



*Talon Resources, Inc.*

Service, Quality and Accuracy

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

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

June 21, 2002

**RECEIVED**

JUN 24 2002

**DIVISION OF  
OIL, GAS AND MINING**

Mrs. Diana Mason  
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 “FO” 02-189, Emery County, Utah  
2116’ FNL, 1464’ FEL, Section 2, T17S, R8E, SLB&M.

Dear Mrs. Mason:

On behalf of Texaco Exploration and Production, Inc. (Texaco), 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 uncommitted 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.

**ORIGINAL**

**CONFIDENTIAL**

Please accept this letter as Texaco'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. Gene Herrington, ChevronTexaco  
Mrs. Julia Caldaro-Baird, ChevronTexaco  
Texaco Well File

**RECEIVED**

JUN 24 2002

DIVISION OF  
OIL, GAS AND MINING

001

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work: DRILL [X] DEEPEN [ ]

B. Type of Well: OIL [ ] GAS [X] SINGLE ZONE [X] MULTIPLE ZONE [ ]

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) At Surface: 2116' FNL, 1464' FEL 4359228 Y 39.3754D At Proposed Producing Zone: 560998 X -110.9884I

5. Lease Designation and Serial Number: To be issued Sitla

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

7. Unit Agreement Name: Huntington (Shallow) CBM

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

9. Well Number: 02-189

10. Field or Pool, or Wildcat: Buzzard Bench

11. Qtr/Qtr, Section, Township, Range, Meridian: SW/4 NE/4, Section 2, T17S, R8E, SLB&M

14. Distance in miles and direction from nearest town or post office: 3.5 miles northwest of Huntington, Utah

12. County: Emery 13. State: Utah

15. Distance to nearest property or lease line (feet): 1464'

16. Number of acres in lease: 160.10

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

18. Distance to nearest well, drilling, completed, or applied for, or None

19. Proposed Depth: 2850'

20. Rotary or cable tools: Rotary

21. Elevations (show whether DF, RT, GR, etc.): 6350' GR

22. Approximate date work will start: August 2002

PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: SIZE OF HOLE, GRADE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Includes rows for 12-1/4" and 7-7/8" casing sizes.

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

RECEIVED

JUN 24 2002

DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

24. Name & Signature: Don Hamilton Don Hamilton Title: Agent for ChevronTexaco Date: 6/21/02

(This space for state use only) API Number Assigned: 43-015-30560

Approved by the Utah Division of Oil, Gas and Mining

Date: 08-05-02 By: [Signature]

ORIGINAL

# Range 8 East

Township 17 South

N89°40'50"E - 5229.71'

(N89°56'W - 2608.32')

(N89°53'W - 2622.18')

2115.57'

WELL #02-189  
ELEVATION 6350.2'  
UTM  
N - 4358247  
E - 500988

1464.40'

2

N88°52'40"W - 5289.66'

(N89°52'W - 2613.60')

(S88°20'W - 2639.34')

### Legend

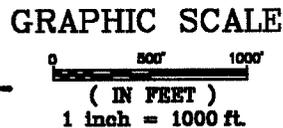
- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- ( ) GLO
- GPS Measured

### NOTE:

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

LAT / LONG  
39°22'32"  
110°59'19"

ORIGINAL



### 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 6137' BEING AT THE SOUTHWEST SECTION CORNER OF SECTION 2, TOWNSHIP 17 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE HUNTINGTON QUADRANGLE 7.5 MINUTE SERIES MAP.

### Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE SW 1/4, NE 1/4 OF SECTION 2; BEING 2115.57' SOUTH AND 1464.40' WEST FROM THE NORTHEAST CORNER OF SECTION 2, 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 S. Carbon Ave., Ste. 101, (A-10)  
Price, Utah 84501  
Phone (435)637-8781 Fax (435)636-8603  
E-Mail talon@castlenet.com

<b>ChevronTexaco</b>	
WELL #02-189	
Section 2, T17S., R8E., S.L.B.&M. Emery County, Utah	
Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-1	Date: 06/19/02
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 658

EXHIBIT "D"  
DRILLING PROGRAM

Attached to UDOGM Form 3  
Texaco Exploration and Production, Inc.  
State of Utah "FO" 02-189  
SW/4 NE/4, Sec. 2, T17S, R8E, SLB & M  
2116' FSL, 1464' FEL  
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           -- 2440'  
Top of the A Coal       -- 2465'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones – 2440' - 2750'

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

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
12-1/4"	300'	8-5/8"	24# K-55 ST&C	New
7-7/8"	2850'	5-1/2"	17# N-80 LT&C	New

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

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

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

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

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

5. The Operator's Minimum Specifications for Pressure Control

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

6. The Type and Characteristics of the Proposed Circulating Muds

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

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

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

Any Anticipated Abnormal Pressures or Temperatures

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

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: August 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 "FO" 02-189  
SW/4 NE/4, Sec. 2, T17S, R8E, SLB & M  
2116' FSL, 1464' FEL  
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 "FO" 02-186. 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 2,800' 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 3 – 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 eight proposed wells and three 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 "FO" 02-186 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 flare 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 flare pit. The flare 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 managed 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 9,000' southeast. Nearest live water is Huntington North Ditch approximately 8,500' southeast.
- 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  
ChevronTexaco  
P.O. Box 618  
Orangeville, Utah 84537  
(435) 748-5395

Ian Kephart  
ChevronTexaco  
11111 South Wilcrest Drive  
Houston, Texas 77099  
(505)325-4397

