



375 South Carbon Avenue A-10  
Suite 101  
Price, Utah 84501  
Phone: 435-637-8781

Cell: 801-650-1401  
801-650-1402  
Fax: 435-636-8603  
Email: talon@castlenet.com

February 1, 2002

Mr. Eric Jones  
Petroleum Engineer  
82 East Dogwood  
Moab, Utah 84532

RE: Application for Permit to Drill—Utah Federal “P” 12-153, Emery County, Utah  
276’ FNL, 975’ FWL, Section 12, T18S, R7E, SLB&M.

Dear Mr. Jones:

On behalf of Texaco Exploration and Production, Inc., Talon Resources, Inc. respectfully submits the enclosed original of the *Application for Permit to Drill (APD)* for the above named well. Included with the APD is the following supplemental information:

- Exhibit “A” - Survey plats and layouts of the proposed well site;
- Exhibit “B” - Proposed location maps with access corridors;
- Exhibit “C” - Drilling site layout;
- Exhibit “D” - Onsite Inspection Checklist, 8-Point Drilling Program;
- Exhibit “E” - Production site layout;
- Exhibit “F” - Typical road cross-section;
- Exhibit “G” - Typical BOP diagram;
- Exhibit “H” - Typical wellhead manifold diagram.

**FILE COPY**

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

001

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. <b>UTU-68535</b>
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME <b>N/A</b>
SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. UNIT AGREEMENT NAME <b>N/A</b>
2. NAME OF OPERATOR <b>Texaco Exploration and Production, Inc.</b>		8. FARM OR LEASE NAME, WELL NO. <b>Utah Federal "P" 12-153</b>
3. ADDRESS AND TELEPHONE NO. <b>3300 North Butler, Farmington, NM 87401; 505-325-4397</b>		9. API WELL NO.
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At surface: <b>276' FNL, 975' FWL</b> At proposed prod. zone: <b>276' FNL, 975' FWL</b>		10. FIELD AND POOL, OR WILDCAT <b>Undesignated</b>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>4.0 miles northwest of Orangeville, Utah</b>		11. SEC., T., R., M., OR BLK. <b>NW/4 NW/4, Section 12, T18S, R7E, SLB&amp;M</b>
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) <b>1013'</b>	16. NO. OF ACRES IN LEASE <b>1977.56</b>	12. COUNTY OR PARISH <b>Emery</b>
17. NO. OF ACRES ASSIGNED TO THIS WELL <b>160 acres</b>	13. STATE <b>Utah</b>	20. ROTARY OR CABLE TOOLS <b>Rotary</b>
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. <b>3000'</b>	19. PROPOSED DEPTH <b>3245'</b>	22. APPROX. DATE WORK WILL START* <b>September 2002</b>
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>6273' GR</b>		

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" K-55 ST&C	24	300'	230 sacks Class G cement + 2% CaCl <sub>2</sub> + 0.25 pps cellophane flakes
7-7/8"	5-1/2" N-80 LT&C	17	3245'	135 sacks 10:1 RFC Class G cement + 0.25 pps cellophane flakes

*Federal Approval of this Action is Necessary*

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FEB 06 2002  
DIVISION OF  
OIL, GAS AND MINING  
**CONFIDENTIAL**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Ron With TITLE OPERATIONS SUPERVISOR DATE 2/1/02

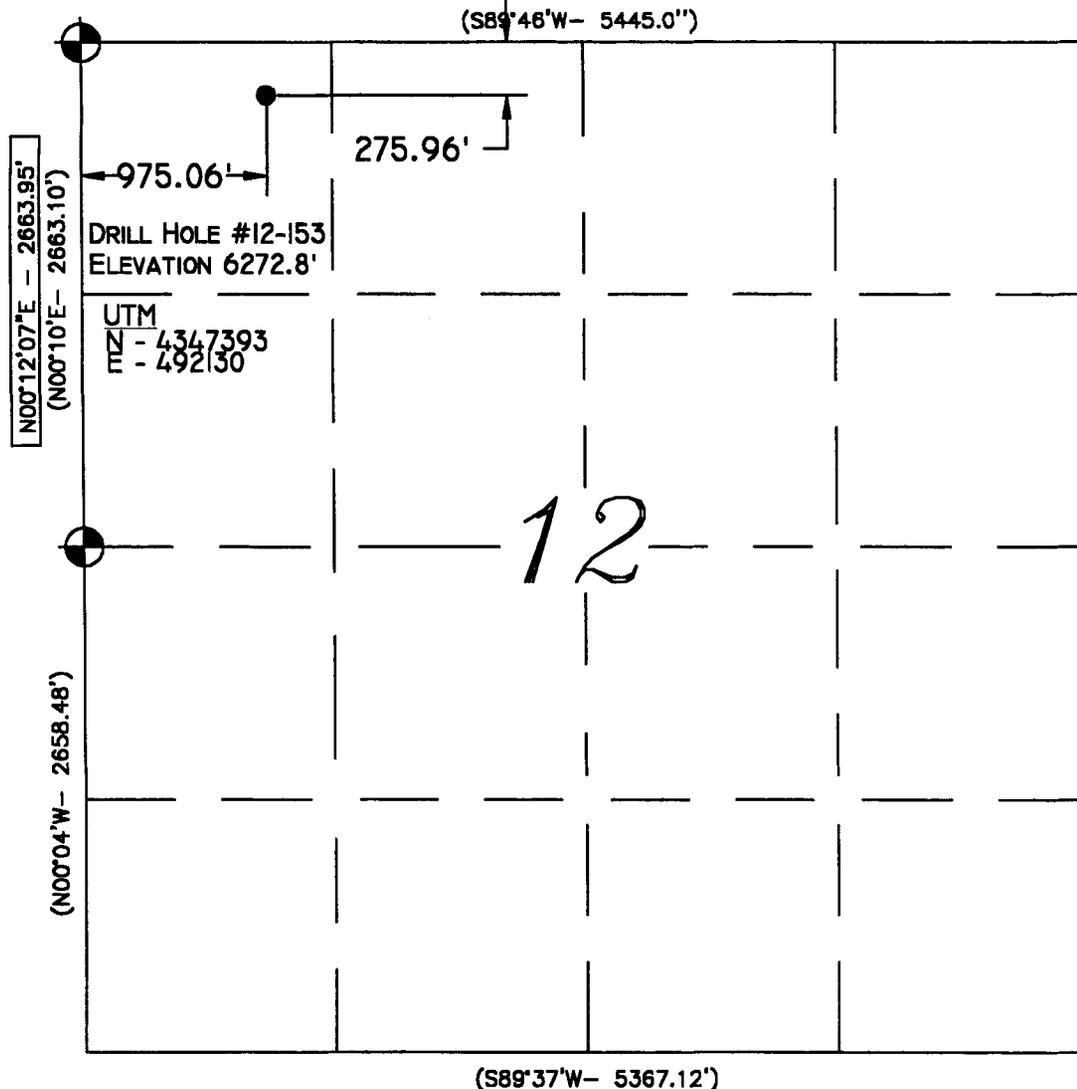
(This space for Federal or State office use)  
PERMIT NO. 43-015-30551 APPROVAL DATE \_\_\_\_\_

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:  
APPROVED BY [Signature] TITLE BRADLEY G. HILL RECLAMATION SPECIALIST III DATE 03-26-02

**\*See Instructions On Reverse Side**  
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency or the

# Range 7 East

Township 18 South



### Legend

- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- ( ) GLO
- GPS Measured

### NOTE:

UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG	
39°16'40"	
111°05'29"	

### Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

### Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

### GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

### Basis of Elevation:

BASIS OF ELEVATION OF 6761' BEING AT THE NORTHEAST SECTION CORNER OF SECTION 12, TOWNSHIP 18 SOUTH, RANGE 7 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE RED POINT QUADRANGLE 7.5 MINUTE SERIES MAP.

### Description of Location:

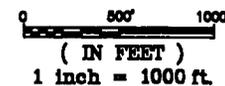
PROPOSED DRILL HOLE LOCATED IN THE NW 1/4, NW 1/4 OF SECTION 12; BEING 275.96' SOUTH AND 975.06' EAST FROM THE NORTHWEST CORNER OF SECTION 12, T18S., R7E., SALT LAKE BASE AND MERIDIAN.

### Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



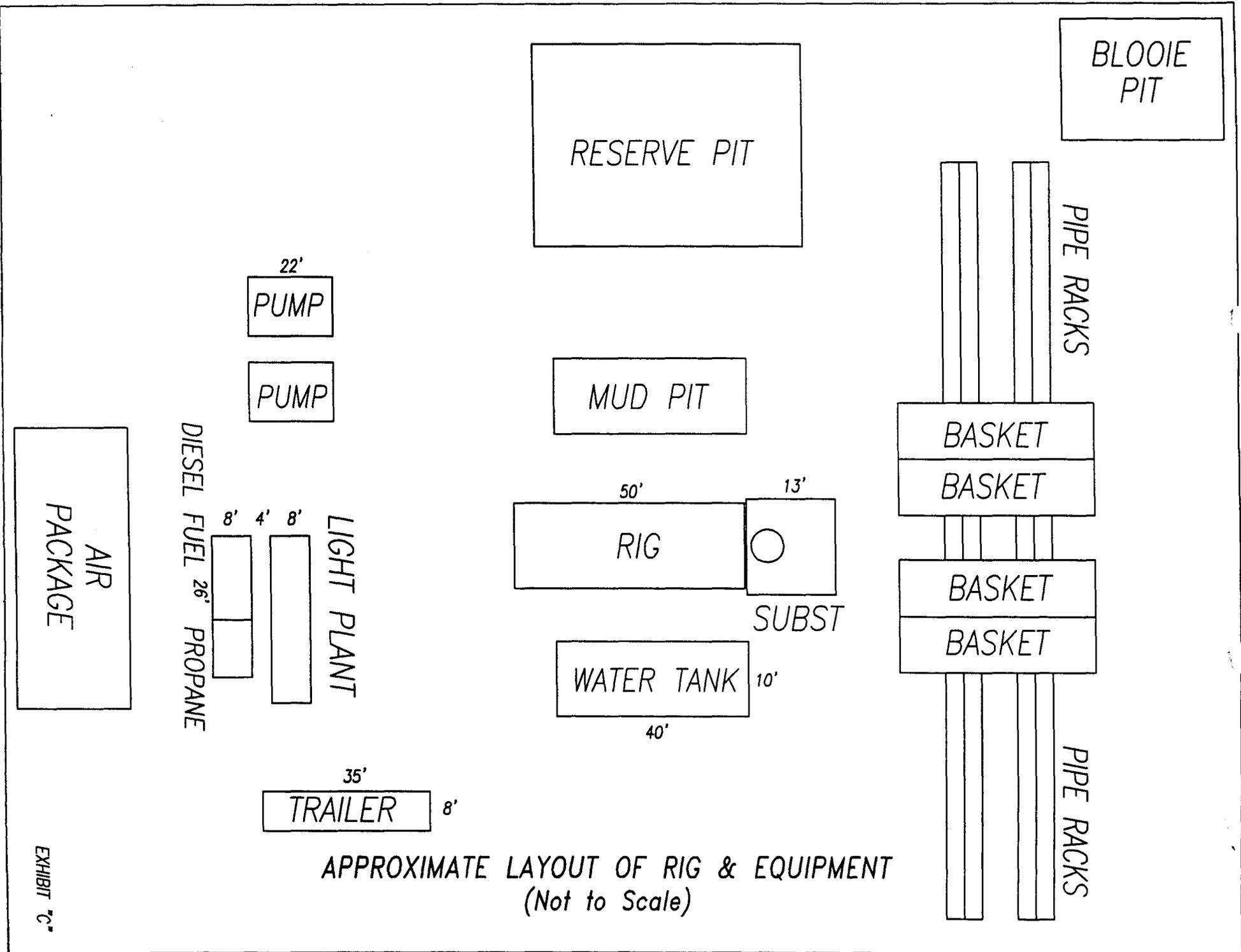
### GRAPHIC SCALE



**Talon Resources, Inc**  
375 South Carbon Avenue, Suite 101  
Price, Utah 84501  
Ph: 435-637-8781  
Fax: 435-636-8603

★ **TEXACO E & P** ★  
**WELL #12-153**  
Section 12, T18S, R7E, S.L.B.&M.  
Emery County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-1	Date: 12/17/01
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 478



APPROXIMATE LAYOUT OF RIG & EQUIPMENT  
(Not to Scale)

EXHIBIT "C"

EXHIBIT "D"  
DRILLING PROGRAM

Attached to BLM Form 3  
Texaco Exploration and Production, Inc.  
Utah Federal "P" 12-153  
NW/4 NW/4, Sec. 12, T18S, R7E, SLB & M  
276' FNL, 975' FWL  
Emery County, Utah

1. The Geologic Surface Formation

Blue Gate Shale Member of the Mancos Shale

2. Estimated Tops of Important Geologic Markers

Ferron Marker        -- 2895'  
Top of the A Coal    -- 2950'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones – 2895' - 3145'

No groundwater is expected to be encountered.

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 1000 psi.

4. The Proposed Casing and Cementing Programs

<u>HOLE SIZE</u>	<u>SETTING DEPTH (INTERVAL)</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE &amp; JOINT</u>	<u>CONDITION</u>
12-1/4"	300'	8-5/8"	24# K-55 ST&C	New
7-7/8"	3245'	5-1/2"	17# N-80 LT&C	New

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**Cement Program -Every attempt will be made to bring cement back to surface.**

Surface Casing: 230 sacks G + 2 % CaCl<sub>2</sub> + 0.25 pps cellophane flakes;  
Weight: 15.8 #/gal  
Yield: 1.16 cu.ft/sk

Production Casing: 135 sacks 10:1 RFC Class G cement + 0.25 pps cellophane flakes;  
Weight: 14.2 #/gal,  
Yield: 1.62 cu.ft/sk yield.

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. **The Operator's Minimum Specifications for Pressure Control**

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 3000 psi BOP will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. **The Type and Characteristics of the Proposed Circulating Muds**

0-300	12-1/4" hole	Drill with air, will mud-up if necessary.
300-TD	7-7/8" hole	Drill with air. 400 psi @ 1500-1800 Scf.

7. The Testing, Logging and Coring Programs are as followed

300-TD      Gamma Ray, Density, Neutron Porosity, Induction, Caliper

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is approximately 1000 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

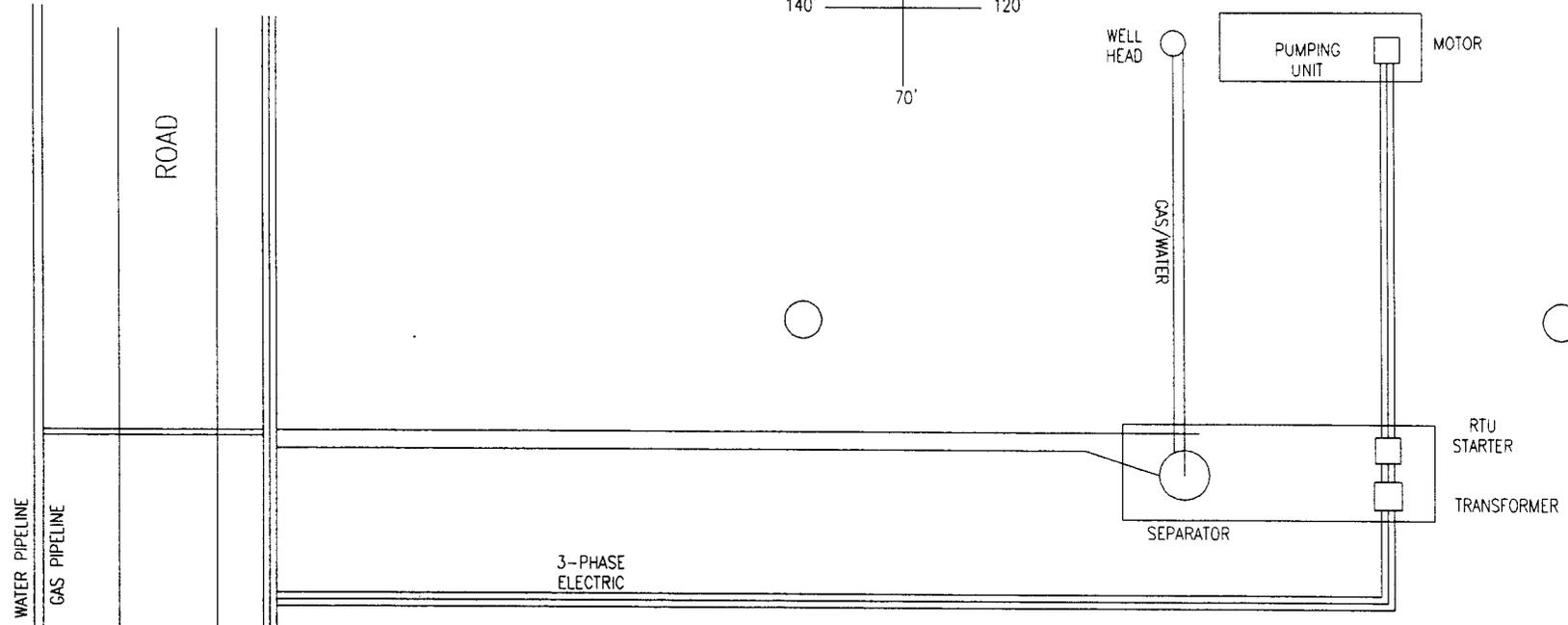
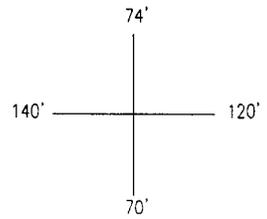
The well will be drilled approx.: April 2002.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining and Bureau of Land Management immediately.

