

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: ML-48230	6. SURFACE State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: <i>Huntington CBM</i>	
2. NAME OF OPERATOR: XTO Energy, Inc.		9. WELL NAME and NUMBER: State of Utah #17-8-3-11	
3. ADDRESS OF OPERATOR: 2700 Farmington Ave. B CITY Farmington STATE NM ZIP 87401		10. FIELD AND POOL, OR WILDCAT: Ferron Sand / Buzzard bench	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1291' FNL x 899' FWL AT PROPOSED PRODUCING ZONE:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 3 17S 8E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approx 4.5 miles Northwest of Huntington, Utah		12. COUNTY: EMERY	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 899'	16. NUMBER OF ACRES IN LEASE: 393.1	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) Approx 2600'	19. PROPOSED DEPTH: 3,500	20. BOND DESCRIPTION:	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6432' Ground Elevation	22. APPROXIMATE DATE WORK WILL START: 10/20/2005	23. ESTIMATED DURATION: 2 weeks	

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		
12-1/4"	8-5/8" J-55 24#	300	Class G	+/-200 sacks	1.18-1.16 15.6-15.8
7-7/8"	5-1/2" J-55 15.5#	3,500	Class G	+/- 100 sacks	1.62 14.2

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 9/26/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-015-30630

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

APPROVAL:

Date: 11-02-05

By: *[Signature]*

**RECEIVED
SEP 28 2005**

DIV. OF OIL, GAS & MINING

Range 8 East

Township 17 South

N89°38'32"E - 5188.47'
(N89°58'W - 5244.36')

WELL #17-8-3-11
ELEVATION 6431.9'

UTM
Easting - 4358483
Northing - 498541

1290.89'

899.17'

3

SE Corner
Elev. 6137'

N89°57'29"W - 2611.48'

S89°52'54"W - 2618.64'

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°22'40"
111°01'04"

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

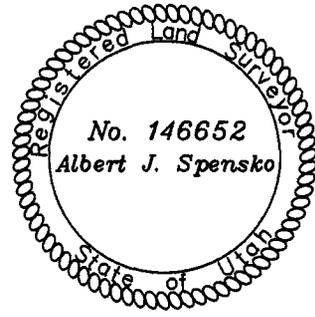
Basis of Bearing:
THE BASIS OF BEARING IS GPS MEASURED.

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 SOUTHEAST SECTION CORNER OF SECTION 3, 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 NW 1/4, NW 1/4 OF SECTION 3; BEING 1290.89' SOUTH AND 899.17' EAST FROM THE NORTHWEST CORNER OF SECTION 3, T17S., R8E., SALT LAKE BASE AND MERIDIAN.

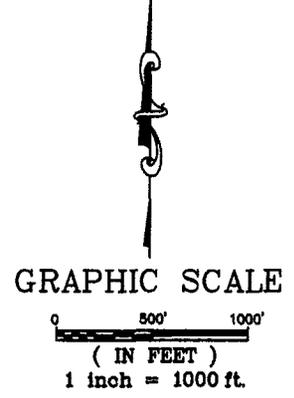
Surveyor's Certificate:
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as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



Talon Resources, Inc.
195 N. 100 W., P.O. Box 1230
Huntington, Utah 84528
Phone: 435-687-5310
Fax: 435-687-5311



WELL #17-8-3-11
Section 3, T17S., R8E., S.L.B.&M.
Emery County, Utah



Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-1	Date: 01/25/02
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 505

Application for Permit to Drill

Company: XTO Energy Inc. Well No. State of Utah 17-8-3-11

Location: Sec. 3, T17S, R08E Lease No. ML - 48230

All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR § 3100 & 43 CFR § 3160), Onshore Oil and Gas Orders, the approved plan of operations and 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: 6,431.9'

Formation	Sub-Sea	Well Depth
Top of Upper Ferron SS	3457'	2975'
Top of Ferron Coal	3432'	3000'

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 2,975' to ±3,335' 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 know 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. 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 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"	±3,500'	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 Cement: ±300* sx Class "G" (or equivalent) light weight cement with additives (typically LCM, extender, free water control) mixed at 10.5 ppg & 4.14 cuft/sx.

Tail Cement: ±100* 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.

The Production casing will be cemented using 2 (lead and tail) cement slurries. The tail cement (completion grade) volume will be calculated from TD to 500' above the top of the Upper Ferron Sandstone (as indicated by the geological top on the est. formation top's table). The lead cement (filler grade) volume will be calculated from 500' above the Upper Ferron Sandstone to surface.

* The volumes shown are 100% over the gage hole volume calculated from TD to surface. The actual volume will be obtained for the caliper log plus 100% excess from the actual well TD to 500' over the top of the Ferron Sandstone (for the tail slurry volume) and 100% excess from 500' above the Ferron to surface (for the lead slurry volume) as shown on the actual log.

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 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 "B"**.
- b. Location of proposed well in relation to town or other reference point:
The well location is approx 4.5 miles northwest 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**
- e. Other:

2. Planned Access Roads:

- a. Location (centerline): **Starting from a point along an existing road in the SWSW of sec 3, T17S, R08E.**
- b. Length of new access to be constructed: **Approx 3,450' of new access will be constructed. See Exhibit "B"**.
- c. Length of existing roads to be upgraded: **There is no existing access.**
- 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 may be 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. 18-24" 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. Any additional area needed must be approved by BLM in advance.

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 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 Field Office Manager will be notified so that temporary drainage control can be installed along the access road.

- 3. Location of Existing Wells -on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: **See Exhibit "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 the proposed access road and will be tied into the existing pipeline (gas/water) system already in place. See Exhibit "B" for the proposed pipeline route.**
- d. **Powerlines: 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:

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: **South**

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**

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 BLM:

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

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

Permitting & Compliance:

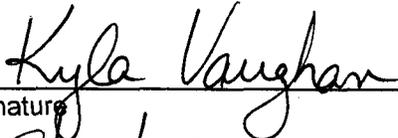
Kyla Vaughan
Regulatory Compliance
XTO Energy Inc.
2700 Farmington Avenue, Bldg K, Suite 1
Farmington NM 87401
505-324-1090

Drilling & Completions:

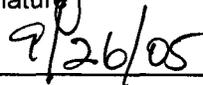
Jeff Patton
Drilling Engineer
XTO Energy Inc.
2700 Farmington Avenue, Bldg K, Suite 1
Farmington NM 87401
505-324-1090

Certification:

