

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: <b>ML-48194</b>	6. SURFACE: <b>State</b>
1A. TYPE OF WORK: <b>DRILL</b> <input checked="" type="checkbox"/> <b>REENTER</b> <input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: <b>OIL</b> <input type="checkbox"/> <b>GAS</b> <input checked="" type="checkbox"/> <b>OTHER</b> _____ <b>SINGLE ZONE</b> <input checked="" type="checkbox"/> <b>MULTIPLE ZONE</b> <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: <i>Huntington CBM</i>	
2. NAME OF OPERATOR: <b>XTO Energy, Inc.</b>			9. WELL NAME and NUMBER: <b>State of Utah 17-8-18-14</b>	
3. ADDRESS OF OPERATOR: <b>2700 Farmington Ave. B</b> CITY <b>Farmington</b> STATE <b>NM</b> ZIP <b>87401</b>		PHONE NUMBER: <b>(505) 324-1090</b>	10. FIELD AND POOL, OR WILDCAT: <b>Buzzard Bench, Ferron Sand</b>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>508' FSL x 455' FWL</b> <i>493523 X 39.337806</i> AT PROPOSED PRODUCING ZONE: <i>4354058 Y -111.075160</i>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 18 17S 8E S</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>Approx. 4 miles west of Huntington, Utah</b>			12. COUNTY: <b>Emery</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>Approx 460'</b>	16. NUMBER OF ACRES IN LEASE: <b>1980.39</b>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>160</b>		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>Approx 2300' (SoU 17-8-18-12)</b>	19. PROPOSED DEPTH: <b>4,300</b>	20. BOND DESCRIPTION:		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>7095' Ground Elevation</b>	22. APPROXIMATE DATE WORK WILL START: <b>10/21/2005</b>	23. ESTIMATED DURATION: <b>2 weeks</b>		

**24. PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
<b>12 1/4"</b>	<b>8 5/8"</b>	<b>J-55</b>	<b>24#</b>	<b>300</b>	<b>Class G</b>	<b>+/- 200 sacks</b>	<b>1.18-1.16</b>	<b>15.6-15.8</b>
<b>7 7/8"</b>	<b>5 1/2"</b>	<b>J-55</b>	<b>15.5#</b>	<b>4,200</b>	<b>Class G</b>	<b>+/- 150 sacks</b>	<b>1.62</b>	<b>14.2</b>

**25. ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER        | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Kyla Vaughan TITLE Regulatory Compliance Tech  
SIGNATURE *Kyla Vaughan* DATE 8/15/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-015-30655

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date: 10-05-05  
By: *[Signature]*

**RECEIVED  
AUG 23 2005**

DIV. OF OIL, GAS & MINING

# Range 8 East

(N89°07'E - 5363.82')

N88°49'51"E - 2602.14'

S88°50'28"W - 2760.64'

## 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:

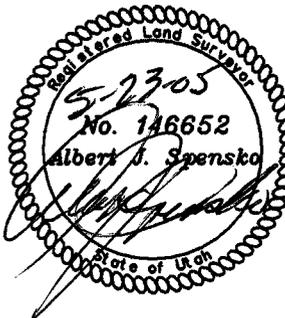
Basis of Elevation of 6508.0' being at the Northeast Section corner of Section 12, Township 17 South, Range 7 East, Salt Lake Base & Meridian, as shown on the Red Point Quadrangle 7.5 Minute Series Map.

## Description of Location:

Proposed Drill Hole located in the SW1/4 SW1/4 of Section 18, T17S, R8E, S.L.B.&M., being North 507.52' from South Line and East 455.19' from West Line of Section 18, T17S, R8E, Salt Lake Base & 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.

195 North 100 West P.O. Box 1230  
Huntington, Utah 84528  
Phone (435)687-5310 Fax (435)687-5311  
E-Mail talon@tvc.net



State of Utah #17-8-18-14  
Section 18, T17S, R8E, S.L.B.&M.  
Emery County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 4/18/05
	Scale: 1" = 1000'
Sheet 1 of 1	Job No. 1719

## GRAPHIC SCALE

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

## NOTES:

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

LAT / LONG  
39°20'16.544" N  
111°04'30.604" W

(N89°47'E - 5398.80')

N89°14'33"E - 5380.55'

N00°32'00"W - 2645.17'

(N00°01'W)

N00°20'17"W - 2632.68'

(N00°04'W - 2619.54')

N00°14'16"W - 5239.93'

(N00°07'E - 2621.52')

## STATE OF UTAH

#17-8-18-14

ELEV. 7095.0'

507.52'

455.19'

## UTM

N - 4354072  
E - 493522

18

## Legend

- Drill Hole Location
- ⊕ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Rock Pile
- ( ) GLO
- GPS Measured

Township 17 South

Application for Permit to Drill

Company: XTO Energy Inc.

Well No. State of Utah 17-8-18-14

Location: Sec. 18, T17S, R08E

Lease No. ML - 48194

All operations will be conducted in such a manner that full compliance is made with 1) applicable laws, 2) any Federal Regulations (43 CFR § 3100 & 43 CFR § 3160), Onshore Oil and Gas Orders, if applicable, 3) the approved plan of operations and 4) the conditions of approval. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops:

**Blue Gate Shale Member of the Mancos Shale (surface)**

**Ungraded Ground Elevation: 7,095.0'**

<b>Formation</b>	<b>Sub-Sea</b>	<b>Well Depth</b>
Top of Upper Ferron SS	3285'	3835'
Top of Ferron Coal	3250'	3870'
Bottom of Ferron Coal	3120'	4000'
Top of Lower Ferron SS	3120'	4000'
Total Depth of Well	2820'	4300'

2. Estimated Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered

Depth/Formation

Expected Oil Zones: **No known oil zones will be penetrated**

Expected Gas Zones: **Gas bearing sandstones and coals will be penetrated from 3,835' to 4,000' KB.**

Expected Water Zones: **No known (aquifer) water zones will be penetrated. The gas bearing sandstones and coals may contain in-situ water.**

Expected Mineral Zones: **No known mineral zones will be penetrated.**

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to BLM or other managing agency. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment -include schematics of the BOP and choke manifold, and describe testing procedures: **See the attached BOP and Choke Manifold Schematic attached to this permit.**

BOP systems will be consistent with API RP 53 and, if applicable, Federal Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated each trip (no more than once a day is necessary), and annular preventers shall be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log and in the daily drilling report.

4. Casing Program and Auxiliary Equipment -include casing size, weight, grade, thread and coupling, setting depth and condition (new or acceptably reconditioned):

Hole size	Setting Depth	Size (OD)	Weight, Grade, Jt	Condition
12-1/4"	±300'	8-5/8"	24#, J-55, ST&C	N
7-7/8"	±4,300'	5-1/2"	15.5#, J-55, ST&C	N

5. Cement -include the cement type, density, yield, additives and amount used in setting each casing string. Also include the anticipated cement fill-up. If stage cementing, describe techniques:

**Surface Casing: ±200\* sacks Class "G" (or equivalent) type cement with additives (typically LCM & accelerators) mixed at 15.6 – 15.8 ppg & 1.18 – 1.16 cuft/sx.**

Surface casing shall be cemented back to surface. Centralizers shall be run, at a minimum, on the bottom three joints of each casing string.

\* Cement volumes for permitting are calculated at 100% over gage hole. Actual cement volumes are calculated based on hole conditions during drilling and other factors. Actual cement volumes delivered to location range from 100% (minimum) to 300-400% over gage hole volume. Typically, an additional 200 sx of neat cement is also available, on location, for top out. If cement fails to circulate to surface or falls back from the surface, the well will be topped out using neat cement (meeting the above specifications) as necessary.

**Production Casing:**

**Lead: ±250\* sacks Class "G" (or equivalent) type light weight cement with additives (typically LCM and extenders) mixed at 10.5 ppg & 4.14. cuft/sx.**

**Tail: ±150\* sacks Class "G" (or equivalent) type cement with additives (typically LCM, extenders, dispersant, thixotropic, fluid loss) mixed at 14.2 ppg & 1.62 cuft/sx.**

Production casing will be cemented from TD to surface.

