

**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>		6. MINERAL LEASE NO: <b>ML-45567</b>	8. 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: N/A	
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: N/A	
2. NAME OF OPERATOR: <b>XTO Energy, Inc.</b>		9. WELL NAME and NUMBER: <b>State of Utah 17-7-36-21</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>Ferron Sandstone / Buzzard Ranch</b>
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>981' FNL x 2028' FWL</b> AT PROPOSED PRODUCING ZONE: <b>same</b>		<b>492 388 X</b> <b>4350414 Y</b>	<b>39.30 4959</b> <b>- 111.088283</b>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>Approximately 5.3 miles northwest of Orangeville, Utah</b>		12. COUNTY: <b>Emery</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>1000'</b>	16. NUMBER OF ACRES IN LEASE: <b>640</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>1650'</b>	19. PROPOSED DEPTH: <b>4,130</b>	20. BOND DESCRIPTION: <b>UTB-000138</b>	
21. ELEVATIONS (SHOW WHETHER DF, RT, OR, ETC.): <b>7109' Ground Elevation</b>	22. APPROXIMATE DATE WORK WILL START: <b>6/25/2006</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		
12 1/4"	8 5/8" J-55 24#	300	Type III	+/- 230 sx	1.39 ft3/sx 14.5 ppg
7 7/8"	5 1/2" J-55 15.5#	4,130	CBM It weight - lead	+/- 265 sx	4.14 ft3/sx 10.5 ppg
			Class G - tail	+/- 210 sx	1.62 ft3/sx 14.2 ppg

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 3/3/2006

(This space for State use only)

CC: SITLA

AFT NUMBER ASSIGNED: 43-015-30675

APPROVAL: **Approved by the Utah Division of Oil, Gas and Mining** (See Instructions on Reverse Side)