ANCHOR (Typ. 4 Pt)



TEXACO EXPLORATION & PRODUCTION  
WELL SITE LAYOUT  
260' X 144'

EXHIBIT "E"



# TYPICAL ROAD CROSS-SECTION

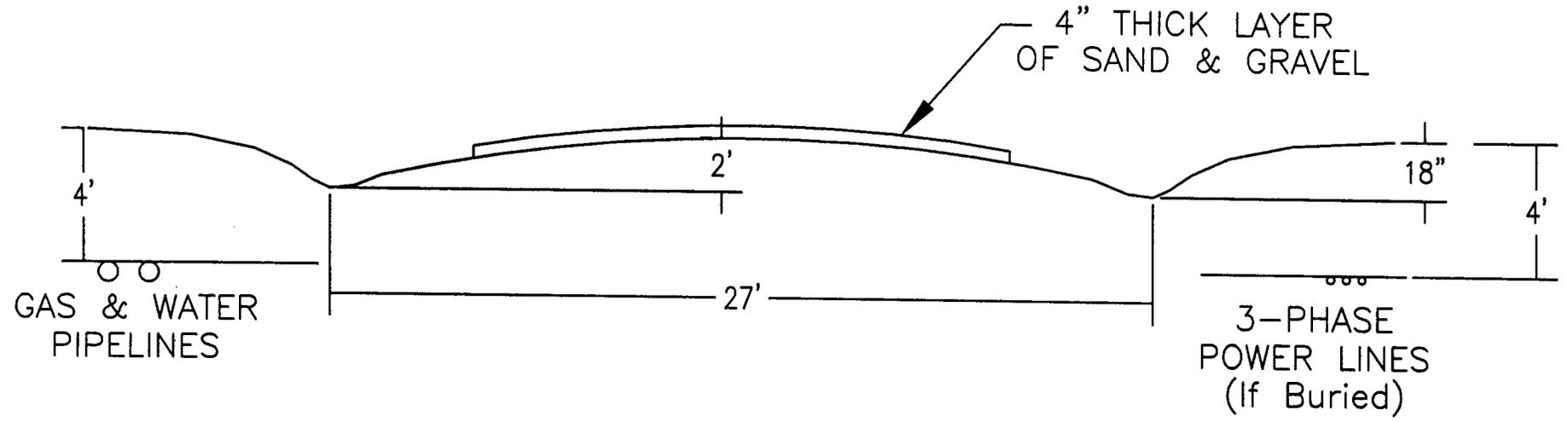


EXHIBIT "F"

# BOP Equipment

3000psi WP

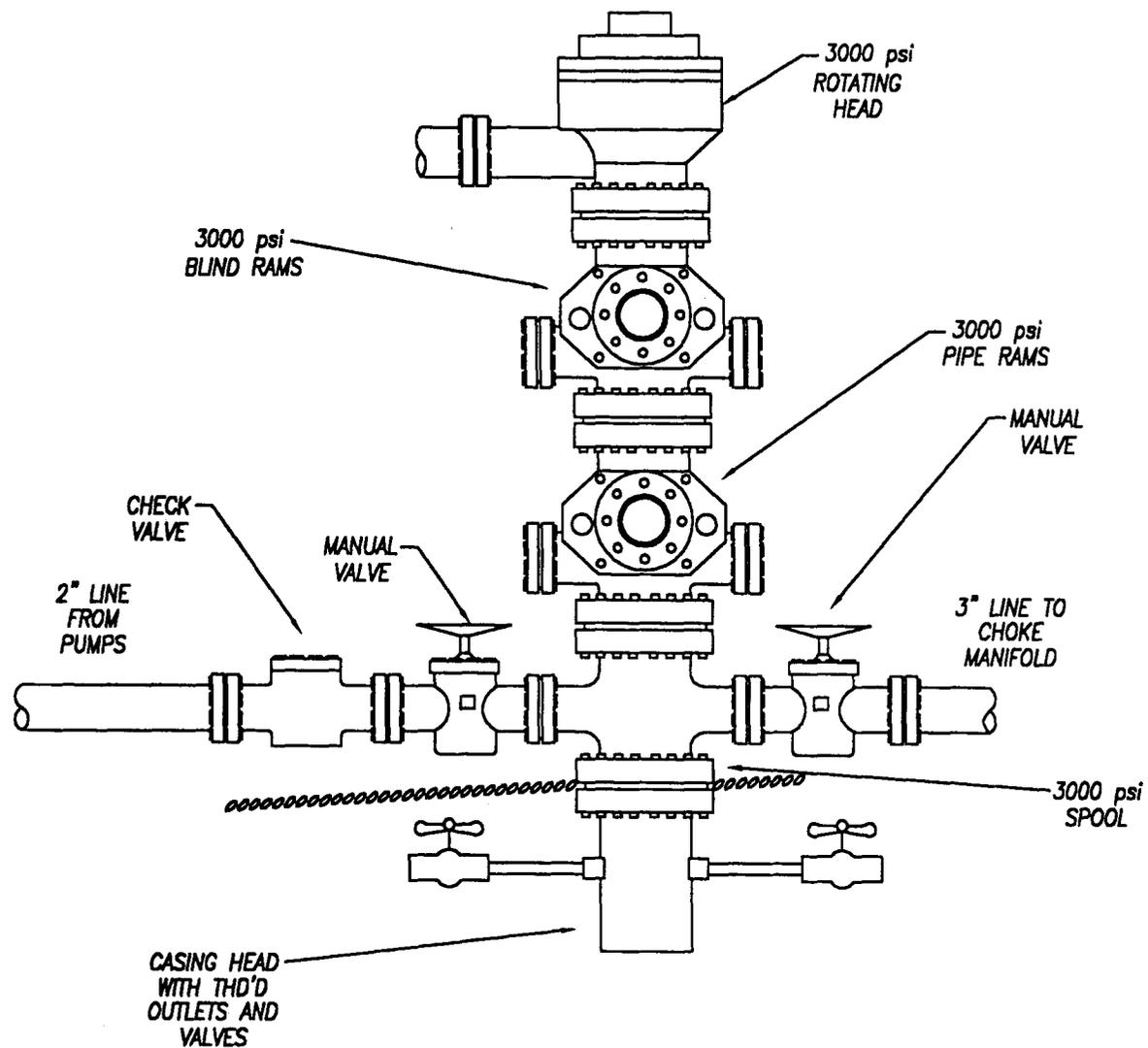
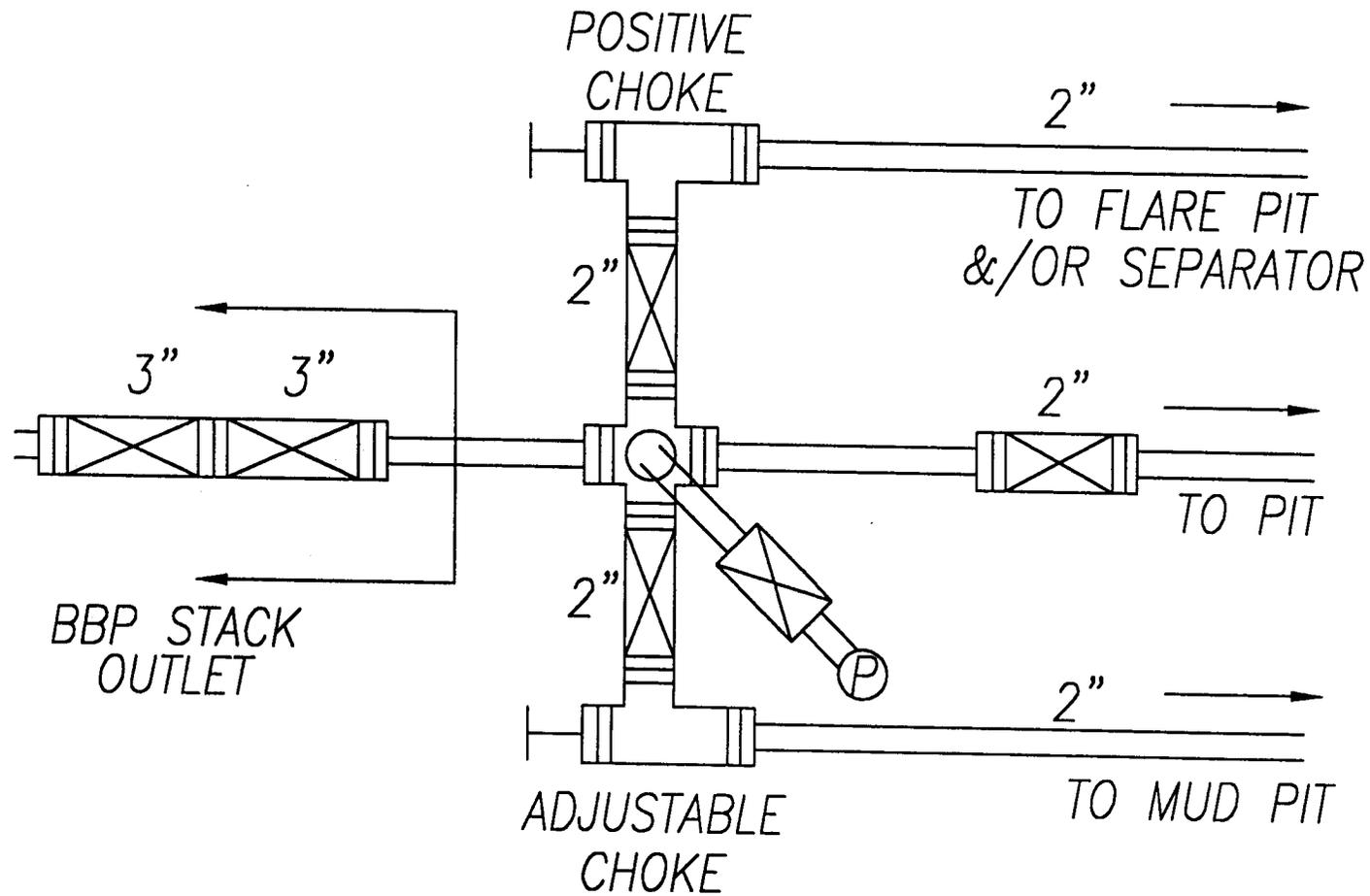
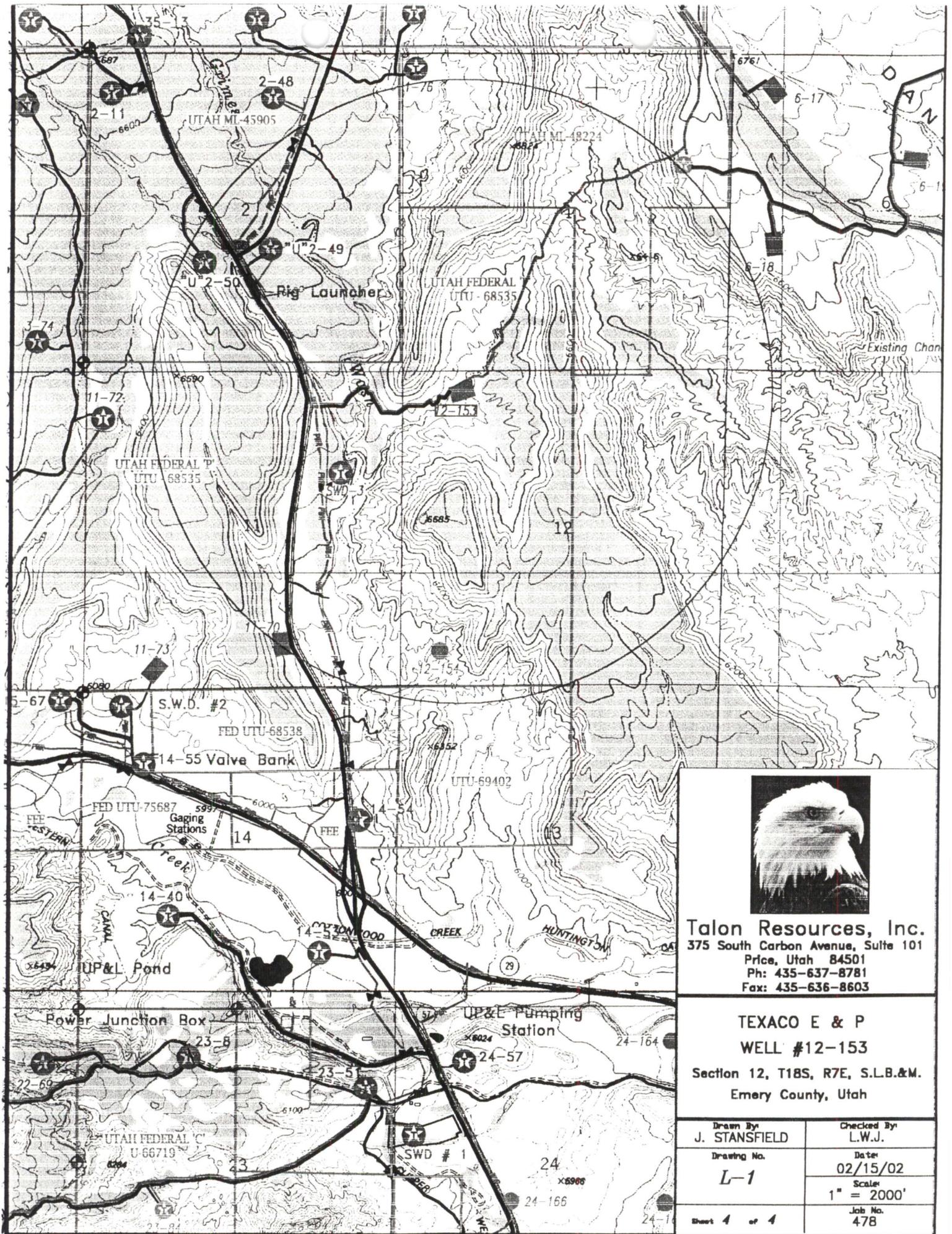


EXHIBIT "C"

# CHOKE MANIFOLD

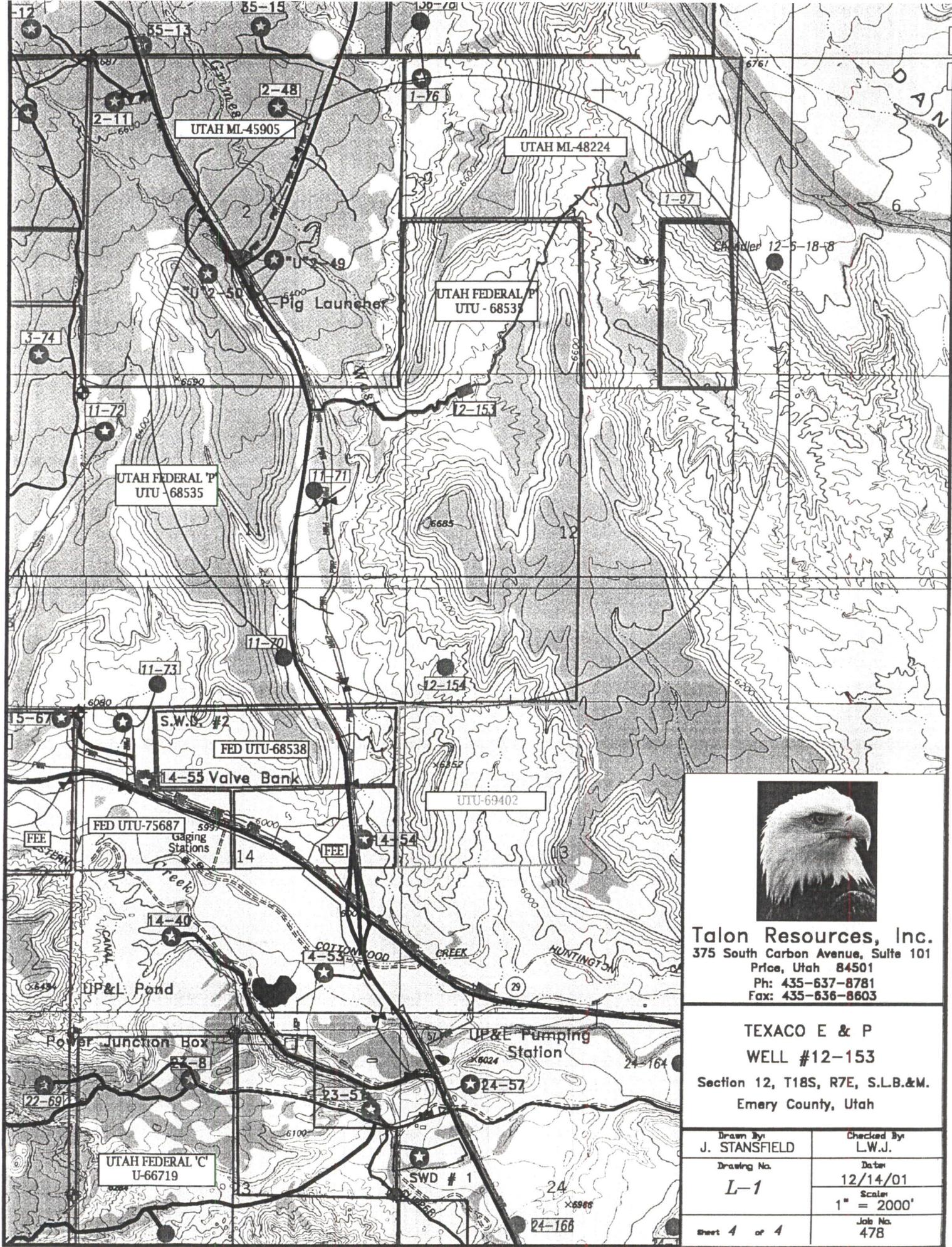




**Talon Resources, Inc.**  
 375 South Carbon Avenue, Suite 101  
 Price, Utah 84501  
 Ph: 435-637-8781  
 Fax: 435-636-8603

