



Talon Resources, Inc.

Service, Quality and Accuracy

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@castlernet.com

February 15, 2002

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

RE: Application for Permit to Drill—State of Utah “BB” 04-158, Emery County, Utah
627’ FNL, 2190’ FWL, Section 4, T17S, R8E, SLB&M.

Dear Ms. Cordova:

On behalf of ChevronTexaco, Talon Resources, Inc. respectfully submits the enclosed original of the *Application for Permit to Drill (APD)* for the above referenced well. The location of the well is no closer that 460’ from the Huntington (shallow) CBM unit boundary or to an un-committed Federal or un-leased tract within the Unit Area. 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 pipe, power, and road corridors;

Exhibit “C” - Drilling site layout;

Exhibit “D” - Drilling Program;

Exhibit “E” - Multi Point Surface Use Plan;

Exhibit “F” - Typical road cross-section;

Exhibit “G” - Typical BOP diagram;

Exhibit “H” - Typical wellhead manifold diagram.

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FEB 20 2002

DIVISION OF
OIL, GAS AND MINING

ORIGINAL

CONFIDENTIAL

Please accept this letter as ChevronTexaco'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 of ChevronTexaco at 435-748-5395 if you have any questions or need additional information.

Sincerely,

Don Hamilton
Don Hamilton
Environmental Manager / Project Coordinator

cc: Mr. Mark Jones, Oil, Gas and Mining
Mr. Bryant Anderson, Emery County
Mr. Ron Wirth, ChevronTexaco
Mr. Ian Kephart, ChevronTexaco
Mr. Chuck Snure, ChevronTexaco
Mr. Gene Herrington, ChevronTexaco
Mr. Bob Lamarre, ChevronTexaco
Mrs. Julia Caldaro-Baird, ChevronTexaco
Texaco Well File

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

001

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work: DRILL DEEPEN
B. Type of Well: OIL GAS SINGLE ZONE MULTIPLE ZONE

2. Name of Operator: Texaco Exploration and Production, Inc.

3. Address and Telephone Number: Po Box 618 Orangeville Ut. 84537
3300 North Butler, Suite 100, Farmington, NM 87401, 505-325-4397

4. Location of Well (Footages)
At Surface: 627' FNL, 2190' FWL 4358687 Y
At Proposed Producing Zone: 497324 X

5. Lease Designation and Serial Number: MI-48193

6. If Indian, Allottee or Tribe Name: N/A

7. Unit Agreement Name: Huntington (Shallow) CBM

8. Farm or Lease Name: State of Utah "BB"

9. Well Number: 04-158

10. Field or Pool, or Wildcat: Undesignated Buzzard Bench

11. Qtr/Qtr, Section, Township, Range, Meridian: NE/4 NW/4, Section 4, T17S, R8E, SLB&M

14. Distance in miles and direction from nearest town or post office: 5.0 miles northwest of Huntington, Utah

12. County: Emery 13. State: Utah

15. Distance to nearest property or lease line (feet): 627'

16. Number of acres in lease: 1761.32

17. Number of acres assigned to this well: 160 acres

18. Distance to nearest well, drilling, completed, or applied for, or 2150'

19. Proposed Depth: 3635'

20. Rotary or cable tools: Rotary

21. Elevations (show whether DF, RT, GR, etc.): 6363' GR

22. Approximate date work will start: April 2002

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 ₂ + 0.25 pps cellophane
7-7/8"	5-1/2" N-80 LT&C	17	3635'	135 sacks 10:1 RFC Class G cement + 0.25 pps cellophane

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on 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.

Surface Owner: State of Utah

Landowner Representative: SITLA; 675 East 500 South, SLC, Utah 84102-2818; 801-538-5100

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FEB 20 2002

DIVISION OF OIL, GAS AND MINING

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Approved by the
Utah Division of
Oil, Gas and Mining
Date: 05-06-02
By: [Signature]

24. Name & Signature: Ron With Title: OP. SUPERVISOR Date: 2/15/02

(This space for state use only)

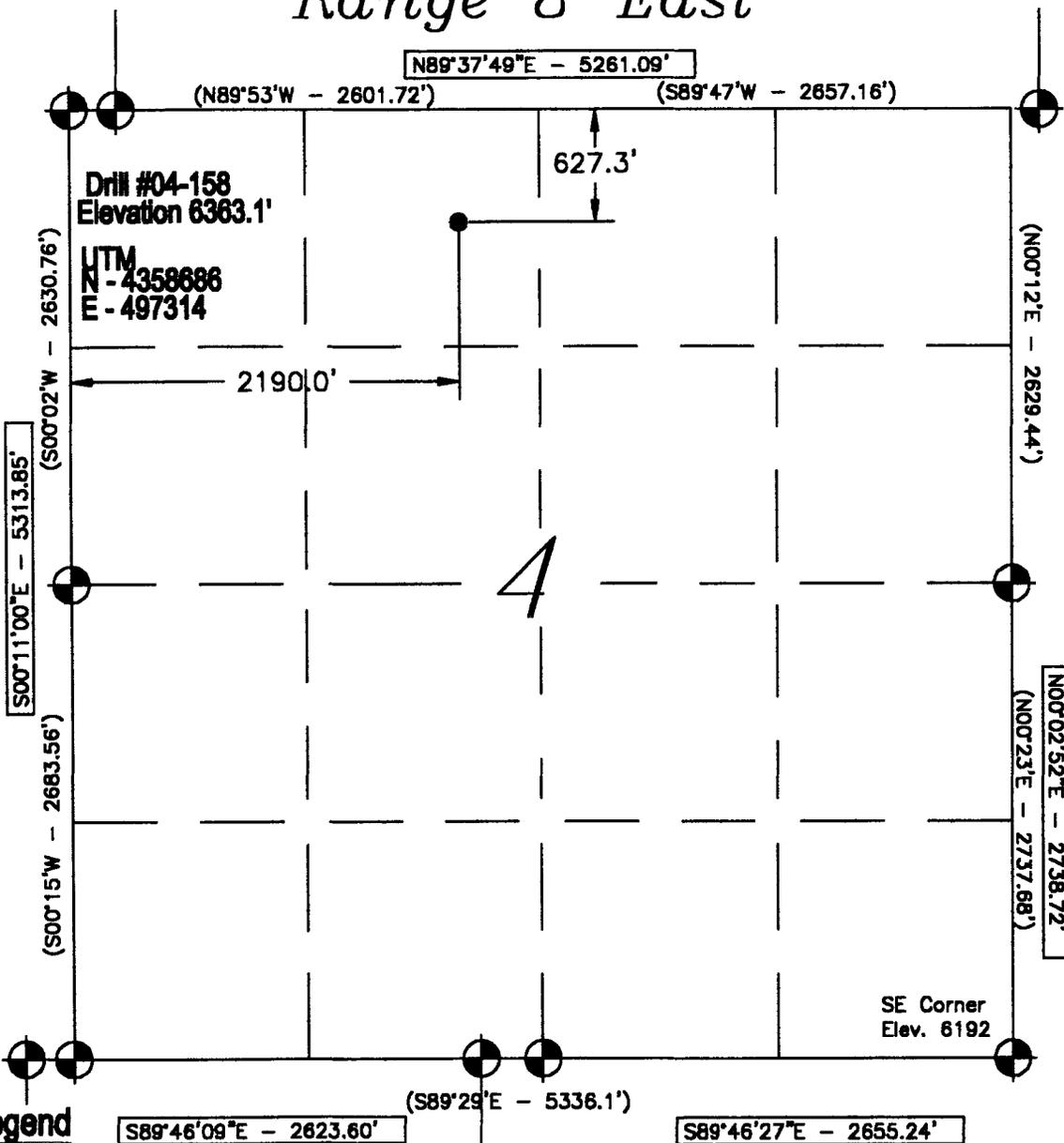
API Number Assigned: 43-015-30554

Approval:

ORIGINAL

Range 8 East

Township 17 South



Location:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office. The well location was determined using a Trimble 4700 GPS survey grade unit.

Basis of Elevation:

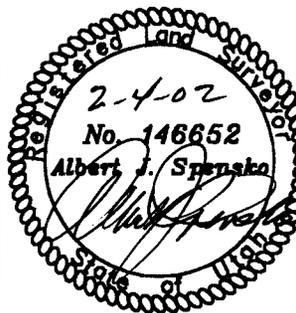
Basis of Elevation of 6192' being at the Southeast Section corner of Section 4, Township 17 South, Range 8 East, Salt Lake Base & Meridian, as shown on the Red Point Quadrangle 7.5 Minute Series Map.

Description of Location:

Proposed Drill Hole located in the NE 1/4, NW 1/4 of Section 4; being 627.3' South and 2190.0' East from the Northwest Corner of Section 4, T17S., R8E., 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.



Legend

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

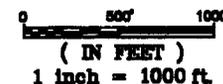
NOTE:

UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

Lat / Long
 39°22'46"
 111°01'55"

ORIGINAL

GRAPHIC SCALE



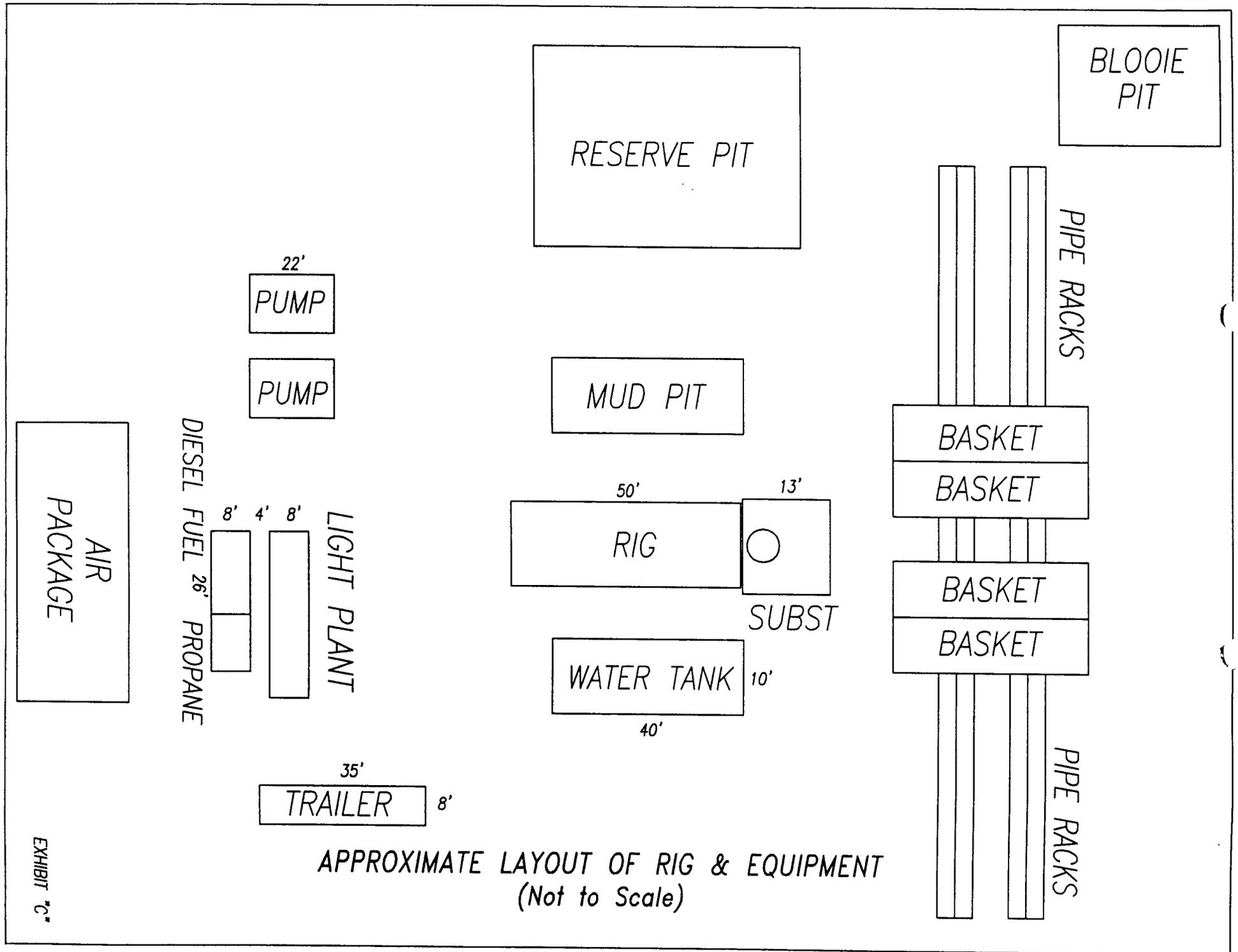
Talon Resources, Inc.

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



Section 4, T17S., R8E., S.L.B.&M.
 Emery County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 02/01/02
	Scale: 1" = 1000'
	Job No. 506



APPROXIMATE LAYOUT OF RIG & EQUIPMENT
(Not to Scale)

EXHIBIT "D"
DRILLING PROGRAM

Attached to UDOGM Form 3
Texaco Exploration and Production, Inc.
State of Utah "BB" 04-158
NE/4 NW/4, Sec. 4, T17S, R8E, SLB & M
627' FNL, 2190' 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 -- 3215'
Top of the A Coal -- 3235'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones – 3215' - 3535'

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 & JOINT</u>	<u>CONDITION</u>
12-1/4"	300'	8-5/8"	24# K-55 ST&C	New
7-7/8"	3635'	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 % CaCl₂ + 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 immediately.

EXHIBIT "E"
Multipoint Surface Use Plan

Attached to UDOGM Form 3
Texaco Exploration and Production, Inc.
State of Utah "BB" 04-158
NE/4 NW/4, Sec. 4, T17S, R8E, SLB & M
627' FNL, 2190' FWL
Emery County, Utah

1. Existing Roads

- a. The proposed access road will utilize the existing State Road encroachment and a portion of the access road that accesses the existing State of Utah "CC" 10-153. The existing encroachment has previously been approved by the Utah Department of Transportation (see Exhibit "B").
- b. We do not plan to change, alter or improve upon any other existing state or county roads. Existing roads will be maintained in the same or better condition.