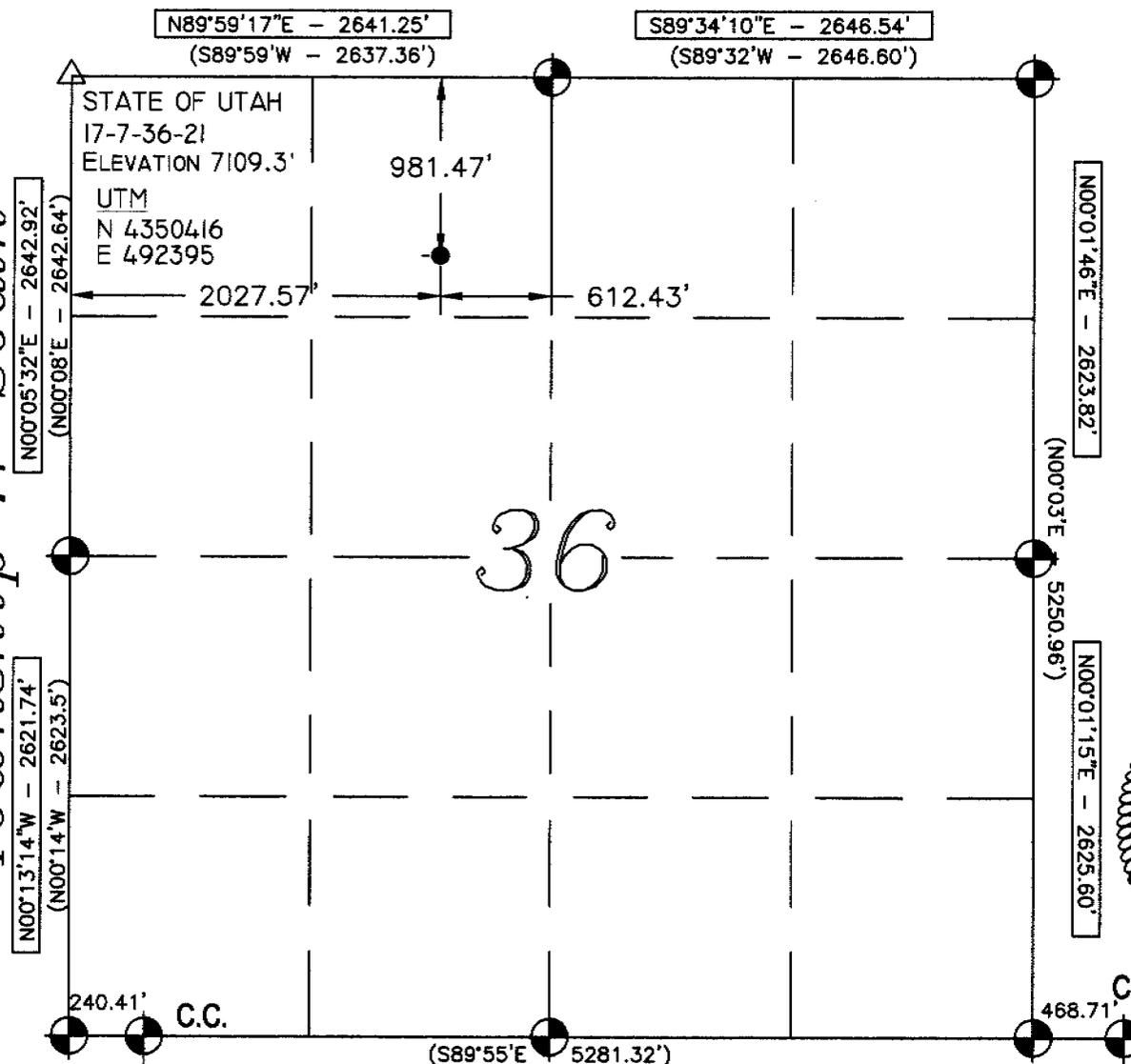
Date: 03-20-06

By: *[Signature]*

**RECEIVED**  
**MAR 06 2006**  
DIV. OF OIL, GAS & MINING

# Range 7 East

Township 17 South



N89°59'17"E - 2641.25'  
(S89°59'W - 2637.36')

S89°34'10"E - 2646.54'  
(S89°32'W - 2646.60')

N00°05'32"E - 2642.92'  
(N00°08'E - 2642.64')

N00°01'46"E - 2623.82'  
(N00°03'E 5250.96')

N00°13'14"W - 2621.74'  
(N00°14"W - 2623.5')

N00°01'15"E - 2625.60'

S89°57'11"E - 2760.00'

S89°57'28"E - 2519.59'

- Legend**
- Drill Hole Location
  - ⊙ Brass Cap (Found)
  - Brass Cap (Searched for, but not found)
  - △ Calculated Corner (From Reference Points)
  - ( ) 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°18'17.919"
111°05'17.545"

**Location:**  
The well location was determined using a Trimble 4700 GPS survey grade unit.

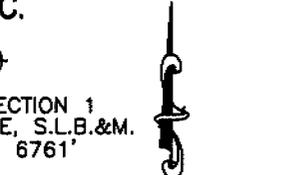
**Basis of Bearing:**  
The Basis of Bearing is GPS Measured.

**GLO Bearing:**  
The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

**Basis of Elevation:**  
Basis of Elevation of 6761' being at the Northeast Section corner of Section 1, Township 18 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 NE 1/4, NW 1/4 of Section 36; being 981.47' South and 612.43' West from the North Quarter Corner of Section 36, T17S, R7E, Salt Lake Base and Meridian.

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





**TALON RESOURCES, INC.**  
375 S. Ave., Ste. 101, (A-10)  
Price, Utah 84501  
Phone (435)637-8781 Fax (435)636-8603  
E-Mail talon@castlenet.com

**XTO ENERGY**

STATE OF UTAH 17-7-36-21  
Section 36, T17S., R7E., S.L.B.&M.  
Emery County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-1	Date: 03/21/05
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1658

**State of Utah**  
**Application for Permit to Drill**  
**Surface Use Plan**

**Company:** XTO Energy Inc.  
**Well No.** State of Utah 17-7-36-21  
**Location:** Sec. 36, T17S, R7E  
**State Lease No.** ML-45567

