


**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 08 | 17 | 10  
 MAP MONTH | DAY | YEAR  
 SCALE: 1" = 2000' DRAWN BY: J.J. REV: 04-08-13 S.O.



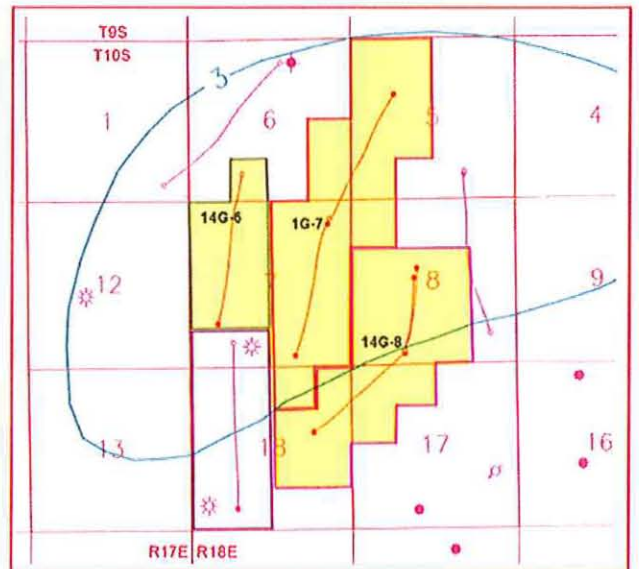
### Examples of Well Interdependency



<-- 1G-7 Sl, gas vent limit  
<-- 14G-8 Sl, gas vent limit  
<-- 14G-6 Pump Replaced  
<-- 1G-7 Back Pressure Increased  
14G-8 Back Pressure Decreased  
<-- 14G-6 First Production

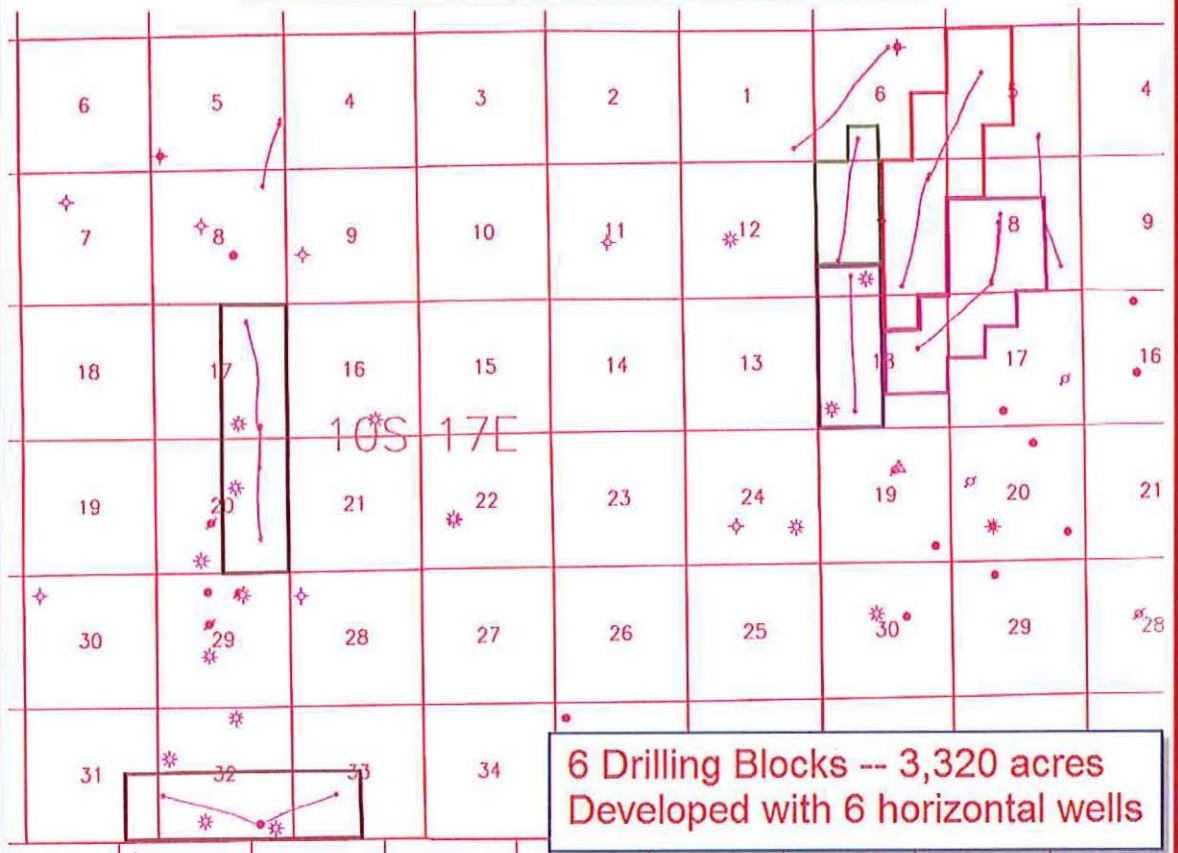
A. Increase back pressure on 1G-7,  
14G-8 gas rate increases

B. 14G-8 & 1G-7 shut-in,  
14G-6 oil & gas rates increase





### Present Development of Drilling Blocks



### Example of 40 acre Development of Present Drill Blocks