2. Planned Access

- a. Approximately 2600' of existing two-track road will be improved and 3800' of new access is required (see Exhibit "B").
- b. Maximum Width: 20' travel surface with a 27' base.
- c. Maximum grade: 10%.
- c. Turnouts: None.
- d. Drainage design: approximately 6 – 18" culvert may be required. Water will be diverted away from the planned access as necessary and practical.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.

3. Location of Existing Wells

- a. There are five proposed wells and one existing well within a one mile radius of the proposed well site (see Exhibit "B").

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will follow.
- b. Buried powerlines and gathering lines will follow the proposed access road to the intersection with the State of Utah "CC" 10-153 access road (see Exhibit "B").
- c. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be obtained from a local water source (probably North Emery Water Users Association, a local source of municipal water).
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. All necessary construction materials needed will be obtained locally and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. Since the well will be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM representative during the pre-site inspection. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or pad location
- c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of one trailer to be located on the drill site.

9. Wellsite Layout

- a. Available topsoil will be removed from the location and stockpiled. The location of mud tanks, reserve and burn pits, and soil stockpiles will be located as shown on Exhibit "C".
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the burn pit. The burn pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Exhibit "B".
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and recontoured to minimize possible erosion.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.
- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by the existing conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the wellsite is to be abandoned, all disturbed areas will be recontoured.

11. Surface Ownership

- a. The wellsite will be constructed on lands owned by the School and Institutional Trust Lands Administration, 675 East 500 South, SLC, Utah 84102-2818; 801-538-5100. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. Other Information:

- a. The primary surface use is wildlife habitat. The nearest dwelling is approximately 5,950' south. Nearest live water is Fish Creek approximately 5150' southwest.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The backslope and foreslope will be constructed no steeper than 4:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be at the well site during construction and drilling operations.
- f. There will be no deviation from the proposed construction, drilling, and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. Company Representatives

Ron D. Wirth
Texaco Exploration and Production, Inc.
P.O. Box 618
Orangeville, Utah 84537 (435) 748-5395

Mail Approved A.P.D. To:

Company Representatives

Excavation Contractor

Nielson Construction
625 West 1300 North,
North Loop Road
Huntington, Utah 84528
(435) 687-2494

14. 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 presently exist; that the statements made in this plan 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 Exploration and Production, Inc. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

2/15/02
Date

Ron Wirth
Texaco Exploration and Production, Inc.

ORIGINAL

TYPICAL ROAD CROSS-SECTION

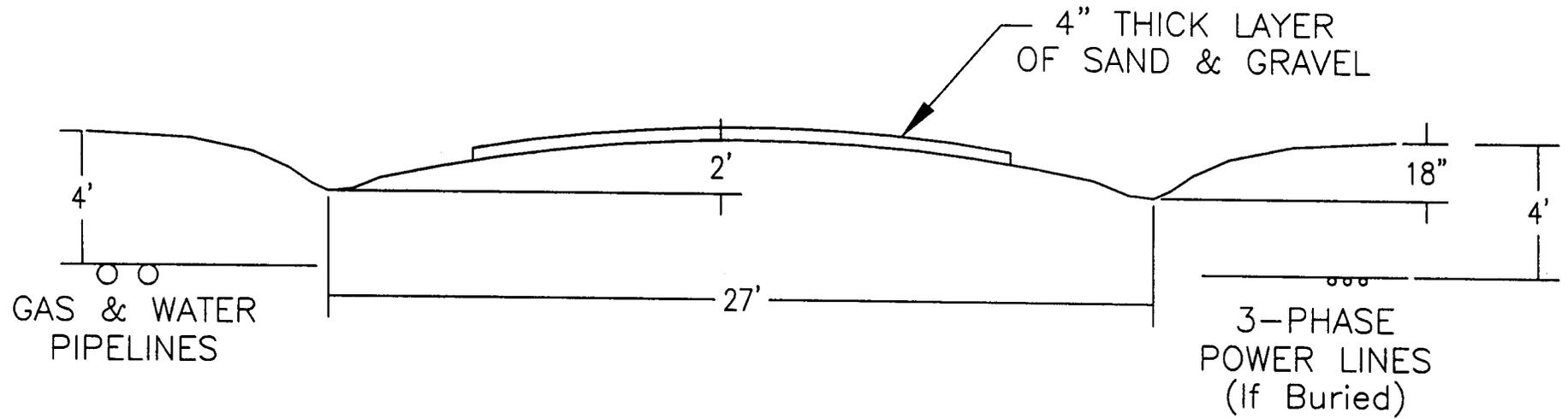


EXHIBIT "F"

BOP Equipment

3000psi WP

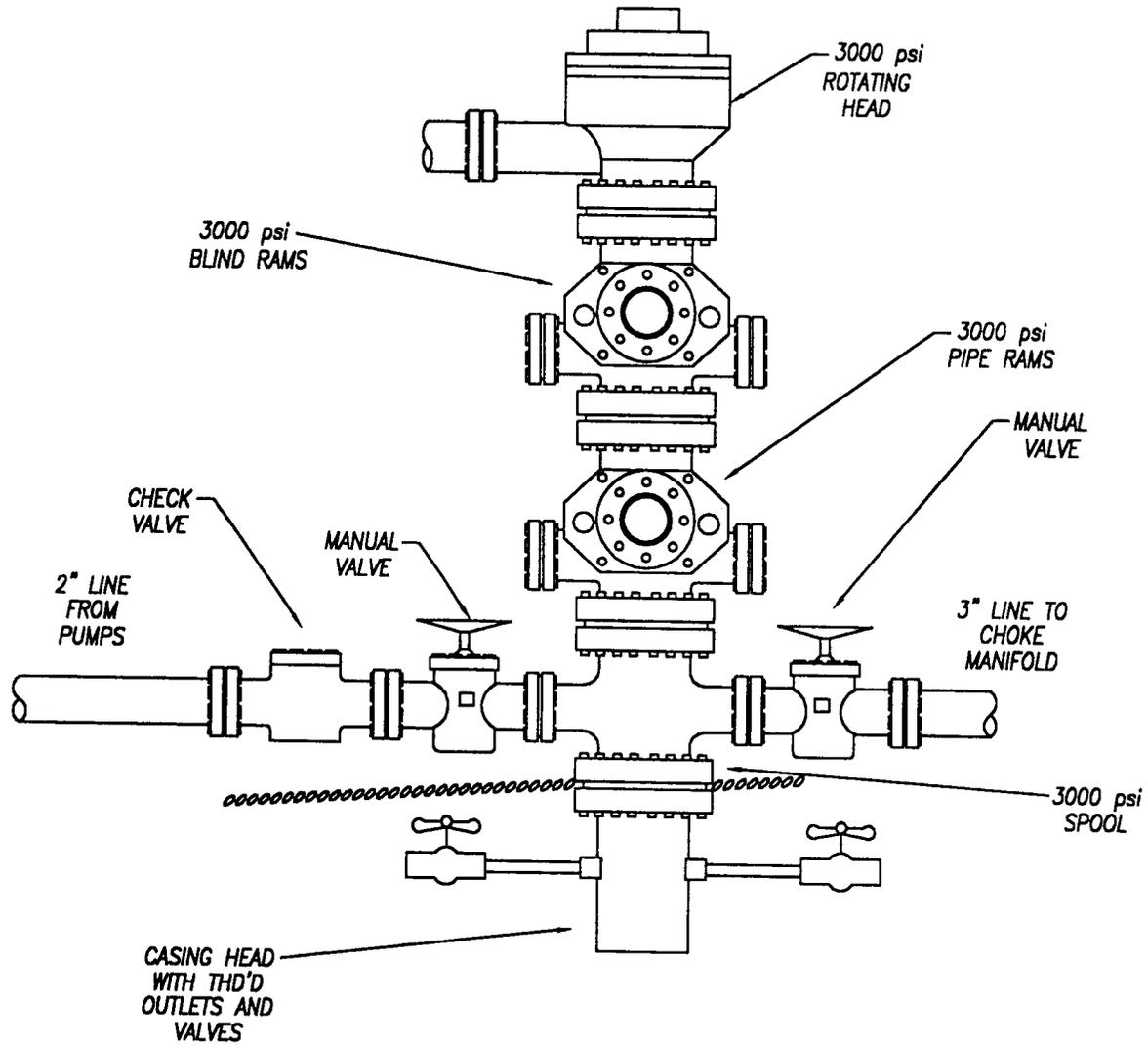


EXHIBIT "G"

CHOKE MANIFOLD

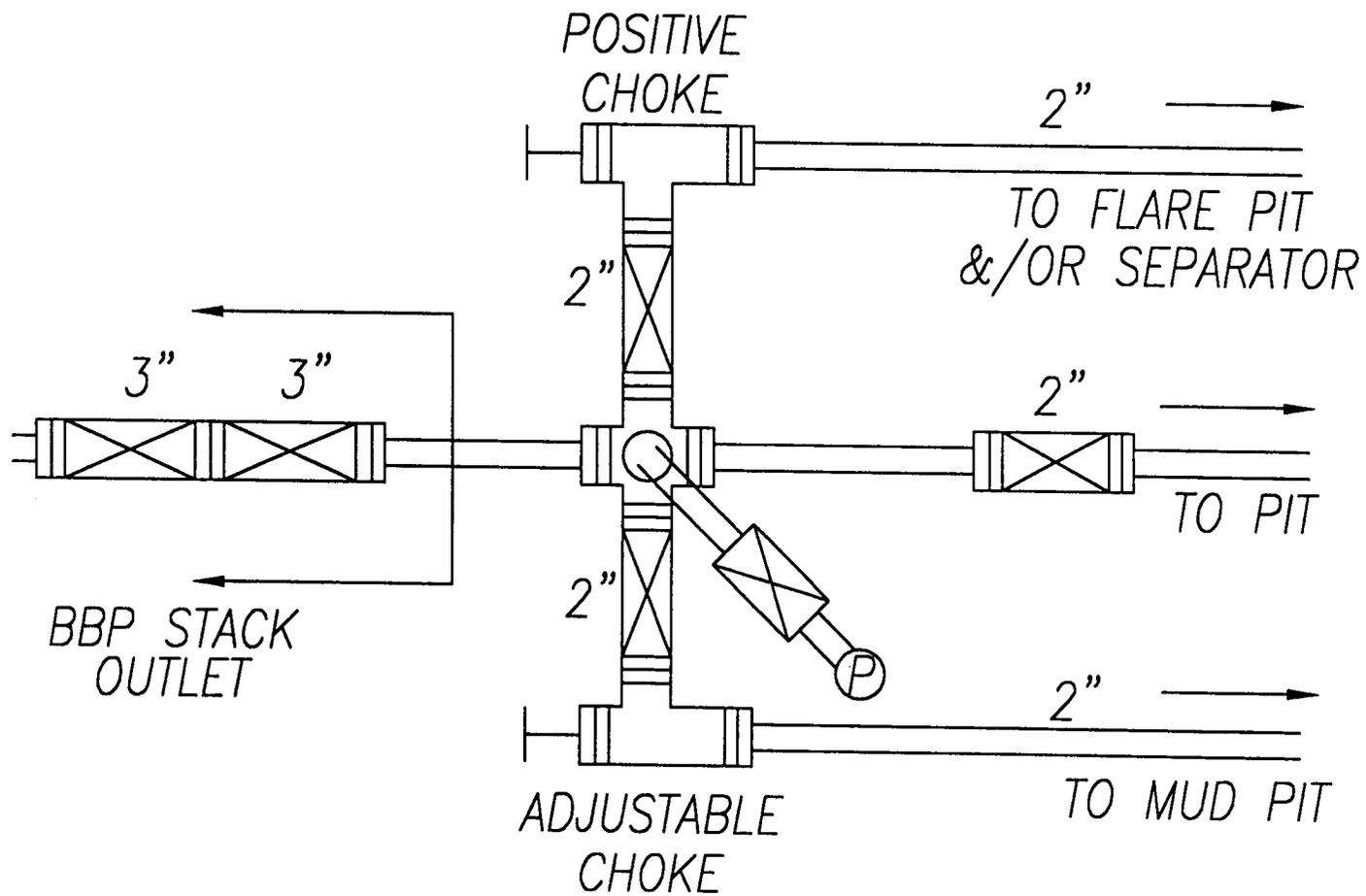
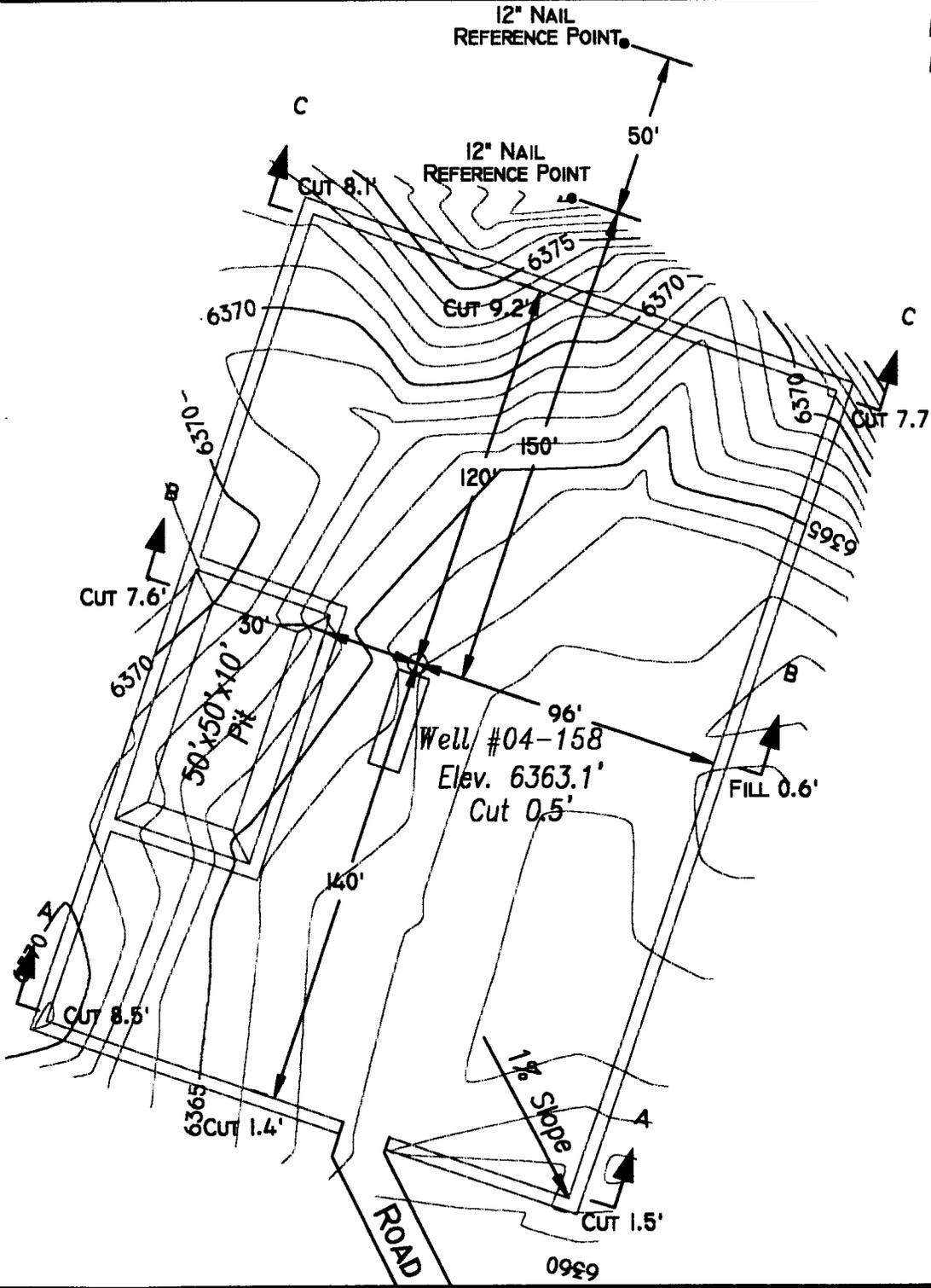