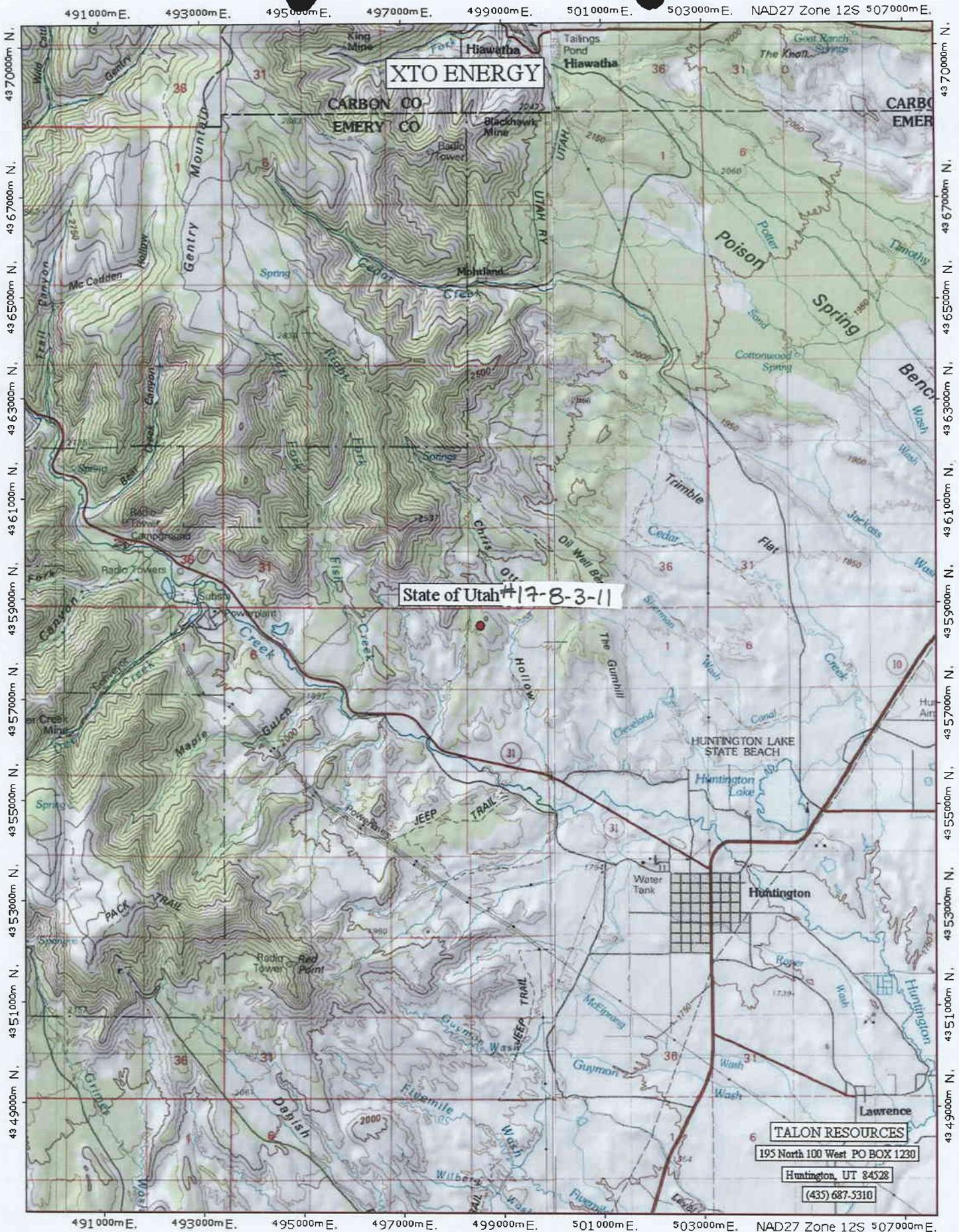
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated 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.



Signature



Date

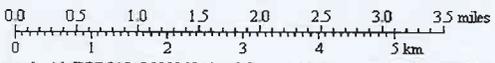


XTO ENERGY

State of Utah #17-8-3-11

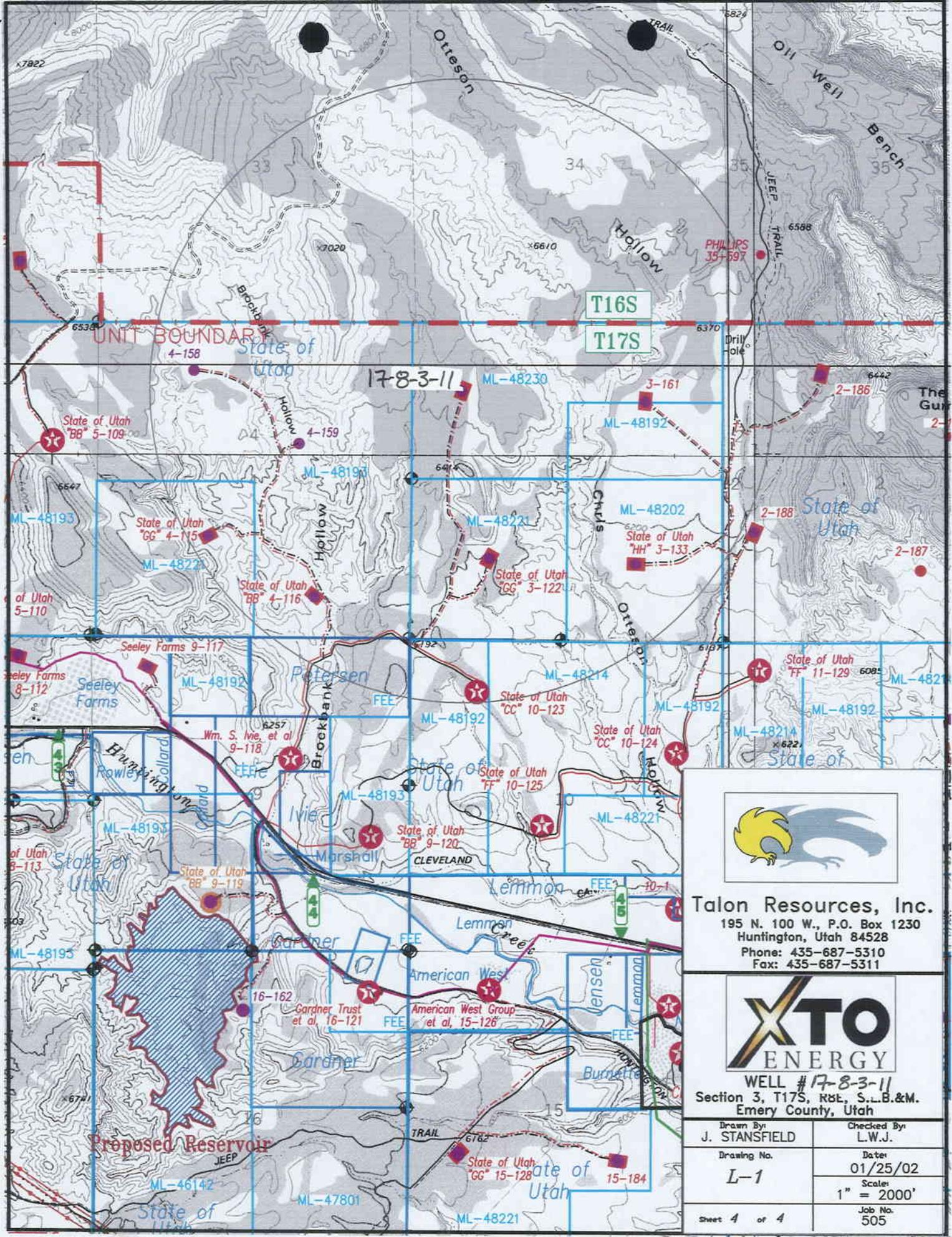
TALON RESOURCES
 195 North 100 West PO BOX 1230
 Huntington, UT 84528
 (435) 687-5310