\* The volume shown is 50% over the gage hole volume calculated from TD to surface. The actual volume will be obtained for the caliper log plus 50% excess from the actual well TD to surface.

# BOP SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

## TESTING PROCEDURE

### 1. Test BOP after installation:

Pressure test BOP to 200-300 psig (low pressure) for 5 min.

Test BOP to Working Press or to 70% internal yield of surf csg (10 min).

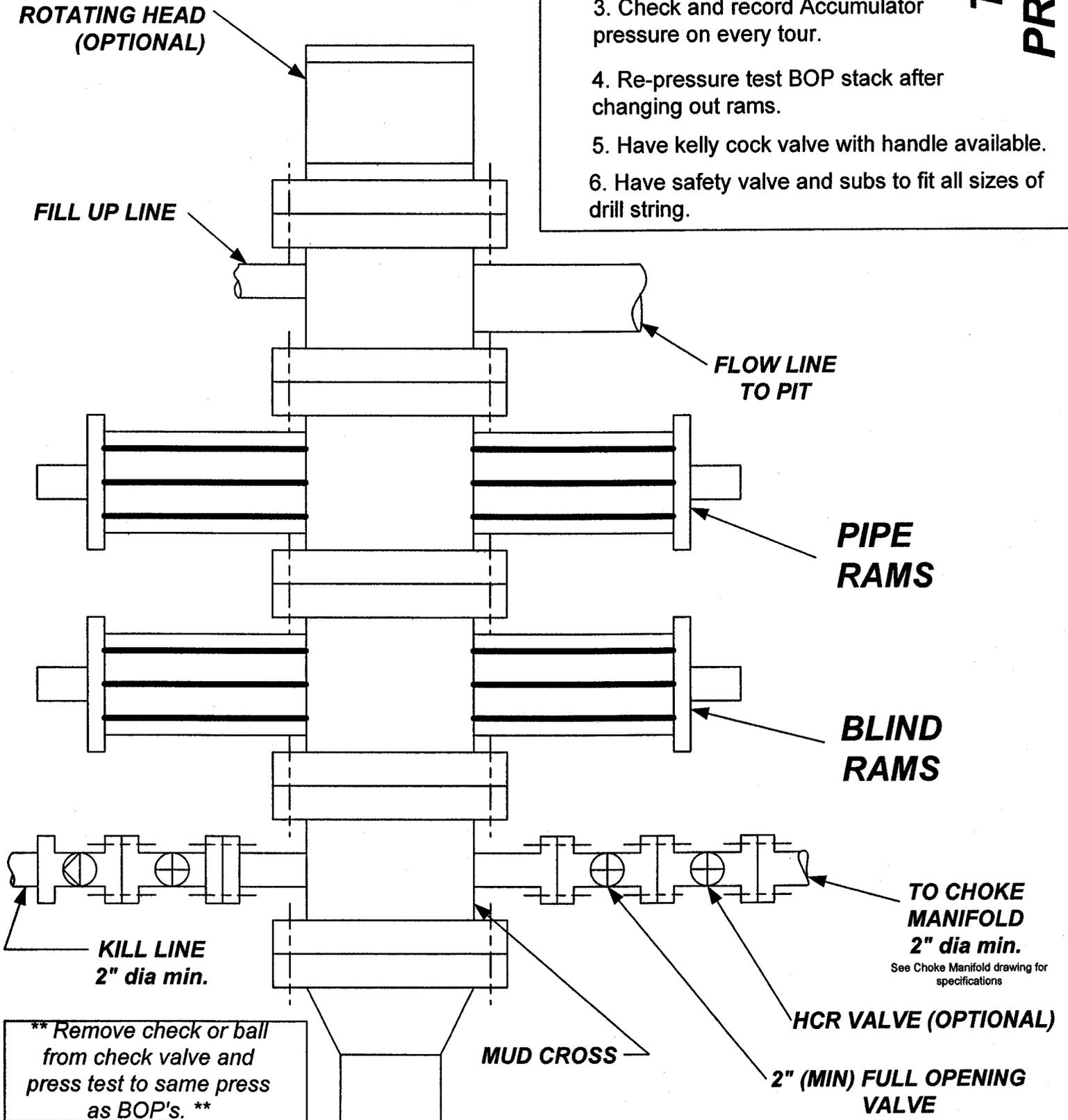
### 2. Test operation of (both) rams on every trip.

### 3. Check and record Accumulator pressure on every tour.

### 4. Re-pressure test BOP stack after changing out rams.

### 5. Have kelly cock valve with handle available.

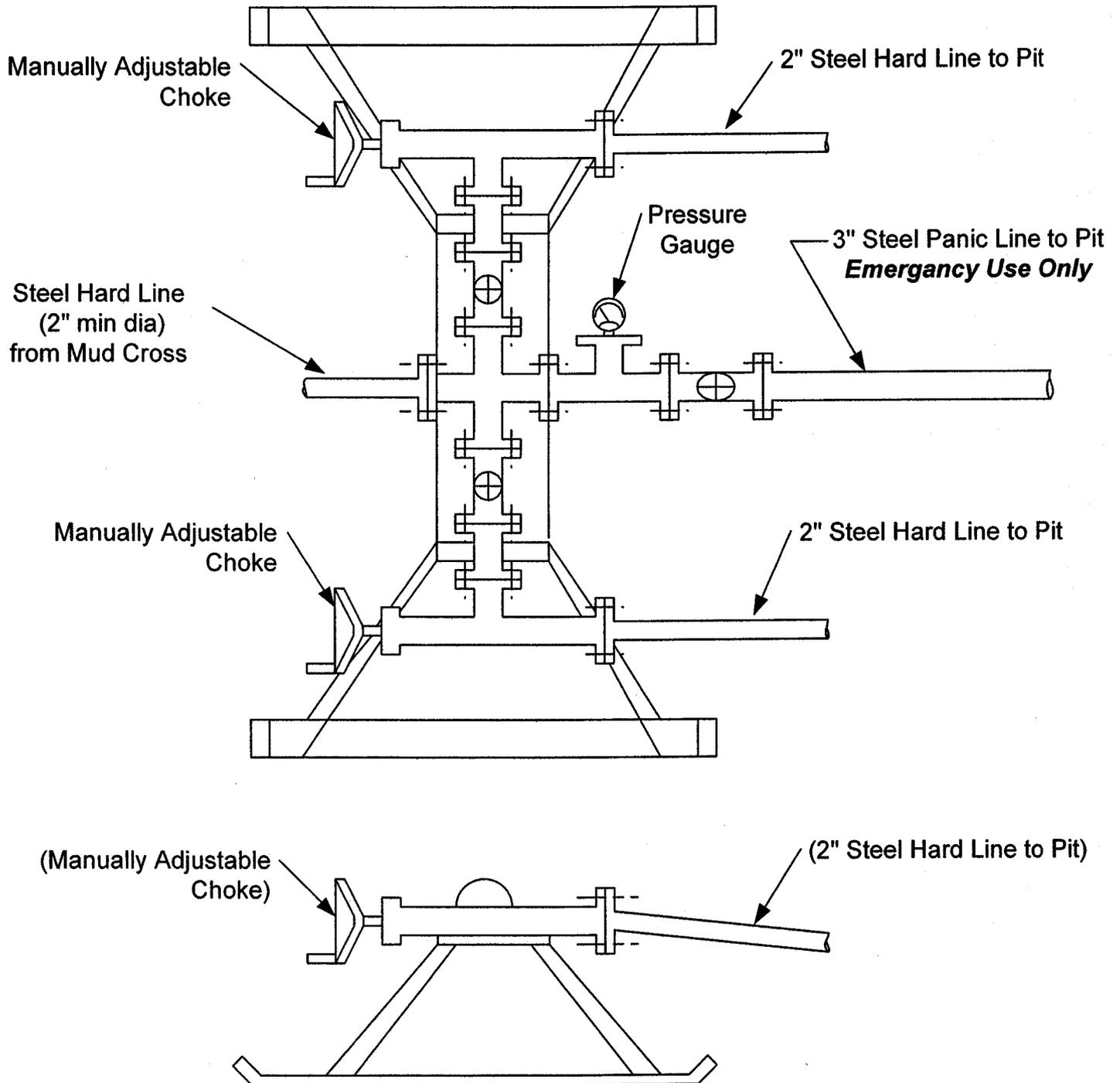
### 6. Have safety valve and subs to fit all sizes of drill string.