EXHIBIT "H"

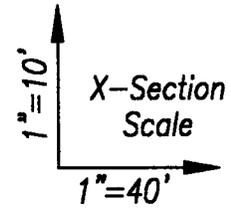
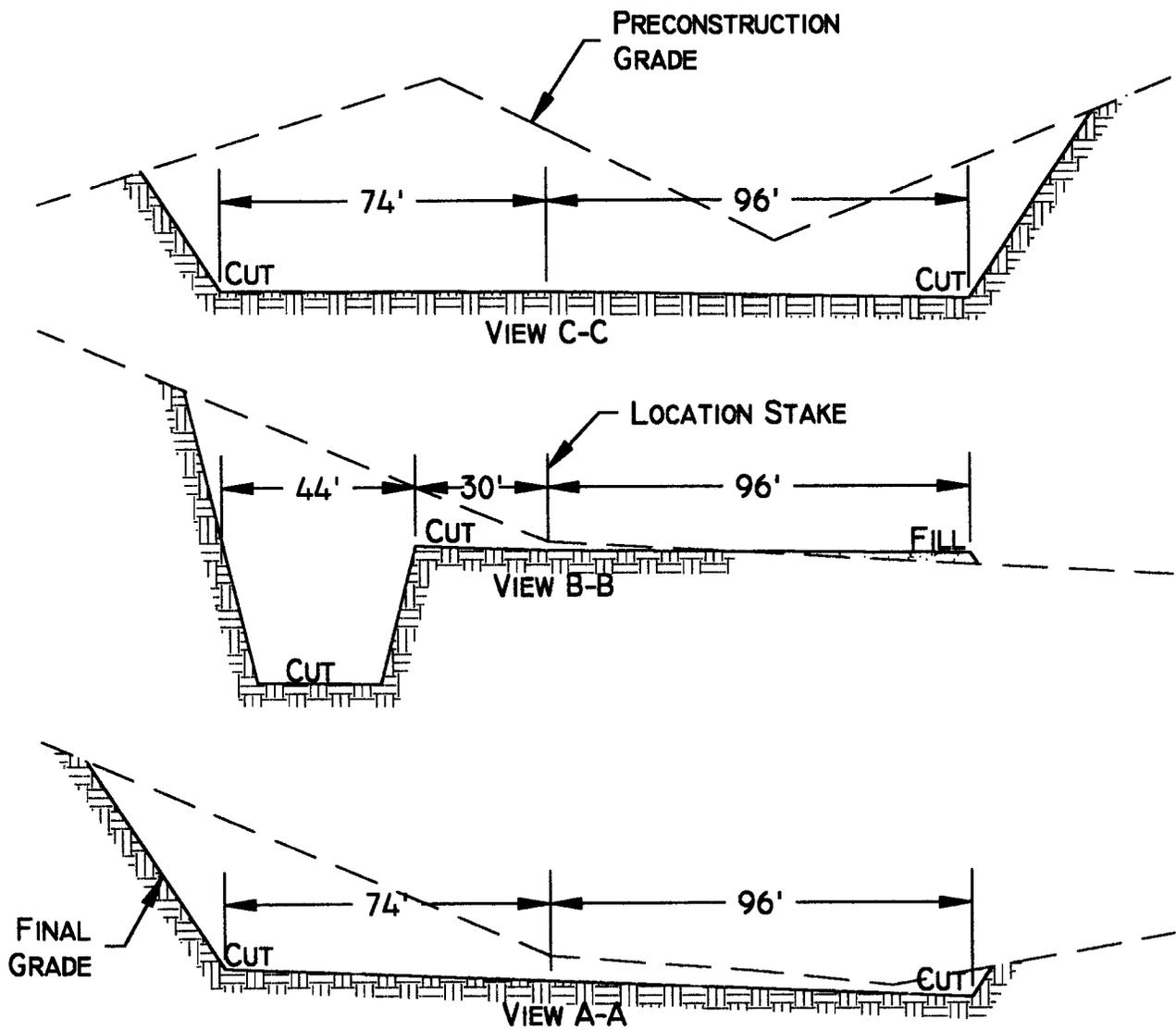
ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6363.1'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6362.6'



Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-638-8603

 **TEXACO E & P**
LOCATION LAYOUT
 Section 4, T17S, R8E, S.L.B.&M.
WELL #04-158

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 02/01/02
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 506



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

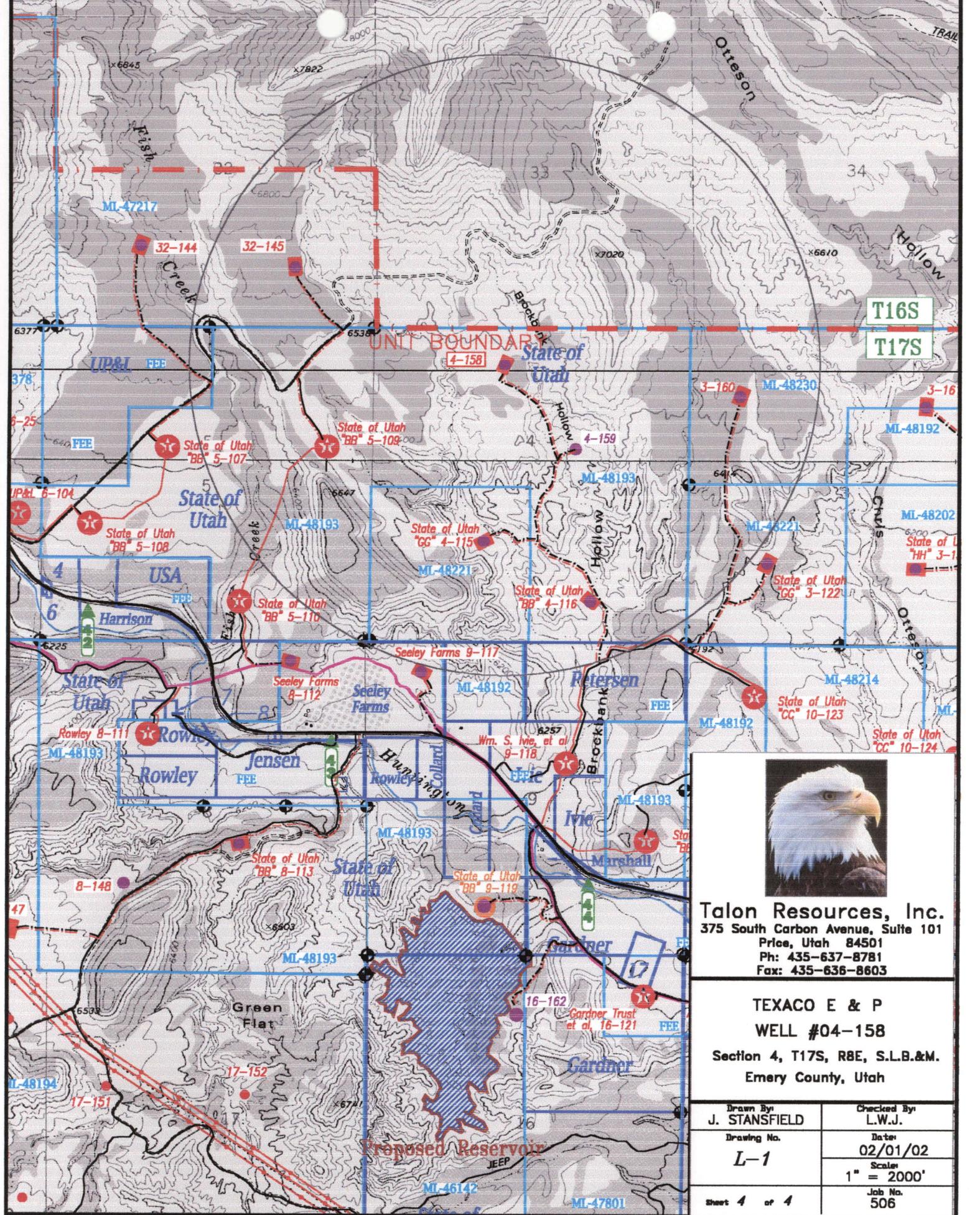


Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603

★ TEXACO E & P
TYPICAL CROSS SECTION
 Section 4, T17S, R8E, S.L.B.&M.
 WELL #04-158

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 02/01/02
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 506

APPROXIMATE YARDAGES
CUT
 (6") TOPSOIL STRIPPING = 750 CU. YDS.
 REMAINING LOCATION = 5,595 CU. YDS.
TOTAL CUT = 6,345 CU. YDS.
TOTAL FILL = 85 CU. YDS.



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

TEXACO E & P
WELL #04-158
 Section 4, T17S, R8E, S.L.B.&M.
 Emery County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. L-1	Date: 02/01/02
	Scale: 1" = 2000'
Sheet 4 of 4	Job No. 506

111°07'00" W 111°05'00" W 111°03'00" W 111°01'00" W 110°59'00" W NAD27 110°56'00" W

39°27'00" N
39°25'00" N
39°23'00" N
39°21'00" N
39°19'00" N
39°17'00" N

39°27'00" N
39°25'00" N
39°23'00" N
39°21'00" N
39°19'00" N
39°17'00" N

Texaco Exploration and Production, Inc.

State of Utah "BB" 04-158

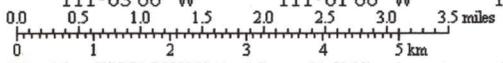
TALON RESOURCES, INC.

375 SOUTH CARBON AVE. (A-10)

PRICE, UTAH 84501

435-637-8781

111°07'00" W 111°05'00" W 111°03'00" W 111°01'00" W 110°59'00" W NAD27 110°56'00" W



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002

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/20/2002

API NO. ASSIGNED: 43-015-30554

WELL NAME: ST OF UT BB 04-158
OPERATOR: TEXACO E & P INC (N5700)
CONTACT: DON HAMILTON, AGENT

AMENDED

PHONE NUMBER: 435-637-8781

PROPOSED LOCATION:

NENW 04 170S 080E
SURFACE: 0585 FNL 2153 FWL
BOTTOM: 0585 FNL 2153 FWL
EMERY
BUZZARD BENCH (132)

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

LEASE TYPE: 3 - State
LEASE NUMBER: ML-48193
SURFACE OWNER: 3 - State
PROPOSED FORMATION: FRSD

LATITUDE: 39.37965
LONGITUDE: -111.0312

RECEIVED AND/OR REVIEWED:

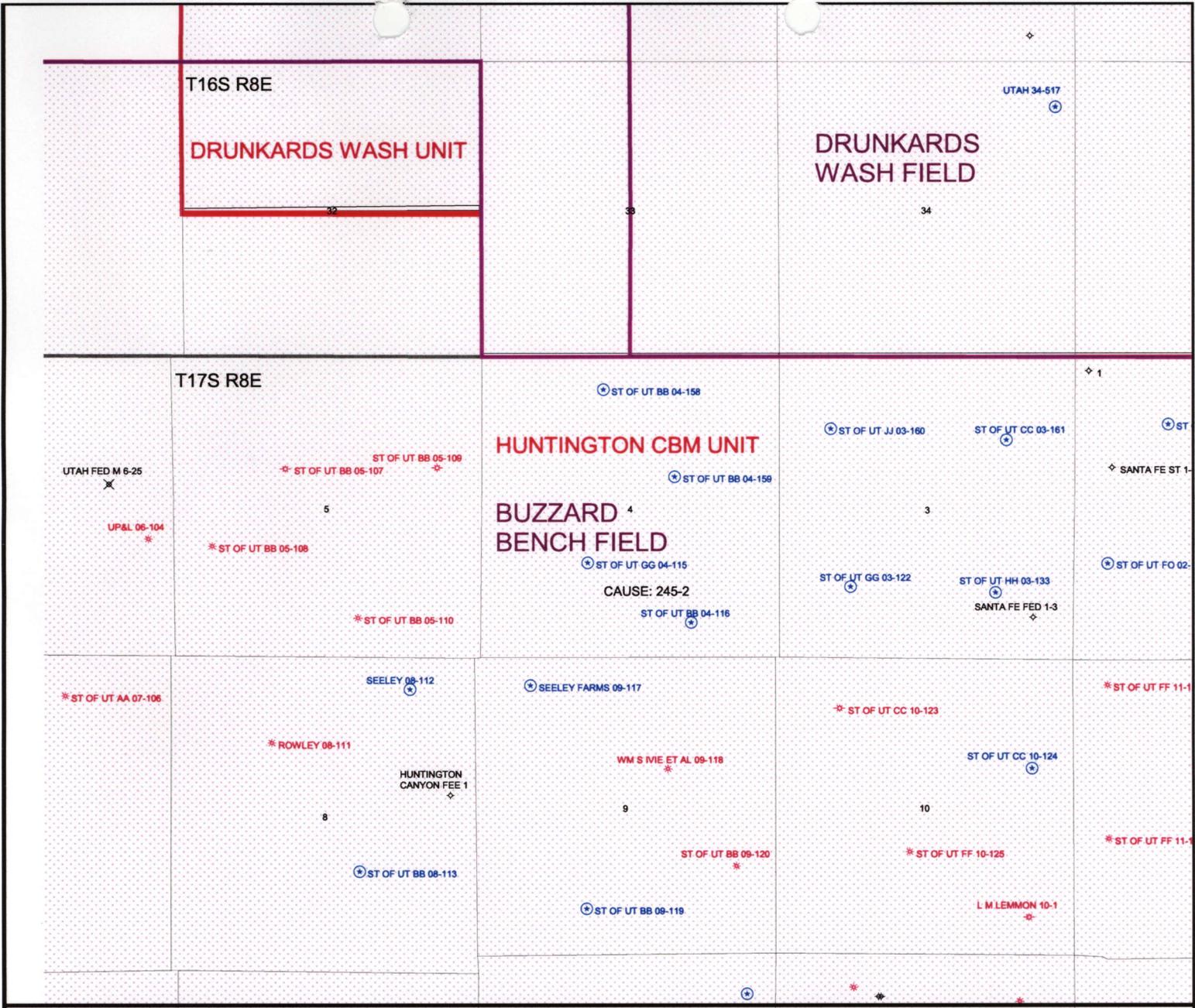
- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 6049663)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. MUNICIPAL)
- RDCC Review (Y/N)
(Date:)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit HUNTINGTON CBM
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 245-2
Eff Date: 4-24-01
Siting: * 460' fr unit boundary? Uncomm. Fed. Or unleased tract.
- R649-3-11. Directional Drill

COMMENTS: No add'l permits required.

STIPULATIONS:

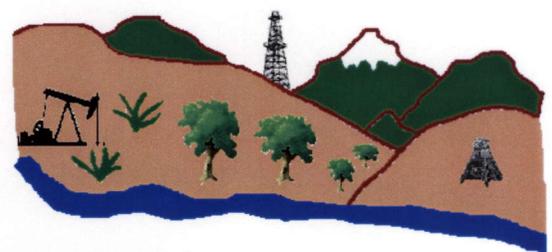


OPERATOR NAME: TEXACO E&P PROD (N5700)

SEC. 4 T17S R8E

FIELD: BUZZAED BENCH (132)

COUNTY: EMERY CAUSE:245-2 / 4/24/01



Utah Oil Gas and Mining

Field Status		Well Status		Unit Status	
	ABANDONED		Gas Injection		EXPLORATORY
	ACTIVE		Gas Storage		GAS STORAGE
	COMBINED		Location Abandoned		NF PP OIL
	INACTIVE		Location		NF SECONDARY
	PROPOSED		Plugged		PENDING
	STORAGE		Producing Gas		PI OIL
	TERMINATED		Producing Oil		PP GAS
	Township.shp		Shut-In Gas		PP GEOTHERML
	Sections		Shut-In Oil		PP OIL
			Temporarily Abandoned		SECONDARY
			Test Well		TERMINATED
			Water Injection		
			Water Supply		
			Water Disposal		



Prepared By: D. Mason
Date: 25-July-2002

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/20/2002

API NO. ASSIGNED: 43-015-30554

WELL NAME: ST OF UT BB 04-158
 OPERATOR: TEXACO E & P INC (N5700)
 CONTACT: DON HAMILTON, AGENT

PHONE NUMBER: 435-637-8781

PROPOSED LOCATION:
 NENW 04 170S 080E
 SURFACE: 0627 FNL 2190 FWL
 BOTTOM: 0627 FNL 2190 FWL
 EMERY
 BUZZARD BENCH (132)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	5/2/02
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-48193 *D.M.*
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: FRSD

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Fed[] Ind[] Sta[3] Fee[]
 (No. 6049663 D.M.)

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 HUNTINGTON CBM

R649-3-2. General
 Siting: 460 From Qtr/Qtr & 920' Between Wells

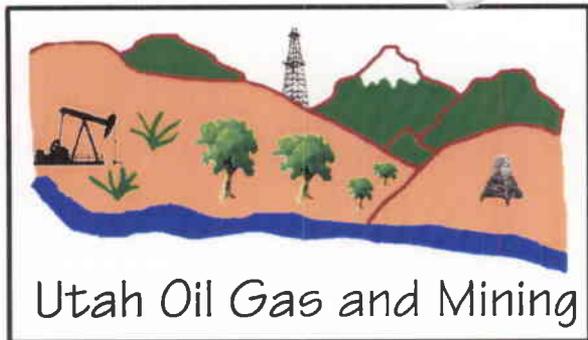
R649-3-3. Exception

Drilling Unit
 Board Cause No: 245-2
 Eff Date: 4-24-2001
 Siting: 460' fr. Unit Boundary E. uncomm. E. unleased Fed. tract.

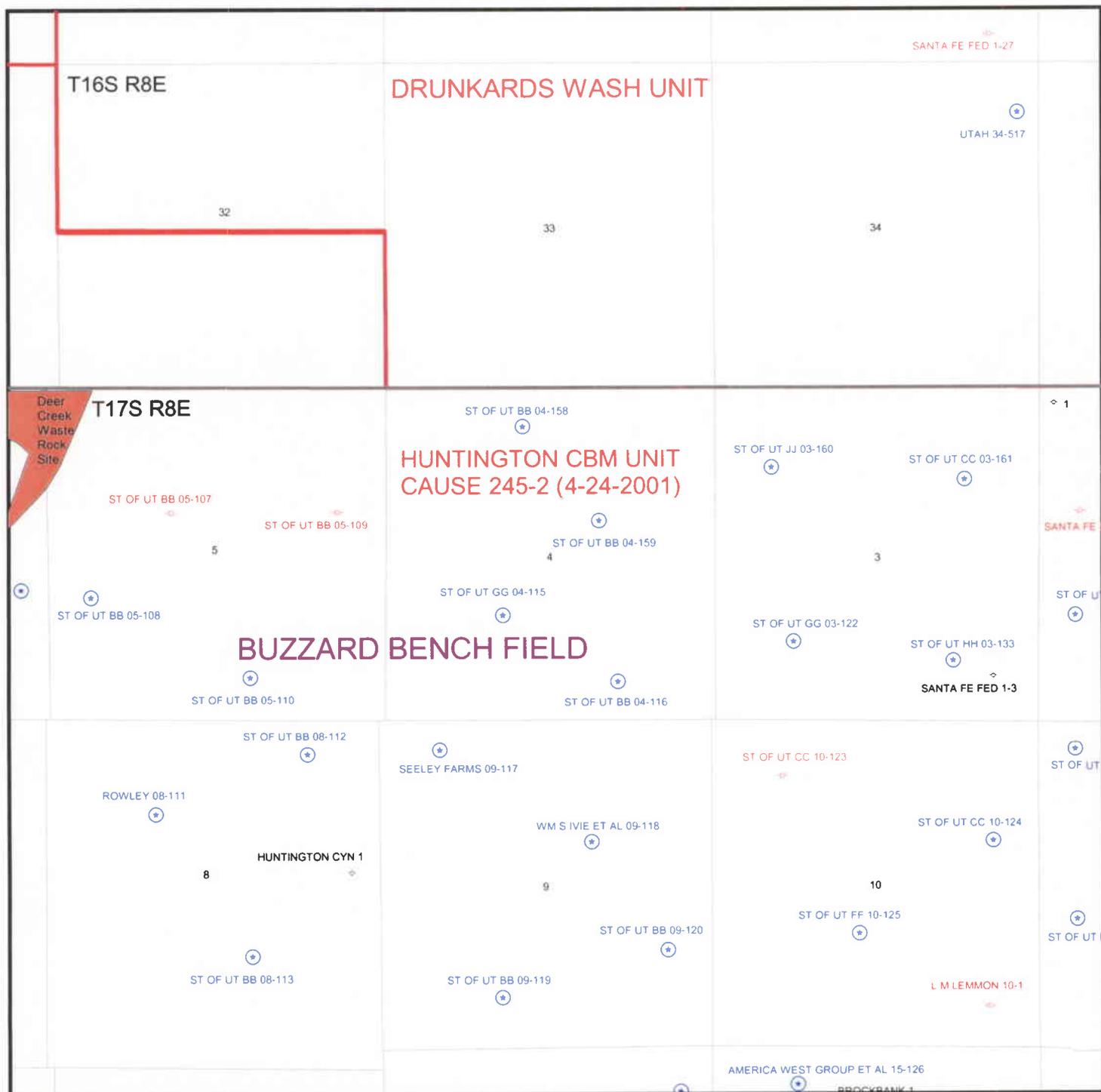
R649-3-11. Directional Drill

COMMENTS: Need presite. (4-3-02)

STIPULATIONS: 1- Statement of basis.



OPERATOR: TEXACO E&P INC (N5700)
 SEC. 4, T17S, R8E
 FIELD: BUZZARD BENCH (132)
 COUNTY: EMERY UNIT: HUNTINGTON CBM
 CAUSE: 245-2



5-02 Texaco St of UT BB 04_58

Casing Schematic

Surface

Bluegate

8-5/8"
MW 8.3
Frac 13.

TOC @
0.

Surface
300. MD

w/25% washout

BOP

BWD

$$(0.052)(8.4)(3635) = 1588 \text{ psi}$$

$$\text{Anticipated} = 1000 \text{ psi}$$

Ccs

$$(0.12)(3635) = 436 \text{ psi}$$

$$\text{MASP} = 1152 \text{ psi}$$

3M BOP proposed

Adequate ORD 5/2/02

3215' -
Ferra
3235' -
"K" coal

5-1/2"
MW 8.3

TOC @
2860.

3215' w/15% washout

coals; ss's

3535'

Production
3635. MD

Well name:	05-02 Texaco St of UT BB 04-158	
Operator:	Texaco E&P	
String type:	Surface	Project ID: 43-015-30554
Location:	Emery County, Utah	

Design parameters:

Collapse
Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 0 psi
Internal gradient: 0.433 psi/ft
Calculated BHP: 130 psi
No backup mud specified.

Minimum design factors:

Collapse:
Design factor: 1.125

Burst:
Design factor: 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 262 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 69 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 299 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 3,635 ft
Next mud weight: 8.330 ppg
Next setting BHP: 1,573 psi
Fracture mud wt: 13,000 ppg
Fracture depth: 300 ft
Injection pressure: 203 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	300	8.625	24.00	K-55	ST&C	300	300	7.972	14.4

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	130	1370	10.56	130	2950	22.73	7	263	36.54 J

Prepared by: Dustin K. Doucet
Utah Dept. of Natural Resources

Phone: (801) 538-5281
FAX: (801)359-3940

Date: May 2,2002
Salt Lake City, Utah

N/A.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	05-02 Texaco St of UT BB 04-158		
Operator:	Texaco E&P	Project ID:	43-015-30554
String type:	Production		
Location:	Emery County, Utah		

Design parameters:

Collapse
Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 0 psi
Internal gradient: 0.433 psi/ft
Calculated BHP: 1,573 psi
No backup mud specified.

Minimum design factors:

Collapse:
Design factor: 1.125

Burst:
Design factor: 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 3,176 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 116 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 2,860 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	3635	5.5	17.00	N-80	LT&C	3635	3635	4.767	125.3

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1573	6290	4.00	1573	7740	4.92	62	348	5.63 J

Prepared by: Dustin K. Doucet
Utah Dept. of Natural Resources

Phone: (801) 538-5281
FAX: (801)359-3940

Date: May 2,2002
Salt Lake City, Utah

N/A.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: ChevronTexaco
WELL NAME & NUMBER: State of Utah "BB" 04-158
API NUMBER: 43-015-30554
LEASE: State **FIELD/UNIT:** Buzzard Bench
LOCATION: 1/4, 1/4 NE NW Sec: 4 TWP: 17S RNG: 8 E 627' FNL 2190' FWL

Geology/Ground Water:

The Lower Emery Sandstone is a possible aquifer with high quality ground water, that will be penetrated at this location, however there are only 5 known culinary water wells in all of Emery County. A search of the Division of Water Rights records revealed that there are 1 points of diversion or water supply within a mile radius of this location. A moderately permeable soil is developed on a thin Quaternary alluvium pediment mantle, which covers the Middle and Upper Members of the Emery Sandstone. The proposed surface casing and cementing program should be sufficient to ensure the protection of any unknown ground water resources and 300' of surface casing and cement will protect the water table in any of the drainages accessing Huntington Creek. This creek is about 1½ miles to the south and is active all year long. It is also the major source for agricultural water in this part of the state.