**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: The proposed route to location is show on Exhibit "A" and is from the Red Point Quadrangle 7.5 minute series USGS quadrangle map
  - b) Location of proposed well in relation to town or other reference point: The well is located approximately 5.3 miles northwest of Orangeville, Utah. From Orangeville, go North on Hwy 29 to Hwy 57. Turn North on Hwy 57 and proceed two miles. Turn NE on existing paved road and follow to intersection. Turn NW into location.
  - 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. A permit to be required to cross the county road with the power line and pipe lines.
  - d) Plans for improvement and/or maintenance of existing roads: All existing roads within 1 mile of the drill site are shown on Exhibit "A". All existing roads that will be used to the well location will be maintained to their current conditions or better.
  - e) Other: None
- 2) Planned Access Roads:
  - a) Location (centerline): Starting from a point along an existing road in the NE/4 of the NW/4 of Section 36, T1&S, R7E.
  - b) Length of new access top be constructed: Approximately 140 feet of new access well be constructed in order to gain safe access to the well pad. See Exhibit "B"
  - c) Length of existing roads to be upgraded: No additional upgrades should be necessary to existing roads
  - d) Maximum total disturbed width: Typically new access roads with pipelines and electrical service on the same ROW require up to 50' of disturbed width in order to obtain a 20' driving surface.
  - e) Maximum travel surface width: 25' or less
  - f) Maximum grades: Maximum grades will not exceed 10%.

- g) Turnouts: No turnouts are planned.
- h) Surface materials: Only native materials will be used if additional construction is required. If necessary, gravel or rock maybe purchased and used to improve road conditions and travel.
- i) Drainage (crowning, ditching, culverts, etc): Roads will be re-crowned and bar ditches, if necessary, will be located along either side. Culverts will be designed and installed as necessary.
- j) Cattle guards: No cattle guards are planned at this time. If necessary cattle guards will be specified in the stipulations.
- 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:
  - i) 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.
  - ii) 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.
  - iii) 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.
  - iv) 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.
  - v) If the well is not 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, gas flow line, water flow line, artificial lifting system (pumping unit), 2 phase separator, gas measurement, water measurement, electronics, a heated enclosure/building for weather and environmental protection and chemical injection equipment (as required).

- b) All permanent (in place for six months or longer) structures constructed or installed on the well site location will be painted a flat, non reflective color to match the standard environmental colors, as specified by the COA's in the APD. All facilities will be painted within six months of installation. Facilities required complying with the Occupational Safety and Health Act (OSHA) may be excluded.
  - c) Off-site facilities: Off-site facilities are located at the CDP station and typically include compression, processing, separation, tanks, pits, electronics and produced water disposal (SWD well).
  - d) Pipelines: Approximately 1,250' of new gas and water pipelines will be required for this well.
  - e) Power lines: Power lines are underground and located on the same ROW as the gas and water pipe lines. Approximately 1,250' of new power line will be required.
- 5) Location and Type of Water Supply:
- a) 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 purchased from a local municipal water supply. If possible, currently produced coal well water may also be used after receiving any necessary permits. Water will be trucked to location by a third party trucking company who specializes in water hauling.
  - b) 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:
- a) 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 a commercial gravel/materials pit. The use of materials under will conform to 43 CFR 3610.2-3, if applicable.
  - b) The use of materials under BLM jurisdiction will conform to 43 CFR § 3610.2-3, if applicable.
- 7) Methods of Handling Waste Disposal:
- a) Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc. The reserve pit will be located along the edge and within the boundaries of the designated well pad. The walls of the pit will be sloped at no greater than 2 to 1 and will be lined with a synthetic material of approximately 12 mils in thickness.
  - b) 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.
  - c) Sewage form trailers and chemical portable toilets will be removed on a regular basis by a third party contractor and disposed of at an authorized sanitary waste facility.
  - d) Any and all chemicals used during the drilling and completion of the well will be kept to a minimum and stored within the boundaries of the well pad. The third party chemical contractor will be responsible for containment and clean-up and removal of all spilled chemicals on location.
- 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".

- a) All equipment and vehicles that will be used to drill and complete this well will remain within the boundaries of the approved wellpad. Any equipment and or vehicles park or stored off of the location will be considered trespassing on federal lands and will NOT be tolerated.
- b) Materials obtained from the construction of location, like topsoil and vegetation will be stock piled as indicated and permitted by the approved APD. The stock piles themselves may be outside the approved boundaries of the well pad.

