



## United States Department of the Interior

### BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO  
3180  
UT-922

August 31, 2009

Birgit Roesink-Miller  
Questar Exploration & Production Co.  
1050 17<sup>th</sup> Street, Suite 500  
Denver, CO 80265

**RECEIVED**

SEP 02 2009

DENVER  
QUESTAR EXPLORATION

Dear Ms. Roesink-Miller:

The Johnson Bottom Unit Agreement, Uintah County, Utah was approved on August 31, 2009. This agreement has been designated No. UTU86617X and is effective August 31, 2009. A copy of the agreement is enclosed.

This unit provides for the drilling of one obligation well and subsequent drilling obligations pursuant to Section 9 of the unit agreement. The initial well is to be a lateral from the existing BBS 15G-22-7-21 located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 22, Township 7 South, Range 21 East, SLM&B, Uintah County, Utah, trending toward the South-Southeast. The lateral should be a minimum of 500 feet in the H4a Lime with a TD of at least 1,000 feet from the surface location. No extension of time beyond February 28, 2010, will be granted to commence the "obligation well" other than "unavoidable delay" (Section 25), where justified.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

The basic information is as follows:

1. The depth of the test well and the area to be unitized were approved under the unit plan regulations of December 22, 1950, by Bureau of Land Management letter dated January 9, 2009.
2. All formations from the surface of the earth to the base of the H4 interval of the Green River formation (equal to 6,609' MD in the BBS 15G22-7-21 wellbore) are unitized.
3. The unit area embraces 7,321.20 acres, more or less, of which 6,361.20 acres (86.89 percent) are Federal lands and 960.00 acres (13.11 percent) are State lands.

The following leases embrace lands included within the unit area:

UTU16551	UTU65223	UTU74972*	UTU86332
UTU30290	UTU73680	UTU82701	UTU86333*
UTU49656*	UTU73681		

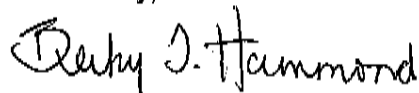
\* Indicates lease eligible for segregation.

All lands and interests are fully/effectively committed except Tract 4, totaling 640.00 acres (8.74 percent), which is partially committed; and Tracts 6 and 13, totaling 1,000.00 acres (13.66 percent) which are not committed. Also, certain overriding royalty interest owners have not signed the unit agreement. All parties owning interests within this unit area were invited to join the unit agreement.

Unleased Federal land, Tract 11, totaling 200.00 acres (2.73 percent), is not committed, but is considered to be effectively controlled acreage because, prior to issuance of leases for the acreage, the lessee(s) may be required to commit to the unit agreement.

In view of the foregoing commitment status, effective control of operations within the unit area is assured. We are of the opinion that the agreement is necessary and advisable in the public interest and for the purpose of more properly conserving natural resources. Certification-Determination, signed by the School and Institutional Trust Land Administration for the State of Utah, is attached to the enclosed agreement.

Sincerely,



Becky J. Hammond  
Chief, Branch of Fluid Minerals

Enclosure

**CERTIFICATION - DETERMINATION**

BLM - UT - 950

**COVERING SCHOOL AND TRUST LANDS ADMINISTRATION LANDS  
IN UNIT AGREEMENT FOR THE  
JOHNSON BOTTOM UNIT  
EXCLUSION OF ROBERT L. BAYLESS, JR. INTEREST  
PERTAINING TO LEASE ML 47040  
UINTAH COUNTY, UTAH**

2009 AUG -5 AM 9:36

Pursuant to statutory authority vested in the School and Institutional Trust Lands Administration (hereinafter referred to as "TLA") under Utah Code Ann. Sec. 53C-2-411, and in accordance with the fiduciary duties to the trust beneficiaries, TLA hereby certifies and determines that the Unit Agreement between the lessees of the TLA lands and others holding interests within the proposed Unit Area is necessary and advisable in the trust's interest for the conservation of natural resources; and that the interest of TLA will be best served by reason thereof; and that said Unit Agreement provides a cooperative and a unit plan of development and operation of said area in a form acceptable to TLA, and TLA hereby commits its lands, subject to the consent of the applicable TLA lessee(s) included within said Unit Agreement from the effective date thereof. Until the termination of the Unit Agreement, said land shall remain subject thereto; subject, however, to the following conditions:

1. The Unit Agreement is made subject to all applicable laws of the State of Utah and of the United States and shall be construed in conformity therewith.
2. Development of the TLA lands will be in accordance with the terms of the Unit Agreement.
3. The right of TLA to fully protect its interest shall in no way or manner be abrogated by the fact that TLA joins in said Unit Agreement; provided that TLA by reserving the rights of jurisdiction over its lands in no way intends to interfere in the legitimate development of the lands contained in said Unit Plan as outlined in the Unit Agreement.
4. TLA may, with the consent of the holders of leases covering its lands, establish, alter, change or revoke drilling, producing, and royalty requirements of such leases, and does hereby modify such requirements insofar as they conflict with the terms of said Unit Agreement except that nothing contained in this Certification-Determination shall be construed as changing the drilling requirements or the amount of rental and royalty payments specified in said leases, except as follows:
  - (a) The development and operation of land subject to said Unit Agreement under the terms thereof shall be deemed full performance of all obligations for development and operation with respect to each and every part or separately owned tract or separate tract owned by TLA subject to said Unit Agreement, regardless of whether there is any development on any particular part or tract of TLA-owned lands in the Unit Area.
  - (b) Drilling and producing operations performed hereunder upon any tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every tract of TLA-owned, committed lands in the Unit Area, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on TLA lands therein embraced.
  - (c) Each TLA lease committed to said Unit Agreement which by its terms might expire prior to the termination of said Unit Agreement is hereby extended beyond any such term so provided therein so that it will continue in full force and effect for and during the term of said Unit Agreement.

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- (d) Any royalty requirements contained in any TLA lease within the Unit Area are hereby suspended to such extent that payment of royalty to TLA in accordance with Paragraph 8 of this Certification-Determination will be deemed payment of the royalty requirements under said lease.
- e) Rentals on TLA lands subject to said Unit Agreement shall be paid at the rate specified in the leases unless such rental is waived, suspended or reduced upon order of TLA pursuant to applicable laws and regulations.
5. Said Unit Agreement as to any and all lands of TLA committed thereto, shall not extend beyond five years from the date of approval thereof by TLA unless:
- (a) Such date of expiration is extended by TLA which it may grant or withhold at its sole discretion; or
- (b) A valuable discovery of unitized substances has been made on unitized land during the initial term or any extension thereof, in which event the Unit Agreement shall remain in effect for such term and so long as unitized substances can be produced in paying quantities for wells on unitized lands within any participating area established thereunder unless the Unit Agreement is sooner terminated as provided therein. All TLA lands or portions thereof outside a participating area surrendered by the owners of the operating rights for non-productivity shall likewise be excluded from operation under the terms of said Unit Agreement, should TLA so elect.
- (c) Nothing in this paragraph shall be construed to prevent or delay the automatic elimination of TLA lands committed to the Unit Area in accordance with the provisions of subsection (e) of Section 2 of the Unit Agreement.
6. That, regardless of any of the provisions of said Unit Agreement, actual or implied, no costs of operation or development or charges therefore, nor liens, may be levied against TLA for any of its land in said Unit Area.
7. This Certification-Determination is given with the understanding that nothing contained in said Unit Agreement shall operate to relieve the lessees of TLA lands committed to said Unit Agreement from their obligations to pay rentals and royalties under the terms of their respective leases as modified by Paragraph 4 herein.
8. Royalties due TLA shall be paid in value or delivered in kind at the option of TLA as to all unitized substances on the basis of the amounts thereof allocated to unitized TLA lands at the rate specified in said TLA leases.
9. It is the intent of this Certification-Determination that it cover TLA lands currently under lease and committed to the unit by the lessee. It is not the intent of this document to join any Utah state lands other than TLA lands to the unit nor any TLA lands which are unleased or uncommitted on the effective date of the unit.
10. A copy of the Unit Agreement is attached hereto and made a part hereof.

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11. Robert L. Bayless, Jr. opted out of the unit agreement, and therefore TLA will not commit its royalty interest on the Bayless portion of the Oil, Gas, & Associated Hydrocarbon lease ML 47040 as part of the Johnson Bottom Unit production.

Executed on behalf of TLA this 21<sup>st</sup> day of July 2009.

STATE OF UTAH by and through the  
SCHOOL AND INSTITUTIONAL TRUST  
LANDS ADMINISTRATION

Kevin S. Carter, Director

By: *LaVonne J. Garrison*  
LaVonne J. Garrison  
Assistant Director, Oil & Gas

STATE OF UTAH                    )  
  ) ss  
County of Salt Lake            )

The foregoing instrument was acknowledged before me by LaVonne J. Garrison, as Assistant Director, Oil & Gas, for the State of Utah by and through the School and Institutional Trust Lands Administration.

WITNESS my hand and official seal this 21<sup>st</sup> day of July 2009.

My commission expires:

7/24/2011

*Lisa Wells*  
Notary Public for the State of Utah