Reviewer: K. Michael Hebertson **Date:** 26-April-2002

Surface:

Proposed location is located ~4.8 miles NW of Huntington, UT and ~19.11 miles SW of Price, UT. Huntington creek, a year round live water source lies to the south ~1.5 miles. Terrain is very rough due to dry washes that predominate the area. Provisions were made for site structural integrity, rehabilitation, and waste disposal. A revised route for access was discussed from the West rather than from the Southeast. Talon will look at this option and get with ChevronTexaco for a decision. Ed Bonner (SITLA) was in attendance at the on-site gave his approval of this plan. If the new access will work, the pad and drill point will be shifted ~60 yards West to pull the location out of prime elk habitat. Dry washes around the location will be a challenge with the construction and maintenance of this location and access road. Provisions were made during the on-site to help control run-off and potential erosion problems. These washes are deep with steep sides and have the potential to pack a lot of run-off. They will be crossed multiple times during access to this location. Strong recommendations were made that appropriate sized culverts be used instead of low water crossings to decrease the disturbance of these washes. Emery County, SITLA, and DWR were present during the on-site.

Reviewer: Mark L. Jones **Date:** April 19, 2002

Conditions of Approval/Application for Permit to Drill:

1. Berm location and reserve pit.
2. Divert drainages around the location with diversion ditches, turnouts, and culverts where appropriate.
3. 12 mil minimum thickness synthetic pit liner. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
4. Extend Surface Casing below the lower Member of the Emery Sandstone.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: ChevronTexaco

WELL NAME & NUMBER: State of Utah "BB" 04-158

API NUMBER: 43-015-30554

LEASE: State **FIELD/UNIT:** Buzzard Bench

LOCATION: 1/4, 1/4 NE NW Sec: 4 TWP: 17S RNG: 8 E 627' FNL 2190' FWL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): X =497324 E; Y =4358687 N SURFACE OWNER: SITLA

PARTICIPANTS

M. Jones (DOGM), B. Anderson (Emery County), D. Hamilton & Larry Johnson (Talon), R. Wirth & K. Beam (ChevronTexaco), C. Colt (DWR), Ed Bonner (SITLA).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is located ~4.8 miles NW of Huntington, UT and ~19.11 miles SW of Price, UT. Huntington creek, a year round live water source lies to the south ~1.5 miles. Terrain is very rough due to dry washes that predominate the area.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 170 x 260 pad w/ 80 x 44 x 8 pit included.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 7 Proposed wells and 2 producing gas wells are within a 1 mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along the roadway.

SOURCE OF CONSTRUCTION MATERIAL: Obtained Locally and transported in.

ANCILLARY FACILITIES: N/A

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. Crude oil production is unlikely. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected into the Navajo Sandstone via a salt water disposal well. Used oil from drilling operations and support is hauled to a used oil recycler and reused.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Dry washes are very predominant throughout the area.

FLORA/FAUNA: Pinion Juniper, sagebrush, grasses, deer, elk, coyote, small game, fowl.

SOIL TYPE AND CHARACTERISTICS: Clay.

SURFACE FORMATION & CHARACTERISTICS: _____

EROSION/SEDIMENTATION/STABILITY: Erosive when disturbed.

PALEONTOLOGICAL POTENTIAL: N/A

RESERVE PIT

CHARACTERISTICS: Dugout earthen pit.

LINER REQUIREMENTS (Site Ranking Form attached): Liner Optional.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: Yes.

CULTURAL RESOURCES/ARCHAEOLOGY: Will be done and placed on file with State.

OTHER OBSERVATIONS/COMMENTS

A revised route for access was discussed from the West rather than from the Southeast. Talon will look at this option and get with ChevronTexaco for a decision. Ed Bonner (SITLA) was in attendance at the on-site gave his approval of this plan. If the new access will work, the pad and drill point will be shifted ~60 yards West to pull the location out of prime elk habitat.

Dry washes around the location will be a challenge with the construction and maintenance of this location and access road. Provisions were made during the on-site to help control run-off and potential erosion problems. These washes are deep with steep sides and have the potential to pack a lot of run-off. They will be crossed multiple times during access to this location. Strong recommendations were made that appropriate sized culverts be used instead of low water crossings to decrease the disturbance of these washes.

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

April 3, 2002 / 11:00 am
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 15 (Level II Sensitivity)

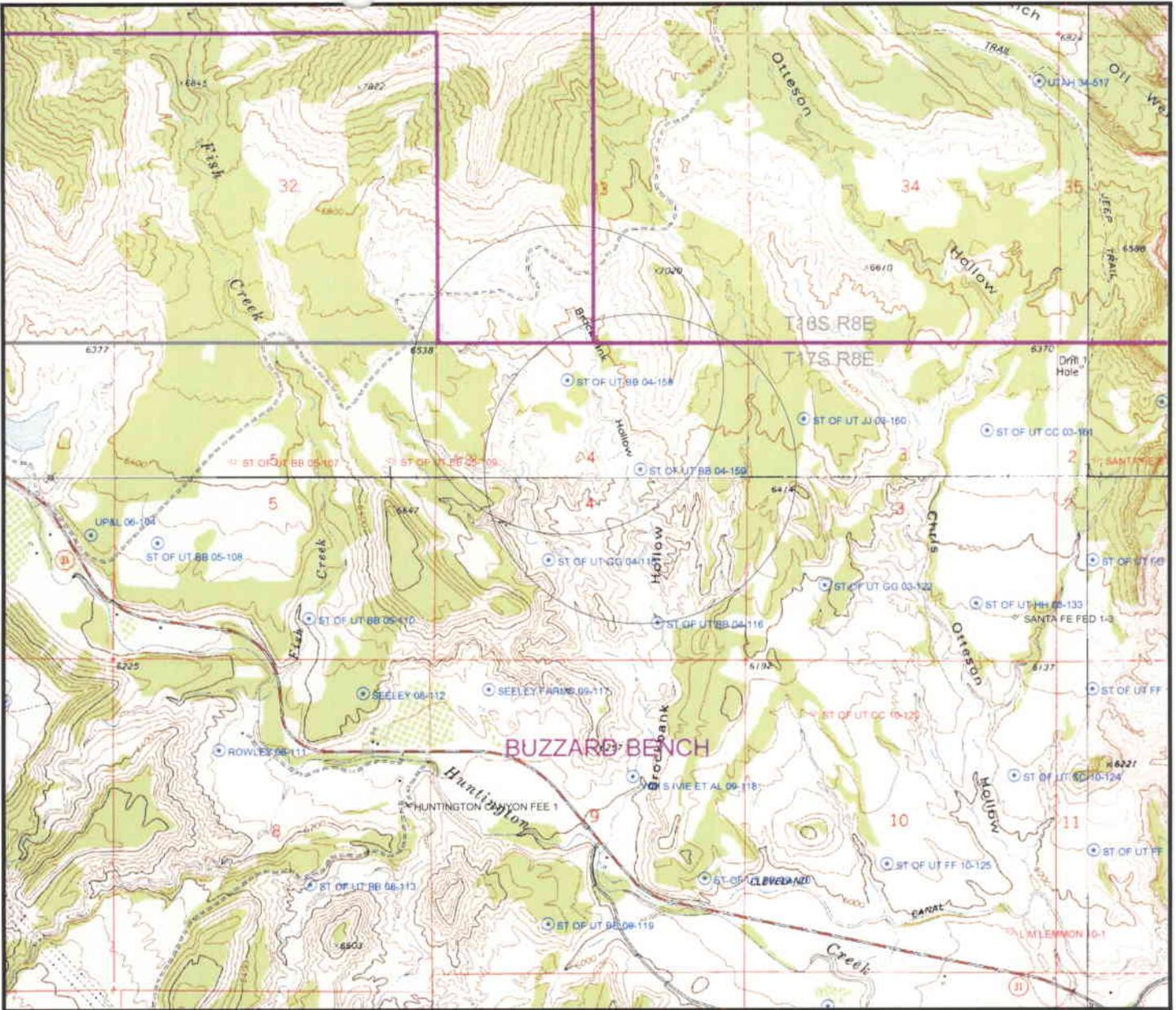
Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.





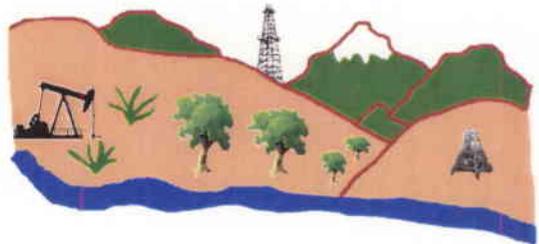


LEGEND

Well Status

- GAS INJECTION
- GAS STORAGE WELL
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

- County Boundary
- Sections
- Township
- Field Status**
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



Utah Oil Gas and Mining



Prepared By: K. Michael Hebertson

UTAH DIVISION OF WATER RIGHTS
NWPLAT POINT OF DIVERSION LOCATION PRO

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO	POIN NORTH
0	93 152	.0000	.00	Fish Creek	
WATER USE(S): STOCKWATERING					
State of Utah School & Institutional Tru 675 East 500 South, Suite 500					

Lisha Cordova - Cultural Clearance for the 04-158 and the 04-159

From: "Don Hamilton" <talon@castlenet.com>
To: "Lisha Cordova" <lcordova.nrogm@state.ut.us>
Date: 04/29/2002 12:56 PM
Subject: Cultural Clearance for the 04-158 and the 04-159
CC: "John Baza" <jbaza.nrogm@state.ut.us>

Lisha:

The cultural clearance is in place for the 04-158 and 04-159 per a phone conversation with Keith Montgomery of Montgomery Archaeological on April 29, 2002.

The 04-158 well and road is being relocated slightly following a habitat discussion at the onsite in which a move was recommended by DWR. This moved location and the new access have their cultural resource inventory in place at this time.

Please feel free to contact me if you have any questions or need additional information.

Don

From: LaVonne Garrison
To: Mason, Diana
Date: 5/6/02 8:34AM
Subject: Re: Huntington (Shallow) CBM

Trust Lands Administration has no objection to adding the following wells to your POD for 2002:

43-015-30554 UT BB 04-158 NENW 4-17S-8E, 627'FNL, 2190' FWL
43-015-30555 UT BB 04-15-9 SWNE 4=17S-8E, 2147'FNL, 1858'FEL

Should you have any questions, please give me a call at 801/538-5197 or contact me through my email address.

May 6, 2002

CC: Lisha Cordova

003



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)

May 6, 2002

Texaco Exploration and Production Inc.
PO Box 618
Orangeville UT 84537

Re: State of Utah BB 04-158 Well, 627' FNL, 2190' FWL, NE NW, Sec. 4, T. 17 South,
R. 8 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.

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 43-015-30554.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza", written in a cursive style.

for John R. Baza
Associate Director

er

Enclosures

cc: Emery County Assessor
SITLA

Operator: Texaco Exploration and Production Inc.
Well Name & Number State of Utah BB 04-158
API Number: 43-015-30554
Lease: ML 48193

Location: NE NW **Sec.** 4 **T.** 17 South **R.** 8 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**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

ODA

Diana Mason - Additional Cultural Clearances - ChevronTexaco 2002 development

From: "Don Hamilton" <talon@castlenet.com>
To: "Diana Mason" <dmason@state.ut.us>
Date: 5/10/02 12:17 PM
Subject: Additional Cultural Clearances - ChevronTexaco 2002 development
CC: "Lisha Cordova" <lcordova.nrogm@state.ut.us>, "John Baza" <jbaza.nrogm@state.ut.us>

Diana:

A cultural resources inventory has been completed over the past few weeks by Montgomery Archaeological Consultants. The report is dated 5-6-02 and included complete clearance on the following wells:

State of Utah "JJ" 03-160
State of Utah "BB" 04-158
State of Utah "BB" 04-159
State of Utah "BB" 08-113
State of Utah 08-148 (application pending)
State of Utah 14-170
State of Utah "GG" 15-128
State of Utah "GG" 15-184
State of Utah "KK" 32-144 (application pending)
State of Utah "KK" 32-145 (application pending)

Please feel free to contact me if you have any questions or need additional information.

Don



Chevron U.S.A. Production Company
Mid-Continent Business Unit
P.O. Box 36366
Houston, TX 77236
Phone 713 754 2000

April 9, 2002

Mr. John Baza,
Associate Director of Oil and Gas
Utah Department of Natural Resources
Division of Oil, Gas & Mining
1594 W. North Temple St., Suite 1210
Salt Lake City, UT 84114-5801

RECEIVED

APR 12 2002

DIVISION OF
OIL, GAS AND MINING

Dear Mr. Baza:

As you may recall from our meeting last year, we planned to combine the assets of Chevron U.S.A. Inc. ("CUSA"), by merger, and Texaco Exploration and Production Inc. ("TEPI"), by assignment, into a new entity which we referred to as "Newco LP". Along the way, additional information came to light and it was decided that this proposed corporate restructure would not be preferable. Therefore, CUSA and TEPI have continued to operate as separate entities.

We are now planning a simpler restructuring process where TEPI will assign most of its assets/operatorship to CUSA effective May 1, 2002. We plan to use the existing CUSA bonds/letters of credit, operator identification numbers, etc., for the TEPI assets that will be assigned.

A task force of Land, Regulatory and Environmental Compliance personnel are finishing the work that was begun last year to assign TEPI's assets—using the same forms and procedures as before. We have "new faces" in this task force due to reassignments and departures. In some cases, it may be worthwhile to visit you and your staff in person where new people are involved or if we need to review/clarify your forms and procedures. Otherwise, we will endeavor to complete the work to assign TEPI's assets/operatorship to CUSA and deliver the requisite materials to you in a timely manner.

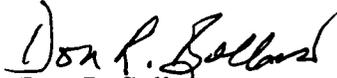
During discussions last year, our focus was on Land, Regulatory and Environmental matters. The Finance organization also desires to join in this effort. For State Tax, Royalty and Regulatory reporting purposes (applicable to production from May 2002 through December 2002), we intend to generate two reports and two payments.



However, the reporting company name and identification number will be CUSA's. Beginning with January 2003 production and thereafter, we will issue only one CUSA report and payment. We trust this plan meets with your approval. Any questions or comments should be directed to Rick Dunlavy (telephone 713/752-7411, rickdunlavy@chevrontexaco.com).

We appreciate the cooperation and guidance you provided us in the past, and we look forward to bringing these efforts to a conclusion.