**TEXACO E & P**  
**WELL #12-153**  
 Section 12, T18S, R7E, S.L.B.&M.  
 Emery County, Utah

Drawn By <b>J. STANSFIELD</b>	Checked By <b>L.W.J.</b>
Drawing No. <b>L-1</b>	Date: <b>02/15/02</b>
	Scale: <b>1" = 2000'</b>
Sheet <b>4</b> of <b>4</b>	Job No. <b>478</b>



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 Section 12, T18S, R7E, S.L.B.&M.  
 Emery County, Utah

Drawn By <b>J. STANSFIELD</b>	Checked By <b>L.W.J.</b>
Drawing No. <b>L-1</b>	Date <b>12/14/01</b>
	Scale <b>1" = 2000'</b>
Sheet <b>4</b> of <b>4</b>	Job No. <b>478</b>

111°10'00" W 111°08'00" W 111°06'00" W 111°04'00" W 111°02'00" W NAD27 110°59'00" W

39°21'00" N  
39°19'00" N  
39°17'00" N  
39°15'00" N  
39°13'00" N  
39°11'00" N

39°21'00" N  
39°19'00" N  
39°17'00" N  
39°15'00" N  
39°13'00" N  
39°11'00" N

**Texaco Exploration and Production, Inc.**

**Utah Federal "P" 12-153**

**Talon Resources, Inc.**

375 South Carbon Ave. (A-10)

Price, Utah 84501

435-637-8781

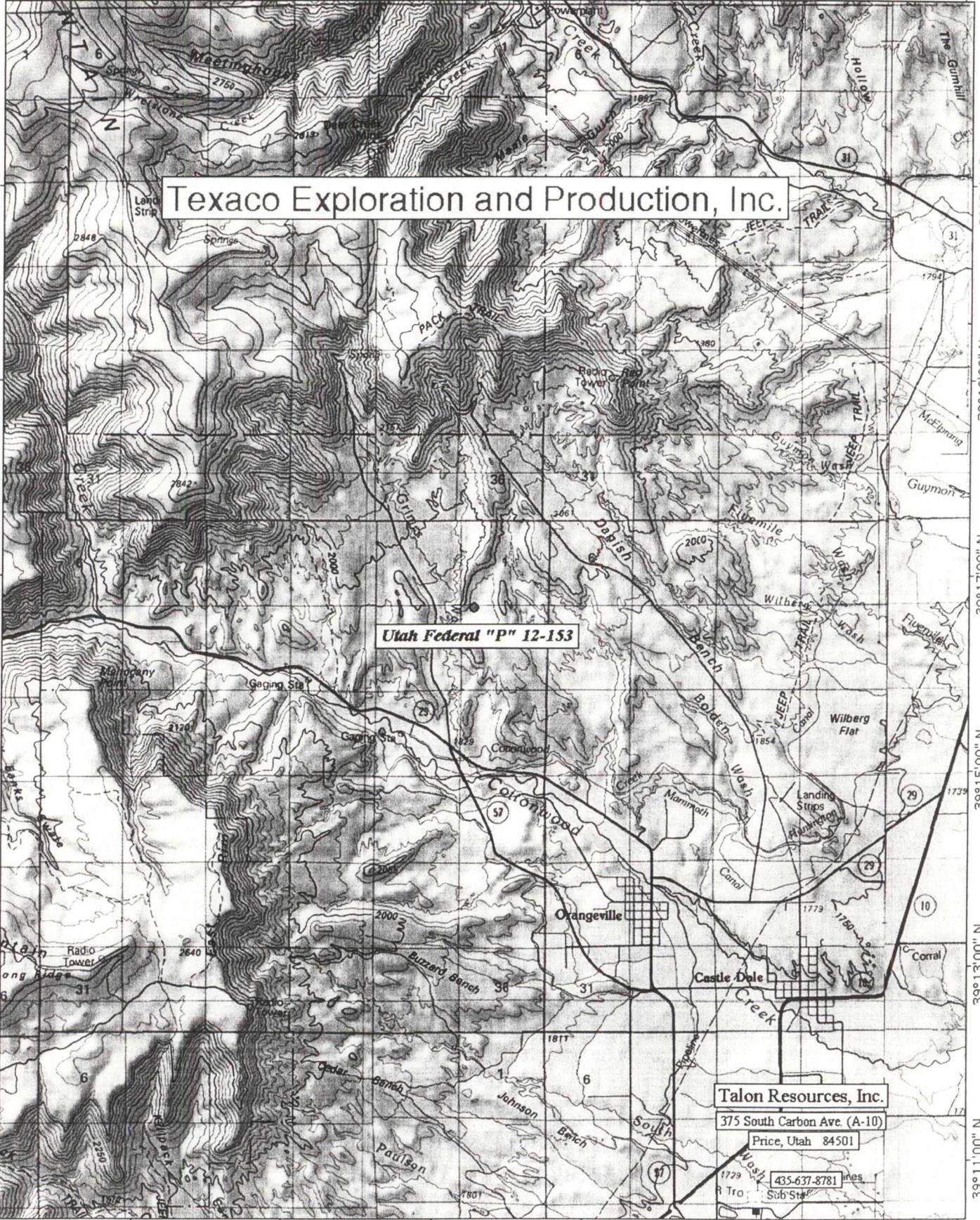
Sub Sta

TN  
13°

111°10'00" W 111°08'00" W 111°06'00" W 111°04'00" W 111°02'00" W NAD27 110°59'00" W

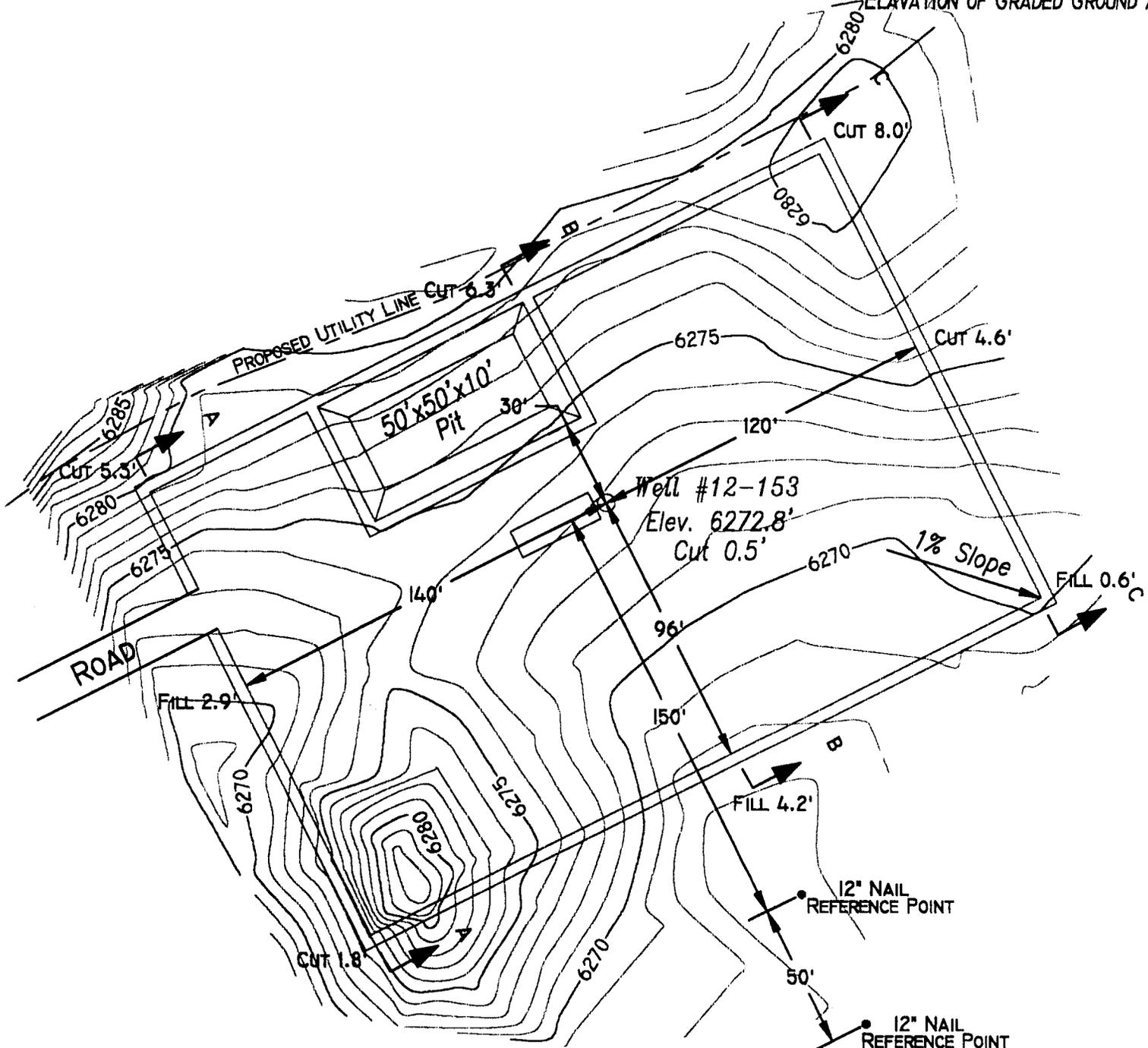


Printed from TOPO! ©2000 National Geographic Holdings (www.topo.com)



ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6272.8'

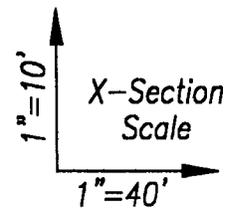
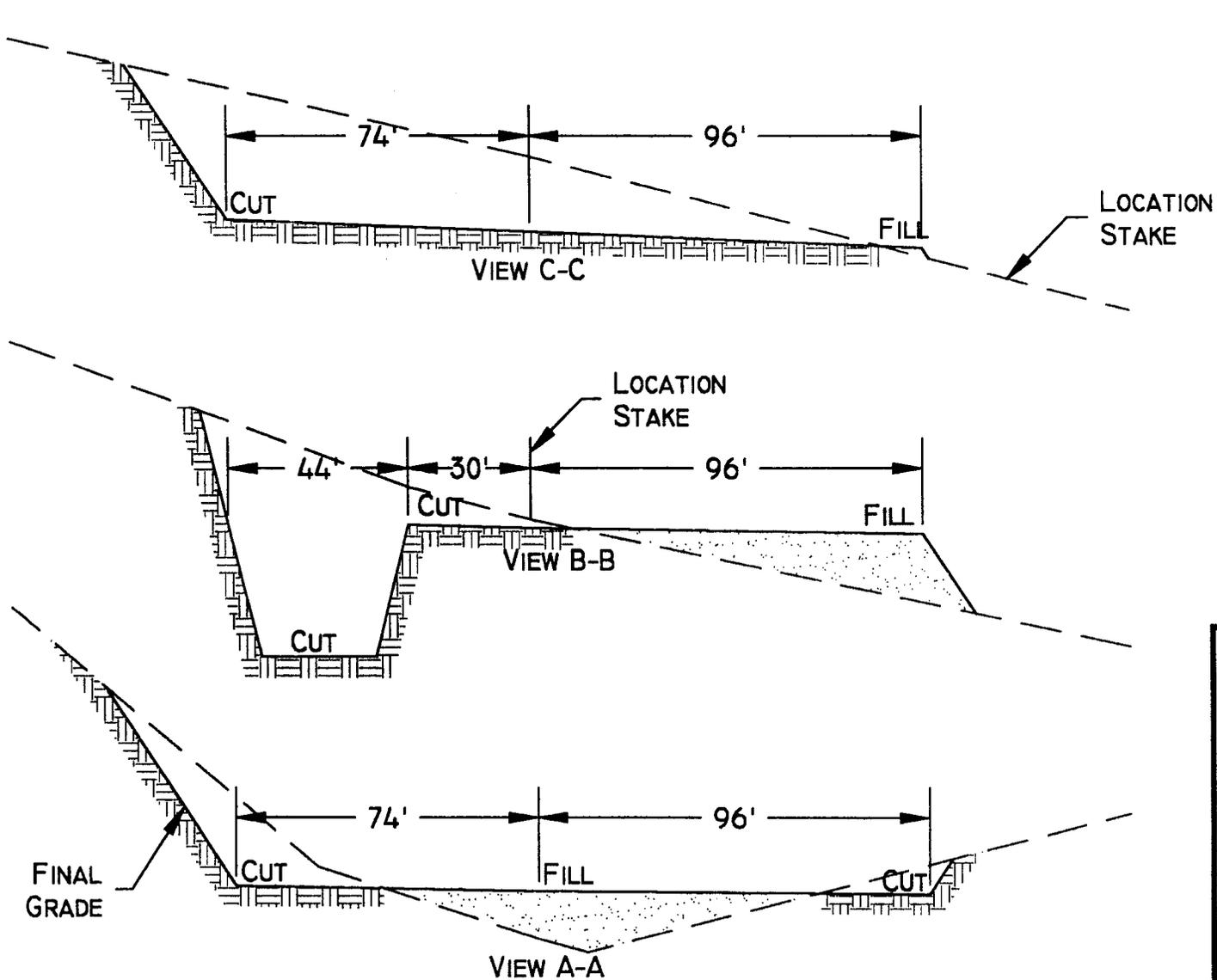
ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6272.3'



**Talon Resources, Inc.**  
375 South Carbon Avenue, Suite 101  
Price, Utah 84501  
Ph: 435-637-8781  
Fax: 435-636-8603

**TEXACO E & P**  
**LOCATION LAYOUT**  
Section 12, T18S, R7E, S.L.B.&M.  
**WELL #12-153**

Drawn By <b>J. STANSFIELD</b>	Checked By <b>L.W.J.</b>
Drawing No. <b>A-2</b>	Date <b>12/14/01</b>
	Scale <b>1" = 50'</b>
Sheet <b>2 of 4</b>	Job No. <b>478</b>



SLOPE = 1 1/2 : 1  
 (EXCEPT PIT)  
 PIT SLOPE = 1 ; 1



**Talon Resources, Inc.**  
 375 South Carbon Avenue, Suite 101  
 Price, Utah 84501  
 Ph: 435-637-8781  
 Fax: 435-636-8603

★ **TEXACO E & P** ★  
**TYPICAL CROSS SECTION**  
 Section 12, T18S, R7E, S.L.B.&M.  
**WELL #12-153**

Drawn By: <b>J. STANSFIELD</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>C-1</b>	Date: <b>12/17/01</b>
	Scale: <b>1" = 40'</b>
Sheet <b>3 of 4</b>	Job No. <b>478</b>

APPROXIMATE YARDAGES

CUT  
 (.6") TOPSOIL STRIPPING = 750 CU. YDS.  
 REMAINING LOCATION = 2,839 CU. YDS.  
 TOTAL CUT = 3,689 CU. YDS.  
 TOTAL FILL = 1,394 CU. YDS.