# CHOKES MANIFOLD SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

1. Stake all lines from choke manifold to pit.
2. Pressure test choke manifold after installation.
3. Pressure test manifold at the same time with the BOP Stack. Test manifold to the same test pressures.

## TESTING PROCEDURE



6. Mud Program and Circulating Medium -include mud components and weights. When air drilling, also include: length and location of blooie line; description of the auto igniter; description of the deduster equipment; and amounts, types and characteristics of stand-by mud:

Interval	Mud Type	Mud Weight	Viscosity
0' – 300'	Air	n/a	n/a
300' – TD	Air	n/a	n/a

The blooie line will be approx 100' in length and will extend in a straight line from below the rotating head as indicated in the BOP schematic. An automatic spark-type igniter will be affixed to the end of the blooie line and set to provide a continuous spark to ignite and burn any produced hydrocarbons and or gases. Dedusting, if necessary, will be accomplished with a small pump, waterline and spray nipple affixed near the end of the blooie line to provide a continuous spray of water. It is not planned to have any standby fluid on location, however if it is necessary to fill the hole with fluid, produced Ferron coal water is readily available and can be trucked to location as needed.

In the event the hole gets wet while drilling, either mist or produced Ferron coal water will be used as a circulating medium. In the event that produced Ferron coal water will not be adequate for mixing mud or is unusable for drilling, fresh water will be purchased, from town, and trucked to location.

Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.

Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonable be expected.

7. Coring, Logging and Testing Program:

No cores or drill stem tests are planned for this well.

The well will be open hole logged with a triple combo logging suite consisting of array induction (if wet), compensated neutron, density, GR, caliper, SP (if wet) and Pe.

Initial opening of drill stem test tools, if ran, will be restricted to daylight hours.

8. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards -include anticipated bottomhole pressure and/or pressure gradient. Also list anticipated lost circulation zones, abnormal temperature zones and possible hydrogen sulfide bearing zones:

The maximum anticipated BHP gradient in any of the zones to be penetrated should be 8.33 ppg (fresh water). Lost circulation is a potential hazard in the Ferron coal section in the event the hole gets wet and water/mud must be used as the circulating medium.

No abnormal pressure, temperatures or dangerous gases (H2S) are anticipated.

9. Any Other Aspects of this Proposal that should be Addressed: None

**B. THIRTEEN POINT SURFACE USE PLAN**

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

1. Existing Roads:

- a. Proposed route to location: **See Exhibit "A"**.
- b. Location of proposed well in relation to town or other reference point:  
**The well location is approx 4.0 miles west of Huntington, Utah.**
- c. Contact the County Road Department for use of county roads. The use of Emery County roads will require an encroachment permit from the Emery County Road Department.
- d. Plans for improvement and/or maintenance of existing roads: **None, unless otherwise directed in the conditions of approval.**
- e. Other:

2. Planned Access Roads:

- a. Location (centerline): **Starting from a point along an existing road in the SWSW of sec 18, T17S, R08E.**
- b. Length of new access to be constructed: **Approx 100' of new access will be constructed from the existing road to the edge of the wellpad. See Exhibit "B".**
- c. Length of existing roads to be upgraded: **Currently there is an existing road within 100' of the proposed well pad. There are no plans to upgrade this existing road unless otherwise directed in the conditions of approval.**
- d. Maximum total disturbed width: **Typically 60' (max).**
- e. Maximum travel surface width: **25' or less**
- f. Maximum grades: **Maximum grades will not exceed 10% after construction.**
- g. Turnouts: **No turnouts are planned at this time.**
- h. Surface materials: **Only native materials will be used during construction. If necessary, gravel or rock maybe purchased and used to improve road conditions and travel.**
- i. Drainage (crowning, ditching, culverts, etc): **Roads will be crowned and bar ditches will be located along either side. 18 or 24" dia culverts will be installed as necessary.**
- j. Cattleguards: **No cattle guards are planned at this time. Cattle guards will be specified in the stipulations if necessary.**
- k. Length of new and/or existing roads which lie outside the lease or unit boundary for which a BLM/state/fee right-of-way is required: **None**
- l. Other:

Surface disturbance and vehicular travel will be limited to the approved location and access road only.

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

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

If at any time the facilities located on public lands (BLM managed) authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligations determined by the BLM.

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

3. Location of Existing Wells -on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: **See Exhibit "C"**
4. Location of Production Facilities:
  - a. **On-site facilities: Typical on-site facilities will consist of a wellhead, flow lines, artificial lifting system (pumping unit), wellhead compression, gas/water separator (2 phase), gas measurement and water measurement equipment, and a heated enclosure/building for weather and environmental protection.**
  - b. **Off-site facilities: Off-site facilities are located at the CDP station and typically include compression, processing, separation, tanks, pits, electronics, produced water disposal (SWD well) and gas measurement (sales meter).**
  - c. **Pipelines: The well will be produced into both a gas gathering pipeline and a produced water pipeline. The pipelines will be installed side by side in the same ROW traveling along both the proposed new access road (100') and existing access road (1,680') and will be tied into the existing pipeline (gas/water) system already located at the turn off to the State Of Utah 17-8-18-12. See Exhibit "B" for the 1,780' (total length) proposed pipeline route.**
  - d. **Power lines: A 3-Phase Power line will be laid along side the gas gathering pipeline and the water pipeline.**

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

All site security guidelines identified in 43 CFR § 3162.7-5 and Onshore Oil and Gas Order No. 3 shall be followed, if applicable.

If a gas meter run, for sales, is constructed on location, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced as necessary. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162.7, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3, if applicable.

If a tank battery is constructed on this lease, it will be surrounded by a berm of sufficient capacity to contain 1½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR § 3162.7 and Onshore Oil and Gas Order No. 4, if applicable.

Production facilities on location may include a lined or unlined produced water pit as specified in Onshore Oil and Gas Order No. 7. If water is produced from the well, an application in conformance with Order No. 7 must be submitted, if applicable.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map): **All water required for drilling will typically be obtained and purchased from a local municipal water supply. If possible, currently produced coal well water may also be used after receiving the necessary permits and permission, if necessary. Water will be trucked to location by a third party trucking company who specializes in water hauling.**

Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6. Source of Construction Material:

Pad construction material will be obtained from (if the source is Federally owned, show location on a map): **All construction material will be purchased from private landowners or from a commercial gravel/materials pit.**

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

7. Methods of Handling Waste Disposal:

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

The reserve pit will typically be lined with a synthetic material, ±12 mils in thickness.

The reserve pit will be located along the edge and within the boundaries of the designated wellpad and the walls of this pit will be sloped at no greater than 2 to 1.

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

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

8. Ancillary Facilities: No ancillary facilities will be required during the drilling or completion of the well.
9. Well Site Layout -depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1"=50'. See Exhibit "D" & "E".

All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR § 3162.6.

Access to the well pad will be from the: **North**

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

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

10. Plans for Restoration of the Surface:

The top 6 inches of topsoil material will be removed from the location and stockpiled separately on: **Adjacent Land, if permissible or as otherwise directed.**

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

Within 30-45 days after completion of well, all equipment that is not necessary for production shall be removed.

The reserve pit and that portion of the location not needed for production will be reclaimed 90-120 days after completion of the well.

Before any dirt work to restore the location takes place, the reserve pit must be ready for burial.

All road surfacing will be removed prior to the rehabilitation of roads.