TN * MN
 12 1/2°



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

EXHIBIT A



Talon Resources, Inc.
 195 N. 100 W., P.O. Box 1230
 Huntington, Utah 84528
 Phone: 435-687-5310
 Fax: 435-687-5311



WELL # 17-8-3-11
 Section 3, T17S, R8E, S.L.B.&M.
 Emery County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. L-1	Date: 01/25/02
	Scale: 1" = 2000'
Sheet 4 of 4	Job No. 505

EXHIBIT B

EXHIBIT B

DARY

T16S

T17S

State of Utah

STATE OF UTAH

17-8-3-11

3-160

ML-48230

3-161

ML-48192

TOTAL LENGTH

3,450'

4-159

ML-48193

ML-48202

State of Utah
"BB" 4-116

State of Utah
"GG" 3-122

State of Utah
"HH" 3-133

17
18192

Retersen

FEE

ML-48192

State of Utah
"CC" 10-123

ML-48214

ML-48192

M. S. Ivie, et al
9-118

FEE

Brockbank

State of Utah

State of Utah
"CC" 10-124

Ivie

ML-48193

State of Utah
"FF" 10-125

ML-48221

of Utah

9-119

Marshall

State of Utah
"BB" 9-120

CLEVELAND

EXHIBIT C

Lemmon

FEE

10-1 Nielsor

44

45

Lemmon

Gardner

FFF

APPROXIMATE YARDAGES

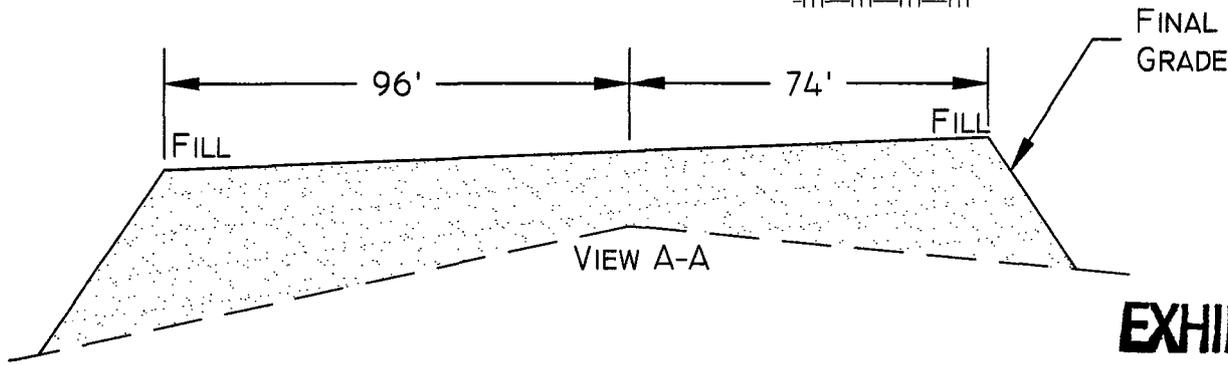
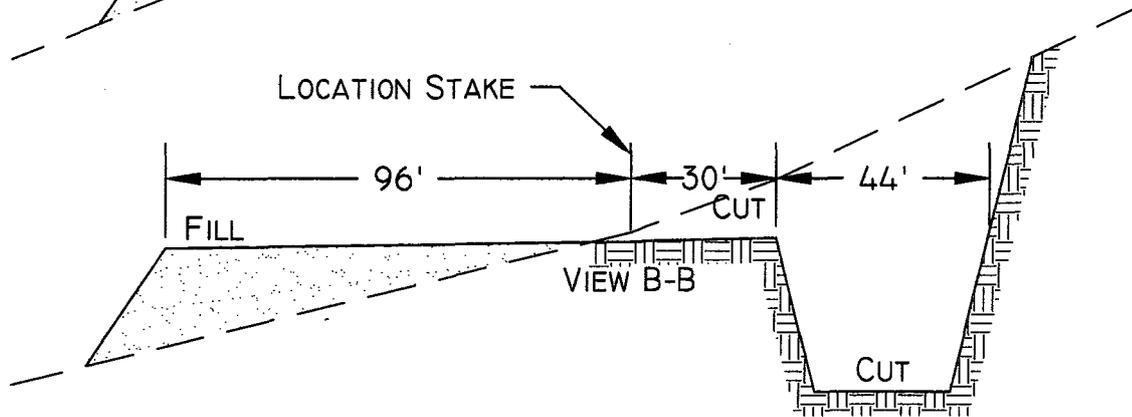
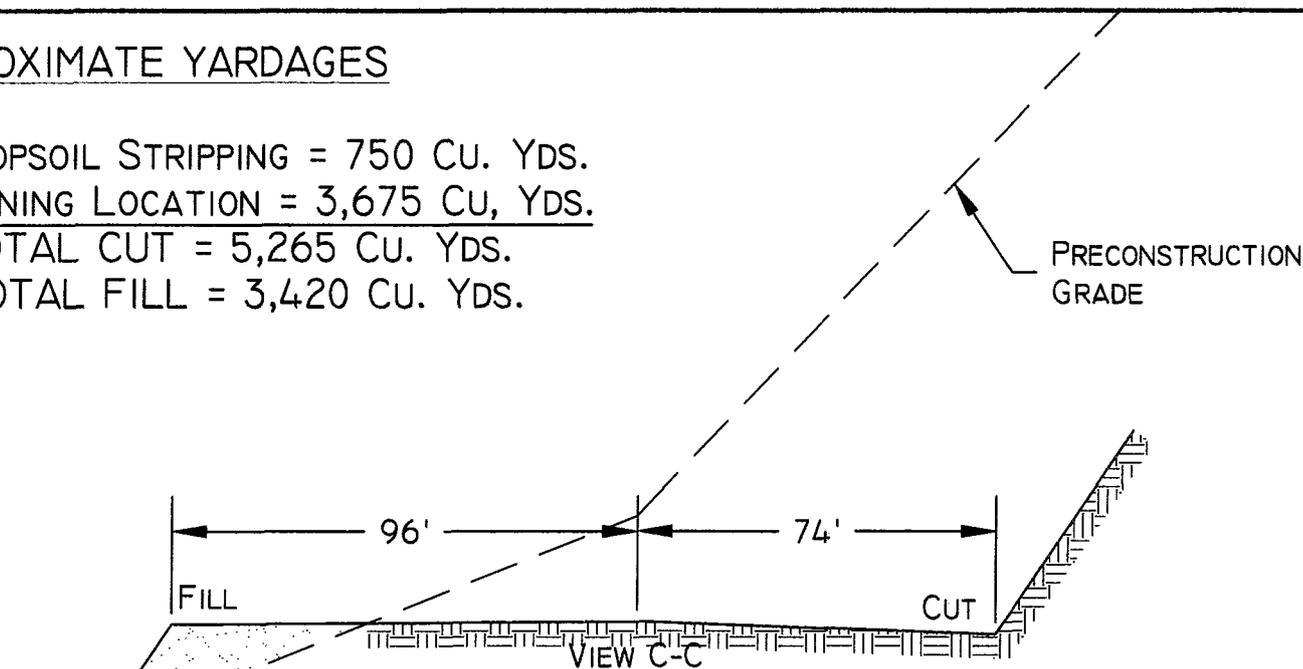
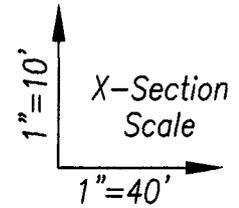
CUT