002

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/06/2002

API NO. ASSIGNED: 43-015-30551

WELL NAME: UT FED P 12-153  
OPERATOR: TEXACO E & P INC ( N5700 )  
CONTACT: RON WIRTH

PHONE NUMBER: 505-325-4397 *ext.*

PROPOSED LOCATION:

NWNW 12 180S 070E  
SURFACE: 0276 FNL 0975 FWL  
BOTTOM: 0276 FNL 0975 FWL  
EMERY  
UNDESIGNATED ( 2 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal  
LEASE NUMBER: UTU-68535  
SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: FRSD

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. S304604 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. MUNICIPAL )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

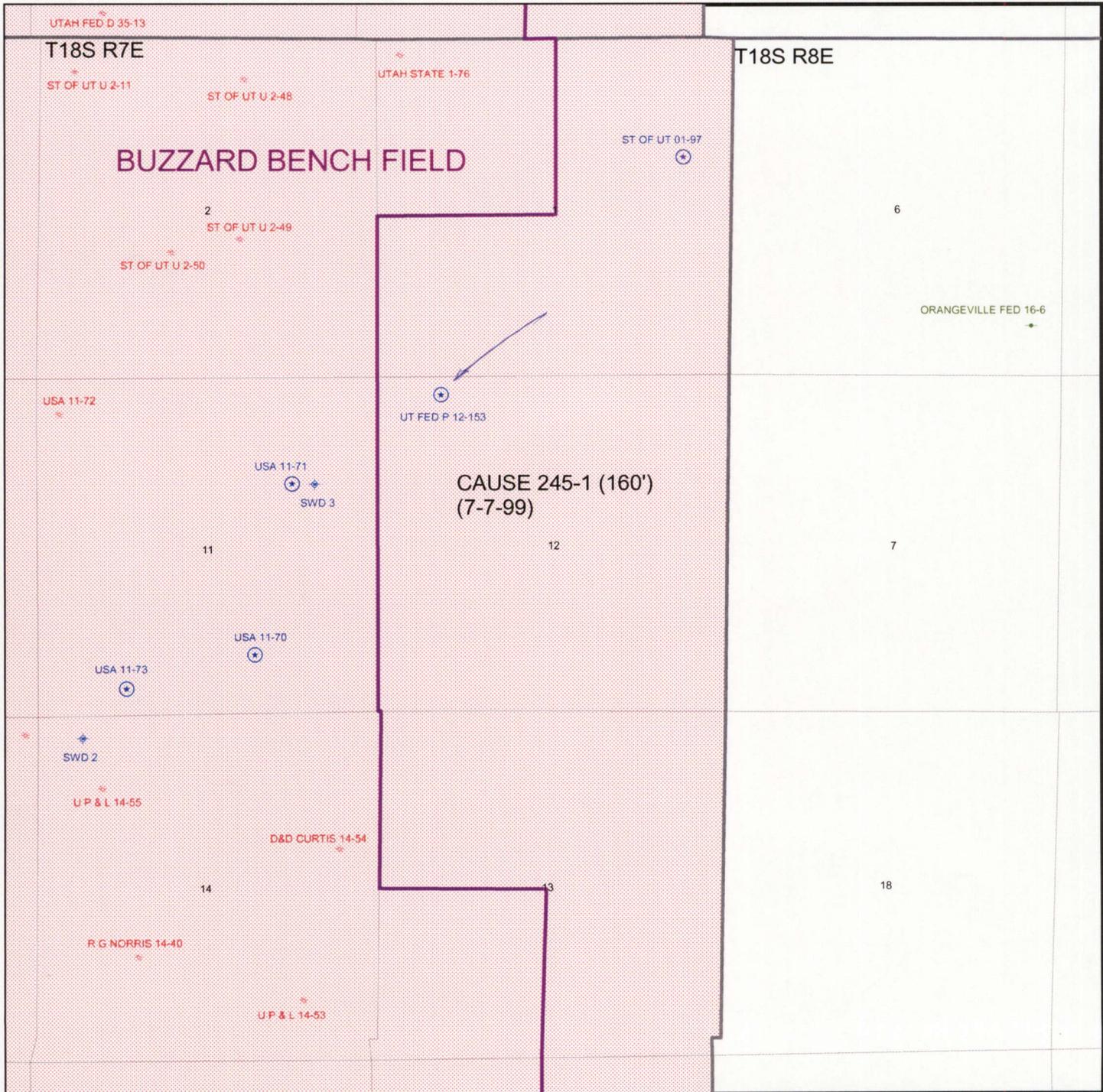
- R649-2-3. Unit \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 245-1 (160')  
Eff Date: 7-7-99  
Siting: 460' fr. Dr. Unit Boundary E. Uncomm. Tract
- R649-3-11. Directional Drill

COMMENTS: Need "Ex. Log" info. (rec'd 3-25-02)

STIPULATIONS: 1-Fed. Approval



OPERATOR: TEXACO E&P INC (N5700)  
 SEC. 12, T18S, R7E  
 FIELD: UNDESIGNATED (002)  
 COUNTY: EMERY SPACING: 245-1 (160')



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well

Oil  Gas

2. Name of Operator

Texaco Exploration & Production, Inc.

3. Address and Telephone No.

3300 N. Butler, Suite 100, Farmington, New Mexico 87401

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

276' FNL, 975' FWL  
NW/4 NW/4, Section 12, T18S, R7E, SLB&M

5. Lease Designation and Serial No.

UTU-68535

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Utah Federal "P" 12-153

9. API Well No.

43-015-30551

10. Field and Pool, or Exploratory Area

Undesignated

11. County or Parish, State

Emery County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Change of Name	<input type="checkbox"/> Pipeline, Powerline, Maintenance Corridor Construction
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Water Shut-Off
	<input checked="" type="checkbox"/> Relocation of utility corridor	<input type="checkbox"/> Conversion to Injection
		<input type="checkbox"/> Dispose Water

13. Describe Proposed or Completed Operations ( Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

**Relocation of the utility corridor prior to the onsite inspection.**

**The utility corridor to the Utah Federal "P" 12-153 is being relocated to avoid excessive cuts and fills.**

**Please replace the APD map submitted on 2-1-02 with the attached updated map reflecting the changes.**

**RECEIVED**

MAR 04 2002

DIVISION OF  
OIL, GAS AND MINING

**FILE COPY**

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

Signed Tom With Title OP. SUPERVISOR Date 2/25/02

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any:



*Talon Resources, Inc.*

Service, Quality and Accuracy

375 South Carbon Avenue A-10  
Suite 101  
Price, Utah 84501  
Phone: 435-637-8781

Cell: 435-650-1401  
435-650-1402  
435-650-1886  
Fax: 435-636-8603

March 19, 2002

**RECEIVED**

MAR 25 2002

**DIVISION OF  
OIL, GAS AND MINING**

Mrs. Lisha Cordova  
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 (Cause number 245-1) Texaco Exploration and Production, Inc.  
Utah Federal "P" 12-153: 276' FNL, 975' FWL, Section 12, T18S, R7E, SLB&M.

Dear Mrs. Cordova:

On behalf of Texaco Exploration and Production, Inc. (Texaco) Talon Resources, Inc. respectfully submits the following request for exception to spacing and information to supplement the previously submitted *APD* for the above referenced well.

**A request for exception to spacing (245-1) is hereby requested based on topography since the well is located within 460' of the drilling unit boundary.**

**Texaco is the only offset drilling unit owner within the SW/4 Section 1, T18S, R7E, SLB&M.**

Thank you for your timely consideration of this request. Please feel free to contact me or Mr. Ron Wirth of Texaco at 1-435-748-5395 if you have any questions or need additional information.

Sincerely,

*Don Hamilton*  
Don Hamilton  
Environmental Manager / Project Coordinator

cc: Mr. Ron Wirth, ChevronTexaco  
Mr. Jim Micikas, ChevronTexaco  
Mr. Ian Kephart, ChevronTexaco  
Mr. Gene Herrington, ChevronTexaco  
Texaco Well File

**ORIGINAL**

Please accept this letter as Texaco Exploration and Production's written request for confidential treatment of all information contained in and pertaining to this application, if said information is eligible for such consideration.

Thank you very much for your timely consideration of this application. Please feel free to contact myself, or Mr. Ron Wirth at Texaco if you have any questions or need additional information.

Sincerely,

*Don Hamilton*

Don Hamilton

Environmental Manager / Project Coordinator

cc: Mr. Mike Kaminski, BLM Price Field Office  
Mrs. Lisha Cordova, UDOGM  
Mr. Bryant Anderson, Emery County  
Mr. Ron Wirth, Texaco  
Mr. Chuck Snure, Texaco  
Mr. Bob Lamarre, Texaco  
Mr. Ian Kephart, Texaco  
Texaco Well File

603



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

March 26, 2002

Texaco Exploration and Production Inc  
PO Box 618  
Orangeville UT 84537

Re: Utah Federal "P" 12-153 Well, 276' FNL, 975' FWL, NW NW, Sec. 12, T. 18 South,  
R. 7 East, Emery County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30551.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

John R. Baza  
Associate Director

er

Enclosures

cc: Emery County Assessor  
Bureau of Land Management, Moab District Office

**Operator:** Texaco Exploration and Production Inc  
**Well Name & Number** Utah Federal "P" 12-153  
**API Number:** 43-015-30551  
**Lease:** UTU-68535

**Location:** NW NW      **Sec.** 12      **T.** 18 South      **R.** 7 East

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Operator Name Change</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: See Attached List of Wells
2. NAME OF OPERATOR: Chevron U.S.A. Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: BLM & State of Utah
3. ADDRESS OF OPERATOR: P.O. Box 36366 CITY Houston STATE TX ZIP 77236		7. UNIT or CA AGREEMENT NAME: Orangeville & Huntington
4. LOCATION OF WELL FOOTAGES AT SURFACE: See Attached List of Wells		8. WELL NAME and NUMBER: See Attached List of Wells
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		9. API NUMBER:
COUNTY: Emery		10. FIELD AND POOL, OR WILDCAT:
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>Operator Name Change (Merger)</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective May 1, 2002, Chevron U.S.A. Inc. is the new operator of the attached list of subject wells and leases that were previously operated by Texaco Exploration and Production Inc. The subject wells are located North of Orangeville and North of Huntington, Emery County, Utah. These Wells will be protected by the following surety bonds:

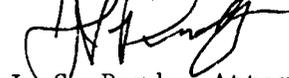
STATE OF UTAH Bond #: 103521627-0010 in the amount of \$80,000. (This bond will replace United Pacific Insurance Company bond number U89-75-80-0059. We respectfully request this bond be released and returned.)

BLM Nationwide Bond#: U89-75-81-0034 in the amount of \$300,000.

Key Contacts:

Ron Wirth - Operations Supervisor - 435 748-5395 x1

Texaco Exploration & Production Inc.

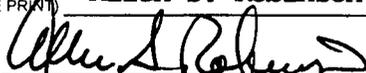


J. S. Purdy, Attorney-In-Fact

**RECEIVED**

MAY 06 2002

DIVISION OF  
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Allen S. Robinson</u>	TITLE <u>Attorney-In-Fact</u>
SIGNATURE 	DATE <u>April 30, 2002</u>

(This space for State use only)

Chevron U.S.A. Inc.  
 Midcontinent Business Unit  
 Ferron Operations  
 Emery County, Utah

Name / Operatorship Change  
 Texaco Exploration and Production Inc.  
 to  
 Chevron U.S.A. Inc.

Account Number	Section	Township	Range	API Number	Well Name	Lease Type	Well Status Main	Well Type Main	Fed or State
N5700	06	170S	080E	4301530292	UTAH FEDERAL M 6-25	1	S	GW	Federal
N5700	34	170S	070E	4301530282	UTAH FEDERAL D 34-12	1	P	GW	Federal
N5700	34	170S	070E	4301530389	USA 34-80	1	P	GW	Federal
N5700	34	170S	070E	4301530390	USA 34-82	1	P	GW	Federal
N5700	35	170S	070E	4301530285	UTAH FEDERAL D 35-13	1	P	GW	Federal
N5700	35	170S	070E	4301530286	UTAH FEDERAL D 35-14	1	P	GW	Federal
N5700	35	170S	070E	4301530287	UTAH FEDERAL D 35-15	1	P	GW	Federal
N5700	03	180S	070E	4301530383	USA 3-74	1	P	GW	Federal
N5700	03	180S	070E	4301530384	USA 3-75	1	P	GW	Federal
N5700	03	180S	070E	4301530448	FEDERAL P 3-92	1	DRL	GW	Federal
N5700	03	180S	070E	4301530449	FEDERAL P 3-93	1	DRL	GW	Federal
N5700	04	180S	070E	4301530280	UTAH FEDERAL Q 4-44	1	P	GW	Federal
N5700	08	180S	070E	4301530274	UTAH FEDERAL S 8-46	1	P	GW	Federal
N5700	10	180S	070E	4301530258	UTAH FEDERAL P 10-47	1	P	GW	Federal
N5700	10	180S	070E	4301530276	UTAH FEDERAL P 10-42	1	P	GW	Federal
N5700	10	180S	070E	4301530277	UTAH FEDERAL P 10-43	1	P	GW	Federal
N5700	11	180S	070E	4301530385	USA 11-70	1	APD	GW	Federal
N5700	11	180S	070E	4301530386	USA 11-71	1	APD	GW	Federal
N5700	11	180S	070E	4301530387	USA 11-72	1	P	GW	Federal
N5700	11	180S	070E	4301530388	USA 11-73	1	APD	GW	Federal
N5700	21	180S	070E	4301530450	FEDERAL T 21-94	1	APD	GW	Federal
N5700	22	180S	070E	4301530451	FEDERAL T 22-69	1	P	GW	Federal
N5700	22	180S	070E	4301530452	FEDERAL T 22-83	1	APD	GW	Federal
N5700	22	180S	070E	4301530453	FEDERAL T 22-91	1	APD	GW	Federal
N5700	23	180S	070E	4301530245	FEDERAL C23-8	1	P	GW	Federal
N5700	23	180S	070E	4301530447	FEDERAL C 23-84	1	APD	GW	Federal
N5700	26	180S	070E	4301530244	FEDERAL A26-2	1	P	GW	Federal
N5700	26	180S	070E	4301530246	FEDERAL A26-4	1	P	GW	Federal
N5700	26	180S	070E	4301530445	FEDERAL A 26-88	1	APD	GW	Federal
N5700	27	180S	070E	4301530440	FEDERAL T 27-85	1	APD	GW	Federal
N5700	27	180S	070E	4301530455	FEDERAL T 27-86	1	APD	GW	Federal
N5700	27	180S	070E	4301530456	FEDERAL T 27-87	1	P	GW	Federal

6/6/03 need to move these

Chevron U.S.A. Inc.  
Midcontinent Business Unit  
Ferron Operations  
Emery County, Utah

Name / Operatorship Change  
Texaco Exploration and Production Inc.  
to  
Chevron U.S.A. Inc.

Account Number	Section	Township	Range	API Number	Well Name	Lease Type	Well Status Main	Well Type Main	Fed or State
N5700	27	180S	070E	4301530457	FEDERAL T 27-90	1	APD	GW	Federal
N5700	34	180S	070E	4301530249	FEDERAL A34-7	1	P	GW	Federal
N5700	35	180S	070E	4301530247	FEDERAL A35-6	1	P	GW	Federal
N5700	35	180S	070E	4301530248	FEDERAL A35-5	1	P	GW	Federal
N5700	35	180S	070E	4301530446	FEDERAL A 35-89	1	DRL	GW	Federal
N5700	21	190S	070E	4301530243	FEDERAL B21-3	1	S	GW	Federal
N5700	06	200S	070E	4301530294	UTAH FEDERAL H 6-21	1	TA	GW	Federal

6/6/03  
Y/2002 these  
BR

Bureau of Land Management  
Moab District  
Application for Permit to Drill  
On-Site Inspection Checklist

Company: Texaco Exploration & Production, Inc. Well No.: Utah Federal "P" 12-153

Location: *Section 12, T18S, R7E SLB & M*

Lease No.: *Federal UTU-68535*

On-Site Inspection Date: Pending

**B. THIRTEEN POINT SURFACE USE PLAN**

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

1. Existing Roads:
  - a. Proposed route to location: *Turn right off of SR-57 just past the existing 11-71 well (gravel road). Proposed access will encroach SR-57 in which an encroachment with UDOT is pending (See Exhibit "B").*
  - b. Location of proposed well in relation to town or other reference point: *Approximately 4.0 miles northwest of Orangeville, UT.*
  - c. Contact the County Road Department for use of county roads. The use of Emery County roads will require an encroachment permit from the Emery County Road Department: *Encroachment permit is pending*
  - d. Plans for improvement and/or maintenance of existing roads: *N/A*
  - e. Other:
2. Planned Access Roads:
  - a. Location (centerline): *From the existing paved surface SR-57 (gravel road) continue along the flagged route to the proposed well site. Planned access begins at a point approximately 600' FNL, 1500' FEL, Section 11, T18S, R7E.*
  - b. Length of new access to be constructed: *None*
  - c. Length of existing roads to be upgraded: *Approximately 2,900'*
  - d. Maximum total disturbed width: *60'*
  - e. Maximum travel surface width: *25'*
  - f. Maximum grades: *10%*
  - g. Turnouts: *None*

- h. Surface materials: *Native*
- i. Drainage (crowning, ditching, culverts, etc): *Roads will be crowned with bar ditches on both sides with approximately 4 culverts placed along the existing road.*
- j. Cattleguards: *No cattleguards will be needed, Additional gates will be installed if required.*
- k. Length of new and/or existing roads which lie outside the lease boundary for which a BLM right-of-way is required: *None*
- l. Other:

Surface disturbance and vehicular travel will be limited to the approved location access road. Any additional area needed must be approved by the Area Manager in advance.