Respectfully submitted,



Don R. Sellars

Sr. Environmental Specialist

Chevron U. S. A. Inc
 Permian Business Unit
 Aneth Operations
 San Juan 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
N5700	36	160S	070E	4301530506	ST OF UT T 36-100	3		DRL
N5700	36	160S	070E	4301530268	ST OF UT T 36-10	3	P	GW
N5700	36	160S	070E	4301530530	ST OF UT 36-139	3		DRL
N5700	36	160S	070E	4301530550	ST OF UT 36-138	3		DRL
N5700	36	170S	070E	4301530382	UTAH STATE 36-78	3	P	GW
N5700	36	170S	070E	4301530508	ST OF UT II 36-96	3		DRL
N5700	36	170S	070E	4301530509	ST OF UT II 36-95	3		DRL
N5700	02	170S	080E	4301530533	ST OF UT FO 02-186	3		DRL
N5700	02	170S	080E	4301530553	ST OF UT FO 02-188	3	P	GW
N5700	03	170S	080E	4301530499	ST OF UT GG 03-122	3		DRL
N5700	03	170S	080E	4301530500	ST OF UT HH 03-133	3	P	GW
N5700	03	170S	080E	4301530549	ST OF UT JJ 03-160	3		APD
N5700	03	170S	080E	4301530552	ST OF UT CC 03-161	3		DRL
N5700	04	170S	080E	4301530503	ST OF UT BB 04-116	3	P	GW
N5700	04	170S	080E	4301530504	ST OF UT GG 04-115	3	P	GW
N5700	04	170S	080E	4301530554	ST OF UT BB 04-158	3		APD
N5700	04	170S	080E	4301530555	ST OF UT BB 04-159	3		APD
N5700	05	170S	080E	4301530479	ST OF UT BB 05-107	3	P	GW
N5700	05	170S	080E	4301530480	ST OF UT BB 05-108	3	P	GW
N5700	05	170S	080E	4301530481	ST OF UT BB 05-109	3	P	GW
N5700	05	170S	080E	4301530482	ST OF UT BB 05-110	3	P	GW
N5700	07	170S	080E	4301530396	ST OF UT AA 07-106	3	P	GW

N5700	07	170S	080E	4301530497	ST OF UT AA 07-105	3	P	GW
N5700	08	170S	080E	4301530496	ST OF UT BB 08-113	3		DRL
N5700	09	170S	080E	4301530437	ST OF UT BB 09-119	3		DRL
N5700	09	170S	080E	4301530444	ST OF UT BB 09-120	3	P	GW
N5700	10	170S	080E	4301530438	ST OF UT CC 10-124	3	P	GW
N5700	10	170S	080E	4301530454	ST OF UT CC 10-123	3	P	GW
N5700	10	170S	080E	4301530458	ST OF UT FF 10-125	3	P	GW
N5700	11	170S	080E	4301530459	ST OF UT FF 11-129	3	P	GW
N5700	11	170S	080E	4301530462	ST OF UT FF 11-130	3	P	GW
N5700	14	170S	080E	4301530528	ST OF UT 14-170	3		APD
N5700	15	170S	080E	4301530502	ST OF UT GG 15-128	3		APD
N5700	31	170S	080E	4301530439	ST OF UT DD 31-98	3	S	GW
N5700	06	170S	090E	4301530393	ST OF UT EE 06-138	3		APD
N5700	01	180S	070E	4301530381	UTAH STATE 1-76	3	P	GW
N5700	01	180S	070E	4301530498	ST OF UT 01-97	3		DRL
N5700	02	180S	070E	4301530270	ST OF UT U 2-11	3	P	GW
N5700	02	180S	070E	4301530306	ST OF UT U 2-48	3	P	GW
N5700	02	180S	070E	4301530308	ST OF UT U 2-50	3	P	GW
N5700	02	180S	070E	4301530309	ST OF UT U 2-49	3	P	GW
N5700	16	180S	070E	4301530311	ST OF UT X 16-66	3	P	GW
N5700	16	180S	070E	4301530312	ST OF UT X 16-65	3	P	GW

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 <u>Allen S. Robinson</u>	DATE <u>April 30, 2002</u>

(This space for State use only)

OPERATOR CHANGE WORKSHEET

1. GLH
2. CDW ✓
3. FILE

006

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change

X Merger

The operator of the well(s) listed below has changed, effective: 05-01-2002	
FROM: (Old Operator):	TO: (New Operator):
TEXACO EXPLORATION & PRODUCTION INC	CHEVRON USA INC
Address: 3300 NORTH BUTLER, STE 100	Address: P O BOX 36366
FARMINGTON, NM 87401	HOUSTON, TX 79702
Phone: 1-(505)-325-4397	Phone: 1-(915)-687-2000
Account No. N5700	Account No. N0210

CA No. Unit: HUNTINGTON CBM

WELL(S)	SEC TWN	API NO	ENTITY	LEASE	WELL	WELL
NAME	RNG		NO	TYPE	TYPE	STATUS
ST OF UTAH T 36-100	36-16S-07E	43-015-30506	13161	STATE	GW	DRL
ST OF UTAH T 36-138	36-16S-07E	43-015-30550	13161	STATE	GW	DRL
ST OF UTAH T 36-139	36-16S-07E	43-015-30530	13161	STATE	GW	DRL
ST OF UTAH FO 02-186	02-17S-08E	43-015-30533	13161	STATE	GW	DRL
ST OF UTAH FO 02-188	02-17S-08E	43-015-30553	13161	STATE	GW	P
ST OF UTAH GG 03-122	03-17S-08E	43-015-30499	13161	STATE	GW	DRL
ST OF UTAH HH 03-133	03-17S-08E	43-015-30500	13161	STATE	GW	P
ST OF UTAH JJ 03-160	03-17S-08E	43-015-30549	99999	STATE	GW	APD
ST OF UTAH CC 03-161	03-17S-08E	43-015-30552	13161	STATE	GW	DRL
ST OF UTAH GG 04-115	04-17S-08E	43-015-30504	13161	STATE	GW	P
ST OF UTAH BB 04-116	04-17S-08E	43-015-30503	13161	STATE	GW	P
ST OF UTAH BB 04-158	04-17S-08E	43-015-30554	99999	STATE	GW	APD
ST OF UTAH BB 04-159	04-17S-08E	43-015-30555	99999	STATE	GW	APD
ST OF UTAH BB 05-107	05-17S-08E	43-015-30479	13161	STATE	GW	P
ST OF UTAH BB 05-108	05-17S-08E	43-015-30480	13161	STATE	GW	P
ST OF UTAH BB 05-109	05-17S-08E	43-015-30481	13161	STATE	GW	P
ST OF UTAH BB 05-110	05-17S-08E	43-015-30482	13161	STATE	GW	P
ST OF UTAH AA 07-105	07-17S-08E	43-015-30497	13161	STATE	GW	P
ST OF UTAH AA 07-106	07-17S-08E	43-015-30396	13161	STATE	GW	P
ST OF UTAH BB 08-113	08-17S-08E	43-015-30496	13161	STATE	GW	DRL

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-2-10) Sundry or legal documentation was received from the **FORMER** operator on: 05/06/2002
2. (R649-2-10) Sundry or legal documentation was received from the **NEW** operator on: 04/12/2002
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 10/16/2002
4. Is the new operator registered in the State of Utah: YES Business Number: 564408-0143
5. If **NO**, the operator was contacted on: N/A

6. (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: 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: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 10/16/2002

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/16/2002

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: 6049663

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: N/A

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: Chevron USA Inc merged with Texaco Exploration & Production Inc to form ChevronTexaco Inc although all the Utah operations will be operated by Chevron USA Inc.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

005

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work: DRILL DEEPEN
B. Type of Well: OIL GAS SINGLE ZONE MULTIPLE ZONE

2. Name of Operator: **AMENDED**
Texaco Exploration and Production, Inc.

3. Address and Telephone Number: P.O. Box 618, Orangeville, Utah 84537 435-748-5395

4. Location of Well (Footages)
At Surface: 585' FNL, 2153' FWL 43587004 39.37965
At Proposed Producing Zone: 497313x -111.63120

5. Lease Designation and Serial Number: MI-48193
6. If Indian, Allottee or Tribe Name: N/A
7. Unit Agreement Name: Huntington (Shallow) CBM
8. Farm or Lease Name: State of Utah "BB"
9. Well Number: 04-158
10. Field or Pool, or Wildcat: Undesignated
11. Qtr/Qtr, Section, Township, Range, Meridian: NE/4 NW/4, Section 4, T17S, R8E, SLB&M

14. Distance in miles and direction from nearest town or post office: 5.0 miles northwest of Huntington, Utah
12. County: Emery 13. State: Utah

15. Distance to nearest property or lease line (feet): 585'
16. Number of acres in lease: 1761.32
17. Number of acres assigned to this well: 160 acres

18. Distance to nearest well, drilling, completed, or applied for, or 2150'
19. Proposed Depth: 3635'
20. Rotary or cable tools: Rotary

21. Elevations (show whether DF, RT, GR, etc.): 6368' GR
22. Approximate date work will start: July 2002

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 ₂ + 0.25 pps cellophane
7-7/8"	5-1/2" N-80 LT&C	17	3635'	135 sacks 10:1 RFC Class G cement + 0.25 pps cellophane

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on 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.

Surface Owner: State of Utah
Landowner Representative: SITLA; 675 East 500 South, SLC, Utah 84102-2818; 801-538-5100

COPY SENT TO OPERATOR
Date: 7-27-02
Initials: CHD

Approved by the Utah Division of Oil, Gas and Mining
Date: 07-29-02
By: [Signature]

24. Name & Signature: Don Hamilton Title: Agent for ChevronTexaco Date: 6/26/02

(This space for state use only)
API Number Assigned: 43-015-30554

RECEIVED
Approval:
JUL 0 1 2002
DIVISION OF OIL, GAS AND MINING

ORIGINAL
CONFIDENTIAL

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:
ML-48193

6. If Indian, Allottee or Tribe Name:
N/A

7. Unit Agreement Name:
Huntington (Shallow) CBM

8. Well Name and Number:
State of Utah "BB" 04-158

9. API Well Number:
43-015-30554

10. Field or Pool, or Wildcat:
Undesignated

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: **OIL** **GAS** **OTHER:**

2. Name of Operator:
Texaco Exploration and Production, Inc.

3. Address and Telephone Number:
P.O. Box 618, Orangeville, Utah 84537; 435-748-5395

4. Location of Well
Footages: **627' FNL, 2190' FWL**
County: **Emery**
QQ, Sec., T., R., M.: **NE/4 NW/4, Section 4, T17S, R8E, SLB&M**
State: **Utah**

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

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____ Approximate date work will start _____	<input type="checkbox"/> Abandon * <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input checked="" type="checkbox"/> Other <u>Relocation of Well site</u> Date of work completion _____
<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recomplete <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.
* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The State of Utah "BB" 04-158 well site has been relocated 56.5' following the onsite on 4/3/02 and remains on State of Utah surface and mineral.

The revised location for the State of Utah "BB" 04-158 is 585' FNL, 2153' FWL, NE/4 NW/4, Section 4, T17S, R8E, SLB&M.

*4358700Y 39.37965
497313X -111.63120*

The location of this well is no closer than 460' from the Huntington (shallow) CBM unit boundary or to an uncommitted Federal or unleased tract within the Unit Area.

AMENDED

COPY SENT TO OPERATOR
Date: 7-29-02
Initials: LHD

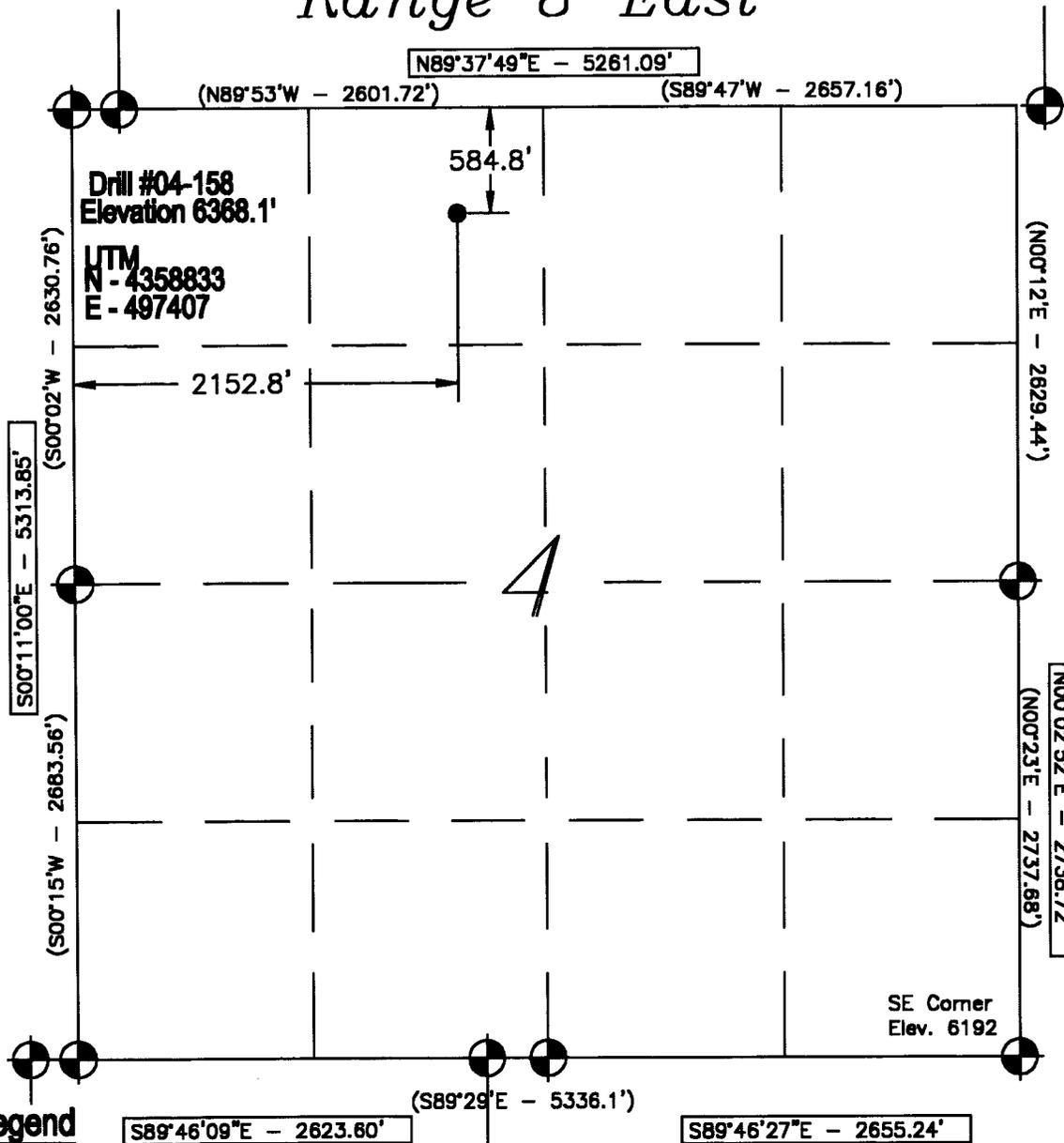
13. Name & Signature: **Don Hamilton** *Don Hamilton* Title: **Agent for ChevronTexaco** Date: **6/26/02**

(This space for state use only)

RECEIVED ORIGINAL
JUL 01 2002
DIVISION OF OIL, GAS AND MINING

Range 8 East

Township 17 South



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:

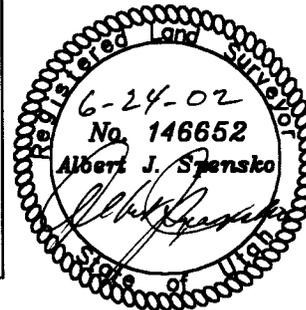
Basis of Elevation of 6192' being at the Southeast Section corner of Section 4, Township 17 South, Range 8 East, Salt Lake Base & Meridian, as shown on the Red Point Quadrangle 7.5 Minute Series Map.