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

REMAINING LOCATION = 3,675 CU, YDS.

TOTAL CUT = 5,265 CU. YDS.

TOTAL FILL = 3,420 CU. YDS.



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



Talon Resources, Inc.
195 S. 100 W., P.O. Box 1230
Huntington, Utah 84528
Phone: 435-687-5310
Fax: 435-687-5311



TYPICAL CROSS SECTION
Section 3, T17S, R8E, S.L.B.&M.
WELL #17-8-3-11

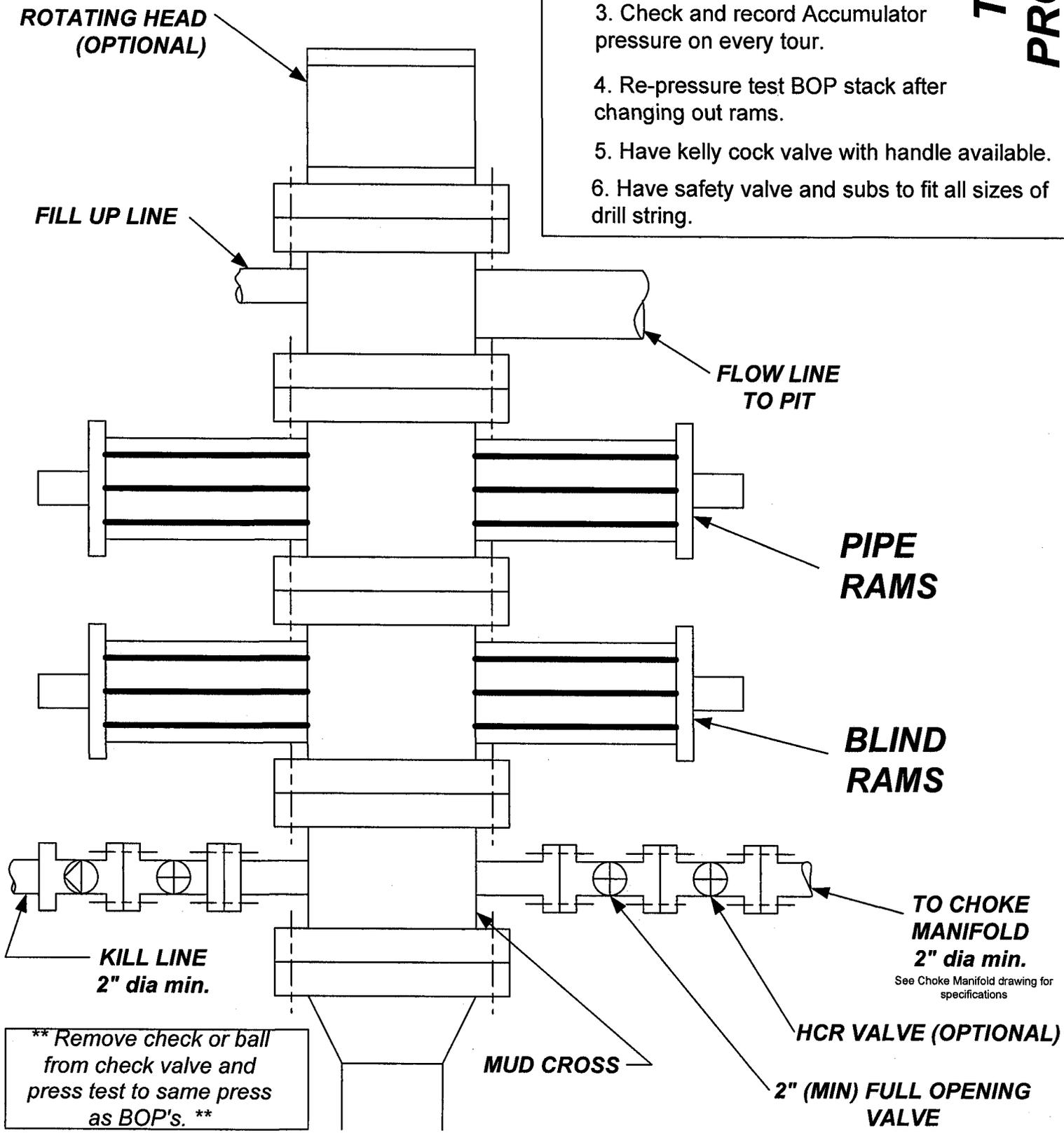
Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 01/25/02
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 505

EXHIBIT E

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.