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

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

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

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

Seed will be broadcast or drilled between September and November, or at a time

specified by the BLM and or state. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used: **As specified in the conditions of approval.**

If necessary, an abandonment marker will be one of the following, as specified by the governing agency:

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

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

Additional requirements: **None**

11. Surface and Mineral Ownership: **Both the surface and the minerals are owned by the State of Utah.**

12. Other Information:

a. Archeological Concerns: **There are no archeological concerns that the operator is aware of at this time.**

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

- whether the materials appear eligible for the National Register of Historic Places;

- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and

- a time frame for the BLM to complete an expedited review under 36 CFR § 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the BLM are correct and that mitigation is appropriate.

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

b. Threatened and Endangered Species Concerns: **None**

c. Wildlife Seasonal Restrictions: **Current wildlife restrictions and closure dates are specified in the BLM's Environmental Impact Statement.**

d. Off Location Geophysical Testing: **None**

- e. Drainage crossings that require additional State or Federal approval: **None**
- f. Other:

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

Representative:

---

Name: **Jeffrey W. Patton**

Title: **Drilling Engineer**

Address: **2700 Farmington Ave, Ste 1 , Bldg K  
Farmington, NM 87410**

Phone No.: **(505) 324-1090**

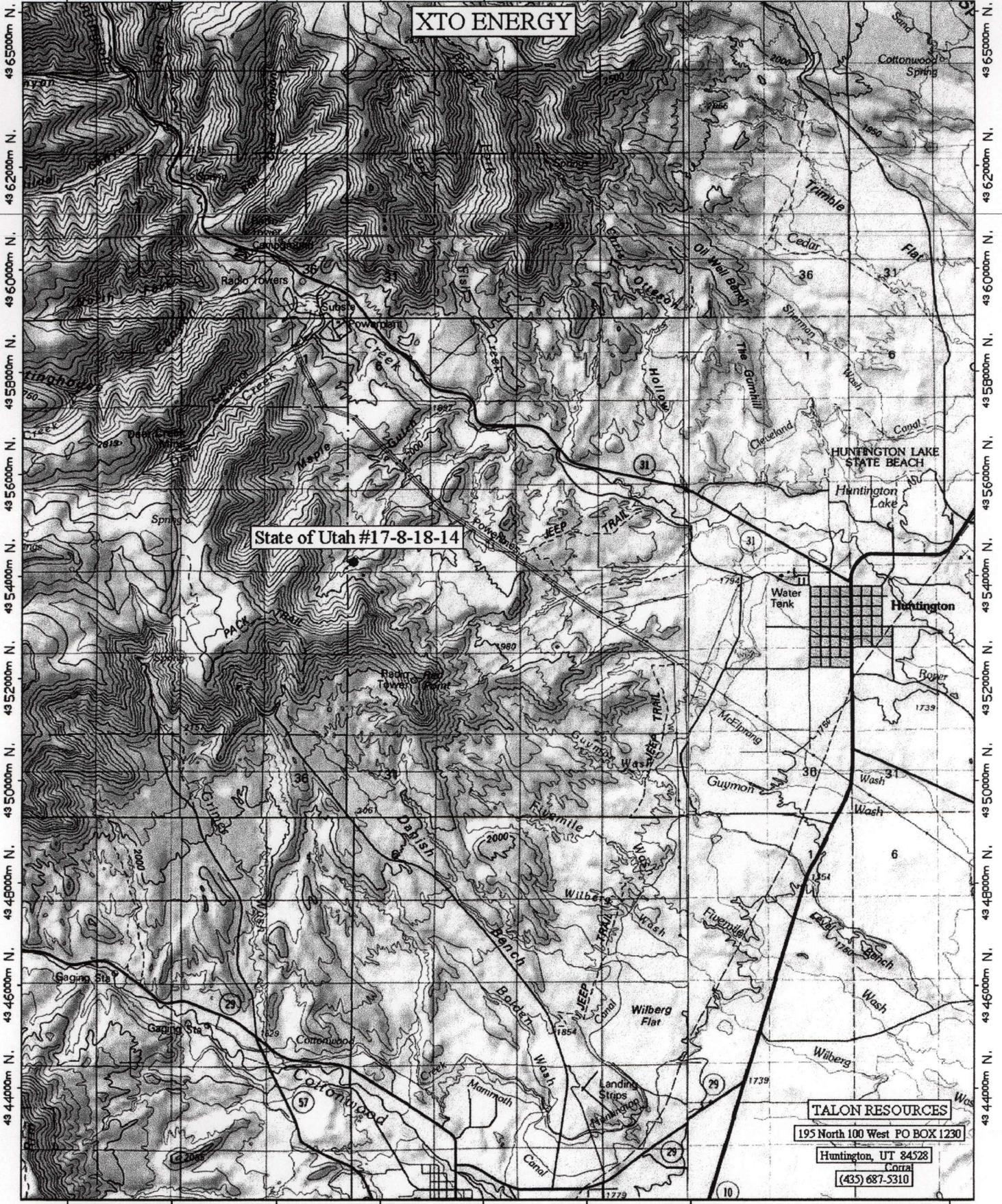
Certification:

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

Kyla Vaughan for Jeff Patton  
Signature

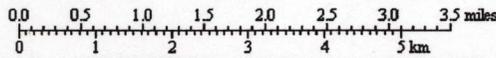
8/15/05  
Date

488000m.E. 490000m.E. 492000m.E. 494000m.E. 496000m.E. 498000m.E. 500000m.E. WGS84 Zone 12S 505000m.E.



488000m.E. 490000m.E. 492000m.E. 494000m.E. 496000m.E. 498000m.E. 500000m.E. WGS84 Zone 12S 505000m.E.