Description of Location:

Proposed Drill Hole located in the NE 1/4, NW 1/4 of Section 4; being 584.8' South and 2152.8' East from the Northwest Corner of Section 4, T17S., R8E., 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.



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

ChevronTexaco

WELL # 04-158
 Section 4, T17S., R8E., S.L.B.&M.
 Emery County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 06/20/02
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 506

Legend

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

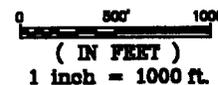
NOTE:

UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

Lat / Long
 39° 22' 51"
 111° 01' 48"

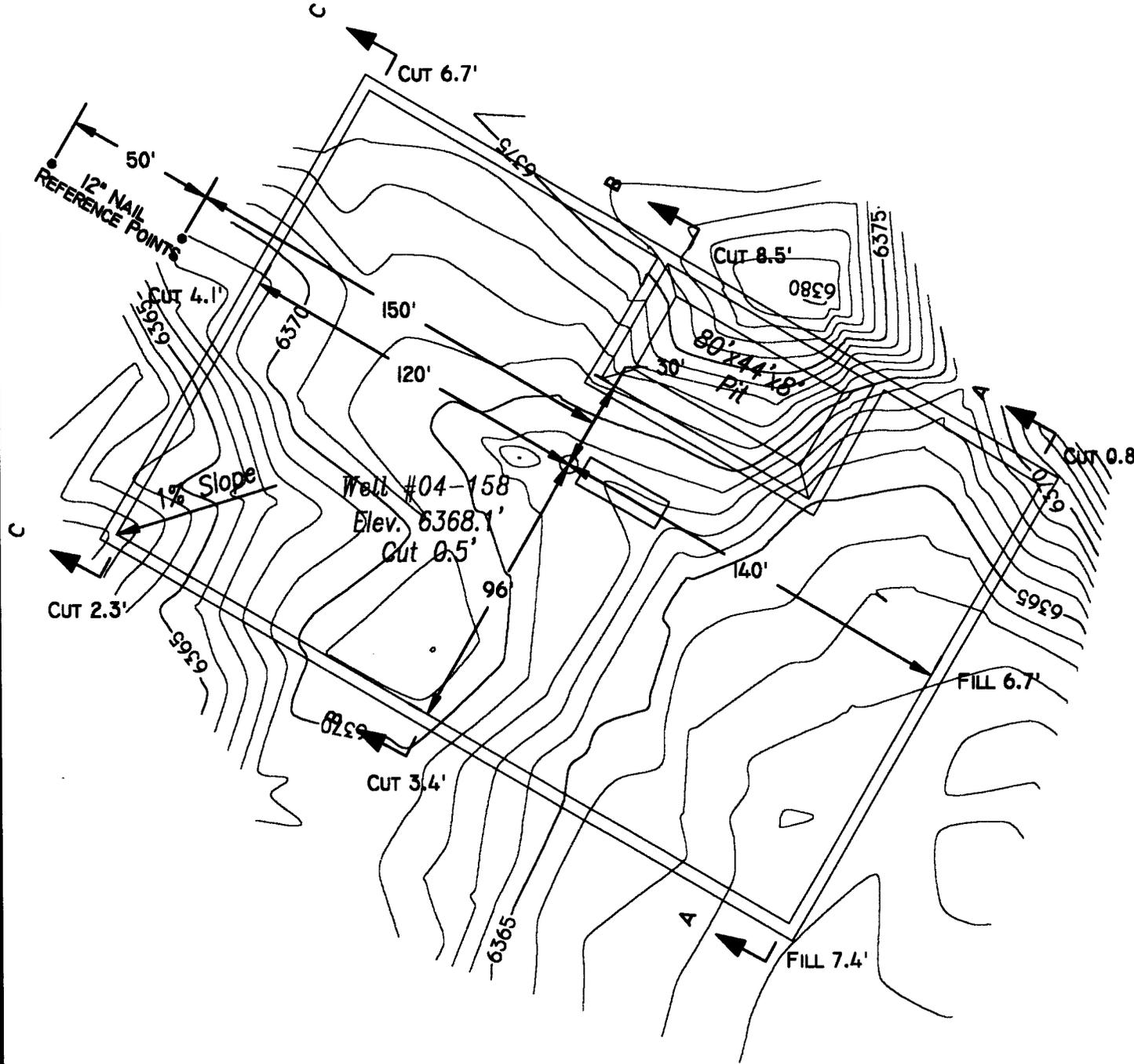
ORIGINAL

GRAPHIC SCALE



ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6368.1'

ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6367.6'

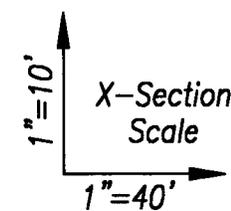
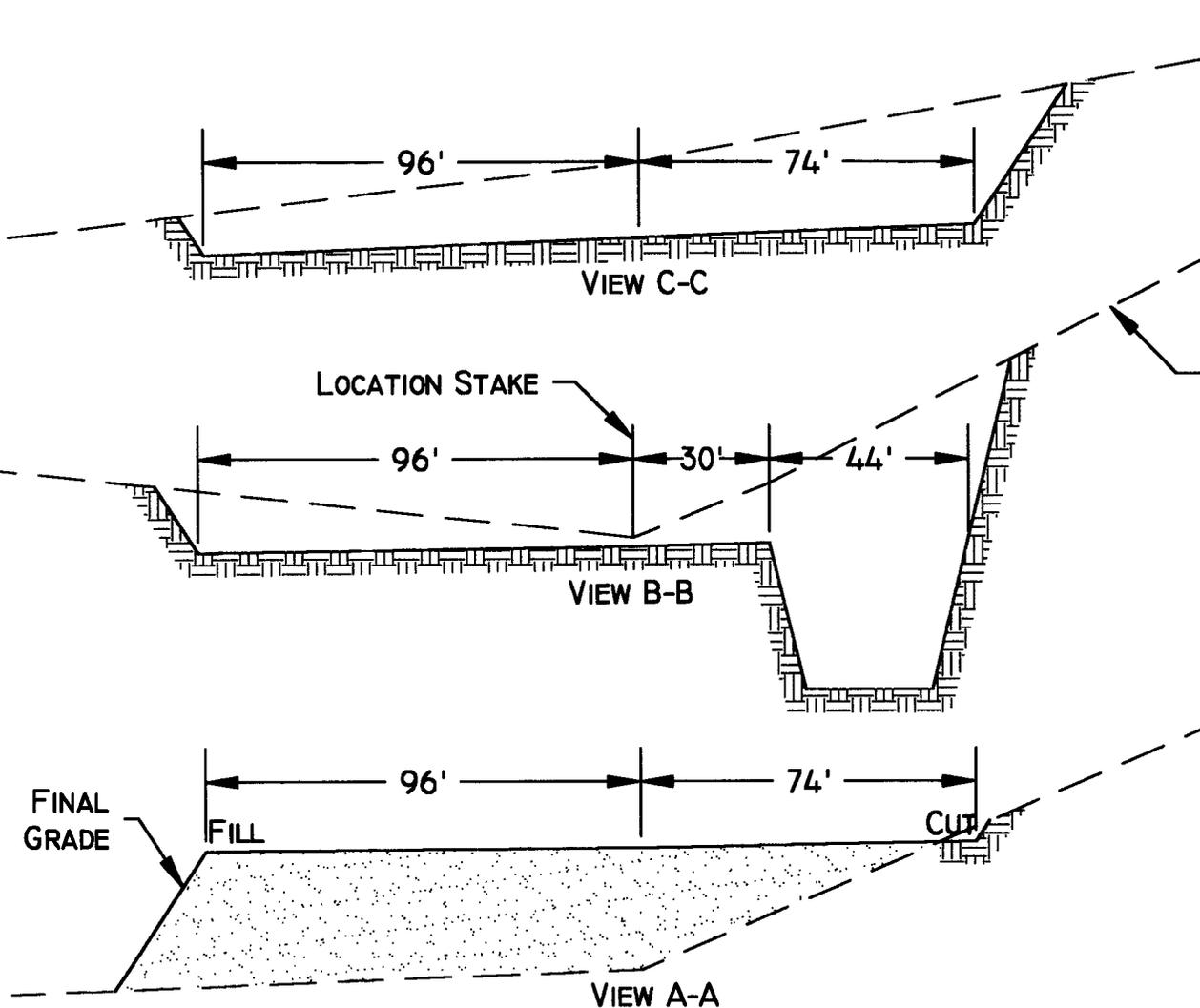


TALON RESOURCES, INC.
375 S. Carbon Ave, Ste 101, (A-10)
Price, Utah 84501
Phone (435)637-8781 Fax (435)636-8803
E-Mail talonocastlenet.com

ChevronTexaco

LOCATION LAYOUT
Section 4, T17S, R8E, S.L.B.&M.
WELL #04-158

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 06/20/02
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 508



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

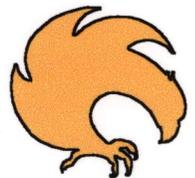
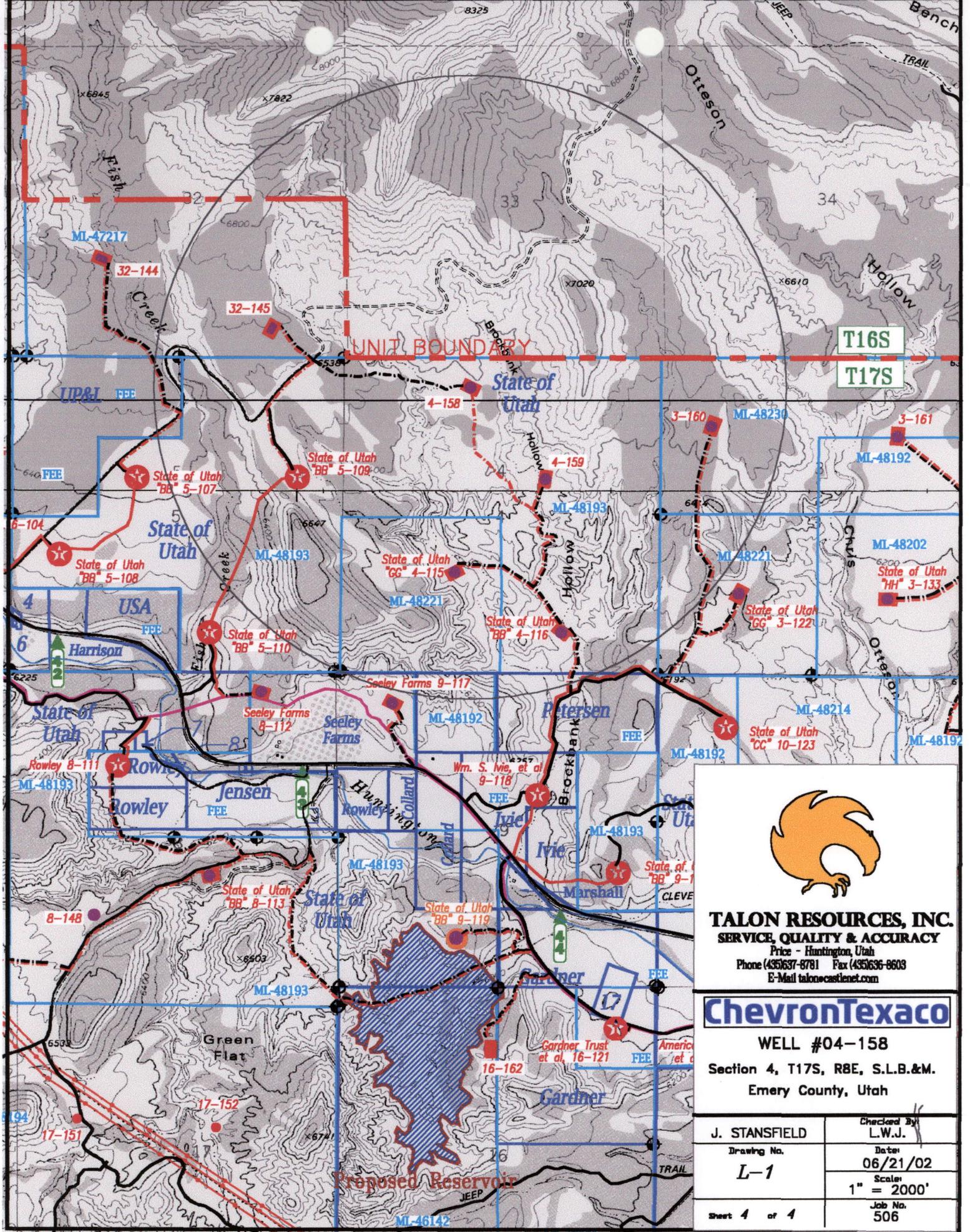


TALON RESOURCES, INC.
 375 S. Carbon Ave., Ste 101, (A-10)
 Price, Utah 84501
 Phone (435)637-5781 Fax (435)636-8603
 E-Mail taloncustomer.com

ChevronTexaco
 TYPICAL CROSS SECTION
 Section 4, T17S, R8E, S.L.B.&M.
 WELL #04-158

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 06/20/02
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 506

APPROXIMATE YARDAGES
 CUT
 (6") TOPSOIL STRIPPING = 750 CU. YDS.
 REMAINING LOCATION = 4,010 CU, YDS.
 TOTAL CUT = 4,760 CU. YDS.
 TOTAL FILL = 2,320 CU. YDS.