If a right-a-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.

If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of way grant, the prior onlease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

- 3. Location of Existing Wells - on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: *See Exhibit "B"*
- 4. Location of Production Facilities:
  - a. On-site facilities: *See Exhibit "E"*
  - b. Off-site facilities: *None*
  - c. Pipelines: *N/A*

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows: *olive black*

All site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 Colors will be as follows: *olive black*

If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The

gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4.

Production facilities on location may include a lined or unlined produced water pit. If water is produced from the well, an application must be submitted.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on A map): *All water needed for drilling will be obtained from a local municipal water source, Since this well will be primarily drilled with air, minimal water will be needed.*

6. Source of Construction Material:

Pad construction material will be obtained from (if the source is Federally owned, show location on a map): *Private Owner*

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

Any gravel used will be obtained from a state approved gravel pit.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc.

The reserve pit will be located: *Inbound and along the north side of the pad.*

The reserve pit will be constructed so as not to leak, break, or allow discharge.

The reserve pit will be lined with native material unless designated otherwise by BLM officers prior to construction. Pit walls will be sloped no greater than 2 to 1.

The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.

Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations.

8. Ancillary Facilities: Garbage Containers and Portable Toilets

9. Well Site Layout - depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1" = 50'.

All well, whether drilling, producing, suspended, or abandoned, will be identified in

accordance with 43 CFR 3162.6.

Access to the well pad will be from: *Southwest*.

The blooie line will be located: *At least 100 feet from the well head*.

To minimize the amount of fugitive dust and spray escaping from the blooie pit, the following blooie line deflection method will be employed: *Water Injection*.

10. Plans for Restoration of the Surface:

The top 6 inches of topsoil material will be removed from the location and stockpiled separately on: *Adjacent undisturbed land*.

Topsoil along the access road will be reserved in place adjacent to the road.

Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.

The reserve pit and that portion of the location not needed for production will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be recontoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled between Sept. and Nov., or at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used: *BLM-recommended mixture*.

The abandonment marker will be one of the following, as specified by BLM:

- 1) at least four feet above ground level,
- 2) at restored ground level, or
- 3) below ground level.

In any case the marker shall be inscribed with the following: operator name, lease number, Well name and surveyed description (township, range, section and either quarter-quarter or footage.).

Additional requirements:

11. Surface and Mineral Ownership:
  - a. Surface Ownership ----- *Federal; Bureau of Land Management*
  - b. Mineral Ownership ----- *Federal; Bureau of Land Management*

12. Other Information:

- a. Archeological Concerns: *None that the operator is aware of.*

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:

1. whether the materials appear eligible for the National Register of Historic Places;
2. the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
3. a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

- b. Threatened and Endangered Species Concerns: *None that the operator is aware of.*
- c. Wildlife Seasonal Restrictions (yes/no): *See Environmental Impact Statement (EIS)*
- d. Off Location Geophysical Testing: *N/A*
- e. Drainage crossings that require additional State or Federal approval: *None*
- f. Other:

13. Lessee's or Operator's Representative and Certification

Representative: Texaco Exploration & Production, Inc.

Name: Ron Wirth – Production Supervisor

Address: 3300 N Butler Suite 100  
Farmington, New Mexico 87401

Phone No: 505-325-4397

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Texaco and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under Texaco's BLM bond. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

# 5304604 pc

Signature: Ron Wirth Date: 2/1/02

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location - Contact the Resource Area, Natural Resource Protection Specialist at least 24 hours prior to commencing construction of location.

Spud - The spud date will be reported to the Resource Area Office 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted the District Office within 24 hours after spudding, regardless of whether spud was made with a dry hold digger or big rig.

Daily Drilling Reports - Daily drilling reports shall detail the progress and status of the well and shall be submitted to the District Office on a weekly basis.

Monthly Reports of Operations - In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices - There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. "Sundry Notices and Reports on Wells: (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling suspensions - Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Authorized Officer. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events - Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the Resource Area in accordance with requirements of NTLA.

Cultural Resources - If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First production - Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Resource Area Office. The Resource Area Office shall be notified prior to the first sale.

Well Completion Report - Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analysis, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings and/or samples) will be submitted when requested by the Assistant District Manager.

Venting/Flaring of Gas - NTL-4A allows venting/flaring of gas during the initial well evaluation period not to exceed 30 days or 50 Mmcf. Venting/flaring beyond the initial test period threshold must be approved by the District Office.

Produced Water - Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted to the Assistant District Manager for approval.

Off-Lease Measurement, Storage, Commingling - Prior approval must be obtained from the Assistant District Manager for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment - If the well is completed as a dry hole, plugging instructions must be obtained from the BLM, Moab District Office prior to initiating plugging operations. Table 1 of this document provides the after-hours phone numbers of personnel who are authorized to give plugging instructions.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Divisions within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

**TABLE 1**  
**NOTIFICATIONS**

Notify Michael Kaminski of the Price Resource Area, at (435) 636-3646 for the following:

2 days prior to commencement of dirt work construction or reclamation;

1 day prior to spudding

50 feet prior to reaching surface and intermediate casing depths;

3 hours prior to testing BOPE;

12 hours prior to reaching kickoff point depth (if applicable).

If the person at the above number cannot be reached, notify the Moab District Office at (435) 259-6111. If unsuccessful, notify one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (435) 259-6111. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer

Office: (435) 259-6111

Home: (435) 259-2214

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

004

APPLICATION FOR PERMIT TO DRILL OR DEEPEN WELLS

RECEIVED  
MAY 15 2002  
2002 FEB -6 P 3:14

1a. TYPE OF WORK  
 DRILL  DEEPEN

b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
 Texaco Exploration and Production, Inc.

3. ADDRESS AND TELEPHONE NO.  
 3300 North Butler Farmington, NM 87401; 505-325-4397

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. \*)  
 At surface  
 At proposed prod. zone 276' FNL, 975' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 4.0 miles northwest of Orangeville, Utah

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) 1013'

16. NO. OF ACRES IN LEASE 1977.56

17. NO. OF ACRES ASSIGNED TO THIS WELL 160 acres

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3000'

19. PROPOSED DEPTH 3245'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6273' GR

22. APPROX. DATE WORK WILL START\* September 2002

5. LEASE DESIGNATION AND SERIAL NO.  
 UTU-68535

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 N/A

7. UNIT AGREEMENT NAME  
 N/A

8. FARM OR LEASE NAME, WELL NO.  
 Utah Federal "P" 12-153

9. API WELL NO.  
 43-015-30551

10. FIELD AND POOL, OR WILDCAT  
 Undesignated

11. SEC., T, R, M., OR BLK.  
 A NW/4 NW/4, Section 12, T18S, R7E, SLB&M

12. COUNTY OR PARISH Emery

13. STATE Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" K-55 ST&C	24	300'	230 sacks Class G cement + 2% CaCl <sub>2</sub> + 0.25 pps cellophane flakes
7-7/8"	5-1/2" N-80 LT&C	17	3245'	135 sacks 10:1 RFC Class G cement + 0.25 pps cellophane flakes

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IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Ron With TITLE OPERATIONS SUPERVISOR DATE 2/1/02

(This space for Federal or State office use)  
PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

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:

APPROVED BY /S/ WILLIAM C. STRINGER TITLE Assistant Field Manager, Division of Resources DATE AUG 13 2002

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency or the

CONDITIONS OF APPROVAL ATTACHED

# Range 7 East

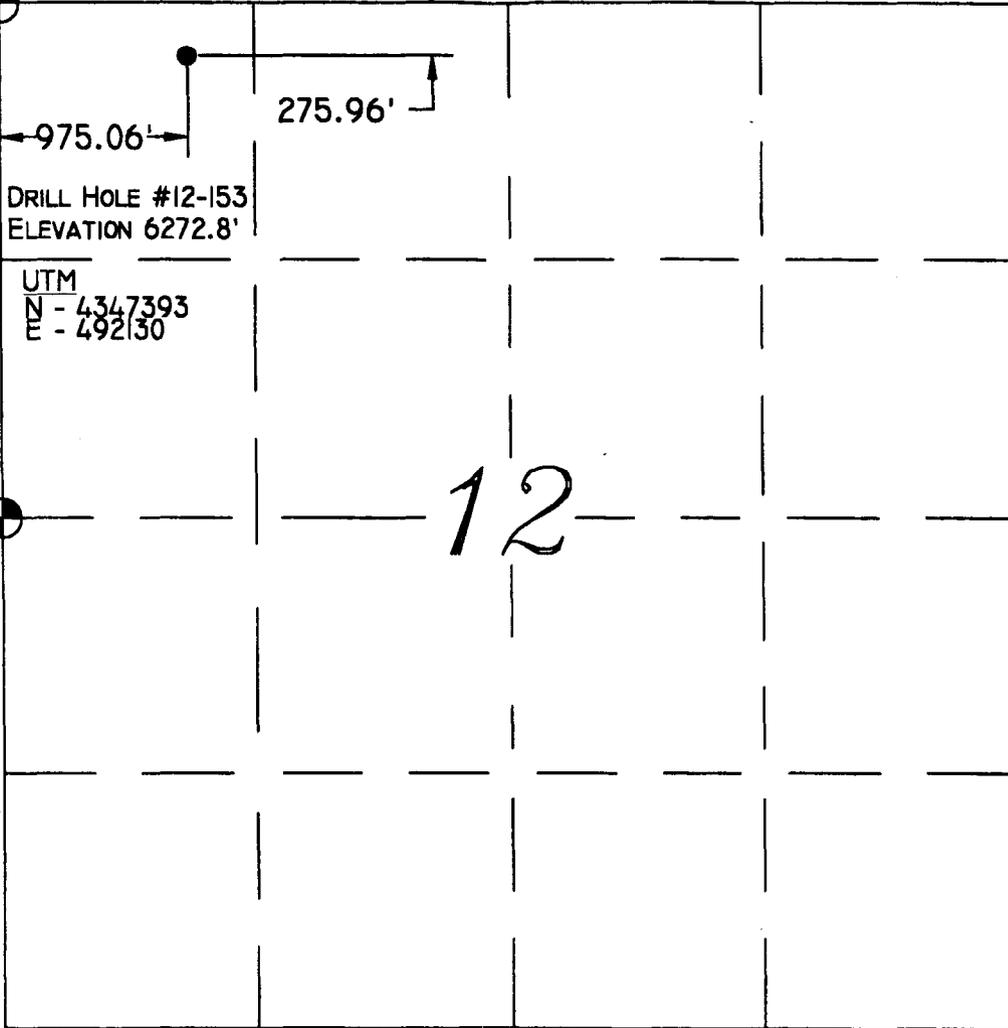
(S89°46'W - 5445.0'')

Township 18 South

(N00°12'07"E - 2663.95'  
N00°10'E - 2663.10')

(N00°04'W - 2658.48')

(N00°55'E - 5310.36')



(S89°37'W - 5367.12'')

## Legend

- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- ( ) GLO

GPS Measured

## NOTE:

UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG	
39°16'40"	
111°05'29"	

## Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

## Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

## GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

## Basis of Elevation:

BASIS OF ELEVATION OF 6761' BEING AT THE NORTHEAST SECTION CORNER OF SECTION 12, TOWNSHIP 18 SOUTH, RANGE 7 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE RED POINT QUADRANGLE 7.5 MINUTE SERIES MAP.

## Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE NW 1/4, NW 1/4 OF SECTION 12; BEING 275.96' SOUTH AND 975.06' EAST FROM THE NORTHWEST CORNER OF SECTION 12, T18S., R7E., SALT LAKE BASE AND MERIDIAN.

## Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



## GRAPHIC SCALE

0 500' 1000'  
( IN FEET )  
1 inch = 1000 ft.



**Talon Resources, Inc.**  
375 South Carbon Avenue, Suite 101  
Price, Utah 84501  
Ph: 435-637-8781  
Fax: 435-636-8603

**TEXACO E & P**  
**WELL #12-153**  
Section 12, T18S, R7E, S.L.B.&M.  
Emery County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-1	Date: 12/17/01
	Scale: 1" = 1000'
Sheet 1 of 1	Job No. 478

Texaco Exploration & Production, Inc.  
Utah Federal "P" 12-153  
Lease U-68535  
NWNW Section 12, T18S, R7E  
Emery County, Utah

**A COMPLETE COPY OF THIS PERMIT SHALL BE KEPT ON LOCATION, from the beginning of site construction through well completion, and shall be available to contractors to ensure compliance.**

CONDITIONS OF APPROVAL

Approval of this application 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.

Be advised that Texaco Exploration & Production, Inc. is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by CO0058 (Principal - Texaco Exploration & Production, Inc.) via surety consent as provided for in 43 CFR § 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR § 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR § 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors.

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**A. DRILLING PROGRAM**

1. The proposed BOP system is in a 2M configuration, which is appropriate for anticipated conditions. Although components of the system are rated to 3000 psi, testing to the requirements of a 2M system will be sufficient.
2. A cement bond log (CBL) or other appropriate tool shall be used to determine the top-of-cement behind the production casing. These results shall be submitted with the completion report or the log suite.
3. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III,E, *Special Drilling Operations*, shall apply. Among the requirements in this section are:
  - Spark arresters
  - Blooie line discharge 100 feet from wellbore
  - Straight blooie line
  - Deduster equipment
  - Float valve above bit
  - Automatic igniter on the blooie line
4. This proposal requires concurrent approval from the State of Utah Division of Oil, Gas and Mining.

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## CONDITIONS OF APPROVAL

### SURFACE USE

1. The following appendices are attached for your reference. They are to be followed as conditions of approval:
2. Whether the mud pit shall be lined will be determined at the time of construction.
3. Within six months of installation, surface structures shall be painted in the following flat, earth tone color: Olive Black (5W A 20-6). This Fuller O'Brien color is for reference only. Any brand of paint may be used provided the colors match. Any facilities that must be painted to comply with OSHA standards are exempt.

### GENERAL CONSTRUCTION

1. Operator shall contact the Price BLM Office at least forty-eight hours prior to the anticipated start of construction and/or any surface disturbing activities. The BLM may require and schedule a preconstruction conference with the operator prior to the operator commencing construction and/or surface disturbing activities. The operator and the operator's contractor, or agents involved with construction and/or any surface disturbing activities associated with the project, shall attend this conference to review the Conditions of Approval and plan of development. The operator's inspector will be designated at the pre-drill conference, and is to be given an approved copy of all maps, permits and conditions of approval before the start of construction. The BLM will also designate a representative for the project at the preconstruction conference.
2. The operator shall designate a representative(s) who shall have the authority to act upon and to implement instructions from the BLM. The operator's representative shall be available for communication with the BLM within a reasonable time when construction or other surface disturbing activities are underway.
3. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public land is to be immediately reported to the Price BLM Office. The operator will suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Price BLM Office. An evaluation of the discovery will be made by the BLM to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator is responsible for the cost of evaluation of any

site found during construction. The BLM will determine what mitigation is necessary.

4. During project construction, surface disturbance and vehicle travel shall be limited to the approved location and access routes. Any additional area needed must be approved by the Price BLM Office prior to use.
5. The operator must provide a trash cage for the collection and containment of all trash. The trash shall be disposed in an authorized landfill. The location and access roads shall be kept litter free.
6. Vegetation removal necessitated by construction shall be confined to the limits of actual construction. Removed vegetation will be stockpiled for use in reclamation or removed from the construction site at the direction of the BLM.
7. Prior to surface disturbance, topsoil is to be separately removed and segregated from other material. Topsoil depth will be decided onsite by BLM. If the topsoil is less than 6 inches, a 6-inch layer that includes the A horizon and the unconsolidated material immediately below the A horizon shall be removed and the mixture segregated and redistributed as the surface soil layer.

Generally topsoil shall be stored within the pad site or adjacent to access roads. The company in consultation with BLM shall determine stockpile locations and dimensions at the onsite. If the topsoil stockpiles will not be redistributed for a period in excess of one (1) year, the stockpiles are to be seeded with seed mixture Pinyon-Juniper (see attached).

#### ROAD and PIPELINE CONSTRUCTION

8. Operator shall provide an inspector under the direction of a registered professional engineer (PE) at all times during road construction. A PE shall certify (statement with PE stamp) that the road was constructed to the required Bureau of Land Management (BLM) road standards.
9. Road construction or routine maintenance activities are to be performed during periods when the soil can adequately support construction equipment. If such equipment creates ruts more than 6 inches deep, the soil is deemed too wet to adequately support construction equipment.