TN MN 12%



Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

EXHIBIT A

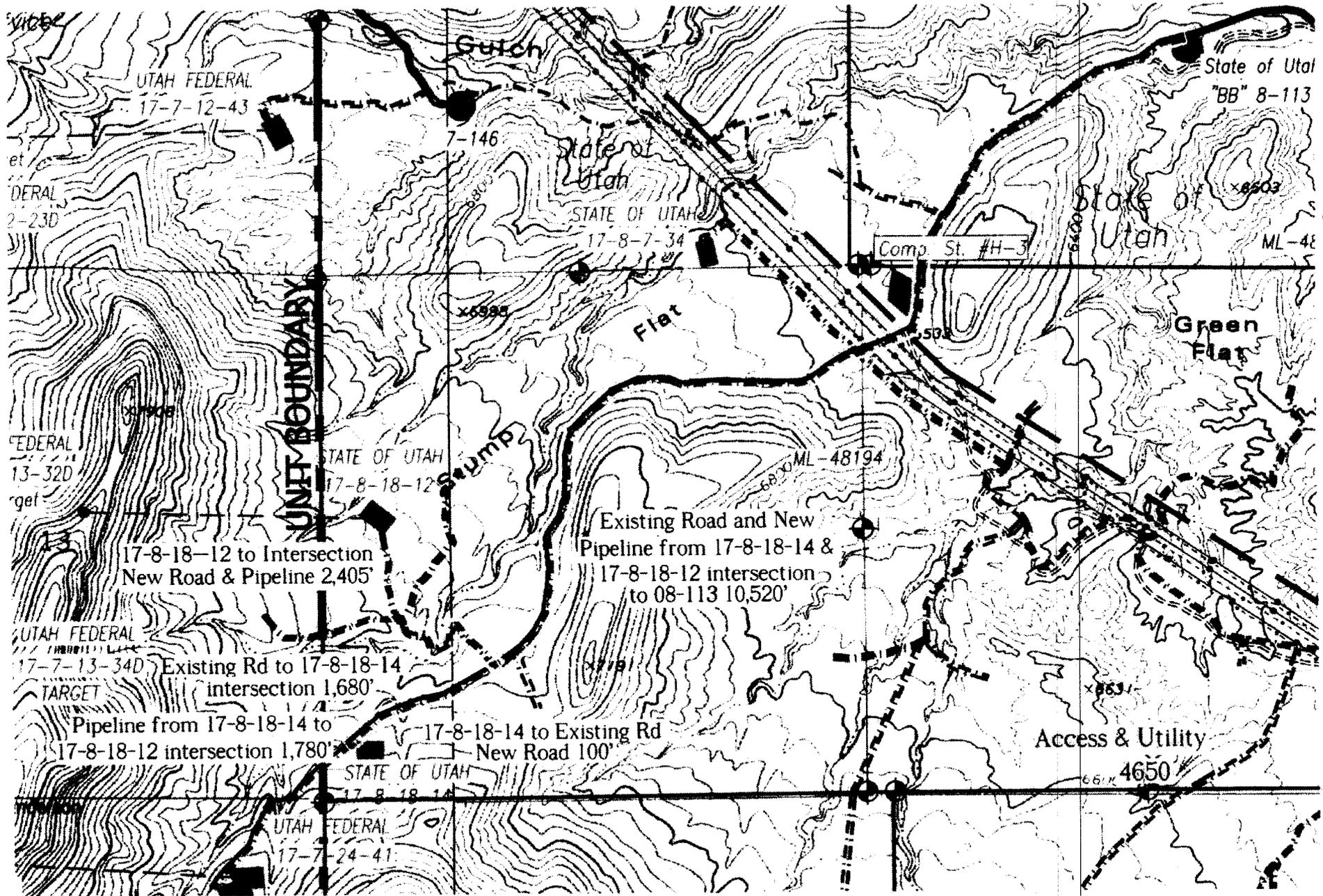
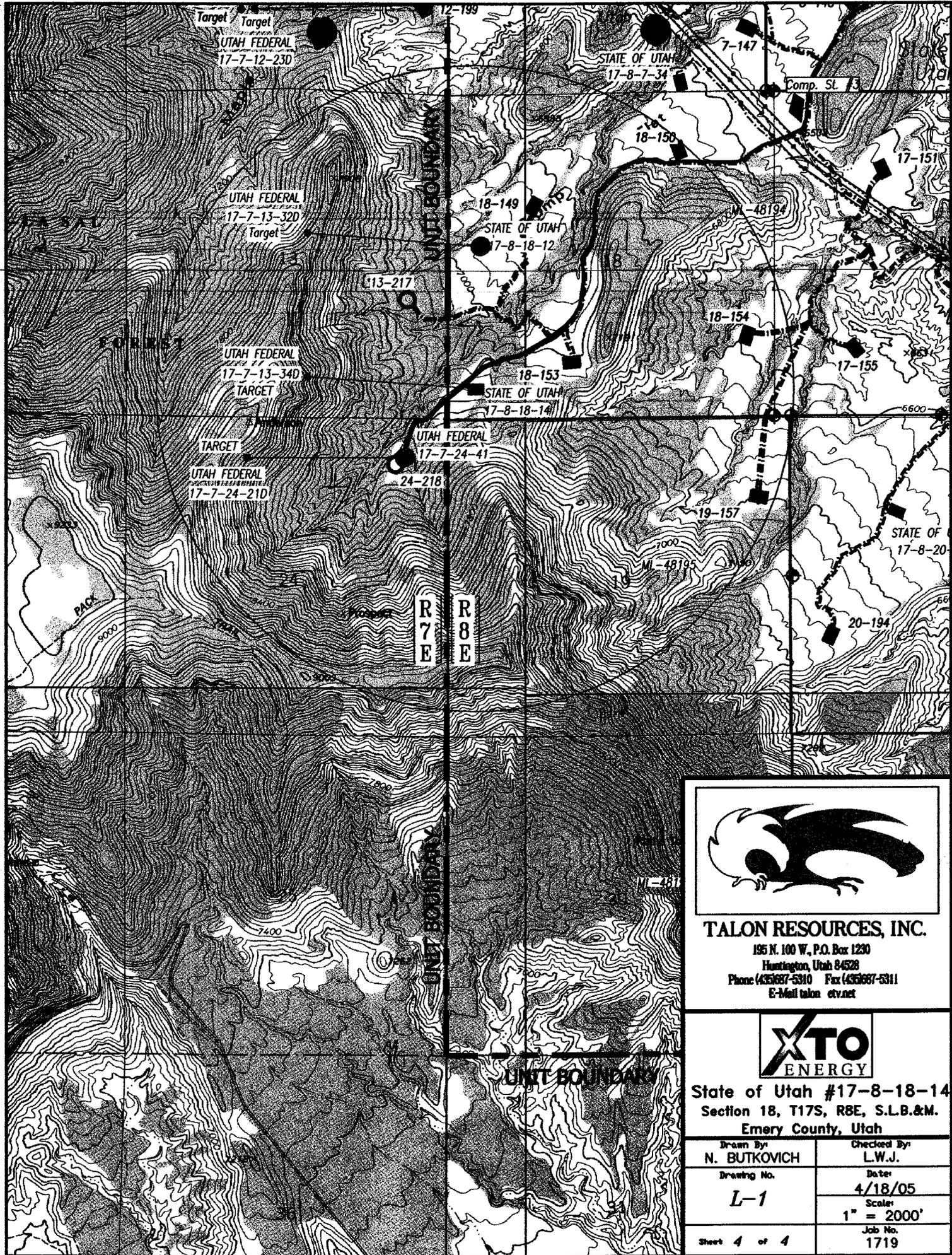


EXHIBIT B




**TALON RESOURCES, INC.**  
 195 N. 100 W., P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talon etv.net

**XTO ENERGY**

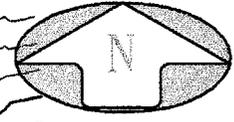
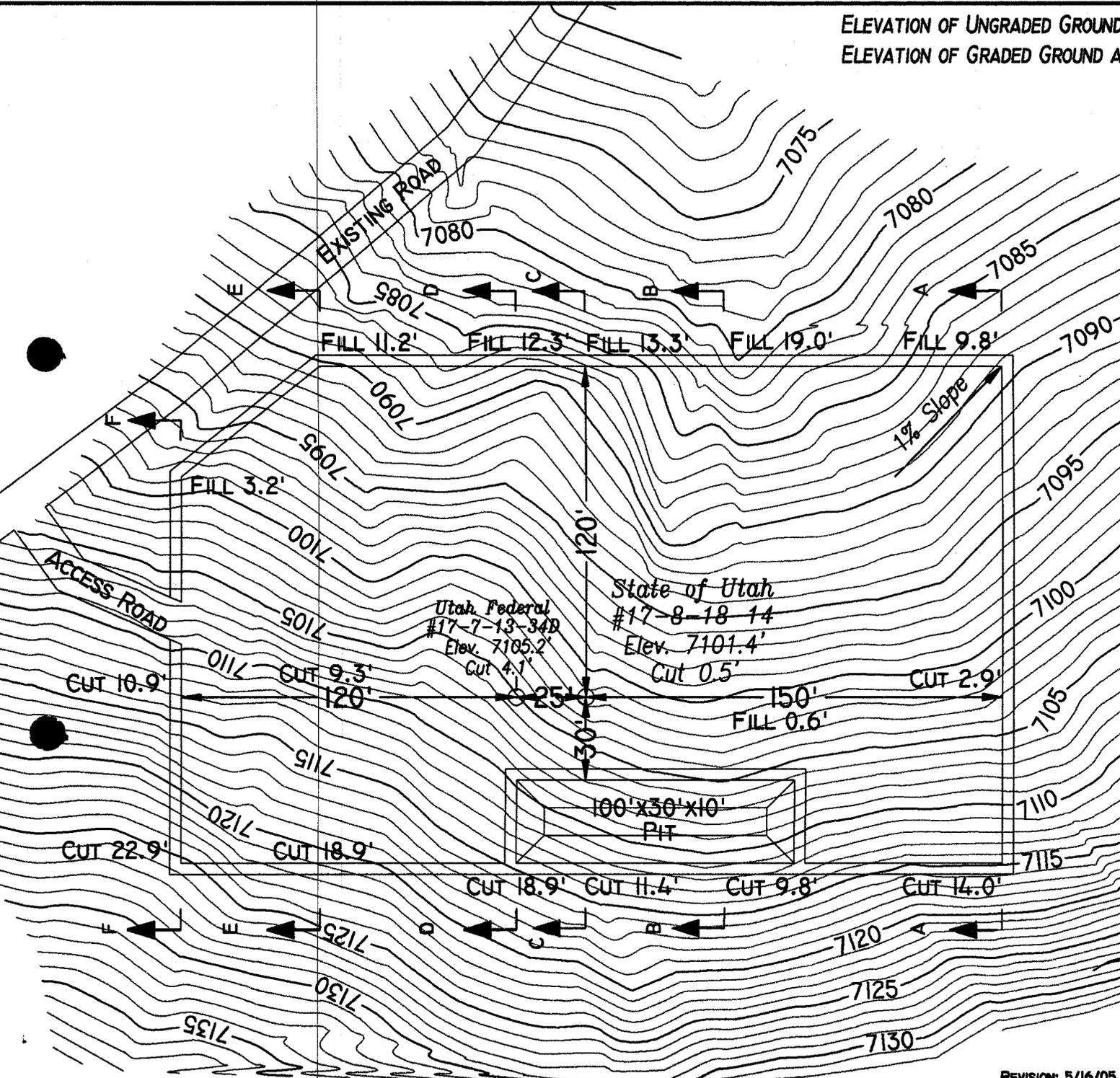
State of Utah #17-8-18-14  
 Section 18, T17S, R8E, S.L.B.&M.  
 Emery County, Utah