**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.

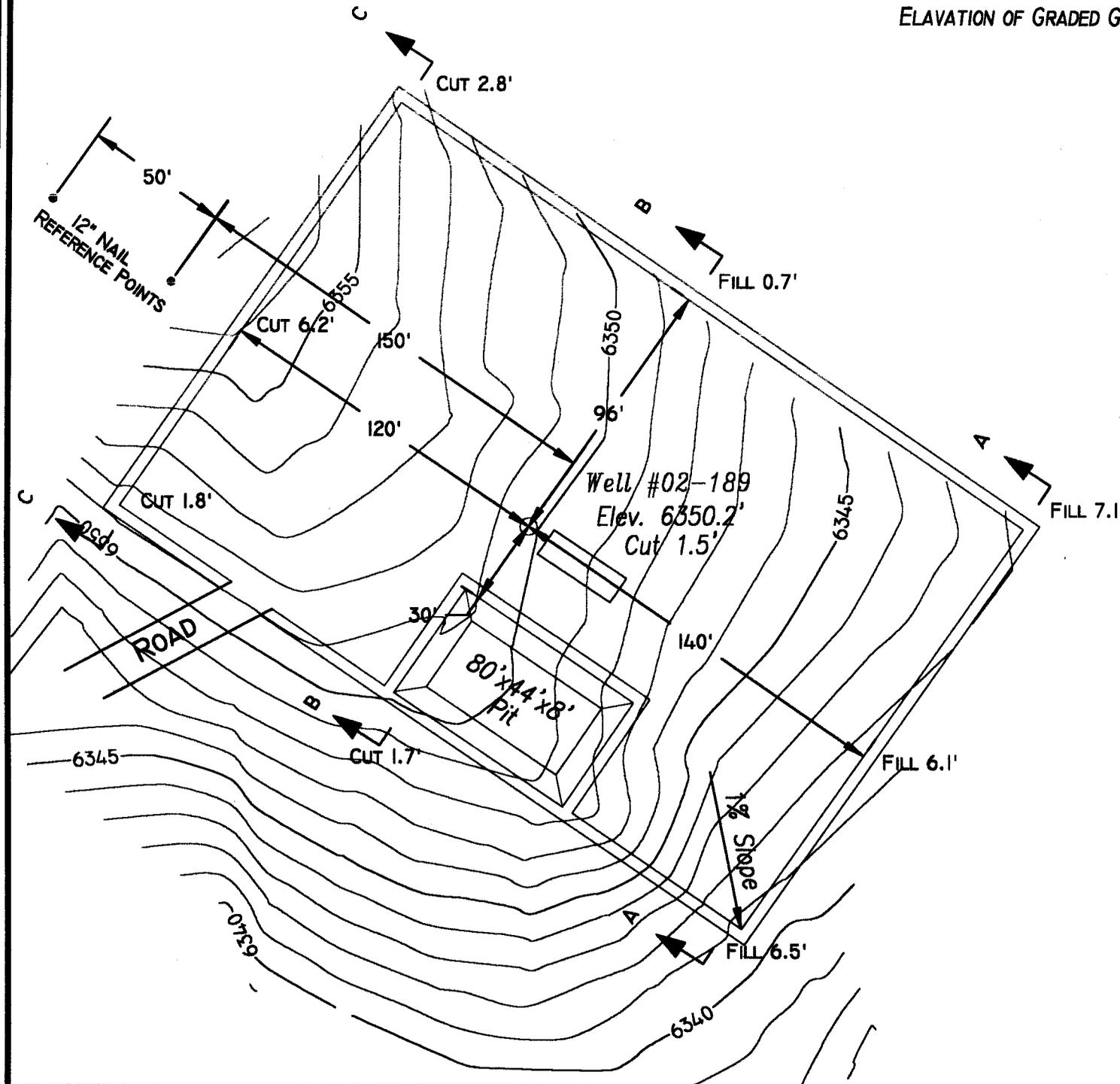
6-21-02  
Date

Don Hamilton  
Agent for ChevronTexaco

ORIGINAL

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6350.2'

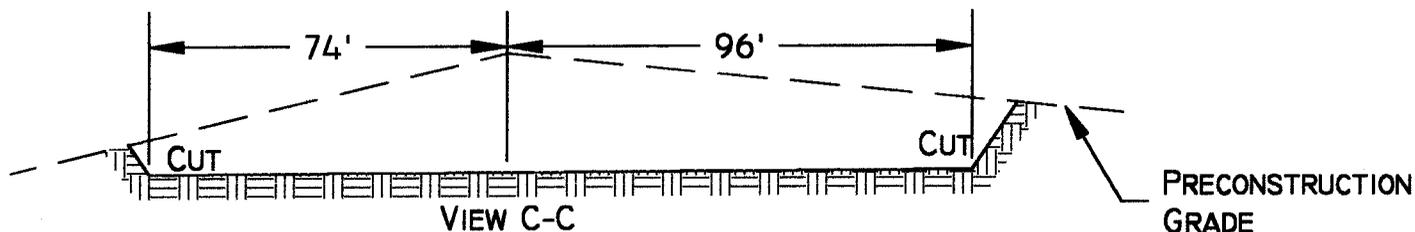
ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6348.7'



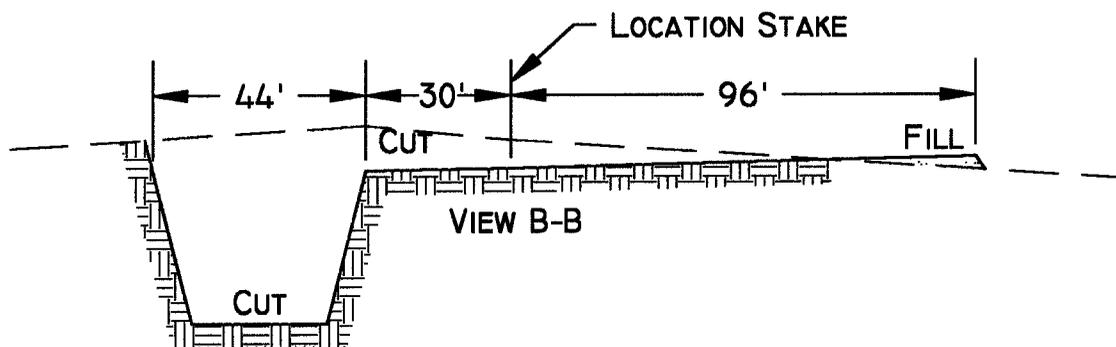
**TALON RESOURCES, INC.**  
375 S. Carbon Ave., Ste 101, (A-10)  
Price, Utah 84501  
Phone (435)637-8781 Fax (435)636-8803  
E-Mail talon@castlenet.com

**ChevronTexaco**  
LOCATION LAYOUT  
Section 2, T17S, R8E, S.L.B.&M.  
WELL #02-189

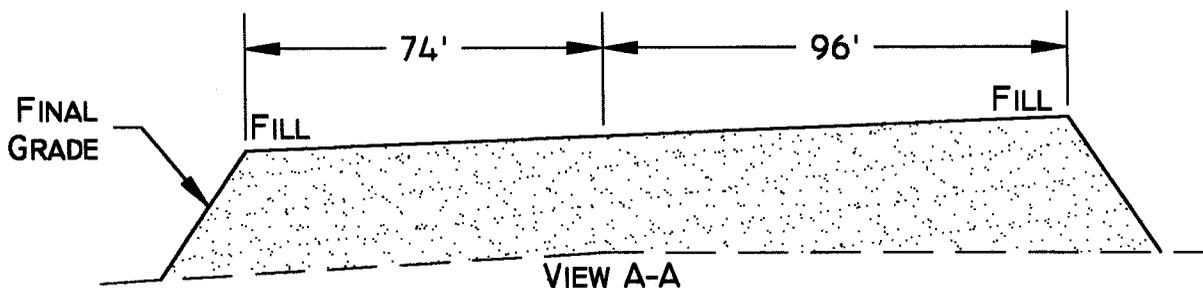
Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 06/19/02
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 858



$1'' = 10'$   
 X-Section  
 Scale  
 $1'' = 40'$



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)637-8781 Fax (435)636-8603

E-Mail talon@castnet.com

**ChevronTexaco**

TYPICAL CROSS SECTION

Section 2, T17S, R8E, S.L.B.&M.

WELL #02-189

Drawn By:  
J. STANSFIELD

Checked By:  
L.W.J.

Drawing No.

Date:  
06/19/02

C-1

Scale:  
1" = 40'