10. The operator is responsible for maintenance of all roads authorized through the lease or a right-of-way. Construction and maintenance shall comply with Class II or III Road Standards as described in BLM Manual Section 9113 and the Moab District Road Standards, except as modified by BLM. Maintenance may include but is not limited to grading, applying gravel, snow removal, ditch cleaning, headcut restoration/prevention.
11. Topsoil from access roads and pipelines is to be wind rowed along the uphill side of the road or stored in an approved manner. When the road and pipeline is rehabilitated, this soil will then be used as a top coating for the seed bed.
12. Erosion-control structures such as water bars, diversion channels, and terraces will be constructed to divert water and reduce soil erosion on the disturbed area. Road ditch turnouts shall be equipped with energy dissipators as needed to avoid erosion. Where roads interrupt overland sheet-flow and convert this runoff to channel flow, ditch turnouts shall be designed to reconvert channel flow to sheet flow. Rock energy dissipators and gravel dispersion fans may be used, or any other design which would accomplish the desired reconversion of flow regime. As necessary cut banks, road drainages, and road crossings shall be armored or otherwise engineered to prevent headcutting.

#### PAD CONSTRUCTION

13. During the construction of the drill pad, suitable topsoil material is to be stripped and conserved in a stockpile on the pad. If stockpiles are to remain for more than a year, they shall be seeded with the seed mixture Pinyon-Juniper (see attached).
14. Generally, drill pads are to be designed to prevent overland flow of water from entering or leaving the site. The pad is to be sloped to drain spills and water into the reserve pit. The drill pad shall be designed to disperse diverted overland flow and to regulate flow velocity so as to prevent or minimize erosion. Well pad diversion outlets shall be equipped with rock energy brakes and gravel-bedded dispersion fans.

#### REHABILITATION PROCEDURES

##### Site Preparation

15. The entire roadbed should be obliterated and brought back to the approximate original contour. Drainage control is to be reestablished as necessary. All areas affected by road construction are to be recontoured to blend in with the existing topography. All berms are to be removed unless determined to be beneficial by BLM. In recontouring the disturbed areas, care should be taken to not disturb additional vegetation.

### Seedbed Preparation

16. An adequate seedbed should be prepared for all sites to be seeded. Areas to be revegetated should be chiseled or disked to a depth of at least 12 inches unless restrained by bedrock.
17. Ripping of fill materials should be completed by a bulldozer equipped with single or a twin set of ripper shanks. Ripping should be done on 4-foot centers to a depth of 12 inches. The process should be repeated until the compacted area is loose and friable, then shall be followed by final grading. Seedbed preparation will be considered complete when the soil surface is completely roughened and the number of rocks (if present) on the site is sufficient to cause the site to match the surrounding terrain.
18. After final grading, the stockpiled topsoil shall be spread evenly across the disturbed area.

### Fertilization

19. Commercial fertilizer with a formula of 16-16-8 is to be applied at a rate of 200 pounds per acre to the site. The rate may be adjusted depending on soil.
20. Fertilizer is to be applied not more than 48 hours before seeding, and shall be cultivated into the upper 3 inches of soil.
21. Fertilizer is to be broadcast over the soil using hand-operated "cyclone-type" seeders or rotary broadcast equipment attached to construction or revegetation machinery as appropriate to slope. All equipment should be equipped with a metering device. Fertilizer application is to take place before the final seeding preparation treatment. Fertilizer broadcasting operations should not be conducted when wind velocities would interfere with even distribution of the material.

### Mulching

22. When it is time to reclaim this location, the Price BLM Office will determine whether it will be necessary to use mulch in the reclamation process. The type of mulch should meet the following requirements: Wood cellulose fiber shall be natural or cooked, shall disperse readily in water, and shall be nontoxic. Mulch shall be thermally produced and air dried. The homogeneous slurry or mixture shall be capable of application with power spray equipment. A colored dye that is noninjurious to plant growth may be used when specified. Wood cellulose fiber is to be packaged in new, labeled containers. A minimum application of 1500 pounds per acre shall be applied. A suitable tackifier shall be applied with the mulch at a

rate of 60 to 80 pounds per acre.

An alternative method of mulching on small sites would be the application of straw or hay mulch at a rate of 2000 pounds per acre. Hay or straw shall be certified weed free. Following the application of straw or hay, crimping shall occur to ensure retention.

### Reseeding

23. All disturbed areas are to be seeded with the seed mixture required by the BLM. The seed mixture(s) shall be planted in the fall of the year (Sept-Nov), in the amounts specified in pounds of pure live seed (PLS)/acre. There shall be no noxious weed seed in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within 12 months prior to planting. Commercial seed will be either certified or registered seed. The seed mixture container shall be tagged in accordance with State law(s) and available for inspection by the BLM. Seed is to be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area. (Smaller/heavier seeds tend to drop to the bottom of the drill and are planted first. Appropriate measures should be taken to ensure this does not occur.) Where drilling is not possible, seed is to be broadcast and the area raked or chained to cover the seed. Woody species with seeds that are too large for the drill will be broadcast. When broadcasting the seed, the pounds per acre noted below are to be increased by 50 percent. Reseeding may be required if a satisfactory stand is not established to the surface rights owner's specifications. Evaluation of the seeding's success will not be made before completion of the second growing season after the vegetation becomes established. The Price BLM Office is to be notified a minimum of seven days before seeding a project.
24. The disturbed areas for the road and pipeline must be seeded in the fall of the year, immediately after the topsoil is replaced. The prescribed seed mixture is Salt Desert (see attached).

### General

25. Prior to the use of insecticides, herbicides, fungicides, rodenticides and other similar substances, the operator must obtain from BLM, approval of a written plan. The plan must describe the type and quantity of material to be used, the pest to be controlled, the method of application, the location for storage and disposal of containers, and other information that BLM may require. A pesticide may be used only in accordance with its registered uses and within other agency limitations.

Pesticides must not be permanently stored on public lands.

Wildlife :

26. **Wildlife :** (stipulations taken from Ferron E.I.S. - **EPM 16 & 17: WINTER SEASONAL RESTRICTION (DECEMBER 1 to APRIL 15) ON CRUCIAL AND HIGH PRIORITY WINTER RANGE.**)

Restrictions on Construction Phase Activity: Prohibit construction phase activity, described below, on big game high value and critical winter range during the period (December 1 - April 15) without regard for land ownership.

This condition would not apply to normal maintenance and operation of producing wells, described below. On nonfederal lands (where the federal government does not have either surface or subsurface ownership) the Companies would be allowed to conduct construction phase activity if needed to avoid breach of contract or loss of lease rights. In the event construction phase activity proceeds into the winter closure period on non federal interest lands, Companies would make available appropriate documentation to UDWR, upon request.

Construction Phase Activity: Construction phase activity is considered to include all work associated with initial drilling and construction of facilities through completion, including installation of pumping equipment, connection with ancillary facilities and tie-in with pipelines necessary for product delivery.

Companies would not be allowed to initiate construction activity unless it is reasonable to believe that such work can be finished to a logical stopping point prior to December 1 of that year. Specific activities considered to be covered by the seasonal closure include all heavy equipment operation including but not limited to the following:

- Mobilization/Demobilization or operation of heavy equipment (crawler tractor, front end loader, backhoe, road grader, etc.)
- Construction activity (road construction or upgrading, pad, pipeline, powerline, ancillary facilities, etc.),
- Drilling activity (Operator would not propose or initiate drilling activity if the project could not reasonably be expected to be finished to a logical stopping point by the December 1 date of that year.)
- Seismic operation, detonation of explosives

This seasonal closure would not apply to reconnaissance, survey/design and/or flagging of project work or other similar activity not requiring actions listed for heavy equipment operation.

Production Phase: A well is considered to be in production phase when the well and ancillary facilities are completed to the point that they are capable of producing and delivering product for sale. It is noted that heavy equipment operation may be

necessary in the performance of maintenance and operation of producing wells.

**Restriction on Non Emergency Workover Operations:** The Companies will schedule non-emergency workover operations (defined below) on big game crucial and high value winter range outside the December 1 to April 15 date of the seasonal closure.

**Non-emergency Workover Operations:** Workover operations to correct or reverse a gradual loss of production over time (loss of production of 20 percent or less over a 60 day period) is considered to be routine or non-emergency workover operations and would not be permitted during the December 1 to April 15 time frame.

**Emergency Workover Operations:** Emergency work over operations are defined as downhole equipment failure problems or workover operation necessary to avoid shut in of the well or to avoid an immediate safety or environmental problem. Loss of production greater than 20 percent within a 60 day period is indicative of pump failure and will be treated as an emergency workover operation. The Companies will submit Sundry notices to BLM within five days of the emergency workover operations between December 1 and April 15.

**Table A-2  
Seed List for  
Salt Desert Areas**

The following seed list taken from Appendix A of the Ferron EIS shall be used in reclamation of the Lawrence Canal..

<u>Common Plant Name</u>	<u>Scientific Name</u>	<u>Pounds per acre \PLS*</u>
<u>Grasses</u>		
Indian ricegrass	<u>Oryzopsis hymenoides</u>	2
Squirreltail	<u>Elymus elymoides</u>	2
Galleta	<u>Hilaria jamesii</u>	2
<u>Forbs</u>		
Lewis flax	<u>Linum perenne lewislii</u>	1
Palmer penstemon	<u>Penstemon palmerii</u>	1
Gooseberryleaf globemallow	<u>Sphaeralcea grossulariifolia</u>	0.5
<u>Shrubs</u>		
Forage kochia	<u>Kochia prostrata</u>	2
Rubber rabbitbrush	<u>Chrysothamnus nauseosus</u>	1
Fourwing saltbush	<u>Atriplex canescens</u>	2
Winterfat	<u>Krascheninnikovia (Eurotia) lanta</u>	<u>2</u>
	Total	15.5

\* Seeding rate is listed as pounds per acre of pure live seed (PLS) drilled. Rate is to be doubled if broadcast seeded.  
Formula: pure live seed (PLS) = % seed purity x % seed germination.

### **C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS**

Required verbal notifications are summarized in Table 1, attached.

**Building Location**- Contact the BLM Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

**Spud**- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

**Daily Drilling Reports**- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

**Monthly Reports of Operations**- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

**Sundry Notices**- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed, with the Moab Field Office, for approval of all changes of plans and subsequent operations in accordance with 43 CFR § 3162.3-2. Safe drilling and operating practices must be observed.

**Drilling Suspensions**- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

**Undesirable Events**- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

**Cultural Resources**- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Price Field Office is to be notified.

**First Production**- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Price Field Office. The Price Field Office shall be notified prior to the first sale.

**Well Completion Report**- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR § 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR § 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Price Field Office or the appropriate surface managing agency.

**TABLE 1**

**NOTIFICATIONS**

Notify Mike Kaminski (work: 435-636-3640, home: 435-637-2518)  
or Don Stephens (work: 435-636-3608, home: 435-637-7967)  
of the BLM, Price Field Office for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

50 feet prior to reaching the surface casing setting depth

If the people above cannot be reached, notify the Moab Field Office at (435) 259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at (435) 259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer      Office: (435) 259-2117  
Home: (435) 259-2214

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TALON RESOURCES INC

April 9, 2003

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 Permit Extension —Texaco Exploration and Production Inc.

Dear Mrs. Mason:

On behalf of Texaco Exploration and Production, Inc. (Texaco) Talon Resources, Inc. respectfully submits this request for permit extension for the following well. A one year extension will allow Texaco to construct, drill and complete the wells.

Utah Federal "P"12-153 (43-015-30551) NW/4 NW/4, Section 12, T 18S, R7E, SLB&M, Emery County, Utah

Thank you for your timely consideration our previous applications. Please feel free to contact myself or Mr. Ron Wirth with Chevron at 435-748-5395 if you have any questions or need additional information.

Sincerely,

*Don Hamilton*  
Don Hamilton  
Agent for Chevron

cc: Mr. Ron Wirth, Chevron  
Mr. Ken Jackson, Chevron  
Chevron Well File

Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 04-15-03  
By: *[Signature]*

COPY SENT TO OPERATOR  
Date: 04-16-03  
Initials: *[Signature]*

RECEIVED  
APR 14 2003

DIV. OF OIL, GAS & MINING

ORIGINAL

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**UTU-68535**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL      OIL WELL       GAS WELL       OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
**Utah Federal "P" 12-153**

2. NAME OF OPERATOR:  
**Chevron U.S.A. Inc.**

9. API NUMBER:  
**4301530551**

3. ADDRESS OF OPERATOR:  
**11111 S. Wilcrest**      CITY **Houston**      STATE **Tx**      ZIP **77099**

PHONE NUMBER:  
**(281) 561-4991**

10. FIELD AND POOL, OR WILDCAT:  
**Buzzard Bench**

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **860' FSL & 1176' FEL**

COUNTY: **Emery**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWNW 12 18S 07E S**

STATE:  
**UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective June 1, 2002 the operator changed from Texaco Exploration & Production, Inc. to Chevron U.S.A. Inc.

NAME (PLEASE PRINT) Kenneth W. Jackson

TITLE Regulatory Specialist

SIGNATURE *Kenneth W. Jackson*

DATE 7/10/03

(This space for State use only)

RECEIVED  
JUL 14 2003  
DIV. OF OIL, GAS & MINING

**OPERATOR CHANGE WORKSHEET**

**006**

**ROUTING**

1. GLH
2. CDW
3. FILE

Change of Operator (Well Sold)

Designation of Agent/Operator

**X Operator Name Change**

Merger

The operator of the well(s) listed below has changed, effective:

**05/01/2002**

<b>FROM: (Old Operator):</b> TEXACO EXPLORATION & PRODUCTION, INC 11111 S. WILCREST HOUSTON, TX 77099 Phone: (281) 561-4991 Account No. N5700	<b>TO: (New Operator):</b> CHEVRON U.S.A., INC. 11111 S. WILCREST HOUSTON, TX 77099 Phone: (281) 561-4991 Account No. N0210
--	--

**CA No.**

**Unit:**

**WELL(S)**

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
USA 11-70	11	180S	070E	4301530385		Federal	GW	APD
USA 11-71	11	180S	070E	4301530386		Federal	GW	APD
UT FED P 12-153	12	180S	070E	4301530551		Federal	GW	APD
FEDERAL T 21-94	21	180S	070E	4301530450		Federal	GW	APD
FEDERAL T 22-83	22	180S	070E	4301530452		Federal	GW	APD
FEDERAL T 22-91	22	180S	070E	4301530453		Federal	GW	APD
FEDERAL C 23-84	23	180S	070E	4301530447		Federal	GW	APD
FEDERAL A 26-88	26	180S	070E	4301530445		Federal	GW	APD
FEDERAL T 27-85	27	180S	070E	4301530440		Federal	GW	APD
FEDERAL T 27-86	27	180S	070E	4301530455		Federal	GW	APD
FEDERAL T 27-90	27	180S	070E	4301530457		Federal	GW	APD

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 07/14/2003
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 07/14/2003
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 07/15/2003
- Is the new operator registered in the State of Utah: YES Business Number: 564408-0143
- If **NO**, the operator was contacted on: \_\_\_\_\_
- (R649-9-2) Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: not given

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

1. Changes entered in the Oil and Gas Database on: 07/15/2003

2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 07/15/2003

3. Bond information entered in RBDMS on: n/a

4. Fee wells attached to bond in RBDMS on: n/a

**STATE WELL(S) BOND VERIFICATION:**

1. State well(s) covered by Bond Number: n/a

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: ES0022 \*United Pacific (NR-5 rating)

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: n/a

**FEE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number n/a

2. The **FORMER** operator has requested a release of liability from their bond on: n/a  
The Division sent response by letter on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

**COMMENTS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

007

5. LEASE DESIGNATION AND SERIAL NUMBER:  
UTU-68535

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
N/A

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME:  
N/A

1. TYPE OF WELL OIL WELL  GAS WELL  OTHER CONFIDENTIAL

8. WELL NAME and NUMBER:  
Utah Federal "P" 12-153

2. NAME OF OPERATOR:  
Chevron USA, Inc.

9. API NUMBER:  
4301530551

3. ADDRESS OF OPERATOR: P.O. Box 618 CITY Orangeville STATE UT ZIP 84537 PHONE NUMBER: (435) 748-5395

10. FIELD AND POOL, OR WILDCAT:  
Undesignated

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 276' FNL, 975' FWL

COUNTY: Emery

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 18S 7E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Extend State Permit</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Chevron USA, Inc. hereby requests a one year extension of the state permit for the Utah Federal "P" 12-153

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-23-04  
By: *[Signature]*

COPY SENT TO OPERATOR  
Date: 02-26-04  
Initials: *[Signature]*

NAME (PLEASE PRINT) Larry Johnson TITLE Chevron USA, Inc.  
SIGNATURE *[Signature]* DATE 2/17/2004

(This space for State use only)

CONFIDENTIAL

TALON RESOURCES INC

February 17, 2004

Ms. Diana Whitney  
State of Utah  
Division of Oil Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: Request for Permit Extension----- Chevron USA

Dear Ms. Whitney:

On behalf of Chevron USA, Talon Resources, Inc. respectfully submits these requests for permit extension for the following wells. These extensions will allow Chevron USA time to construct, drill, and complete these wells.