10) Plans for Restoration of the Surface:

- a) The top 6 inches of topsoil material will be removed from the location and stockpiled separately on: Adjacent Land
- b) Topsoil along the access road will be reserved in place adjacent to the road.
- c) Within 30-45 days after completion of well, all equipment that is not necessary for production shall be removed.
- d) The reserve pit and that portion of the location not needed for production will be reclaimed 90-120 days after completion of the well.
- e) Before any dirt work to restore the location takes place, the reserve pit must be ready for burial.
- f) All road surfacing will be removed prior to the rehabilitation of roads.
- g) Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.
- h) All disturbed areas will be re-contoured to replicate the natural slope.
- i) The stockpiled topsoil will be evenly distributed over the disturbed area.
- j) Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.
- k) 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.
- l) The following seed mixture will be used: As specified in the conditions of approval
- m) If necessary, an abandonment marker will be one of the following, as specified by BLM:
  - i) at least four feet above ground level,
  - ii) at restored ground level, or
  - iii) below ground level.
  - iv) 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).

n) Additional requirements: None

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

12) Other Information:

a) Archeological Concerns: No Archeological concerns are known at this time.

b) 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:

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

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

iii) 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.

c) 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.

d) Threatened and Endangered Species Concerns: An approved contractor will submit the appropriate reports as required. Special stipulation will be included in the COA's of the approved APD.

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

13) The Drilling Program is attached: See Exhibit "F".

14) Lessee's or Operator's Representatives and Certification:

Permitting & Compliance:

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

Drilling & Completions:

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

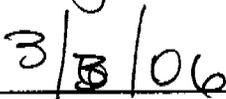
Certification:

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

  
Kyla Vaughan

Date



486000m E. 488000m E. 490000m E. 492000m E. 494000m E. 496000m E. NAD27 Zone 12S 501000m E.

XTO ENERGY

STATE OF UTAH 17-7-36-21

TALON RESOURCES

195 North 100 West PO BOX 1230

Huntington, UT 84528

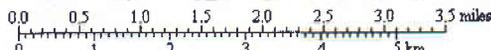
Castle Dale (435) 687-5310

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486000m E. 488000m E. 490000m E. 492000m E. 494000m E. 496000m E. NAD27 Zone 12S 501000m E.