Sheet 3 of 4

Job No.  
658

APPROXIMATE YARDAGES

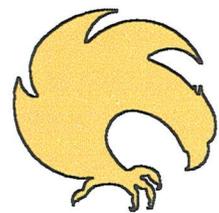
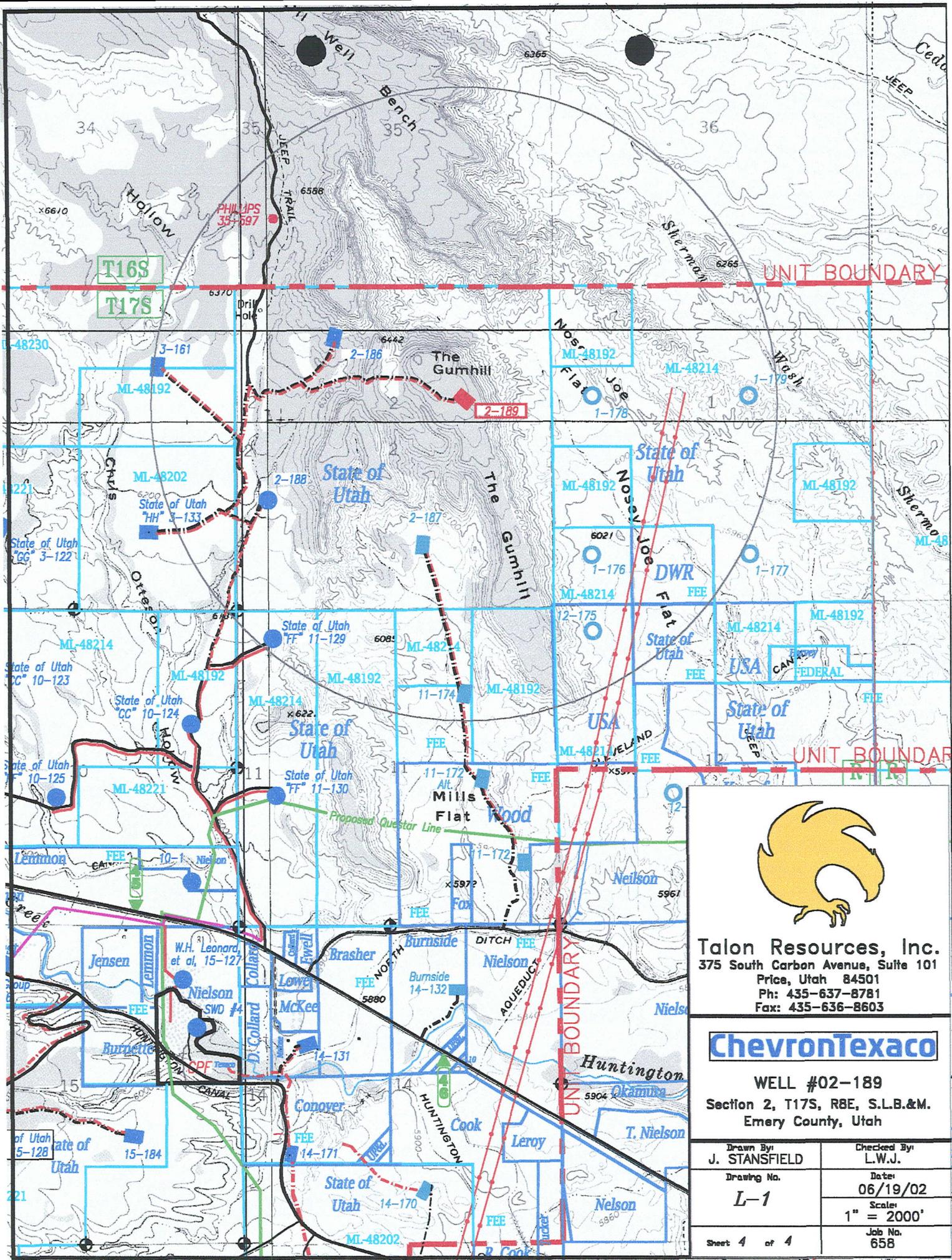
CUT

(6") TOPSOIL STRIPPING = 750 CU. YDS.

REMAINING LOCATION = 2,570 CU, YDS.

TOTAL CUT = 3,315 CU. YDS.

TOTAL FILL = 2,905 CU. YDS.



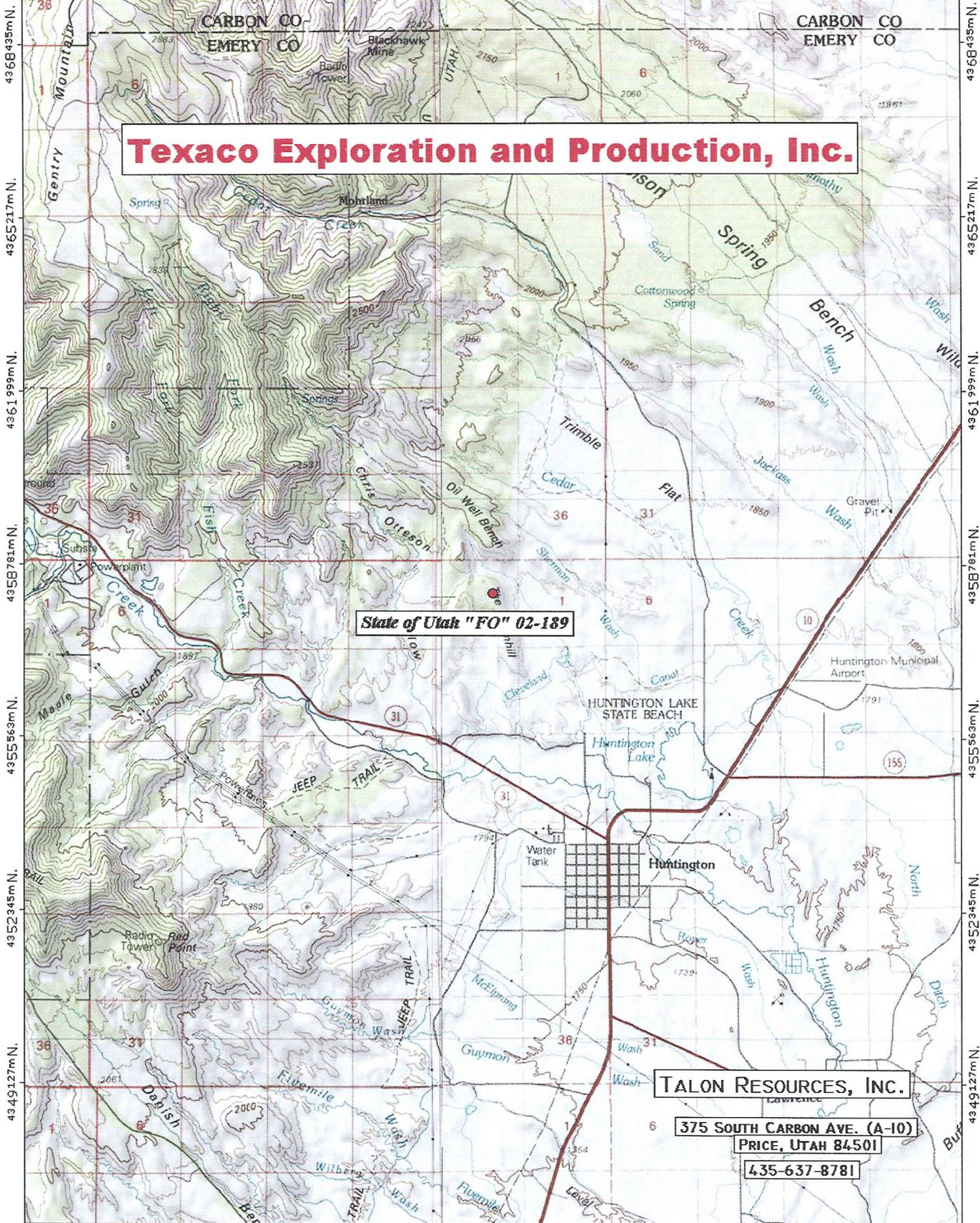
**Talon Resources, Inc.**  
 375 South Carbon Avenue, Suite 101  
 Price, Utah 84501  
 Ph: 435-637-8781  
 Fax: 435-636-8603

**ChevronTexaco**

**WELL #02-189**  
 Section 2, T17S, R8E, S.L.B.&M.  
 Emery County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. <b>L-1</b>	Date: 06/19/02
	Scale: 1" = 2000'
Sheet 4 of 4	Job No. 658

493963m E. 497181m E. 500399m E. 503617m E. NAD27 Zone 12S 508444m E.