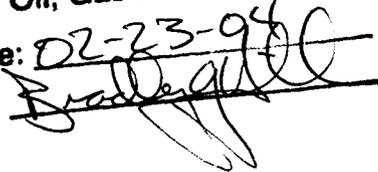
Utah Federal P 12-153 (43-015-30551) NW/4NW/4, Section 12, T18S, R7E SLB&M, Emery County, Utah  
Federal T 22-83 (43-015-30452) SW/4SE/4 Section 22, T18S, R7E, SLB&M, Emery County, Utah  
Federal T 22-91 (43-015-30453) NE/4NW/4 Section 22, T18S, R7E, SLB&M, Emery County, Utah  
Federal C 23-84 (43-015-30447) NE/4SW/4 Section 23, T18S, R7E, SLB&M, Emery County, Utah  
Federal T 26-88 (43-015-30445) SW/4NW/4 Section 26, T18S, R7E, SLB&M, Emery County, Utah  
Federal T 27-86 (43-015-30455) SE/4NE/4 Section 27, T18S, R7E, SLB&M, Emery County, Utah  
Federal T 27-90 (43-015-30457) NW/4SW/4 Section 27, T18S, R7E, SLB&M, Emery County, Utah  
State of Utah QQ 31-202D (43-015-30608) SE/4SW/4 Section 31, T16S, R8E, SLB&M, Emery Cty, Utah  
State of Utah QQ 31-203D (43-015-30607) SE/4SW/4 Section 31, T16S, R8E, SLB&M, Emery Cty, Utah  
State of Utah QQ 31-204D (43-015-30606) SE/4SW/4 Section 31, T16S, R8E, SLB&M, Emery Cty, Utah  
State of Utah KK 32-144 (43-015-30567) SW/4SW/4 Section 32, T16S, R8E, SLB&M, Emery Cty, Utah  
State Of Utah KK 32-145 (43-015-30566) NE/4SE/4 Section 32, T16S, R8E, SLB&M, Emery Dty, Utah

Please feel free to contact me at 435-687-5310 or Mr. Ron Wirth with Chevron USA at 435-748-5395 if you have any questions or concerns.

Sincerely,

  
Larry W. Johnson  
Talon Resources, Inc.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-23-04  
By: 

RECEIVED  
FEB 19 2004  
DIV. OF OIL, GAS & MINING

cc: File  
Mr. Ken Jackson Chevron USA  
Mr. Ron Wirth Chevron USA

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-015-30551  
**Well Name:** Utah Federal "P" 12-153  
**Location:** NW/4 NW/4, Section 12, T18S, R7E, SLB&M  
**Company Permit Issued to:** Chevron USA, Inc.  
**Date Original Permit Issued:** 8/13/2002

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

  
Signature

2/17/2004  
Date

Title: Agent for Chevron USA, Inc.

Representing: Chevron USA, Inc.

RECEIVED  
FEB 19 2004  
DIV. OF OIL, GAS & MINING

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Various Leases
2. NAME OF OPERATOR: XTO ENERGY INC. <i>N2615</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 2700 Farmington Bldg K, Sui <sub>CITY</sub> Farmington STATE NM ZIP 87401		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: <b>Emery</b>		8. WELL NAME and NUMBER: See attached list
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: <b>UTAH</b>		9. API NUMBER: Multiple
		10. FIELD AND POOL, OR WILDCAT: Buzzard Bench

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective August 1, 2004, the operator changed from Chevron U.S.A. Inc. to XTO ENERGY INC. for all wells on the attached list.

BLM #579173

State and Fee Bond #104312762

*Kenneth W. Jackson*

Kenneth W. Jackson Regulatory Specialist ChevronTexaco for Chevron U.S.A. Inc. *N0210*

NAME (PLEASE PRINT) <i>James L. Death</i>	TITLE <i>Vice President Land</i>
SIGNATURE <i>James L. Death</i>	DATE <i>8/16/04</i>

(This space for State use only)

**APPROVED** *9/30/2004*

*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

SEP 28 2004

DIV. OF OIL, GAS & MINING

API Well Number	Well Name	Well Type	County Name	Qtr/Qtr	Section	Trn-Rng
43-015-30242-00-00	L M LEMMON 10-1	Gas Well	EMERY	SESE	10	17S-8E
43-015-30243-00-00	FEDERAL B21-3	Gas Well	EMERY	NESW	21	19S-7E
43-015-30244-00-00	FEDERAL A26-2	Gas Well	EMERY	SESW	26	18S-7E
43-015-30245-00-00	FEDERAL C23-8	Gas Well	EMERY	NENW	23	18S-7E
43-015-30246-00-00	FEDERAL A26-4	Gas Well	EMERY	SWSE	26	18S-7E
43-015-30247-00-00	FEDERAL A35-6	Gas Well	EMERY	NWNW	35	18S-7E
43-015-30248-00-00	FEDERAL A35-5	Gas Well	EMERY	NWNE	35	18S-7E
43-015-30249-00-00	FEDERAL A34-7	Gas Well	EMERY	NENE	34	18S-7E
43-015-30258-00-00	UTAH FED P 10-47	Gas Well	EMERY	NWNW	10	18S-7E
43-015-30259-00-00	A L JENSEN 27-9	Gas Well	EMERY	SESE	27	21S-6E
43-015-30268-00-00	ST OF UT T 36-10	Gas Well	EMERY	SWNE	36	16S-7E
43-015-30270-00-00	ST OF UT U 2-11	Gas Well	EMERY	NWNW	2	18S-7E
43-015-30272-00-00	SWD 1	Water Disposal Well	EMERY	SWNW	24	18S-7E
43-015-30274-00-00	UTAH FED S 8-46	Gas Well	EMERY	SESW	8	18S-7E
43-015-30275-00-00	UTAH FED R 9-45	Gas Well	EMERY	NWNE	9	18S-7E
43-015-30276-00-00	UTAH FED P 10-42	Gas Well	EMERY	NWNE	10	18S-7E
43-015-30277-00-00	UTAH FED P 10-43	Gas Well	EMERY	NWSE	10	18S-7E
43-015-30280-00-00	UTAH FED Q 4-44	Gas Well	EMERY	SESE	4	18S-7E
43-015-30282-00-00	UTAH FED D 34-12	Gas Well	EMERY	SESE	34	17S-7E
43-015-30285-00-00	UTAH FED D 35-13	Gas Well	EMERY	SWSW	35	17S-7E
43-015-30286-00-00	UTAH FED D 35-14	Gas Well	EMERY	NWNW	35	17S-7E
43-015-30287-00-00	UTAH FED D 35-15	Gas Well	EMERY	SWSE	35	17S-7E
43-015-30292-00-00	UTAH FED M 6-25	Gas Well	EMERY	SENE	6	17S-8E
43-015-30294-00-00	UTAH FED H 6-21	Gas Well	EMERY	SESW	6	20S-7E
43-015-30303-00-00	SWD 3	Water Disposal Well	EMERY	SENE	11	18S-7E
43-015-30306-00-00	ST OF UT U 2-48	Gas Well	EMERY	NWNE	2	18S-7E
43-015-30308-00-00	ST OF UT U 2-50	Gas Well	EMERY	NESW	2	18S-7E
43-015-30309-00-00	ST OF UT U 2-49	Gas Well	EMERY	NWSE	2	18S-7E
43-015-30310-00-00	L & M CURTIS 10-58	Gas Well	EMERY	SWSW	10	18S-7E
43-015-30311-00-00	ST OF UT X 16-66	Gas Well	EMERY	SENE	16	18S-7E
43-015-30312-00-00	ST OF UT X 16-65	Gas Well	EMERY	NWNE	16	18S-7E
43-015-30313-00-00	U P & L 14-53	Gas Well	EMERY	SESE	14	18S-7E
43-015-30314-00-00	U P & L 14-55	Gas Well	EMERY	NWNW	14	18S-7E
43-015-30315-00-00	U P & L 23-51	Gas Well	EMERY	SENE	23	18S-7E
43-015-30316-00-00	U P & L 24-57	Gas Well	EMERY	NWNW	24	18S-7E
43-015-30318-00-00	D & A JONES 15-68	Gas Well	EMERY	NENW	15	18S-7E
43-015-30319-00-00	D&D CURTIS 14-54	Gas Well	EMERY	SENE	14	18S-7E
43-015-30320-00-00	P & K PEACOCK 8-62	Gas Well	EMERY	SWNE	8	18S-7E
43-015-30321-00-00	PEACOCK TRUST 9-60	Gas Well	EMERY	NWSW	9	18S-7E
43-015-30323-00-00	SWD 2	Water Disposal Well	EMERY	NWNW	14	18S-7E
43-015-30324-00-00	R G NORRIS 14-40	Gas Well	EMERY	NESW	14	18S-7E
43-015-30325-00-00	L & M CURTIS 15-67	Gas Well	EMERY	NENE	15	18S-7E
43-015-30326-00-00	PEACOCK TRUST 8-61	Gas Well	EMERY	NESE	8	18S-7E
43-015-30327-00-00	PEACOCK 7-64	Gas Well	EMERY	NENE	7	18S-7E
43-015-30328-00-00	PEACOCK TRUST 8-63	Gas Well	EMERY	SENE	8	18S-7E
43-015-30329-00-00	D & A JONES 9-59	Gas Well	EMERY	SESE	9	18S-7E
43-015-30381-00-00	UTAH STATE 1-76	Gas Well	EMERY	NWNW	1	18S-7E
43-015-30382-00-00	UTAH STATE 36-78	Gas Well	EMERY	SWSW	36	17S-7E
43-015-30383-00-00	USA 3-74	Gas Well	EMERY	SESE	3	18S-7E
43-015-30384-00-00	USA 3-75	Gas Well	EMERY	NENE	3	18S-7E
43-015-30385-00-00	USA 11-70	Gas Well	EMERY	SWSE	11	18S-7E
43-015-30386-00-00	USA 11-71	Gas Well	EMERY	SWNE	11	18S-7E
43-015-30387-00-00	USA 11-72	Gas Well	EMERY	NWNW	11	18S-7E
43-015-30388-00-00	USA 11-73	Gas Well	EMERY	NWSW	11	18S-7E
43-015-30389-00-00	USA 34-80	Gas Well	EMERY	SENE	34	17S-7E
43-015-30390-00-00	USA 34-82	Gas Well	EMERY	SESW	34	17S-7E
43-015-30393-00-00	ST OF UT EE 06-138	Gas Well	EMERY	NENW	6	17S-9E
43-015-30396-00-00	ST OF UT AA 07-106	Gas Well	EMERY	NWNE	7	17S-8E
43-015-30437-00-00	ST OF UT BB 09-119	Gas Well	EMERY	SESW	9	17S-8E
43-015-30438-00-00	ST OF UT CC 10-124	Gas Well	EMERY	SENE	10	17S-8E
43-015-30439-00-00	ST OF UT DD 31-98	Gas Well	EMERY	NWSW	31	17S-8E
43-015-30440-00-00	FEDERAL T 27-85	Gas Well	EMERY	SENE	27	18S-7E
43-015-30441-00-00	UP&L 06-102	Gas Well	EMERY	NENW	6	17S-8E
43-015-30442-00-00	UP&L 06-104	Gas Well	EMERY	NESE	6	17S-8E
43-015-30443-00-00	WM S IVIE ET AL 09-118	Gas Well	EMERY	SWNE	9	17S-8E

API Well Number	Well Name	Well Type	County Name	Qtr/Qtr	Section	TwN-Rng
43-015-30444-00-00	ST OF UT BB 09-120	Gas Well	EMERY	NESE	9	17S-8E
43-015-30445-00-00	FEDERAL A 26-88	Gas Well	EMERY	SWNW	26	18S-7E
43-015-30446-00-00	FEDERAL A 35-89	Gas Well	EMERY	NWSW	35	18S-7E
43-015-30447-00-00	FEDERAL C 23-84	Gas Well	EMERY	NESW	23	18S-7E
43-015-30448-00-00	FEDERAL P 3-92	Gas Well	EMERY	SESW	3	18S-7E
43-015-30449-00-00	FEDERAL P 3-93	Gas Well	EMERY	SWNW	3	18S-7E
43-015-30450-00-00	FEDERAL T 21-94	Gas Well	EMERY	NENE	21	18S-7E
43-015-30451-00-00	FEDERAL T 22-69	Gas Well	EMERY	NENE	22	18S-7E
43-015-30452-00-00	FEDERAL T 22-83	Gas Well	EMERY	SWSE	22	18S-7E
43-015-30453-00-00	FEDERAL T 22-91	Gas Well	EMERY	NENW	22	18S-7E
43-015-30454-00-00	ST OF UT CC 10-123	Gas Well	EMERY	NWNW	10	17S-8E
43-015-30455-00-00	FEDERAL T 27-86	Gas Well	EMERY	SENE	27	18S-7E
43-015-30456-00-00	FEDERAL T 27-87	Gas Well	EMERY	SESE	27	18S-7E
43-015-30457-00-00	FEDERAL T 27-90	Gas Well	EMERY	NWSW	27	18S-7E
43-015-30458-00-00	ST OF UT FF 10-125	Gas Well	EMERY	NESW	10	17S-8E
43-015-30459-00-00	ST OF UT FF 11-129	Gas Well	EMERY	NWNW	11	17S-8E
43-015-30462-00-00	ST OF UT FF 11-130	Gas Well	EMERY	NWSW	11	17S-8E
43-015-30478-00-00	GARDNER TRUST ET AL 16-121	Gas Well	EMERY	NENE	16	17S-8E
43-015-30479-00-00	ST OF UT BB 05-107	Gas Well	EMERY	SENE	5	17S-8E
43-015-30480-00-00	ST OF UT BB 05-108	Gas Well	EMERY	NWSW	5	17S-8E
43-015-30481-00-00	ST OF UT BB 05-109	Gas Well	EMERY	SENE	5	17S-8E
43-015-30482-00-00	ST OF UT BB 05-110	Gas Well	EMERY	SWSE	5	17S-8E
43-015-30483-00-00	UP&L 06-103	Gas Well	EMERY	NESW	6	17S-8E
43-015-30484-00-00	AMERICA WEST GROUP ET AL 15-126	Gas Well	EMERY	NENW	15	17S-8E
43-015-30485-00-00	W H LEONARD ET AL 15-127	Gas Well	EMERY	NENE	15	17S-8E
43-015-30486-00-00	ROWLEY 08-111	Gas Well	EMERY	SENE	8	17S-8E
43-015-30490-00-00	SWD 4	Water Disposal Well	EMERY	SENE	15	17S-8E
43-015-30495-00-00	SEELEY 08-112	Gas Well	EMERY	NENE	8	17S-8E
43-015-30496-00-00	ST OF UT BB 08-113	Gas Well	EMERY	NWSE	8	17S-8E
43-015-30497-00-00	ST OF UT AA 07-105	Gas Well	EMERY	SWNW	7	17S-8E
43-015-30498-00-00	ST OF UT 01-97	Gas Well	EMERY	SENE	1	18S-7E
43-015-30499-00-00	ST OF UT GG 03-122	Gas Well	EMERY	SWSW	3	17S-8E
43-015-30500-00-00	ST OF UT HH 03-133	Gas Well	EMERY	SWSE	3	17S-8E
43-015-30501-00-00	SEELEY FARMS 09-117	Gas Well	EMERY	NWNW	9	17S-8E
43-015-30502-00-00	ST OF UT GG 15-128	Gas Well	EMERY	NWSW	15	17S-8E
43-015-30503-00-00	ST OF UT BB 04-116	Gas Well	EMERY	SWSE	4	17S-8E
43-015-30504-00-00	ST OF UT GG 04-115	Gas Well	EMERY	NESW	4	17S-8E
43-015-30505-00-00	BURNSIDE 14-132	Gas Well	EMERY	NWNE	14	17S-8E
43-015-30506-00-00	ST OF UT T 36-100	Gas Well	EMERY	NESE	36	16S-7E
43-015-30507-00-00	UT FED KK 01-140	Gas Well	EMERY	SENE	1	17S-7E
43-015-30508-00-00	ST OF UT II 36-96	Gas Well	EMERY	NWSE	36	17S-7E
43-015-30509-00-00	ST OF UT II 36-95	Gas Well	EMERY	NWNE	36	17S-7E
43-015-30510-00-00	SWD 5	Water Disposal Well	EMERY	SESE	23	17S-8E
43-015-30511-00-00	UP&L FED 01-101	Gas Well	EMERY	SENE	1	17S-7E
43-015-30520-00-00	ST OF UT SS 22-165	Gas Well	EMERY	NENE	22	17S-8E
43-015-30521-00-00	ZIONS FED 35-135R (RIG SKID)	Gas Well	EMERY	NESW	35	16S-7E
43-015-30528-00-00	ST OF UT 14-170	Gas Well	EMERY	SWSE	14	17S-8E
43-015-30529-00-00	CONOVER 14-171	Gas Well	EMERY	NWSW	14	17S-8E
43-015-30530-00-00	ST OF UT 36-139	Gas Well	EMERY	NWSW	36	16S-7E
43-015-30533-00-00	ST OF UT FO 02-186	Gas Well	EMERY	NENW	2	17S-8E
43-015-30549-00-00	ST OF UT JJ 03-160	Gas Well	EMERY	NWNW	3	17S-8E
43-015-30550-00-00	ST OF UT 36-138	Gas Well	EMERY	SWNW	36	16S-7E
43-015-30551-00-00	UT FED P 12-153	Gas Well	EMERY	NWNW	12	18S-7E
43-015-30552-00-00	ST OF UT CC 03-161	Gas Well	EMERY	SENE	3	17S-8E
43-015-30553-00-00	ST OF UT FO 02-188	Gas Well	EMERY	NWSW	2	17S-8E
43-015-30554-00-00	ST OF UT BB 04-158	Gas Well	EMERY	NENW	4	17S-8E
43-015-30555-00-00	ST OF UT BB 04-159	Gas Well	EMERY	SWNE	4	17S-8E
43-015-30556-00-00	MALONE 14-131	Gas Well	EMERY	SWNW	14	17S-8E
43-015-30559-00-00	UT FED KK 01-141	Gas Well	EMERY	SESE	1	17S-7E
43-015-30560-00-00	ST OF UT FO 02-189	Gas Well	EMERY	SWNE	2	17S-8E
43-015-30561-00-00	ST OF UT GG 15-184	Gas Well	EMERY	NWSE	15	17S-8E
43-015-30562-00-00	STATE OF UTAH "LL" 31-20	Gas Well	EMERY	NWNW	31	17S-8E
43-015-30566-00-00	ST OF UT "KK" 32-145	Gas Well	EMERY	NESE	32	16S-8E
43-015-30567-00-00	ST OF UT "KK" 32-144	Gas Well	EMERY	SWSW	32	16S-8E
43-015-30568-00-00	ST OF UT "AA" 18-153	Gas Well	EMERY	SESW	18	17S-8E