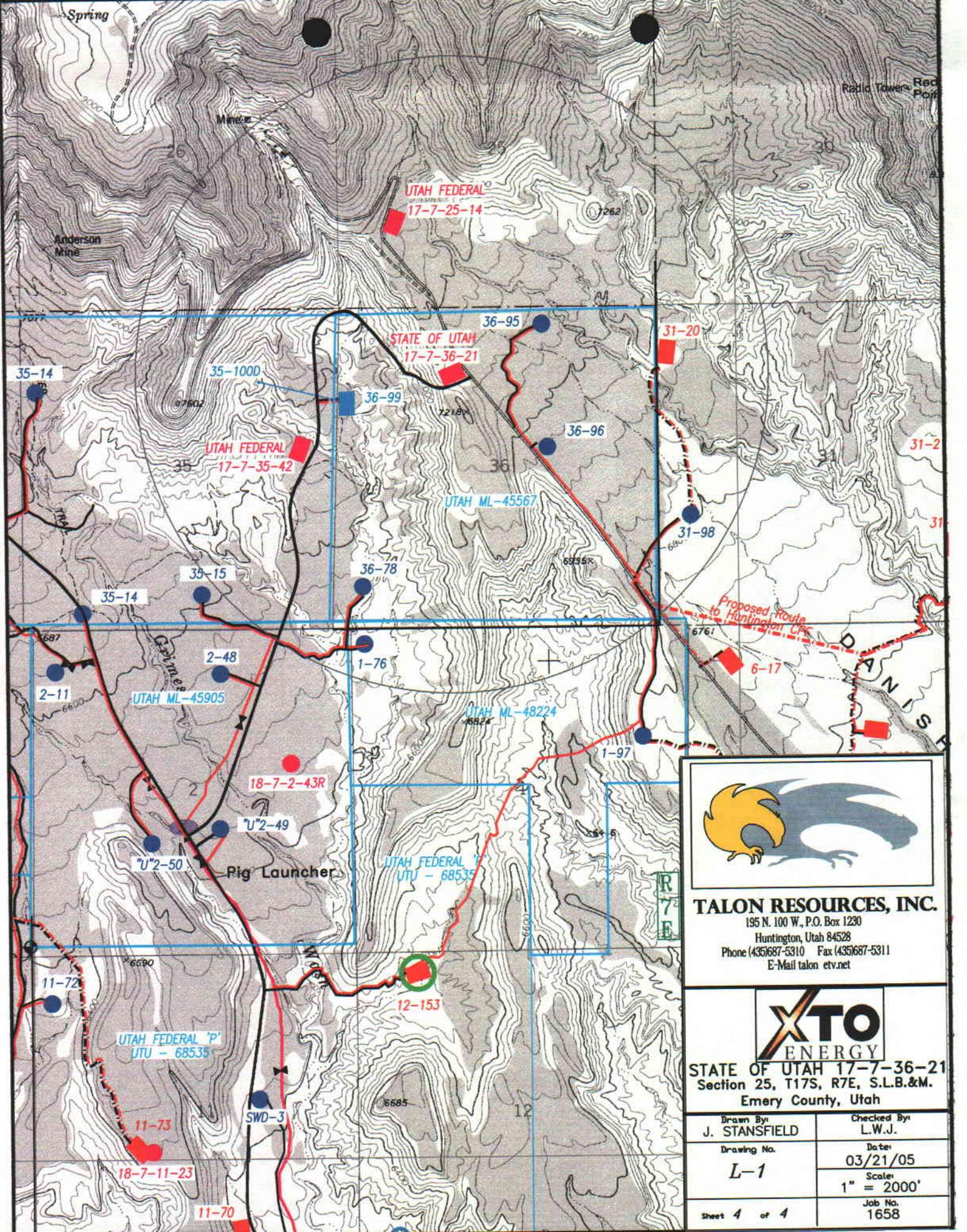
TN\*/MN  
12°



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  
 E-Mail talon etv.net

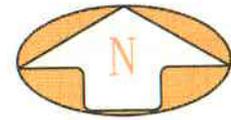
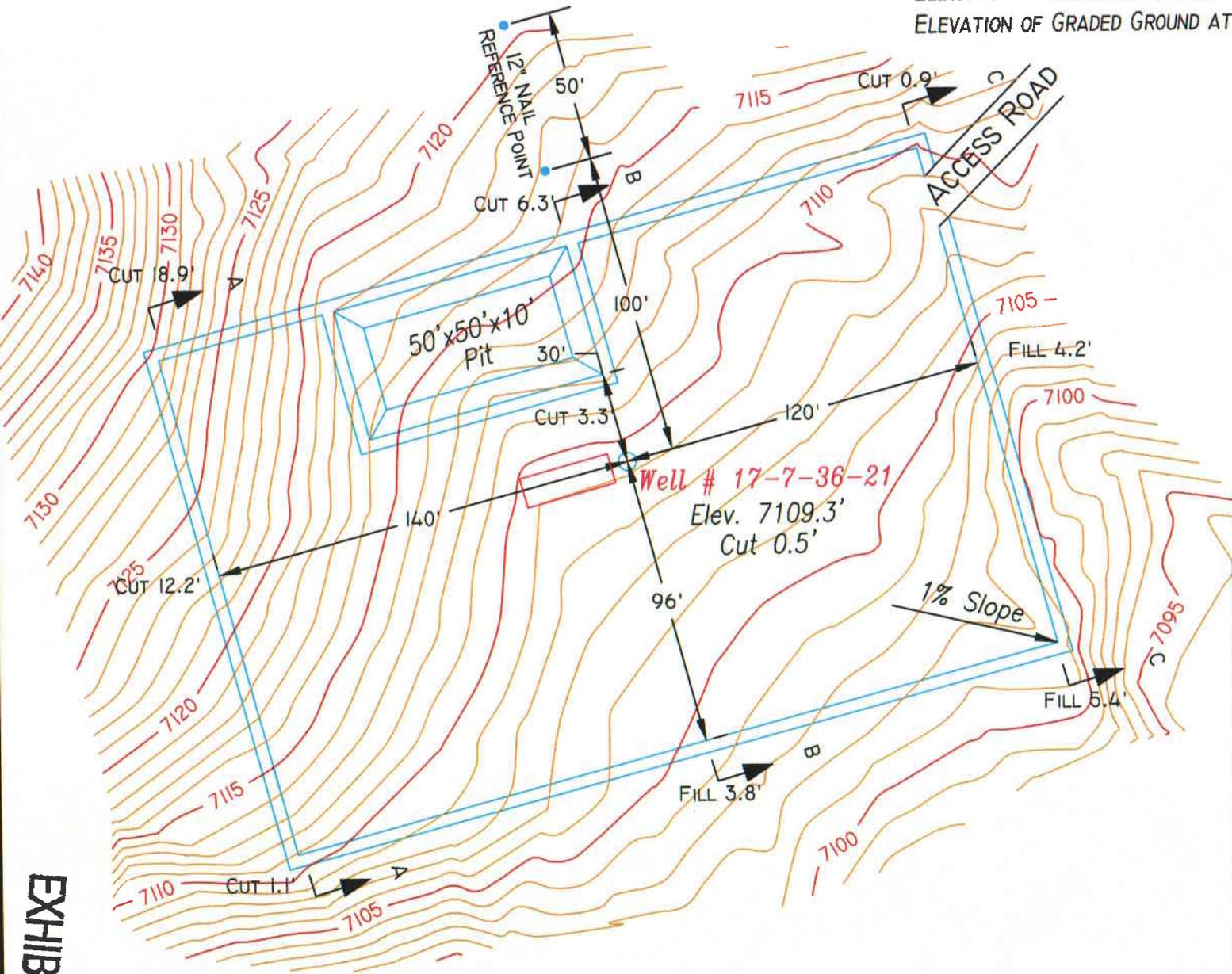


**STATE OF UTAH 17-7-36-21**  
 Section 25, T17S, R7E, S.L.B.&M.  
 Emery County, Utah

Drawn By: <b>J. STANSFIELD</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>L-1</b>	Date: <b>03/21/05</b>