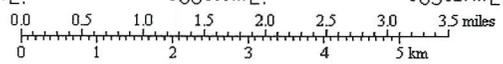
**Texaco Exploration and Production, Inc.**

**State of Utah "FO" 02-189**

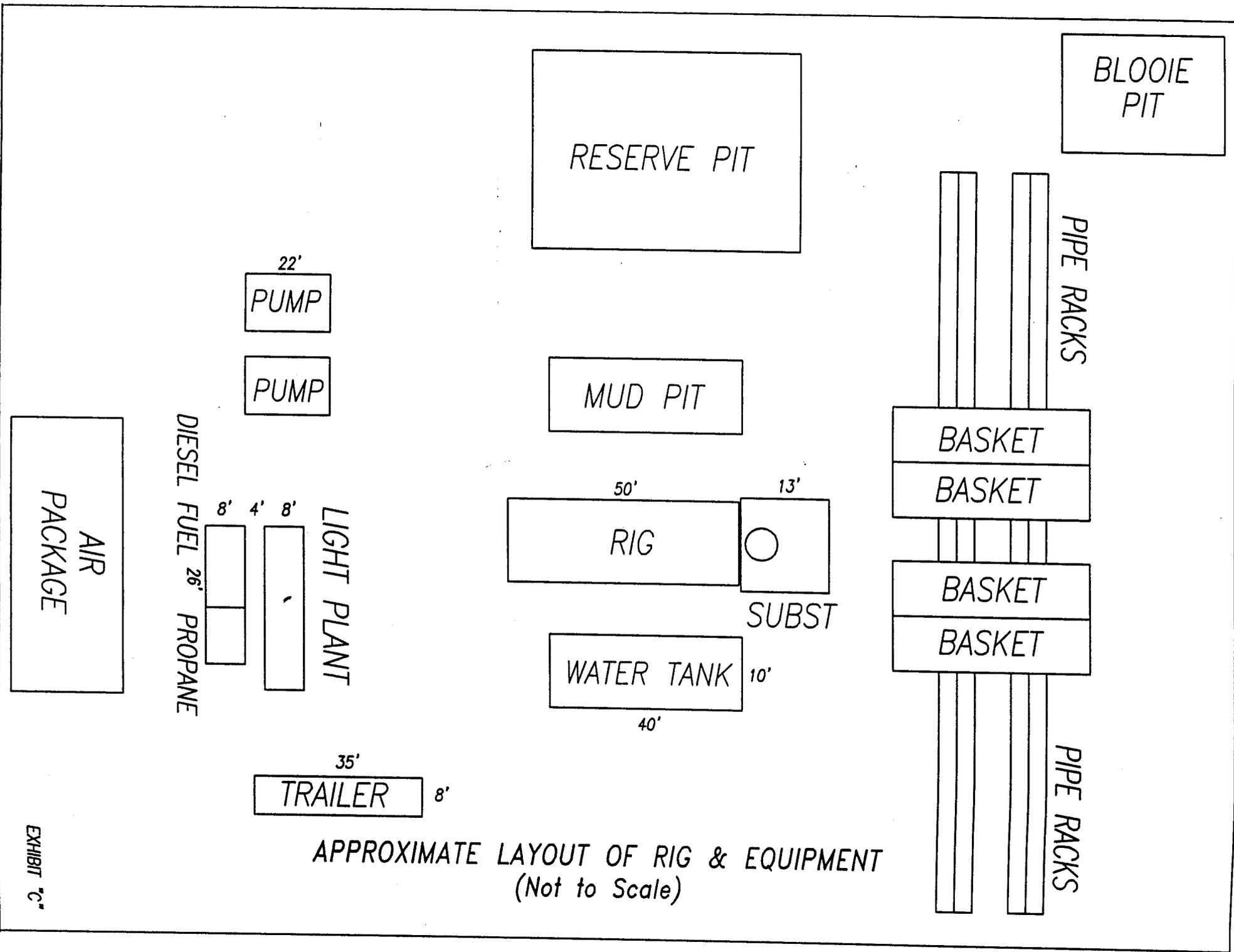
**TALON RESOURCES, INC.**  
**375 SOUTH CARBON AVE. (A-10)**  
**PRICE, UTAH 84501**  
**435-637-8781**

493963m E. 497181m E. 500399m E. 503617m E. NAD27 Zone 12S 508444m E.

TN  
13°



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APPROXIMATE LAYOUT OF RIG & EQUIPMENT  
(Not to Scale)

EXHIBIT "C"

# TYPICAL ROAD CROSS-SECTION

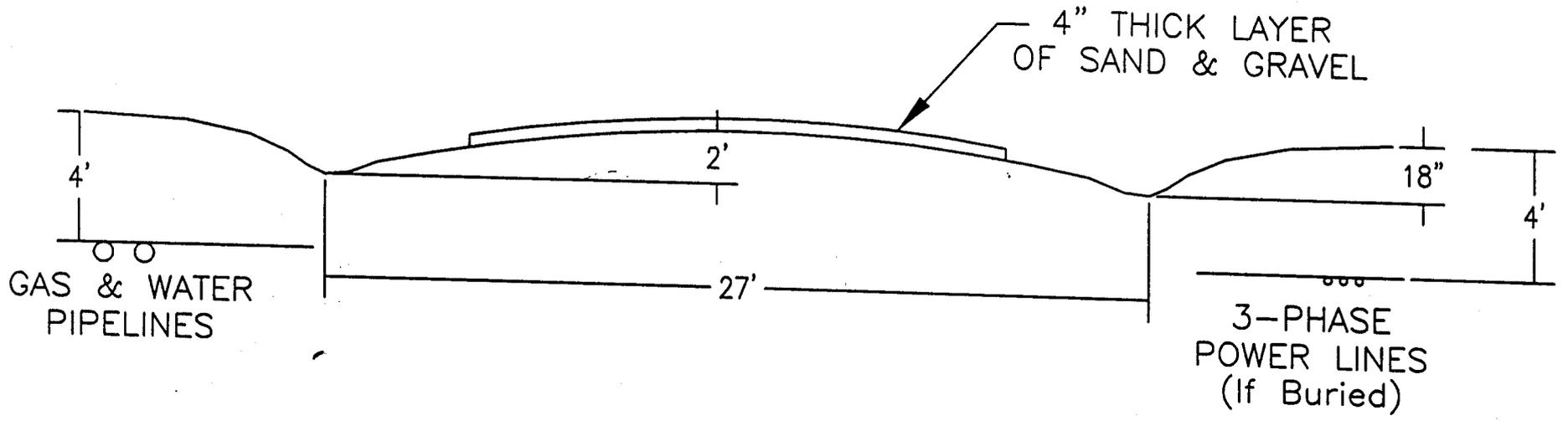


EXHIBIT "F"