API Well Number	Well Name	Well Type	County Name	Qtr/Qtr	Section	TwN-Rng
43-015-30569-00-00	ST OF UT "AA" 07-146	Gas Well	EMERY	NESW	7	17S-8E
43-015-30570-00-00	ST OF UT "AA" 18-154	Gas Well	EMERY	NESE	18	17S-8E
43-015-30571-00-00	ST OF UT "AA" 17-156	Gas Well	EMERY	SWSE	17	17S-8E
43-015-30572-00-00	ST OF UT "AA" 18-149	Gas Well	EMERY	SENW	18	17S-8E
43-015-30573-00-00	ST OF UT "MM" 20-192	Gas Well	EMERY	SENW	20	17S-8E
43-015-30574-00-00	ST OF UT "MM" 20-193	Gas Well	EMERY	NENE	20	17S-8E
43-015-30575-00-00	ST OF UT MM 20-194	Gas Well	EMERY	NWSW	20	17S-8E
43-015-30576-00-00	ST OF UT AA 07-147	Gas Well	EMERY	SESE	7	17S-8E
43-015-30577-00-00	ST OF UT BB 08-148	Gas Well	EMERY	NWSW	8	17S-8E
43-015-30578-00-00	ST OF UT AA 18-150	Gas Well	EMERY	NWNE	18	17S-8E
43-015-30579-00-00	ST OF UT NN 19-157	Gas Well	EMERY	NENE	19	17S-8E
43-015-30580-00-00	ST OF UT AA 17-152	Gas Well	EMERY	NENE	17	17S-8E
43-015-30581-00-00	ST OF UT OO 16-190	Gas Well	EMERY	NESW	16	17S-8E
43-015-30582-00-00	ST OF UT PP 16-191	Gas Well	EMERY	NESE	16	17S-8E
43-015-30583-00-00	ST OF UT AA 17-151	Gas Well	EMERY	NENW	17	17S-8E
43-015-30585-00-00	ST OF UT MM 21-195	Gas Well	EMERY	NENW	21	17S-8E
43-015-30586-00-00	ST OF UT GG 21-163	Gas Well	EMERY	NENE	21	17S-8E
43-015-30587-00-00	ZIONS FED 35-137	Gas Well	EMERY	NESE	35	16S-7E
43-015-30589-00-00	UTAH FED 01-205D	Gas Well	EMERY	SENW	1	17S-7E
43-015-30590-00-00	ZIONS FED 02-134	Gas Well	EMERY	NWNW	2	17S-7E
43-015-30591-00-00	UTAH FED 12-197	Gas Well	EMERY	SENE	12	17S-7E
43-015-30592-00-00	ST OF UT QQ 31-201	Gas Well	EMERY	SESW	31	16S-8E
43-015-30593-00-00	ST OF UT AA 17-155	Gas Well	EMERY	SWSW	17	17S-8E
43-015-30601-00-00	UTAH FED 12-199	Gas Well	EMERY	NESE	12	17S-7E
43-015-30602-00-00	UTAH FED 35-196	Gas Well	EMERY	NENW	35	16S-7E
43-015-30603-00-00	UTAH FED 35-136	Gas Well	EMERY	SWNE	35	16S-7E
43-015-30604-00-00	UT FED 12-200D	Gas Well	EMERY	NESE	12	17S-7E
43-015-30605-00-00	UT FED 12-198D	Gas Well	EMERY	SENE	12	17S-7E
43-015-30606-00-00	ST OF UT QQ 31-204D	Gas Well	EMERY	SESW	31	16S-8E
43-015-30607-00-00	ST OF UT QQ 31-203D	Gas Well	EMERY	SESW	31	16S-8E
43-015-30608-00-00	ST OF UT QQ 31-202D	Gas Well	EMERY	SESW	31	16S-8E
43-015-30609-00-00	ST OF UT HH 23-166	Gas Well	EMERY	NENW	23	17S-8E

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

**Request to Transfer Application or Permit to Drill**

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

<b>Well name:</b>	Utah Federal P 12-153
<b>API number:</b>	4301530551
<b>Location:</b>	Qtr-Qtr: NWNW Section: 12 Township: 18S Range: 7E
<b>Company that filed original application:</b>	Chevron U.S.A. Inc.
<b>Date original permit was issued:</b>	
<b>Company that permit was issued to:</b>	Chevron U.S.A. Inc.

Check one	Desired Action:
<input type="checkbox"/>	<b>Transfer pending (unapproved) Application for Permit to Drill to new operator</b>
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	<b>Transfer approved Application for Permit to Drill to new operator</b>
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>UT-0848</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) James L. Death Title Vice President - Land  
 Signature James L. Death Date 8/16/04  
 Representing (company name) XTO ENERGY INC.

**RECEIVED**  
**SEP 28 2004**

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

DIV. OF OIL, GAS & MINING

**OPERATOR CHANGE WORKSHEET**

<b>ROUTING</b>	
1. GLH	
2. CDW	
3. FILE	

**008**

**X Change of Operator (Well Sold)**

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: <b>8/1/2004</b>	
<b>FROM: (Old Operator):</b> N0210-Chevron USA, Inc 11111 S Wilcrest Houston, TX 77099 Phone: 1-(281) 561-4991	<b>TO: ( New Operator):</b> N2615-XTO Energy Inc 2700 Farmington Ave, Bldg K Suite 1 Farmington, NM 87401 Phone: 1-(505) 324-1090

**CA No. Unit:**

<b>WELL(S)</b>									
NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
ZIONS FED 35-135R (RIG SKID)	35	160S	070E	4301530521	13810	Federal	GW	P	C
ZIONS FED 35-137	35	160S	070E	4301530587	13811	Federal	GW	P	C
UTAH FED 35-196	35	160S	070E	4301530602		Federal	GW	APD	C
UTAH FED 35-136	35	160S	070E	4301530603		Federal	GW	APD	C
UT FED KK 01-140	01	170S	070E	4301530507	13553	Federal	GW	P	
UP&L FED 01-101	01	170S	070E	4301530511	13546	Federal	GW	P	
UT FED KK 01-141	01	170S	070E	4301530559	13587	Federal	GW	P	
UTAH FED 01-205D	01	170S	070E	4301530589	13828	Federal	GW	P	C
ZIONS FED 02-134	02	170S	070E	4301530590		Federal	GW	APD	C
UTAH FED 12-197	12	170S	070E	4301530591		Federal	GW	APD	C
UTAH FED 12-199	12	170S	070E	4301530601		Federal	GW	APD	C
UT FED 12-200D	12	170S	070E	4301530604		Federal	GW	APD	C
UT FED 12-198D	12	170S	070E	4301530605		Federal	GW	APD	C
L M LEMMON 10-1	10	170S	080E	4301530242	11724	Fee	GW	P	
L & M CURTIS 10-58	10	180S	070E	4301530310	12201	Fee	GW	TA	
SWD 3	11	180S	070E	4301530303	12915	Fee	WD	I	
UT FED P 12-153	12	180S	070E	4301530551		Federal	GW	APD	C
U P & L 14-53	14	180S	070E	4301530313	12333	Fee	GW	P	
SWD 1	24	180S	070E	4301530272	99990	Fee	WD	A	
A L JENSEN 27-9	27	210S	060E	4301530259	11990	Fee	GW	TA	

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**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/28/2004
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/28/2004
3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/19/2004
4. Is the new operator registered in the State of Utah: YES Business Number: 5655506-0143
5. If **NO**, the operator was contacted on: \_\_\_\_\_
- 6a. (R649-9-2)Waste Management Plan has been received on: to follow
- 6b. Inspections of LA PA state/fee well sites complete on: being worked

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 9/28/2004

**DATA ENTRY:**

1. Changes entered in the Oil and Gas Database on: 9/30/2004
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 9/30/2004
3. Bond information entered in RBDMS on: 9/30/2004
4. Fee/State wells attached to bond in RBDMS on: 9/30/2004
5. Injection Projects to new operator in RBDMS on: 9/30/2004
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 9/28/2004

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: 579173

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: n/a

**FEE & STATE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number 104312762

2. The FORMER operator has requested a release of liability from their bond on: n/a

The Division sent response by letter on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/5/2004

**COMMENTS:**

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**009** **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  
 Oil Well  Gas Well  Other

2. Name of Operator  
 XTO ENERGY INC.

3a. Address  
 2700 Farmington Ave. Bldg K, Suite 1 Farmington, NM 87401

3b. Phone No. (include area code)  
 (505) 324-1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
 T. 18S, R. 7E, S. 12

5. Lease Serial No.  
 UTU-68535

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
 All Wells on Lease

9. API Well No.  
 Multiple

10. Field and Pool, or Exploratory Area  
 Buzzard's Bench

11. County or Parish, State  
 Emery, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 <u>Operator Change</u>
	<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.)

Effective August 1, 2004, the operator for lease # UTU 68535 changed from Chevron U.S.A. Inc. to XTO ENERGY INC.

XTO ENERGY's Nationwide Bond is ~~579473~~.

UTB000138  
(Surety ID: 1043127SD)

RECEIVED  
 MOAB FIELD OFFICE  
 2004 SEP 29 P 3:02  
 DEPT OF THE INTERIOR  
 BUREAU OF LAND MGMT

**CONFIDENTIAL**

# 11-70, 11-71 and 11-73 locations are not approved.

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

Name (Printed/Typed) Edwin S. Ryan, JR.	Title SR VP-Land
Signature <i>Edwin S. Ryan, JR.</i>	Date 9/27/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <b>ACCEPTED</b>	Division of Resources Moab Field Office	Date SEP 29 2004
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.		

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.

RECEIVED  
 OCT 27 2004

cc: U006m

Conditions Attached

DIV. OF OIL, GAS & MINING

API Well Number	Well Name	Well Type	Well Status	County Name	Slant	Qtr/Qtr	Section	Location (Twn-Rng)
- 43-015-30258-00-00	UTAH FED P 10-47✓	Gas Well	Producing	EMERY	UTU68535	NWNW	10	18S-7E
- 43-015-30276-00-00	UTAH FED P 10-42✓	Gas Well	Producing	EMERY	UTU68535	NWNE	10	18S-7E
- 43-015-30277-00-00	UTAH FED P 10-43✓	Gas Well	Producing	EMERY	UTU68535	NWSE	10	18S-7E
- 43-015-30384-00-00	USA 3-75	Gas Well	Producing	EMERY	UTU68535	NENE	3	18S-7E
<del>- 43-015-30385-00-00</del>	<del>USA 11-70</del>	<del>Gas Well</del>	<del>Approved permit (APD); not yet spudded</del> <i>Permit Expired</i>	EMERY	UTU68535	SWSE	11	18S-7E
<del>- 43-015-30386-00-00</del>	<del>USA 11-71</del>	<del>Gas Well</del>	<del>Approved permit (APD); not yet spudded</del> <i>Permit Expired</i>	EMERY	UTU68535	SWNE	11	18S-7E
- 43-015-30387-00-00	USA 11-72	Gas Well	Producing	EMERY	UTU68535	NWNW	11	18S-7E
<del>- 43-015-30388-00-00</del>	<del>USA 11-73</del>	<del>Gas Well</del>	<del>Approved permit (APD); not yet spudded</del> <i>Permit Expired</i>	EMERY	UTU68535	NWSW	11	18S-7E
- 43-015-30449-00-00	FEDERAL P 3-93✓	Gas Well	Shut-In	EMERY	UTU68535	SWNW	3	18S-7E
K 43-015-30551-00-00	UT FED P 12-153✓	Gas Well	Approved permit (APD); not yet spudded <i>status</i>	EMERY	UTU68535	NWNW	12	18S-7E

The BLM permits for #11-70, 11-71 and 11-73 have expired. If XTO intends to drill in these locations, new permits must first be submitted for approval.

XTO Energy Inc.  
Well Nos. P 3-93, P 10-42, P 10-43, P 10-47,  
P 12-153, USA 3-75 and USA 11-72  
Sections 3, 10, 11, and 12, T. 18 S., R. 7 E.  
Lease UTU68535  
Emery County, Utah

### CONDITIONS OF ACCEPTANCE

Acceptance of these applications 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.

Be advised that XTO Energy Inc. is considered to be the operator of the above wells effective August 1, 2004, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for these well is provided by UTB000138 (Principal – XTO Energy Inc.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43CFR 3106.7-2 continuing responsibility are met.

**Well locations 11-70, 11-71 and 11-73 are not approved with this application. BLM permit approvals for these three locations have expired. If XTO Energy Inc. intends to drill at these locations, new permits must first be submitted to this office for approval.**

**Well No. P 12-153 is an approved application that has not yet been drilled. BLM approval to drill at this location expires 8/13/05.**

010

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:  
UTU-68535

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
N/A

7. UNIT or CA AGREEMENT NAME:  
N/A

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
UTAH FEDERAL P 12-153

2. NAME OF OPERATOR:  
XTO ENERGY INC.

9. API NUMBER:  
4301530551

3. ADDRESS OF OPERATOR:  
2700 Farmington Ave. Bldg K CITY Farmington STATE NM ZIP 87401

PHONE NUMBER:  
(505) 324-1090

10. FIELD AND POOL, OR WILDCAT:  
UNDESIGNATED

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 276' FNL x 975' FWL

COUNTY: Emery

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 18S 7E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Extend State Permit</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO Energy, hereby requests a one year extension of the state permit for the Utah Federal P 12-153.

Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 03-22-05  
By: *[Signature]*

COPY SENT TO OPERATOR  
Date: 3-23-05  
Initials: CHD

NAME (PLEASE PRINT) Kyla Vaughan

TITLE Regulatory Compliance Tech

SIGNATURE *Kyla Vaughan*

DATE 3/9/2005

(This space for State use only)

RECEIVED  
MAR 18 2005

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-015-30551-00  
**Well Name:** Utah Federal P 12-153  
**Location:** Sec 12, T18S, R7E, 276' FNL x 975' FWL  
**Company Permit Issued to:** Texaco Exploration & Production  
**Date Original Permit Issued:** ~~2/9/2000~~ 3/26/2002

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

Kyla Vaughan  
Signature

3/9/2005  
Date

**Title:** Regulatory Compliance Tech

**Representing:** XTO ENERGY INC.

**RECEIVED  
MAR 18 2005**

DIV. OF OIL, GAS & MINING



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

May 22, 2006

Kyla Vaughan  
XTO Energy Inc.  
2700 Farmington Ave.  
Bldg K Ste 1  
Farmington NM 87401

Re: APD Rescinded –Utah Federal P 12-153 Sec. 12, T. 18S R. 7E  
Emery County, Utah API No. 43-015-30551

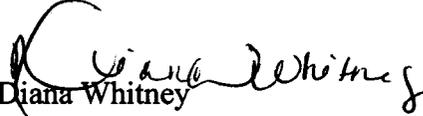
Dear Ms. Vaughan:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on March 26, 2002. On April 15, 2003, February 23, 2004 and March 22, 2005 the Division granted a one-year APD extension. On May 15, 2006, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective May 15, 2006.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Whitney  
Engineering Technician

cc: Well File  
Bureau of Land Management, Moab