	Scale: <b>1" = 2000'</b>
Sheet <b>4</b> of <b>4</b>	Job No. <b>1658</b>

**EXHIBIT C**

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 7109.3'  
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7108.8'

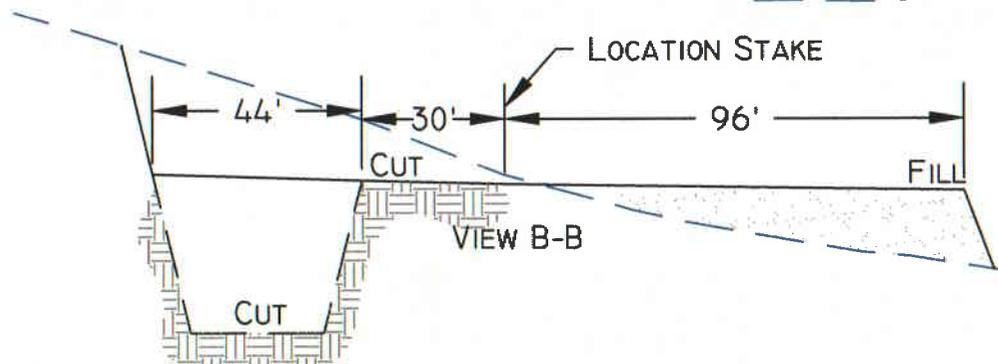
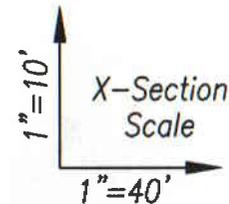
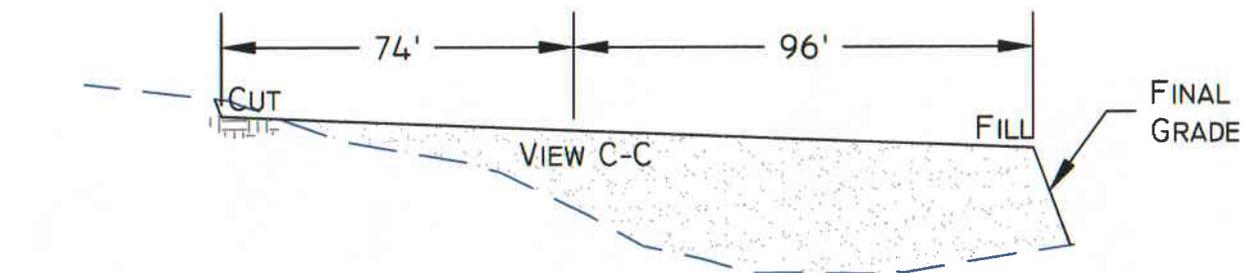