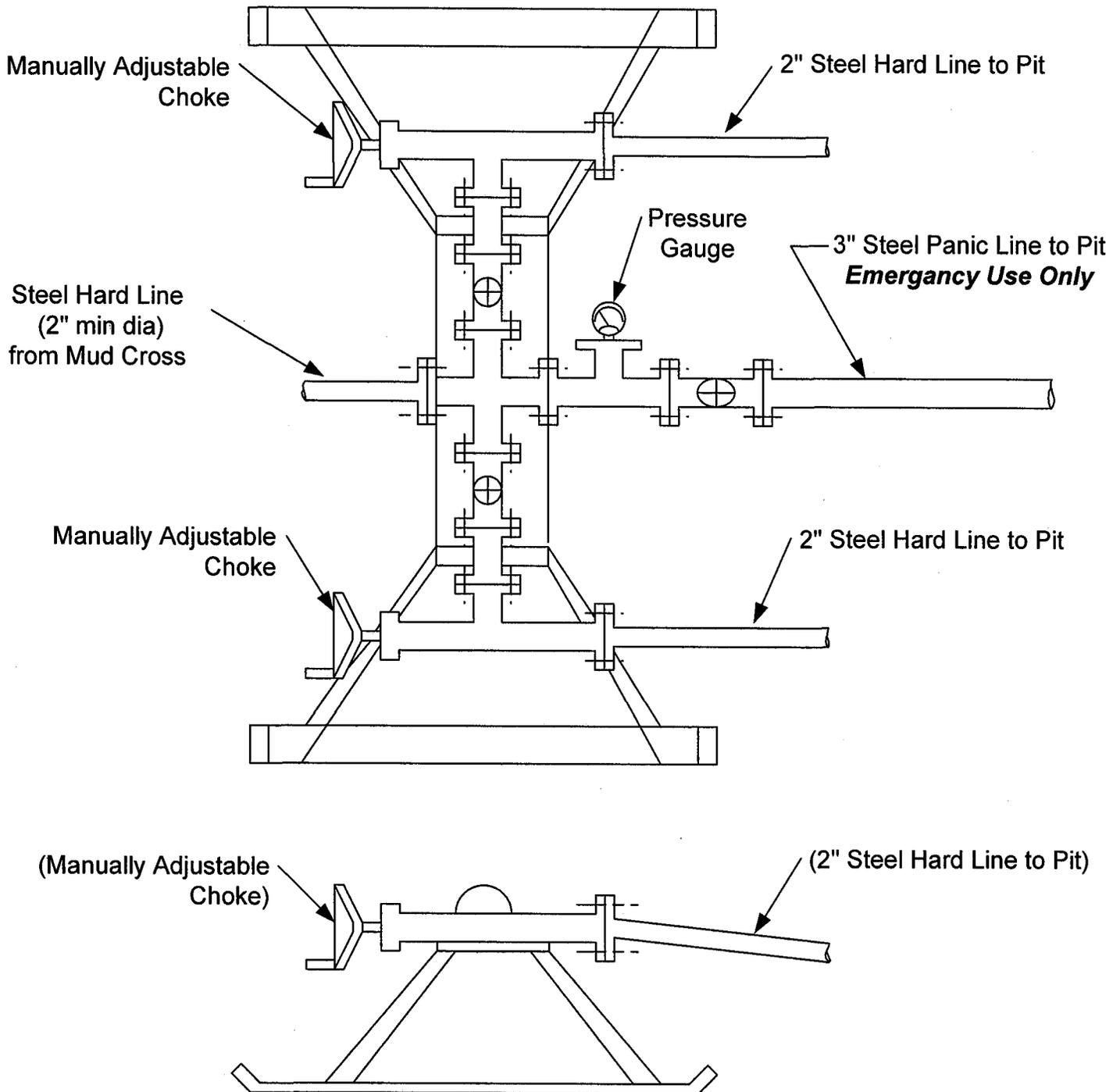


**** Remove check or ball from check valve and press test to same press as BOP's. ****

CHOKE 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



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/28/2005

API NO. ASSIGNED: 43-015-30630

WELL NAME: ST OF UT 17-8-3-11
 OPERATOR: XTO ENERGY INC (N2615)
 CONTACT: KYLA VAUGHAN

PHONE NUMBER: 505-324-1090

PROPOSED LOCATION:

NWNW 03 170S 080E
 SURFACE: 1291 FNL 0899 FWL
 BOTTOM: 1291 FNL 0899 FWL
 EMERY
 BUZZARD BENCH (132)
 LEASE TYPE: 3 - State
 LEASE NUMBER: ML-48230
 SURFACE OWNER: 3 - State
 PROPOSED FORMATION: FRSD
 COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	10/14/05
Geology		
Surface		

LATITUDE: 39.37769
 LONGITUDE: -111.0172

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 *OK*
- _____ 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: Subsides General Siting
- _____ R649-3-11. Directional Drill

COMMENTS: Needs Permit (Recd 10/12/05)

STIPULATIONS: 1- STATEMENT OF BASIS

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

OPERATOR: XTO Energy Inc.
WELL NAME & NUMBER: State of Utah 17-8-3-11
API NUMBER: 43-015-30630
LOCATION: 1/4,1/4 NWNW Sec: 3 TWP: 17 S RNG: 8 E 1291 FNL 899 FWL

Geology/Ground Water:

The well will spud into a moderately permeable soil that is developed on Quaternary/Tertiary Pediment Mantle thinly covering the Middle unit of the Emery Sandstone Member of the Mancos Shale. The location is on the south end and west flank of the Huntington Anticline. Local outcrops dip into the Wasatch Plateau at about 5° to the northwest. No aquifers with high quality ground water are likely to be encountered, although permeable sandstones in the Lower and Middle units of the Emery Sandstone could potentially contain an aquifer. A search of the Division of Water Rights records indicates that no water rights have been filed on subsurface water within a mile of the location. Although the proposed surface casing and cementing program should be sufficient to ensure the protection of any unknown ground water resources, the proposed 300' of surface casing and cement should be extended to contain the cited units of the Emery Sandstone.

Reviewer: Christopher J. Kierst

Date: 10/13/2005

Surface:

On-site conducted October 12, 2005. In attendance: Bart Kettle (DOGM), , Allen Parker (Talon Resources Inc.), Ray Trujillo (XTO) and Bedos (Nelsons Construction) invited but choosing not to attend Ray Peterson (Emery County), Ed Bonner (SITLA) and Nathan Sills (DWR).