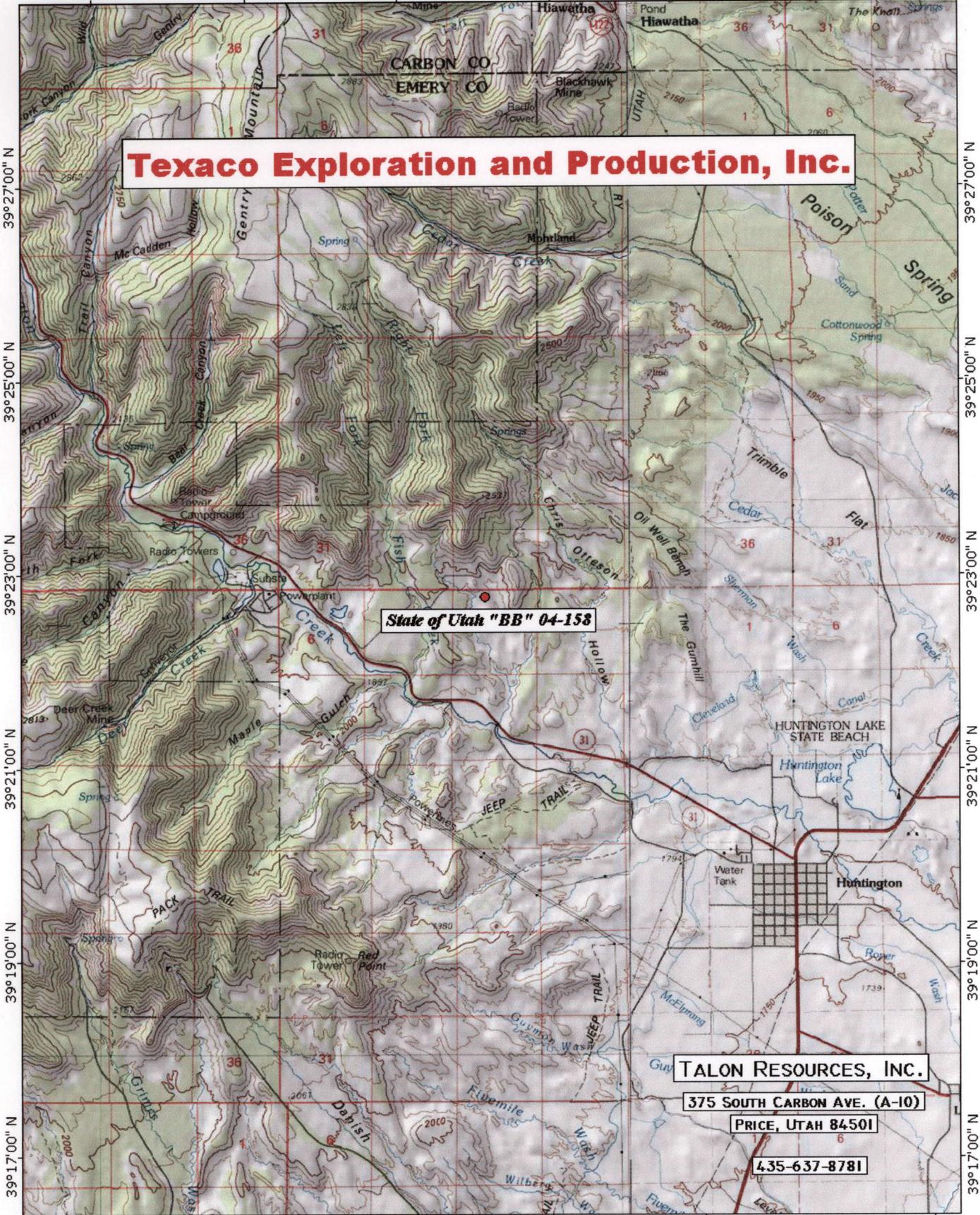
TALON RESOURCES, INC.
 SERVICE, QUALITY & ACCURACY
 Price - Huntington, Utah
 Phone (435)637-8781 Fax (435)636-8603
 E-Mail talon@castlenet.com

ChevronTexaco

WELL #04-158
 Section 4, T17S, R8E, S.L.B.&M.
 Emery County, Utah

J. STANSFIELD	Checked By L.W.J.
	Date 06/21/02
Drawing No. L-1	Scale 1" = 2000'
Sheet 4 of 4	Job No. 506

111°07'00" W 111°05'00" W 111°03'00" W 111°01'00" W 110°59'00" W NAD27 110°56'00" W



Texaco Exploration and Production, Inc.

State of Utah "BB" 04-158

TALON RESOURCES, INC.

375 SOUTH CARBON AVE. (A-10)

PRICE, UTAH 84501

435-637-8781

TN MN
13°

0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles

0 1 2 3 4 5 km

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

39°27'00" N
39°25'00" N
39°23'00" N
39°21'00" N
39°19'00" N
39°17'00" N

39°27'00" N
39°25'00" N
39°23'00" N
39°21'00" N
39°19'00" N
39°17'00" N

TALON RESOURCES INC

May 15, 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 —Chevron USA, Inc.

Dear Mrs. Mason:

On behalf of Chevron USA, Inc. (Chevron) Talon Resources, Inc. respectfully submits this request for permit extension for the following wells with attached *Request for Permit Extension Validation*. A one year extension will allow Chevron to construct, drill and complete the wells.

- State of Utah "GG" 15-128 (43-015-30502) NW/4 SW/4, Section 15, T 17S, R8E, SLB&M, Emery County, Utah
- State of Utah 14-170 (43-015-30528) SW/4 SE/4, Section 14, T17S, R8E, SLB&M, Emery County, Utah
- State of Utah "JJ" 03-160 (43-015-30549) NW/4 NW/4, Section 3, T17S, R8E, SLB&M, Emery County, Utah
- State of Utah "BB" 04-158 (43-015-30554) NE/4 NW/4, Section 4, T17S, R8E, SLB&M, Emery County, Utah
- State of Utah "BB" 04-159 (43-015-30555) SW/4 NE/4, Section 4, T17S, R8E, SLB&M, Emery County, Utah

Thank you for your timely consideration this request. 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: 05-22-03
By: [Signature]

COPY SENT TO OPERATOR
Date: 5-28-03
Initials: CHO

RECEIVED
MAY 20 2003
DIV. OF OIL, GAS & MINING
FILE COPY

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

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

API: 43-015-30554
Well Name: State of Utah "BB" 04-158
Location: NE/4 NW/4, Section 4, T17S, R8E, SLB&M
Company Permit Issued to: Chevron USA, Inc.
Date Original Permit Issued: 5/6/2002

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

Don Hamilton
Signature

5/15/2003
Date

Title: Agent for Chevron

Representing: Chevron USA, Inc.

RECEIVED
MAY 20 2003
DIV. OF OIL, GAS & MINING

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

FORM 8

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.

5. LEASE DESIGNATION AND SERIAL NUMBER
ML-48193

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

7. UNIT or CA AGREEMENT NAME
Huntington (Shallow)CBM

1. TYPE OF WELL
OIL WELL GAS WELL OTHER CONFIDENTIAL

2. NAME OF OPERATOR
Chevron USA, Inc.

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

8. WELL NAME and NUMBER
State of Utah "BB" 04-158

9. API NUMBER
4301530664

10. FIELD AND POOL, OR WILDCAT:
Undesignated

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 585' FNL, 2163' FWL COUNTY: Emery
QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 4 17S 8E 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"/> COMINGLE 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 hereby requests a one year extension of the state permit for the Utah State "BB" 04-158

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 07-26-04

By: [Signature]

COPY SENT TO OPERATOR

Date: 7-28-04

Initials: CHO

NAME (PLEASE PRINT) Larry Johnson TITLE Chevron USA, Inc.

SIGNATURE [Signature] DATE 5/17/2004

(This space for State use only)

RECEIVED
JUL 22 2004
DIV. OF OIL, GAS & MINING

OPERATOR CHANGE WORKSHEET

009

X Change of Operator (Well Sold)

Designation of Agent/Operator

ROUTING	
1. GLH	
2. CDW	
3. FILE	

Operator Name Change

Merger

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

CA No. **Unit:** **HUNTINGTON CBM UNIT**

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
ST OF UT "KK" 32-145	32	160S	080E	4301530566		State	GW	APD	C
ST OF UT FO 02-189	02	170S	080E	4301530560		State	GW	APD	C
ST OF UT JJ 03-160	03	170S	080E	4301530549		State	GW	APD	C
ST OF UT BB 04-158	04	170S	080E	4301530554		State	GW	APD	C
ST OF UT BB 04-159	04	170S	080E	4301530555		State	GW	APD	C
ST OF UT AA 07-147	07	170S	080E	4301530576		State	GW	NEW	C
ST OF UT BB 08-148	08	170S	080E	4301530577		State	GW	NEW	C
BURNSIDE 14-132	14	170S	080E	4301530505		Fee	GW	NEW	C
ST OF UT 14-170	14	170S	080E	4301530528		State	GW	APD	C
ST OF UT GG 15-128	15	170S	080E	4301530502		State	GW	APD	C
ST OF UT GG 15-184	15	170S	080E	4301530561		State	GW	APD	C
ST OF UT "AA" 17-156	17	170S	080E	4301530571		State	GW	NEW	C
ST OF UT "AA" 18-153	18	170S	080E	4301530568		State	GW	NEW	C
ST OF UT "AA" 18-154	18	170S	080E	4301530570		State	GW	NEW	C
ST OF UT "AA" 18-149	18	170S	080E	4301530572		State	GW	NEW	C
ST OF UT AA 18-150	18	170S	080E	4301530578		State	GW	NEW	C
ST OF UT "MM" 20-192	20	170S	080E	4301530573		State	GW	NEW	C
ST OF UT "MM" 20-193	20	170S	080E	4301530574		State	GW	NEW	C
ST OF UT MM 20-194	20	170S	080E	4301530575		State	GW	NEW	C
ST OF UT EE 06-138	06	170S	090E	4301530393		State	GW	APD	C

K
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K
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K

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K
K

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 9/28/2004
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/28/2004
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/19/2004
- Is the new operator registered in the State of Utah: YES Business Number: 5655506-0143
- If **NO**, the operator was contacted on:
- (R649-9-2) Waste Management Plan has been received on: to follow
- 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:

- 801-359-3940 -



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

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

API: 4301530554
Well Name: State of Utah "BB" 04-158
Location: NE/4 NW/4, Section 4, T17S, R8E, SLB&M
Company Permit Issued to: Chevron USA, Inc.
Date Original Permit Issued: 5/6/2002

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
Title: Agent for Chevron

5/17/2004

Date

Representing: Chevron USA, Inc.

FILE COPY

RECEIVED
JUL 22 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

5. LEASE DESIGNATION AND SERIAL NUMBER:
Various Leases

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
See attached list

9. API NUMBER:
Multiple

10. FIELD AND POOL, OR WILDCAT:
Buzzard Bench

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 _____

2. NAME OF OPERATOR:
XTO ENERGY INC. N2615

3. ADDRESS OF OPERATOR:
2700 Farmington Bldg K, Sui Farmington STATE NM ZIP 87401

PHONE NUMBER:
(505) 324-1090

4. LOCATION OF WELL

FOOTAGES AT SURFACE: _____ COUNTY: **Emery**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ 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 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) James L. Death TITLE Vice President - Land
SIGNATURE James L. Death DATE 8/16/04

(This space for State use only)

APPROVED 9/30/2004
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

RECEIVED
SEP 28 2004
DIV. OF OIL, GAS & MINING

API Well Number	Well Name	Well Type	County Name	Qtr/Qtr	Section	TwN-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)

Well name:	State of Utah BB 04-158
API number:	4301530554
Location:	Tract: NENW Section 04 Township 17S Range 8E
Company that filed original application:	Chevron U.S.A. Inc.
Date original permit was issued:	
Company that permit was issued to:	Chevron U.S.A. Inc.

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
	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"/>	Transfer approved Application for Permit to Drill to new operator
	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"/> If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
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?		✓
Is bonding still in place, which covers this proposed well? Bond No. <u>UT-0848</u>	✓	

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 W. Death Title Vice President - Land
 Signature *James W. Death* Date 8/16/04
 Representing (company name) XTO ENERGY INC.

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.

**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

August 3, 2005

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

Re: APD Rescinded –State of Utah BB 04-158 Sec. 4, T.17S, R. 8E
Emery County, Utah API No. 43-015-30554

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 May 6, 2002. On May 27, 2003 and July 26, 2004, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective August 3, 2005.

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
SITLA, Ed Bonner