**TALON RESOURCES, INC.**  
 195 North 100 West P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talon@etv.net

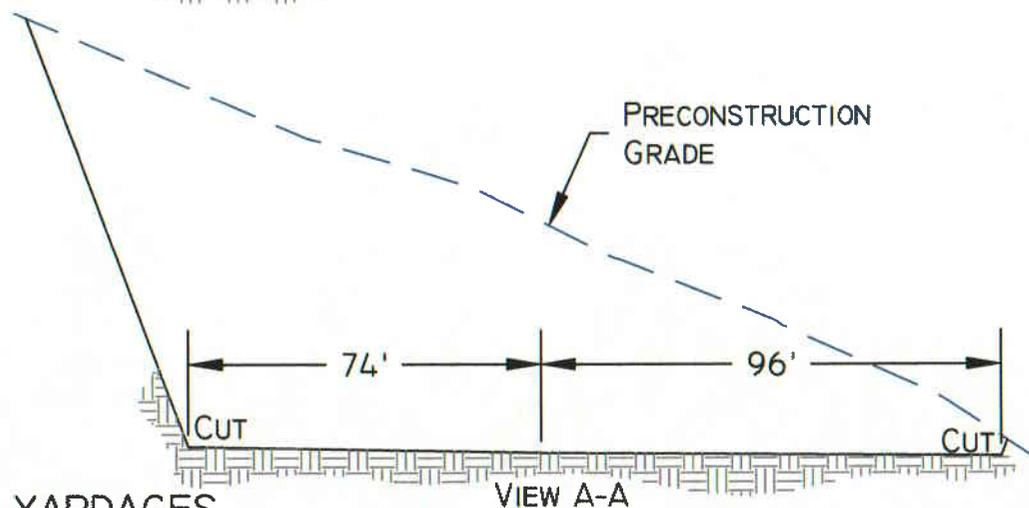
**XTO ENERGY**  
**LOCATION LAYOUT**  
 Section 36, T17S, R7E, S.L.B.&M.  
 STATE OF UTAH 17-7-36-21

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 03/27/05
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 1658

EXHIBIT D



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



**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@tv.net



**TYPICAL CROSS SECTION**  
Section 36, T17S, R7E, S.L.B.&M.  
STATE OF UTAH 17-7-36-21

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 03/21/05
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 1658

EXHIBIT E

APPROXIMATE YARDAGES

CUT  
(6") TOPSOIL STRIPPING = 820 CU. YDS.  
REMAINING LOCATION = 6,940 CU, YDS.  
TOTAL CUT = 7,810 CU. YDS.  
TOTAL FILL = 2,660 CU. YDS.

**XTO ENERGY INC.**  
 State of Utah 17-7-36-21  
**APD Data**  
 March 3, 2006

Location: 2,027' FWL x 981' FNL, Sec 36, T17S, R 7E

Projected TD: 4,130'  
 Approximate Elevation: 7,109'

Objective: Ferron Coal/Sand  
 KB Elevation: 7,121'

1) Mud Program:

INTERVAL	0' to 300'	300' to 4130'
HOLE SIZE	12.25"	7.875"
MUD TYPE	Air Drill	Air/LSND / Gel Chemical
WEIGHT	N/A	8.4 - 8.6
VISCOSITY	N/A	45 - 60
WATER LOSS	N/A	8 - 10

2) Remarks

- a) Air drill to TD unless excessive water flow is encountered then switch to water based mud. If mud is required, use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing.
- b) The blooie line will be approximately 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 fixed to the end of the blooie line and set to provide a continuous spark to ignite and burn any produced hydrocarbons and/or gases.
- c) If necessary, de-dusting will be accomplished with a small pump, waterline and spray nipple positioned near the end of the blooie line to provide a continuous spray of water.
- d) Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.