# BOP Equipment

3000psi WP

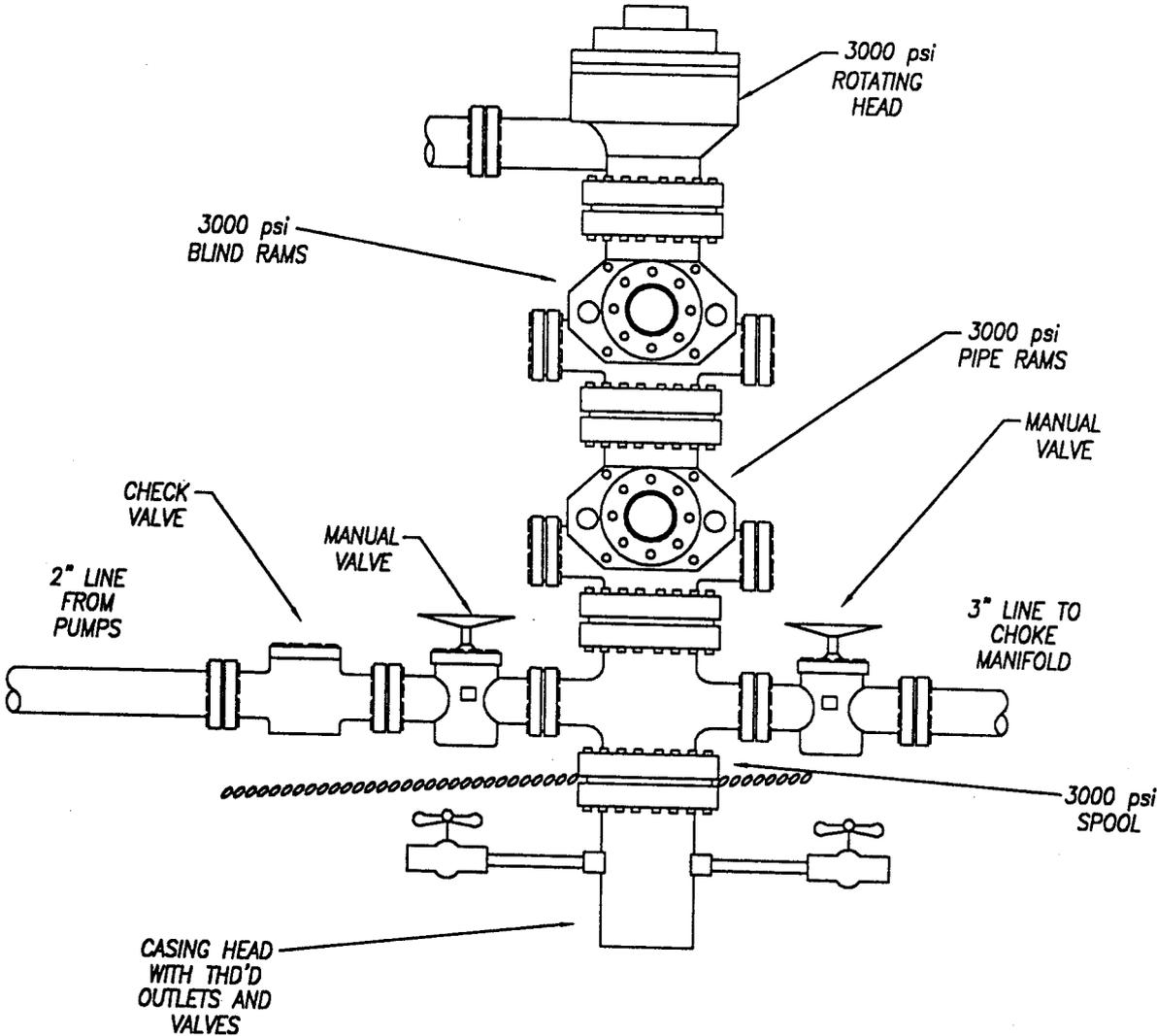
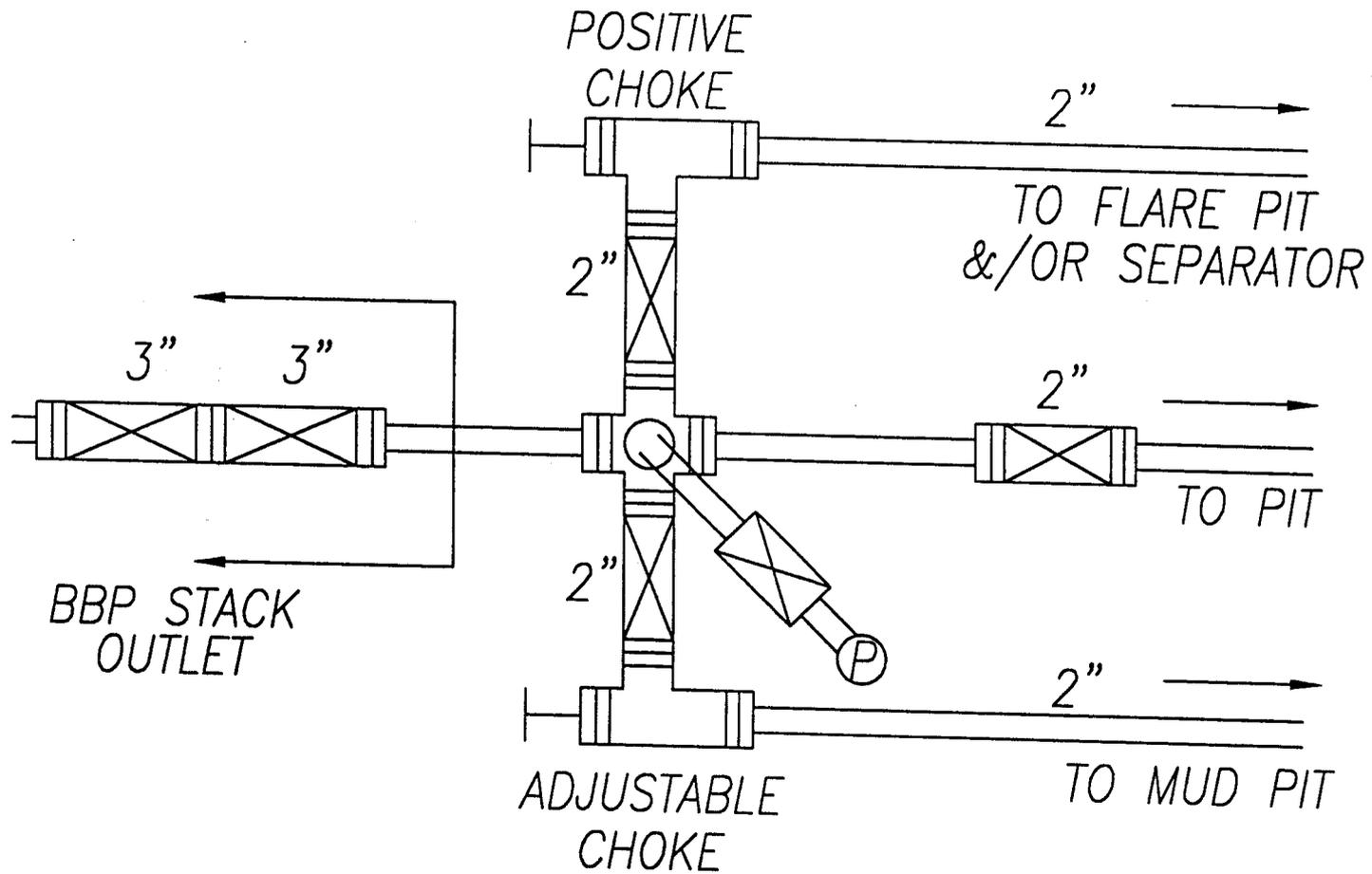


EXHIBIT "G"

# CHOKE MANIFOLD



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/24/2002

API NO. ASSIGNED: 43-015-30560

WELL NAME: ST OF UT FO 02-189

OPERATOR: ~~TEXACO E & P INC~~ <sup>Chevron</sup> ~~USA INC~~ <sup>USA INC</sup> (N5700)

CONTACT: DON HAMILTON/AGENT (N0210)

PHONE NUMBER: 435-748-5395

PROPOSED LOCATION:

SWNE 02 170S 080E  
SURFACE: 2116 FNL 1464 FEL  
BOTTOM: 2116 FNL 1464 FEL  
EMERY  
BUZZARD BENCH ( 132 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	8/1/02
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-90002

SURFACE OWNER: 3 - State

LATITUDE: 39.37540

PROPOSED FORMATION: FRSD

LONGITUDE: 110.98841

RECEIVED AND/OR REVIEWED:

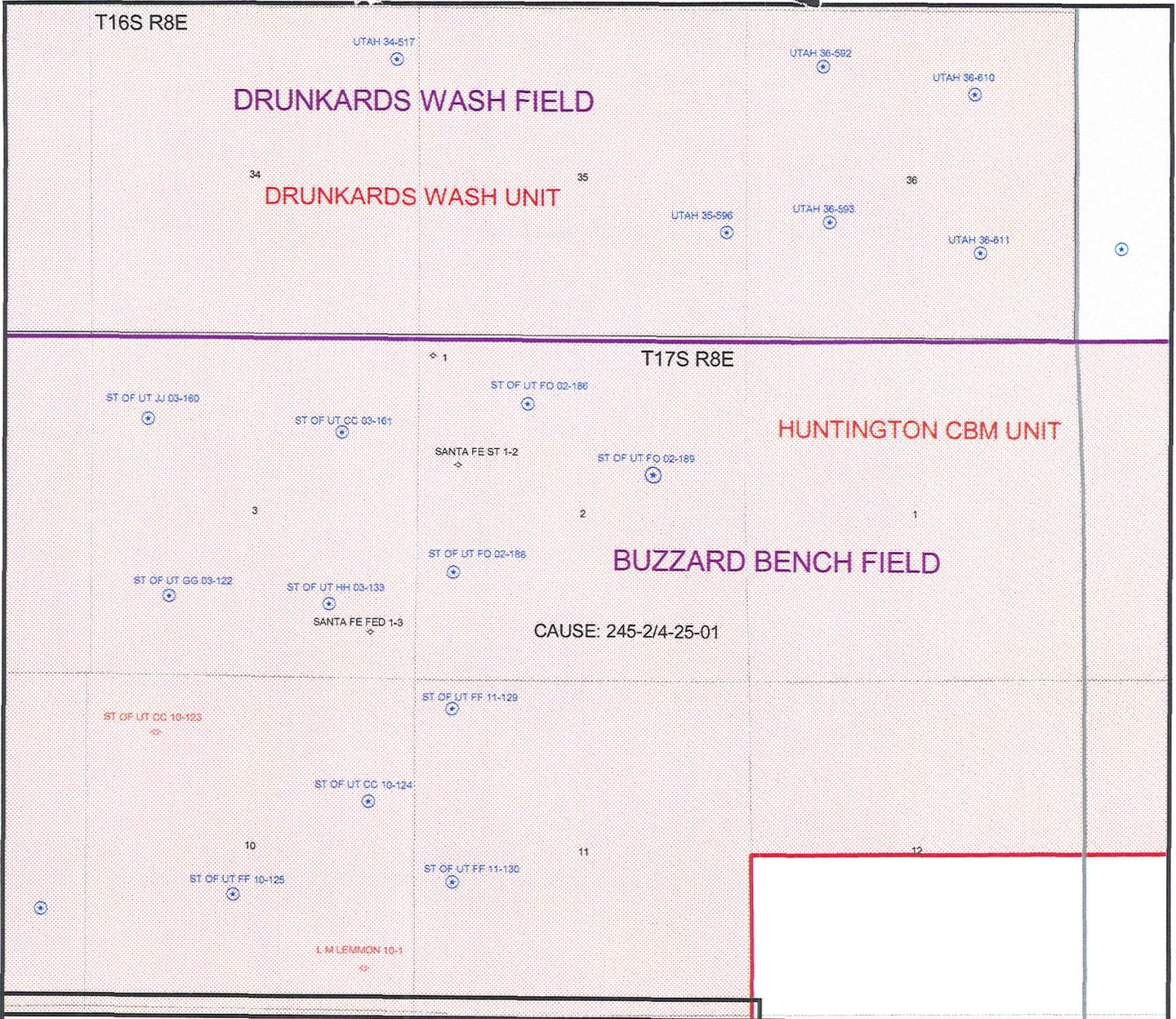
- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]  
(No. 6049663 <sup>Statewide</sup> ~~Bond~~ <sup>DM</sup>)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. MUNICIPAL \_\_\_\_\_ )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

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: 4-25-01  
Siting: \*460' Fr Unit boundary E uncom. Tract <sup>Federal or unused</sup>
- \_\_\_\_\_ R649-3-11. Directional Drill

COMMENTS: Need Permit (P-15-02)

STIPULATIONS: Statement of basis



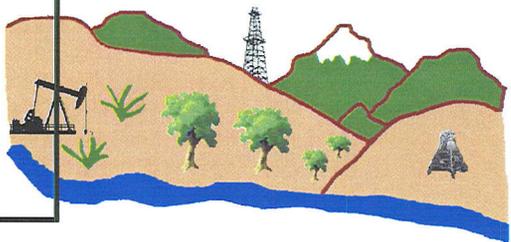
OPERATOR NAME: TEXACO E & P (N5700)

SEC. 2 T17S R8E

FIELD: BUZZARD BENCH (132)

COUNTY: EMERY UNIT: HUNTINGTON CBM

CAUSE: 245-2 / 4-25-01



Utah Oil Gas and Mining



Prepared By: D. Mason  
Date: 27-June-2002

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		

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

OPERATOR: Texaco  
WELL NAME & NUMBER: State of Utah "FO" 02-189  
API NUMBER: 43-015-30560  
LEASE: State FIELD/UNIT: \_\_\_\_\_  
LOCATION: 1/4, 1/4 SWNE Sec: 2 TWP: 17S RNG: 8 E 2116' FNL 1464' FEL

**Geology/Ground Water:**

There are no aquifers with high quality ground water expected to be encountered and 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 no points of diversion or water supply within a mile radius of this location. A moderately permeable soil is developed on Quaternary alluvium pediment mantle, which covers the Upper Blue Gate Shale Member of the Mancos Shale. This well will not likely penetrate any of the known Emery Sandstone members that are known to be aquifer quality sands elsewhere in the county. 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 1 mile 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: 25-July-2002

**Surface:**

The closest live water source is Huntington Creek, which lies South of the proposed location ~2.0 miles. The terrain is rocky and slopes toward the Southeast with some dry washes varying in size in the surrounding area and throughout the proposed access route. Provisions were made for site structural integrity, rehabilitation, and waste disposal. A small amount of cut and fill will be needed for this location. Access into the location will be from the west from the 02-186 well. It will take ~2500' of new access roadway. SITLA was invited but did not attend. Emery County was in attendance during the on-site as well as DWR.

Reviewer: Mark L. Jones Date: July 22, 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. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

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

OPERATOR: Texaco  
WELL NAME & NUMBER: State of Utah "FO" 02-189  
API NUMBER: 43-015-30560  
LEASE: State FIELD/UNIT: \_\_\_\_\_  
LOCATION: 1/4,1/4 SWNE Sec: 2 TWP: 17S RNG: 8 E 2116' FNL 1464' FEL  
LEGAL WELL SITING: 460 F unit boundary and uncommitted tracts.  
GPS COORD (UTM): X =500998 E; Y = 4358228 N SURFACE OWNER: SITLA

**PARTICIPANTS**

M. Jones (DOGM), Alan Childs (Talon), R. Wirth (Texaco), C. Colt (DWR),  
V. Payne (Emery County). SITLA was invited but did not attend.

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Proposed location is located ~2.5 miles NW of Huntington. The terrain  
slopes to the Southeast and eventually into Huntington Creek. Access  
will come from the West from other field access roads and will consist  
of ~ 2500' of new access roadway. Topography of the well-site is  
moderately sloped to the SE with the soil type ranging from rocky to  
gravely clay. Vegetation consists of sparse PJ and sagebrush and some  
various native and introduced grasses.