Drawn By: <b>N. BUTKOVICH</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>L-1</b>	Date: <b>4/18/05</b>
	Scale: <b>1" = 2000'</b>
Sheet <b>4</b> of <b>4</b>	Job No. <b>1719</b>

**EXHIBIT C**

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 7101.4'  
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7100.9'

# EXHIBIT D

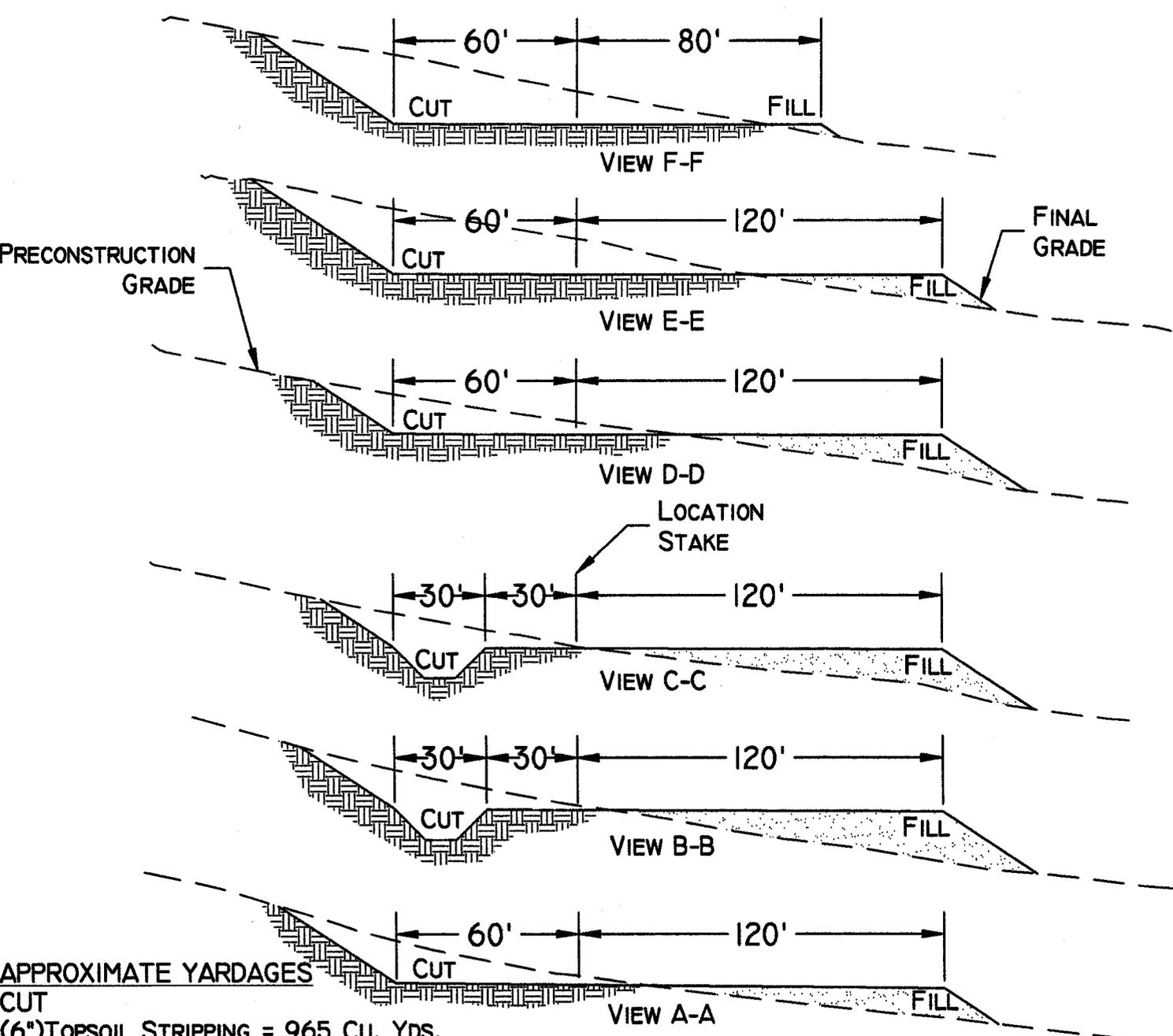
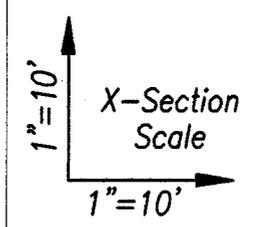


**TALON RESOURCES, INC.**  
 195 North 100 West P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talon@trv.net

**XTO ENERGY**  
 LOCATION LAYOUT  
 Section 18, T17S, R8E, S.L.B.&M.  
 State of Utah #17-8-18-14

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 4/18/05
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 1719

REVISION: 5/16/05



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



**TALON RESOURCES, INC.**  
195 North 100 West P.O. Box 1230  
Huntington, Utah 84328  
Phone (435)687-5310 Fax (435)687-5311  
E-Mail talonnetv.net



**TYPICAL CROSS SECTION**  
Section 18, T17S, R8E, S.L.B.&M.  
State of Utah #17-8-18-14

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 4/18/05
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 1719

**APPROXIMATE YARDAGES**  
CUT  
(6")TOPSOIL STRIPPING = 965 CU. YDS.  
REMAINING LOCATION = 10,905 CU, YDS.  
(INCLUDING TOPSOIL STRIPPING)  
TOTAL CUT (INCLUDING PIT) = 11,655 CU. YDS.  
TOTAL FILL = 7,865 CU. YDS.

**EXHIBIT F**

REVISION: 5/16/05

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/23/2005

API NO. ASSIGNED: 43-015-30625
--------------------------------

WELL NAME: ST OF UT 17-8-18-14  
 OPERATOR: XTO ENERGY INC ( N2615 )  
 CONTACT: KYLA VAUGHAN

PHONE NUMBER: 505-324-1090

PROPOSED LOCATION:

SWSW 18 170S 080E  
 SURFACE: 0508 FSL 0455 FWL  
 BOTTOM: 0508 FSL 0455 FWL  
 EMERY  
 BUZZARD BENCH ( 132 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	10/4/05
Geology		
Surface		

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-48194  
 SURFACE OWNER: 3 - State  
 PROPOSED FORMATION: FRSD  
 COALBED METHANE WELL? NO

LATITUDE: 39.33781  
 LONGITUDE: -111.0752

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 104312762 )
- 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)
- Intent to Commingle (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: 4-25-2001  
Siting: 460' fr u lnd v8 f uncomm. tract
- \_\_\_ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (09-20-05)

STIPULATIONS:

1. STATEMENT OF BASIS

UTAH HD 17-7-42-24D  
UTAH HD 17-7-42-43

ST OF UT "AA" 07-446

ST OF UT 17-8-7-34

T17S R7E

T17S R8E

**BUZZARD BENCH FIELD**  
**HUNTINGTON CBM UNIT**

CAUSE: 245-2 / 4-25-2001

ST OF UT 17-8-18-12

18

17

ST OF UT 17-8-18-14

OPERATOR: XTO ENERGY INC (N2615)

SEC: 18 T. 17S R. 8E

FIELD: BUZZARD BENCH (132)

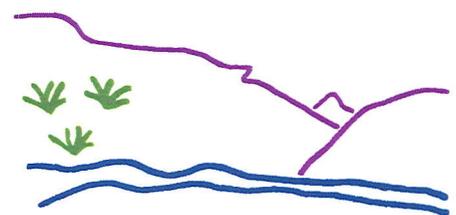
COUNTY: EMERY

CAUSE: 245-2 / 4-25-2001

- Field Status**
- ABANDONED
  - ACTIVE
  - COMBINED
  - INACTIVE
  - PROPOSED
  - STORAGE
  - TERMINATED

- Unit Status**
- EXPLORATORY
  - GAS STORAGE
  - NF PP OIL
  - NF SECONDARY
  - PENDING
  - PI OIL
  - PP GAS
  - PP GEOTHERML
  - PP OIL
  - SECONDARY
  - TERMINATED

- Wells Status**
- GAS INJECTION
  - GAS STORAGE
  - 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
  - DRILLING



*Utah Oil Gas and Mining*



PREPARED BY: DIANA WHITNEY  
DATE: 29-AUG-2005

Well name:	<b>09-05 XTO St of Ut 17-8-18-14</b>	
Operator:	<b>XTO Energy Inc.</b>	Project ID:
String type:	Surface	43-015-30625
Location:	Emery 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: 300 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 0 psi  
 Internal gradient: 0.436 psi/ft  
 Calculated BHP 131 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: 3,375 ft  
 Next mud weight: 8.400 ppg  
 Next setting BHP: 1,473 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	J-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	10.472	131	2950	22.55	7	244	33.91 J

Prepared by: Clinton Dworshak  
 Utah Div. of Oil & Mining

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

Date: September 26,2005  
 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:	<b>09-05 XTO St of Ut 17-8-18-14</b>		
Operator:	<b>XTO Energy Inc.</b>	Project ID:	
String type:	Production	43-015-30625	
Location:	Emery County, Utah		

**Design parameters:**

**Collapse**

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

**Burst**

Max anticipated surface pressure: 0 psi  
 Internal gradient: 0.436 psi/ft  
 Calculated BHP: 1,876 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: 3,753 ft

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 125 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft

Cement top: Surface

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	4300	5.5	15.50	J-55	ST&C	4300	4300	4.825	134.8

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	1876	4040	2.153	1876	4810	2.56	67	202	3.03 J

Prepared by: Clinton Dworshak  
 Utah Div. of Oil & Mining

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

Date: September 26,2005  
 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.*

09-05 XTO St of Ut 17-8-18-14

Casing Schematic

Marias Shale

Surface

8-5/8"  
MW 8.4  
Frac 19.3

TOC @  
0.

TOC @  
0.

Surface  
300. MD

✓ w/18% Washout

BHP

$(.052)(9.4)(4300) = 1878$

Gas

$(.12)(4300) = 516$

MASP = 1362

BOPE - 2000 ✓

Surf esg = 2950  
70% = 2065

Max pressure @ Surf shoe = 1398

Test to 1400 ✓

✓ w/15% Washout

TOC Tail 3439'

3825 Ferrn S.S.

✓ Adequate Den 10/4/05

5-1/2"  
MW 8.4

Production  
4300. MD

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 9/22/2005 9:37:44 AM  
**Subject:** Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Enduring Resources, LLC  
Archy Bench 11-24-12-32  
Archy Bench 11-24-24-32  
Rainbow 12-24-12-16  
Rainbow 12-24-41-16

GLNA, LLC  
Paradox Basin #1

The Houston Exploration Company  
Little Pack Mountain 1-16-12-20  
Little Pack Mountain 7-32-12-20

Quaneco, LLC  
Murphy Ridge 7-32

Rosewood Resources  
Stirrup State 7-32

Westport Oil & Gas Company  
Bonanza 1023-2B (1 significant site which must be avoided)  
Bonanza 1023-2D  
Bonanza 1023-2H  
Bonanza 1023-16J

XTO Energy Inc  
State of Utah 17-8-18-14  
State of Utah 17-8-18-12

If you have any questions regarding this matter please give me a call.

**CC:** Garrison, LaVonne; Hill, Brad; Hunt, Gil

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 9/28/2005 11:35:37 AM  
**Subject:** Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

The Houston Exploration Company  
Buck Canyon 9-16-12-21  
Buck Canyon 11-16-12-21  
Buck Canyon 13-16-12-21  
Buck Canyon 15-16-12-21

EOG Resources, Inc  
Chapita Wells Unit 701-2  
State of Utah 17-8-18-14 - *XTO Energy*

If you have any questions regarding this matter please give me a call.

**CC:** Garrison, LaVonne; Hill, Brad; Hunt, Gil

September 27, 2005

**Pre-site Gas well inspection-XTO**

*Well Name-State Well 17-8-18-12 (UTM 12S NAD83 493562mE 4354783mN)*

- This well is located on critical value deer winter range and critical elk winter range, therefore we would recommend that seasonal restrictions for drilling (December 1<sup>st</sup>-May 15<sup>th</sup>) be followed.

*Well Name-State Well 17-8-18-14 (UTM 12S NAD 83 493532mE 4354340mN)*

- This proposed well location is within the ½ mile buffer required by the USFWS for active Peregrine Falcon nests. The Division of Wildlife Resources expressed concerns about the proximity of the proposed well and discussed the possible options with Allen Childs, as a result, our understanding is that XTO has agreed to move the well location outside the ½ mile buffer zone. We greatly appreciate XTO's willingness to work with us on this issue.

**Persons Present**

Nathan Sill – UDWR

Chris Colt-UDWR

Bart Kettle-DOGM

Allen Childs-Talon Resources

Ray Petterson-Emery County Public Lands Director

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

**OPERATOR:** XTO Energy Inc.  
**WELL NAME & NUMBER:** State of Utah 17-8-18-14  
**API NUMBER:** 43-015-30625  
**LOCATION:** 1/4,1/4 SWSW Sec: 18 TWP: 17 S RNG: 8 E 508 FSL 455 FWL

**Geology/Ground Water:**

The well will spud into a poorly to moderately permeable soil that is developed on the Upper part of the Blue Gate Member of the Mancos Shale. Local outcrops dip into the Wasatch Plateau at about 5° to the northwest. Although no aquifers with high quality ground water are likely to be encountered, the Lower, Middle and Upper units of the Emery Sandstone could potentially contain an aquifer. The proposed surface casing and cementing program should be extended to contain all three units of the Emery Sandstone to ensure the protection of any unknown ground water resources. A search of the Division of Water Rights records indicates that no water rights have been filed on subsurface water within 10,000 feet of the proposed location.

**Reviewer:** Brad Hill

**Date:** 09/21/05

**Surface:**

On-site conducted September 20, 2005. In attendance: Bart Kettle (DOGM), Ray Peterson (Emery County), Allen Parker (Talon Resources Inc.), Nathan Sill (DWR), Chris Colt (DWR) Gary Hancock (XTO) and dirt contractor representative (Nelsons Construction) invited but choosing not to attend Ed Bonner (SITLA).

DWR request that Critical Mule Deer winter range restrictions be followed, December 1 to April 15. A known Peregrine Falcon nest exists within ½ mile of the proposed location, DWR request no surface occupancy according to Fish and Wildlife guidelines. DWR would like XTO to participate in mitigation project on mule deer winter range. Emery County encourages compliance with DWR request, and request that historic roads be maintained and new roads be reclaimed when the useful life of the well has been exhausted. XTO intends to install a liner in the reserve pit even though a liner is not required based on the on-site evaluation.