Some concern that drainage from hill located to the east of the reserve pit could enter the pit and cause it to overflow. Agreed that closure of the reserve pit should be closed immediately upon the removal of the drilling rig. Drainage would be diverted away from the location to the extent that slope would allow. 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: 10/12/2005

Conditions of Approval/Application for Permit to Drill:

1. Drainage be diverted away from location on eastern edge end.

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: Salina wildrye, Indian ricegrass. Shrubs: Mountain Mahogany,
black sage, Buckwheat, Wyoming sage, Mormon Tea, and grease bush.
Trees: Utah Juniper and Two Needle pinyon pine. Forbs: Yacca, yellow
flixweed, princes plume.

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: 50'x50'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

Concern that drainage from hill to the east of the reserve pit will enter pit and cause it to overflow. Agreed that location and reserve pit could be built as planned provided that reserve pit is closed and reclaimed upon the remove of the drilling rig. There doesn't appear to be a site more suitable for the location in close proximity.

ATTACHMENTS

Photos of this location were taken and placed on file.

Bart Kettle
DOGM REPRESENTATIVE

10/12/2005 3:49 p.m.
DATE/TIME

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

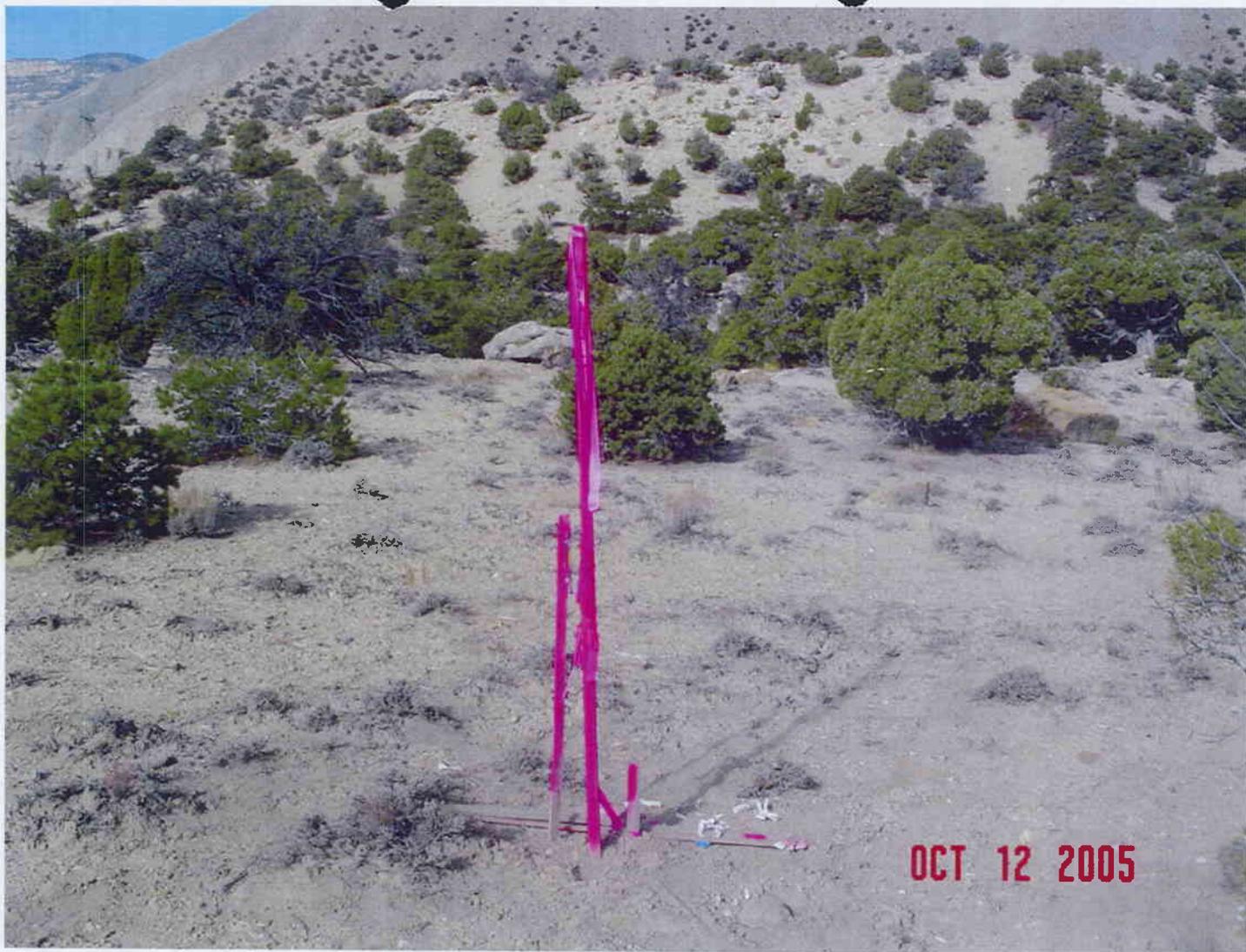
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest 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	15	
containing significant levels of hazardous constituents	20	<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 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.





UTAH DIVISION OF WATER RIGHTS

WRPLAT Point of Diversion Query Program

Version: 2004.12.30.00 Rundate: 10/14/2005 11:29 AM

Section Query Page

-

Fill in the information below and press either the **Search** or **Browse** button to perform a point of diversion search using a radius from a point.

Hint: Browse allows you to zoom and pan to customize the map display area before printing, Search goes straight to the print ready screen.

Search Radius (feet): 5280

from a point located South feet East feet

from the NW Corner, Section

Township , Range , SL b&m.

QUERY TYPE LIMITATIONS

STATUS OF RIGHT	TYPE OF DIVERSION	APPLICATION TYPE	WATER USE TYPE
<input checked="" type="checkbox"/> Unapproved	<input checked="" type="checkbox"/> Underground	<input checked="" type="checkbox"/> Water Right	<input checked="" type="checkbox"/> Irrigation
<input checked="" type="checkbox"/> Approved	<input checked="" type="checkbox"/> Surface	<input checked="" type="checkbox"/> Changes	<input checked="" type="checkbox"/> Stock Water
<input checked="" type="checkbox"/> Perfected	<input checked="" type="checkbox"/> Springs	<input checked="" type="checkbox"/> Exchanges	<input checked="" type="checkbox"/> Domestic
<input type="checkbox"/> Terminated	<input checked="" type="checkbox"/> Drains	<input type="checkbox"/> Test Wells	<input checked="" type="checkbox"/> Municipal
	<input checked="" type="checkbox"/> Point to Point	<input type="checkbox"/> Sewage Reuse	<input checked="" type="checkbox"/> Mining
	<input type="checkbox"/> Rediversion		<input checked="" type="checkbox"/> Power
			<input checked="" type="checkbox"/> Other



State Online Services

Agency List

Business.utah.gov

Search Utah.gov

GO

UTAH DIVISION OF WATER RIGHTS

Sorry. No diversion points. Try browsing!