**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.  
~4900' of new access will be needed for this location.  
LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 8 Proposed wells and  
3 existing wells within a 1 mile radius.  
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 cut throughout the area near the pad and its proposed access. The location of the pad itself does not have major drainage issues associated with it. A small amount of cut and fill will be needed for this location. Access into the location will be from the west from the 15-128 well. It will take ~7000' of new access roadway.

FLORA/FAUNA: PJ, Sagebrush, grasses, deer, elk, coyote, small game.

SOIL TYPE AND CHARACTERISTICS: Gravelly clay.

EROSION/SEDIMENTATION/STABILITY: Erosive when disturbed.

PALEONTOLOGICAL POTENTIAL: None observed

**RESERVE PIT**

CHARACTERISTICS: Dugout earthen pit.

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

**SURFACE RESTORATION/RECLAMATION PLAN**

As per surface use agreement.

SURFACE AGREEMENT: None required with SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: On file with State.

**OTHER OBSERVATIONS/COMMENTS**

None

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Mark L. Jones  
DOGM REPRESENTATIVE

July 15, 2002 / 9:30 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>20</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>3</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**      23      (Level I 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.





Casing Schematic

Surface

Blue Gate

8-5/8"  
MW 8.4  
Frac 19.3

TOC @  
0.

Surface  
300. MD

w/25% washout

BOPE

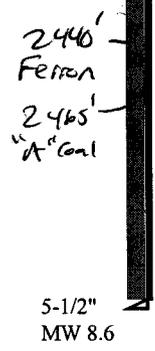
BHP  
 $(0.052)(8.6)(2850) = 1275 \text{ psi}$   
 Anticipated = 1000 psi max

Gas  
 $(0.12)(2850) = 342 \text{ psi}$

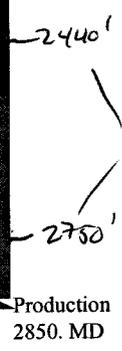
MASP = 933 psi

3M BOPE proposed

Adequate DKO 8/1/02



TOC @  
2075.



coals 55'

w/15% washout

Well name:

08-02 Texaco St of Ut FO 02-189

Operator: **Texaco E&P Inc.**

String type: **Surface**

Project ID:

43-015-30560

Location: **Juab County, Utah**

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

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

Cement top:

Surface

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.447 psi/ft  
Calculated BHP 134 psi

No backup mud specified.

**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

Non-directional string.

**Re subsequent strings:**

Next setting depth: 2,850 ft  
Next mud weight: 8.600 ppg  
Next setting BHP: 1,273 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 300 ft  
Injection pressure 300 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	131	1370	10.47	134	2950	22.02	7	263	36.54 J

↓  
BHP = 1273 psi

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

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

Date: August 2, 2002  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS -**

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:

**08-02 Texaco St of Ut FO 02-189**

Operator: **Texaco E&P Inc.**

String type: Production

Project ID:

43-015-30560

Location: Juab County, Utah

**Design parameters:**

**Collapse**

Mud weight: 8.600 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 105 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

**Burst:**

Design factor 1.00

Cement top: 2,075 ft

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.447 psi/ft  
Calculated BHP: 1,273 psi

**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)

Non-directional string.

No backup mud specified.

Tension is based on air weight.  
Neutral point: 2,478 ft

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	2850	5.5	17.00	N-80	LT&C	2850	2850	4.767	98.2
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	1273	6290	4.94	1273	7740	6.08	48	348	7.18 J

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

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

Date: August 2,2002  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS -**

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

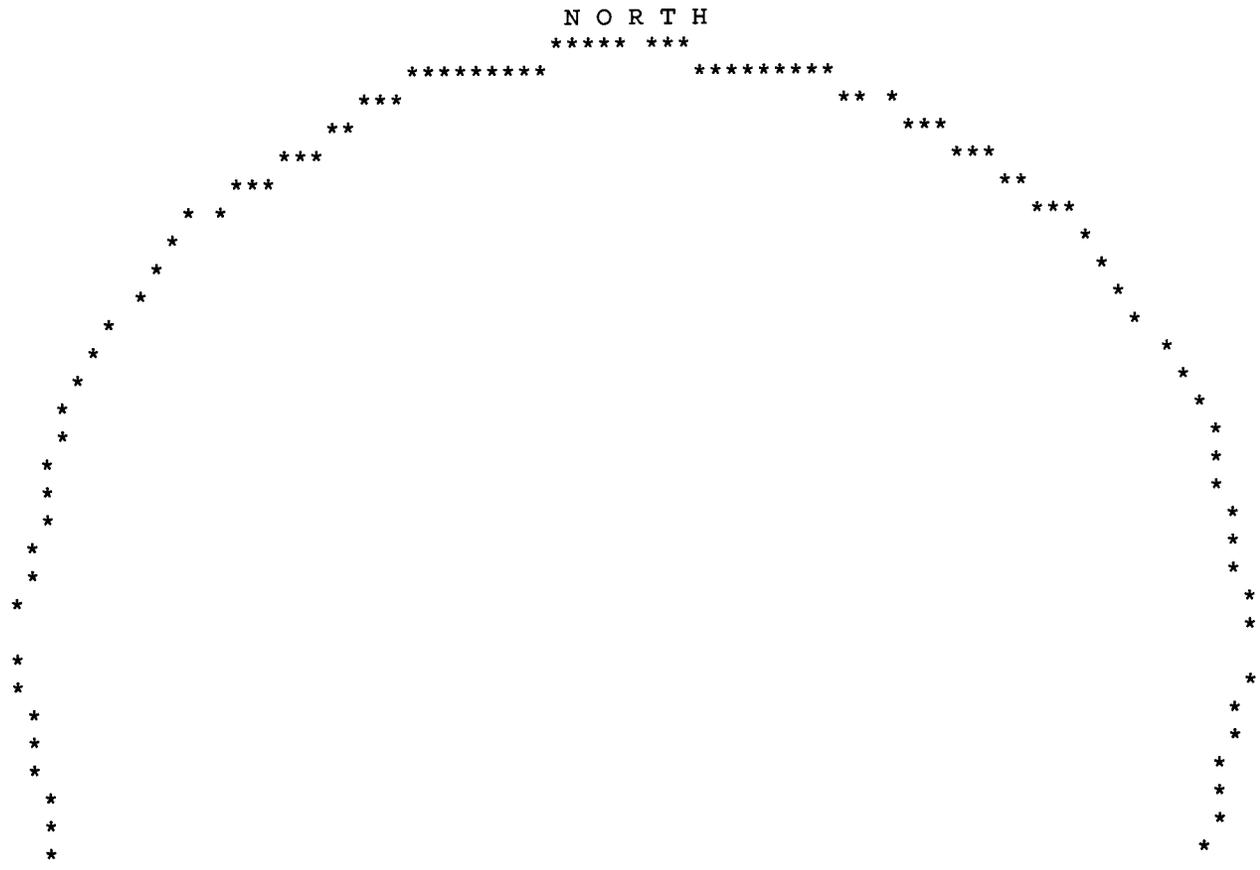
Burst strength is not adjusted for tension.

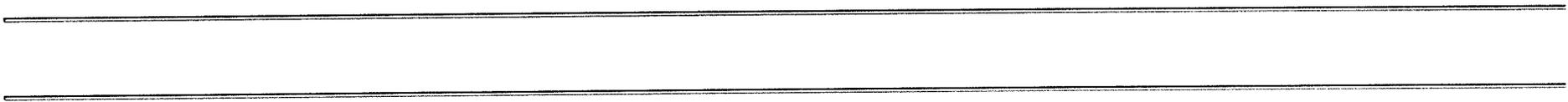
Engineering responsibility for use of this design will be that of the purchaser.