**Reviewer:** Bart T Kettle

**Date:** 09/20/2005

**Conditions of Approval/Application for Permit to Drill:**

1. Existing drainage shall be diverted away from location on southern end.

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

**OPERATOR:** XTO Energy Inc.

**WELL NAME & NUMBER:** State of Utah 17-8-18-14

**API NUMBER:** 43-015-30625

**LEASE:** State **FIELD/UNIT:** Buzzard Bench, Ferron Sand

**LOCATION:** 1/4,1/4 SWSW **Sec:** 18 **TWP:**17 S **RNG:**8 E 508 **FSL** 455 **FWL**

**LEGAL WELL SITING:** 460' from unit boundaries and uncommitted tracts.

**GPS COORD (UTM):** X =4354058 E; Y =493523 N **SURFACE OWNER:** SITLA

**PARTICIPANTS**

Bart Kettle (DOGM), Nathan Sill (DWR), Allen Childs (Talon Resources Inc), Ray Peterson (Emery County), Gary Hancock and dirt contractor (Nelsons Construction).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Proposed location is ~4 miles west of Huntington, located in Emery County Utah. Location is surrounded by rangelands with many steep gullies and dry wash's cutting through a series of mesas rising to the east. Drainages flow into the San Rafeal River and eventually to the Green River 60 miles away. The well site is located in a 14-16" precept zone at the base of the eastern portion of the Wasatch Plateau. Agriculture lands are located along the valley floor to the east. With the exception of agriculture lands to the east and montane forest to the west in the upper elevations of the Wasatch Plateau the regional topography is arid rangelands dominated by Salt Scrub shrublands and Pinion/Juniper woodlands. There where no perennial streams or springs observed in close proximity to the location. Drainages in the immediate area are dry washes, flowing water during the extreme rain events of the monsoon season and during spring snow melt.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Seasonal livestock grazing, late winter/spring big game habitat, rodent habitat, and OHV recreational use.

PROPOSED SURFACE DISTURBANCE: 100' of new road will be built along with maintaining a historic mining road. Maximum travel surface will be ~25'. Well pad will be 160'x295'.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: There are no existing wells within one mile of the proposed well, however there are plans to drill State of Utah 17-8-18-12 within several weeks.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Facilities consisting of a wellhead, flow lines, lifting system, separator measurement equipment and enclosed building for measurement equipment will be located on-site. A pipeline for transport of produced gas and water will run from this well and tie into an existing line along the access road.

SOURCE OF CONSTRUCTION MATERIAL: On location or local sources.

ANCILLARY FACILITIES: None

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS?  
(EXPLAIN): Limited public interest or concern is anticipated during  
drilling and production of this well.

**WASTE MANAGEMENT PLAN:**

Reserve pit will be lined and fenced to allow fluids too evaporate.  
Once dry the reserve pit contents will be buried in place, back fill  
will be sufficiently deep so that no liner is exposed. Trash must be  
contained in a trash cage and hauled away top an approved disposal site  
as necessary but no later than at the completion of drilling operations.

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: Dry washes, no live water was  
observed in close proximity to the well pad or access road.

FLORA/FAUNA: Mule Deer, Elk, Blacktail jackrabbits, raptors, rodents  
and lizards.

Grasses: Needle and thread grass, Salina wild rye. Shrubs: Mountain  
Mahogany, black sage, Utah serviceberry, Douglas rabbit brush,  
Buckwheat, Wyoming sage, common snowberry. Trees: Utah Juniper and Two  
Needle pinyon pine. Forbs: Rocky Mountain Aster, hairy aster, yellow  
composite spp, funnel lily.

SOIL TYPE AND CHARACTERISTICS: silty loam with many sandstone fragments

SURFACE FORMATION & CHARACTERISTICS: Blue Gate Member of the Mancos  
Shale/clay and alluvial outwash. Soils at the well site are erosive in  
nature and are fine silty loams.

EROSION/SEDIMENTATION/STABILITY: Soils are erosive, prone to wind and  
water erosion when disturbed. Construction of a well pad at this site  
is not expected to contribute significant sediment loads into the local  
watershed above what is currently being seen.

PALEONTOLOGICAL POTENTIAL: None noted

**RESERVE PIT**

CHARACTERISTICS: 100'x30'x10'

LINER REQUIREMENTS (Site Ranking Form attached): Lining is optional.

**SURFACE RESTORATION/RECLAMATION PLAN**

Well site and immediate area will be cleared of debris and material not  
needed for production after the completion of drilling. Reclamation  
will start when the reserve pit is dry. All areas not needed for  
production will be back filled. Reclaimed areas will be broadcast

seeded in late fall or winter with specified seed mixture.

SURFACE AGREEMENT: As per SITLA mineral lease.

CULTURAL RESOURCES/ARCHAEOLOGY: On file

**OTHER OBSERVATIONS/COMMENTS**

DWR request that Critical Mule Deer winter range restrictions be followed, December 1 to April 15. An known Peregrine Falcon nest exists within ½ mile of the proposed location, DWR request no surface occupancy according to Fish and Wildlife guidelines. Emery County encourages compliance with DWR request and request that historic roads be maintained and new roads be reclaimed when the useful life of well has been exhausted. XTO intends to install a liner in the reserve pit even though a liner is not required based on the on-site evaluation.

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Bart Kettle  
DOGM REPRESENTATIVE

09/20/2005 3:49 p.m.  
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>0</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents	15	
	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**      5      (Level III Sensitivity)

Sensitivity Level I = 20 or more: total containment is required, consider criteria for excluding pit use.

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

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

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<b>1. TYPE OF WELL</b> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-48194
<b>2. NAME OF OPERATOR:</b> XTO ENERGY INC.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> N/A
<b>3. ADDRESS OF OPERATOR:</b> 2700 Farmington Ave. Bldg 1r CITY Farmington STATE NM ZIP 87401		<b>7. UNIT or CA AGREEMENT NAME:</b> N/A
<b>4. LOCATION OF WELL</b> FOOTAGES AT SURFACE 508' FSL x 455' FWL  QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 18 17S 08E S		<b>8. WELL NAME and NUMBER:</b> STATE OF UTAH 17-8-18-14
		<b>9. API NUMBER:</b> 4301530625
		<b>10. FIELD AND POOL, OR WILDCAT:</b> FERRON SANDSTONE/COAL
		COUNTY: EMERY  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"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input checked="" 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 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: CHG PROD CSG/ CMT
	<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 Inc. requests approval to add an additional +/- 300 sx light weight cmt (10.5 ppg, 4.14 cuft/sx) ahead of the permitted cmt slurry in order to protect the pipe from corrosion. XTO Energy will attempt to circ cmt to surf.

COPY SENT TO OPERATOR

Date: 9/21/05

Initials: GHO

NAME (PLEASE PRINT) <u>Kelly K. Small</u>	TITLE <u>Regulatory Compliance Tech</u>
SIGNATURE <u><i>Kelly K. Small</i></u>	DATE <u>9/14/2005</u>

(This space for State use only)

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING  
DATE: 9/20/05  
BY: *[Signature]* (See instructions on Reverse Side)

**RECEIVED**  
**SEP 19 2005**  
DIV. OF OIL, GAS & MINING



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

October 5, 2005

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

Re: State of Utah 17-8-18-14 Well, 508' FSL, 455' FWL, SW SW, Sec. 18,  
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.

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30625.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: XTO Energy, Inc.  
Well Name & Number State of Utah 17-8-18-14  
API Number: 43-015-30625  
Lease: ML-48194

Location: SW SW Sec. 18 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)



**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*

October 20, 2006

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

Re: APD Rescinded - State of Utah 17-8-18-14 Sec. 18 T. 17S R. 8E  
Emery County, Utah API No. 43-015-30625

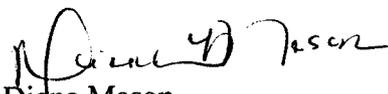
Dear Ms. Vaughan:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on October 5, 2005. On October 19, 2006, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 19, 2006.

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

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

Sincerely,

  
Diana Mason  
Engineering Technician

cc: Well File  
Bureau of Land Management, Moab  
SITLA, Ed Bonner