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

Casing Schematic

Mancus

Surface

8-5/8"
MW 8.4
Frac 19.3

TOC @
0.

TOC @
0.

Surface
300. MD

✓ w/18% Washout

BHD

$$(0.052)(3500)(8.4) = 1528$$

Gao

$$(0.12)(3500) = 420$$

MASP = 1108

✓ w/15% Washout

BOPE - 2,000 ✓

2926 TOC Tail

Surf Csg - 2950

708 = 2065

Max Pres @ Surf shoe = 824

Test to 800# ✓

3457 Ferron S.S

✓ Adequate

DED 10/14/05

5-1/2"
MW 8.4

Production
3500. MD

Well name:	10-05 XTO St of Ut 17-8-3-11	
Operator:	XTO Energy Inc.	Project ID:
String type:	Surface	43-015-30630
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: 299 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)

Non-directional string.

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

Re subsequent strings:

Next setting depth: 3,500 ft
 Next mud weight: 8.400 ppg
 Next setting BHP: 1,527 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	10.469	131	2950	22.54	7	244	33.90 J

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

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

Date: October 14,2005
 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:

10-05 XTO St of Ut 17-8-3-11

Operator: **XTO Energy Inc.**

String type: **Production**

Project ID:

43-015-30630

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: 114 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.436 psi/ft
Calculated BHP 1,527 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)

Non-directional string.

Tension is based on air weight.

Neutral point: 3,055 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	3500	5.5	15.50	J-55	ST&C	3500	3500	4.825	109.7
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	1527	4040	2.645	1527	4810	3.15	54	202	3.72 J

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

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

Date: October 14,2005
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.

From: Ed Bonner
To: Whitney, Diana
Date: 11/7/2005 10:19:59 AM
Subject: Well Clearance

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

The Houston Exploration Company
Asphalt Wash 15-16-11-24

Westport Oil & Gas Company
Bonanza 1023-2F
Bonanza 1023-2L
Bonanza 1023-2N
Bonanza 1023-2P

XTO Energy, Inc
State of Utah 17-8-3-11
State of Utah 17-8-21-41

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

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



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 7, 2005

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

Re: State of Utah #17-8-3-11 Well, 1291' FNL, 899' FWL, NW NW, Sec. 3,
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 43-015-30630.

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 #17-8-3-11
API Number: 43-015-30630
Lease: ML-48230

Location: NW NW Sec. 3 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)

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: XTO ENERGY INC

Well Name: ST OF UT 17-8-3-11

Api No: 43-015-30630 Lease Type: STATE

Section 03 Township 17S Range 08E County EMERY

Drilling Contractor LEON ROSS DRILLING RIG # 1

SPUDDED:

Date 11/16/05

Time _____

How DRY

Drilling will Commence: _____

Reported by GARY HANCOCK

Telephone # 1-435-749-1632

Date 11/17/2005 Signed CHD



FAX COVER SHEET

Date: 11/28/05

TO: DUSTIN

Phone:

Fax: 801-359-3940

From: Kelly Small

Phone: (505) 564-6708

Fax: (505) 564-6700

RE: STATE OF UTAH 17-8-3-11 NOI TO P&A DUE TO FISH

Number of pages including cover sheet: 2

Message:

RECEIVED

NOV 28 2005

DIV. OF OIL, GAS & MINING

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

FORM #

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48230	
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME:	
		8. WELL NAME and NUMBER: STATE OF UTAH 17-8-3-11	
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		9. API NUMBER: 4301590630	
2. NAME OF OPERATOR: XTO ENERGY INC.		10. FIELD AND POOL, OR WILDCAT: FERRON SANDSTONE/COAL	
3. ADDRESS OF OPERATOR: 2700 Farmington Ave. Bldg # ^(CITY) Farmington STATE NM ZIP 87401		PHONE NUMBER: (505) 324-1090	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,291' FNL x 899' FWL		COUNTY: EMERY	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 3 17S 08E S		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: <u>11/28/2005</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" 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.

XTO Energy Inc requests approval to plug the above mentioned well due to 12-1/4" hole drill bit being left in the hole. XTO plans to plug well fr/325' back to surf with +/- 150 sx Cl "G" cmt w/3% CaCl2. Cmt will be circ to surf & topped out as necessary once drill pipe is removed & laid dwn. A P&A marker will be installed when finished.

COPY SENT TO OPERATOR
Date: 11-29-05
Initials: CHD

NAME (PLEASE PRINT) <u>Kelly K. Small</u>	TITLE <u>Regulatory Compliance Tech</u>
SIGNATURE <u>Kelly K. Small</u>	DATE <u>11/28/2005</u>

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
(See Instructions on Reverse Side)
DATE: 11/28/05
BY: [Signature]
* See Conditions of Approval (Attached)

RECEIVED
NOV 28 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

CONDITIONS OF APPROVAL
TO PLUG AND ABANDON WELL

Well Name and Number: State of Utah 17-8-3-11
API Number: 43-015-30630
Operator: XTO Energy Inc.
Reference Document: Original Sundry Notice dated November 28, 2005,
received by DOGM on November 28, 2005

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. Form 8 – Well Completion or Recompletion Report and Log shall be submitted to the Division upon completion of work.
3. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
4. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (Office) or 801-733-0983 (Home) prior to continuing with the procedure.
5. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

November 28, 2005

Date

API Well No: 43-015-30630-00-00 Permit No:

Well Name/No: ST OF UT 17-8-3-11

Company Name: XTO ENERGY INC

Location: Sec: 3 T: 17S R: 8E Spot: NWNW

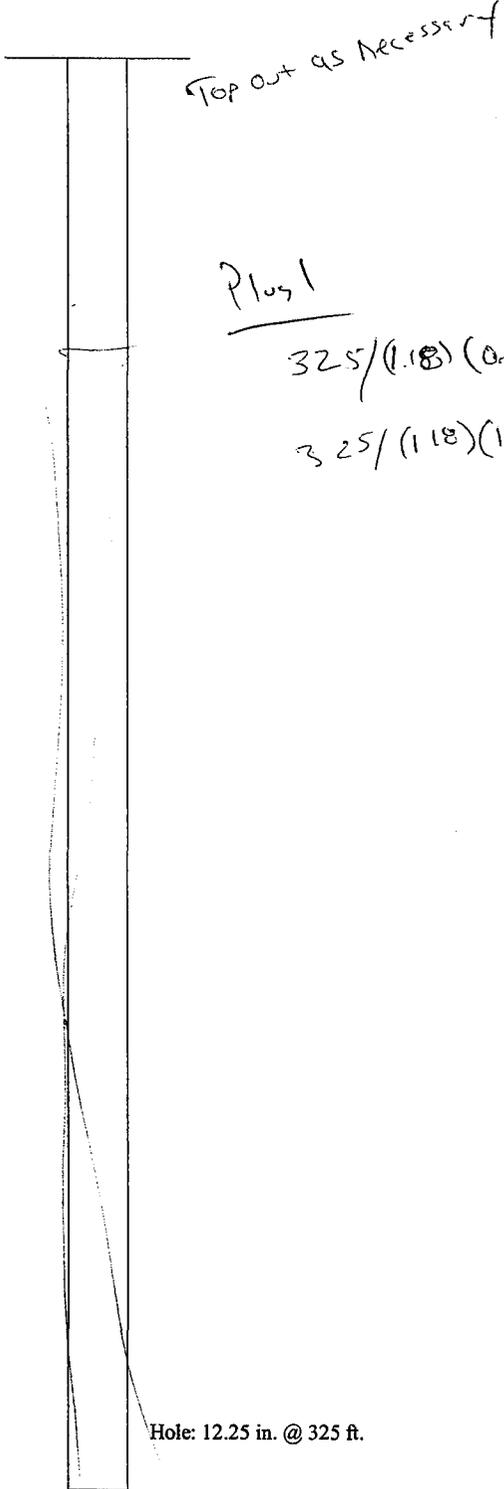
Coordinates: X: 498523 Y: 4358482

Field Name: BUZZARD BENCH

County Name: EMERY

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (F/C/F)
HOL1	325	12.25			0.8485 @ 208 1.2218 @ 08



Cement Information

Perforation Information

Formation Information Formation Depth

Hole: 12.25 in. @ 325 ft.

TD: TVD: PBTD:

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.

		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48230
		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: STATE OF UTAH 17-8-3-11
2. NAME OF OPERATOR: XTO ENERGY INC.		9. API NUMBER: 4301530630
3. ADDRESS OF OPERATOR: 2700 Farmington Ave. Bldg K CITY Farmington STATE NM ZIP 87401		PHONE NUMBER: (505) 324-1090
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,291' FNL x 899' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 3 17S 08E S		10. FIELD AND POOL, OR WILDCAT: 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 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: SPUD
	<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. spudded 17-1/2" hole on 11/17/05. Set 13-3/8" conductor csg @ 41' FS.

NAME (PLEASE PRINT) <u>Kelly K. Small</u>	TITLE <u>Regulatory Compliance Tech</u>
SIGNATURE <u><i>Kelly K Small</i></u>	DATE <u>11/22/2005</u>

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

FORM 6

ENTITY ACTION FORM

Operator: XTO ENERGY INC.
Address: 2700 FARMINGTON AVE K #1
city FARMINGTON
state NM zip 87401

Operator Account Number: N 2615

Phone Number: (505) 324-1090

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301530630	STATE OF UTAH 17-8-3-11		NWNW	3	17S	08E	EMERY
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	15081	11/17/2005			11/30/05	
Comments: <u>FRSD</u> <u>- K</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

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ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

KELLY K. SMALL

DIV. OF OIL, GAS & MINING

Name (Please Print)

Kelly K Small

Signature

Regulatory Compliance Tech

11/22/2005

Title

Date

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48230

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:
STATE OF UTAH 17-8-3-11

9. API NUMBER:
4301530630

10. FIELD AND POOL, OR WILDCAT
FERRON SANDSTONE COAL

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NWNW 3 17S 08E S

12. COUNTY
EMERY

13. STATE
UTAH

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER _____

b. TYPE OF WORK: NEW WELL HORIZ. LATS. DEEP-EN RE-ENTRY DIFF. RESVR. OTHER _____

2. NAME OF OPERATOR:
XTO Energy Inc.

3. ADDRESS OF OPERATOR: **2700 Farmington Ave K1 CITY Farmington STATE NM ZIP 87401** PHONE NUMBER: **(505) 324-1090**

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **1,291' FNL x 899' FWL**
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH: **SAME AS SURF**

14. DATE SPURRED: **11/17/2005** 15. DATE T.D. REACHED: **11/17/2005** 16. DATE COMPLETED: **11/29/2005** ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
6,432' GL

18. TOTAL DEPTH: MD **325** TVD _____ 19. PLUG BACK T.D.: MD **N/A** TVD _____ 20. IF MULTIPLE COMPLETIONS, HOW MANY? * _____ 21. DEPTH BRIDGE MD _____ PLUG SET: TVD _____

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
NONE

23. WAS WELL CORED? NO YES (Submit analysis)
WAS DST RUN? NO YES (Submit report)
DIRECTIONAL SURVEY? NO YES (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
NONE									

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
NONE								

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) NONE								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
NONE	

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY

SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS: *P/A*

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31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

N/A

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)

35. ADDITIONAL REMARKS (Include plugging procedure)

Plugged well fr/325' to surf w/100 sx Premium It cmt (mxd @ 12.4 ppg) & 150 sx CI "G" cmt (mxd @ 15.8 ppg). Circ cmt to surf.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Kelly K. Small TITLE Regulatory Compliance Tech
 SIGNATURE *Kelly Small* DATE 12/5/2005

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining Phone: 801-538-5340
 1594 West North Temple, Suite 1210
 Box 145801 Fax: 801-359-3940
 Salt Lake City, Utah 84114-5801

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,291' FNL x 899' FWL		10. FIELD AND POOL, OR WILDCAT: FERRON SANDSTONE COAL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 3 17S 08E S		COUNTY: EMERY
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
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	<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: 11/29/2005	<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 checked="" 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.

XTO Energy Inc. plugged the above mentioned well due to 12-1/4" drill bit being left in the hole in the following manner:

Plugged hole w/100 sx Premium Lite cmt (mxd @ 12.4 ppg) & 150 sx CI "G" cmt (mxd @ 15.8 ppg). Circ cmt to surf. P&A witnessed by Bart Kettle with Utah Oil & Gas, Price, Utah.

NAME (PLEASE PRINT) <u>Kelly K. Small</u>	TITLE <u>Regulatory Compliance Tech</u>
SIGNATURE <u><i>Kelly K. Small</i></u>	DATE <u>12/2/2005</u>

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