UTAH DIVISION OF WATER RIGHTS  
WATER RIGHT POINT OF DIVERSION PLOT CREATED THU, JUL 25, 2002, 2:22 PM  
PLOT SHOWS LOCATION OF 0 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5208 FEET FROM A POINT  
S 2116 FEET, W 1464 FEET OF THE NE CORNER,  
SECTION 2 TOWNSHIP 17S RANGE 8E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET





002

**From:** Diana Mason  
**To:** edbonner@utah.gov  
**Date:** 7/3/02 8:25AM  
**Subject:** Fwd: Re: New APD Texaco Expl & Prod-Huntington CBM

*Verbal OK  
From Ed Bonner D.M.*

Hi Ed,

(Proposed PZ Ferron)

43-015-30560 State of Utah "FO" 02-189 Sec. 2, T17S, R8E 2116 FNL 1464 FEL  
43-015-30561 State of Utah "GG" 15-184 Sec. 15, T17S, R8E 1575 FSL 2041 FEL

Thank you!



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)

August 5, 2002

Chevron USA Inc.  
P O Box 618  
Orangeville, UT 84537

Re: State of Utah FO 02-189 Well, 2116' FNL, 1464' FEL, SW NE, Sec. 2, 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 43-015-30560.

Sincerely,

A handwritten signature in cursive script, appearing to read "John R. Baza".

Handwritten initials "JRB" in cursive, followed by the printed name and title.  
John R. Baza  
Associate Director

pb

Enclosures

cc: Emery County Assessor  
SITLA

**Operator:** Chevron USA Inc.  
**Well Name & Number** State of Utah FO 02-189  
**API Number:** 43-015-30560  
**Lease:** ML-90002

**Location:** SW NE      **Sec.** 2      **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)

TALON RESOURCES INC

CONFIDENTIAL

August 25, 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 extension validation. A one year extension will allow Chevron to construct, drill and complete the wells.

State of Utah "FO" 02-189 (43-015-30560) SW/4 NE/4, Section 2, T17S, R8E, SLB&M, Emery County, Utah  
State of Utah "GG" 15-184 (43-015-30561) NW/4 SE/4, Section 15, T17S, R8E, SLB&M, Emery County, Utah

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

Sincerely,

*Don Hamilton*  
Don Hamilton  
Agent for Chevron

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

Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 08-28-03  
By: *[Signature]*

COPY SENT TO OPERATOR  
Date: 8-28-03  
Initials: *[Signature]*

RECEIVED

AUG 27 2003

DIV. OF OIL, GAS & MINING

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

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

**API:** 43-015-30560  
**Well Name:** State of Utah "FO" 02-189  
**Location:** SW/4 NE/4, Section 2, T17S, R8E, SLB&M  
**Company Permit Issued to:** Chevron USA, Inc.  
**Date Original Permit Issued:** 8/5/2002

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

8/25/2003  
Date

Title: Agent for Chevron

Representing: Chevron USA, Inc.

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. GLH
2. CDW
3. FILE

**006**

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

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: 8/1/2004

<b>FROM: (Old Operator):</b> N0210-Chevron USA, Inc 11111 S Wilcrest Houston, TX 77099 Phone: 1-(281) 561-4991	<b>TO: ( New Operator):</b> N2615-XTO Energy Inc 2700 Farmington Ave, Bldg K Suite 1 Farmington, NM 87401 Phone: 1-(505) 324-1090
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**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

**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:**

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

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

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

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

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

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

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

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

The Division sent response by letter on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Various Leases</b>
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>See attached list</b>	
2. NAME OF OPERATOR: <b>XTO ENERGY INC. N2615</b>		9. API NUMBER: <b>Multiple</b>
3. ADDRESS OF OPERATOR: 2700 Farmington Bldg K, Sui <u>Farmington</u> CITY STATE <u>NM</u> ZIP <u>87401</u>	PHONE NUMBER: <b>(505) 324-1090</b>	10. FIELD AND POOL, OR WILDCAT: <b>Buzzard Bench</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE:		COUNTY: <b>Emery</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: <b>UTAH</b>

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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Effective 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) <u>James L. Death</u>	TITLE <u>Vice President Land</u>
SIGNATURE <u>James L. Death</u>	DATE <u>8/16/04</u>

(This space for State use only)

**APPROVED** 9/30/2004

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

(See Instructions on Reverse Side)

RECEIVED

SEP 28 2004

DIV. OF OIL, GAS & MINING

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

<b>Well name:</b>	State of Utah FO 02-189
<b>API number:</b>	4301530560
<b>Location:</b>	Qtr-Qtr: SWNE Section: 02 Township: 17S Range: 8E
<b>Company that filed original application:</b>	Chevron U.S.A. Inc.
<b>Date original permit was issued:</b>	
<b>Company that permit was issued to:</b>	Chevron U.S.A. Inc.

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

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

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

Name (please print) James P. Death Title Vice President-Land  
 Signature James P. 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.

## TALON RESOURCES INC

October 27, 2004

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

RE: Request for Permit Extension----- XTO Energy, formerly Chevron USA, Inc.

Dear Ms. Whitney:

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

Federal T 21-94 (43-015-30450) NE/4NE/4 Section 21, T18S, R7E, SLB&M, Emery County, Utah  
 State of Utah FO 02-189 (43-015-30560) SW/4NE/4 Section 2, T18<sup>175</sup>S, R8E, SLB&M, Emery Cty, Utah

Please feel free to contact me at 435-687-5310 or Mr. Ray Trujillo with XTO Energy at 435-748-5395 if you have any questions or concerns.

Sincerely,



Larry W. Johnson  
 Talon Resources, Inc.

cc: File  
 Mr. Ray Trujillo XTO Energy  
 Ms. Kyla Vaughan XTO Energy

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-90002
2. NAME OF OPERATOR: XTO Energy, formerly Chevron USA, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. Box 618 CITY <u>Orangeville</u> STATE <u>UT</u> ZIP <u>84537</u>		7. UNIT or CA AGREEMENT NAME: Huntington (Shallow)CBM
4. LOCATION OF WELL FOOTAGES AT SURFACE: <u>2,116' FNL, 1,464' FEL</u> QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <u>SWNE 2 17S 8E S</u>		8. WELL NAME and NUMBER: State of Utah "FO" 02-189
		9. API NUMBER: 4301530560
		10. FIELD AND POOL, OR WILDCAT: Undesignated
		COUNTY: <u>Emery</u> STATE: <u>UTAH</u>

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

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

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

XTO Energy hereby requests a one year extension of the state permit for the State of Utah "FO" 02-189

**Approved by the  
Utah Division of  
Oil, Gas and Mining**  
Date: 11-04-04  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 11-8-04  
Initials: CHD

NAME (PLEASE PRINT) <u>Larry W. Johnson</u>	TITLE <u>XTO Energy</u>
SIGNATURE <u>[Signature]</u>	DATE <u>10/27/2004</u>

(This space for State use only)

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

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

**API:** 43-015-30560  
**Well Name:** State of Utah "FO" 02-189  
**Location:** SW/4 NE/4, Section 2, T17S, R8E, SLB&M  
**Company Permit Issued to:** XTO Energy, formerly Chevron USA, Inc.  
**Date Original Permit Issued:** 8/5/2002

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

10/27/2004  
Date

Title: Agent for XTO

Representing: XTO Energy



**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*

November 16, 2005

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

Re: APD Rescinded –State of Utah FO 02-189 Sec. 2, T. 17, R. 8E  
Emery County, Utah API No. 43-015-30560

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 August 5, 2002. On August 28, 2003 and on November 4, 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 November 16, 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