3) Casing Program:

Length	Weight	Grade	Coupling	Burst Pressure	Joint Strength	ID	Drift	SF Collapse	SF Burst	SF Tension
8-5/8" Surface Casing set in a 12-1/4" hole										
300	24#	J-55	ST&C	1,370 psi	2,950 psi	8.097"	7.972"	10.21	21.99	33.89
5-1/2" Production Casing set in 7-7/8" hole										
4,130	15.5	J-55	# LT&C	4,040 psi	4810 psi	4.95"	4.825"	2.19	2.60	3.73

4) Well Heads:

**EXHIBIT F**

- a) Casing Head: Install Larkin Fig 92 (or equivalent), 10" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 10-3/4" 8rnd thread on top. NU BOP and choke manifold (see attached schematic). Stack to consist of drilling spool with choke and kill lines, double rams with pipe rams on top, blind rams on bottom. Use cold water and test BOP to 250 psi low and 1,000 psi high. Record all tests on the IADC report. Inspect accumulator and closing unit to ensure that pre-charge pressures and oil levels are within API Specifications and report same on IADC report.
- b) Tubing Head: Larkin Fig 612 (or equivalent), 5,000 psig WP (5,000 psig test), 5-1/2" SOW (or 8rnd female thread) on bottom, 7-1/16" 5,000# flange on top w/2 - 3" LPOs.
- 5) Cement Program: Slurry design may change slightly, but design is to circulate cement to surface on both casing strings.
- a) Surface: 230 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, & 1.39 ft<sup>3</sup>/sk.
- b) Production:
- i) Lead Cement: 265 sx of CBM Light Weight Cement with 10 pps Gilsonite and 1/4 pps celloflake mixed at 10.5 ppg and 4.14 ft<sup>3</sup>/sk.
- ii) Tail Cement: 210 sx of Class G (or equivalent) with 10% Cal-Seal, 1/4 pps celloflake and dispersant mixed at 14.2 ppg and 1.62 ft<sup>3</sup>/sk.
- iii) The Production Casing will be cemented using 2 (lead and tail) cement slurries. The lead cement (filler grade) volume will be calculated from 500' above the Upper Ferron Sandstone to surface. The Tail Cement will be calculated from TD to 500' above the Upper Ferron Sandstone as indicated on the formation tops table.
- c) Slurry designs may change based upon actual conditions. Final cement volumes will be determined from caliper logs plus 50%.
- 6) Logging Program
- a) Mud Logger: The mud logger will come on at 300' and will remain on the hole until TD. The mud will be logged in 10' intervals.
- b) Open Hole Logs as follows: Run Array Induction (if wet), compensated neutron, density, GR, caliper, SP (if wet) and Pe fr/TD to the bottom of the surface csg.
- 7) Formation Tops:

Formation	Sub-Sea	Well Depth
Top Upper Ferron Sand	3,495	3,660
Top of Ferron Coal Zone	3,539	3,695
Top of Lower Ferron Sand	3,656	3,830
TOTAL DEPTH		4130

8) Company Personnel:

Name	Title	Office Phone	Home Phone
Gary D. Hancock	Drilling Engineer	505-566-7946	505-486-1201
Jerry Lacy	Drilling Super.	505-566-7914	505-320-6543
Dennis Elrod	Drilling Foreman	505-566-7907	505-486-6460
Joshua Stark	Project Geologist	817-885-2240	817-565-7158
Jerry Stadulis	Reservoir Engineer	817-855-2338	817-480-4056

**EXHIBIT F**

# 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 10 min.

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

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 on the rig floor and ready to go.

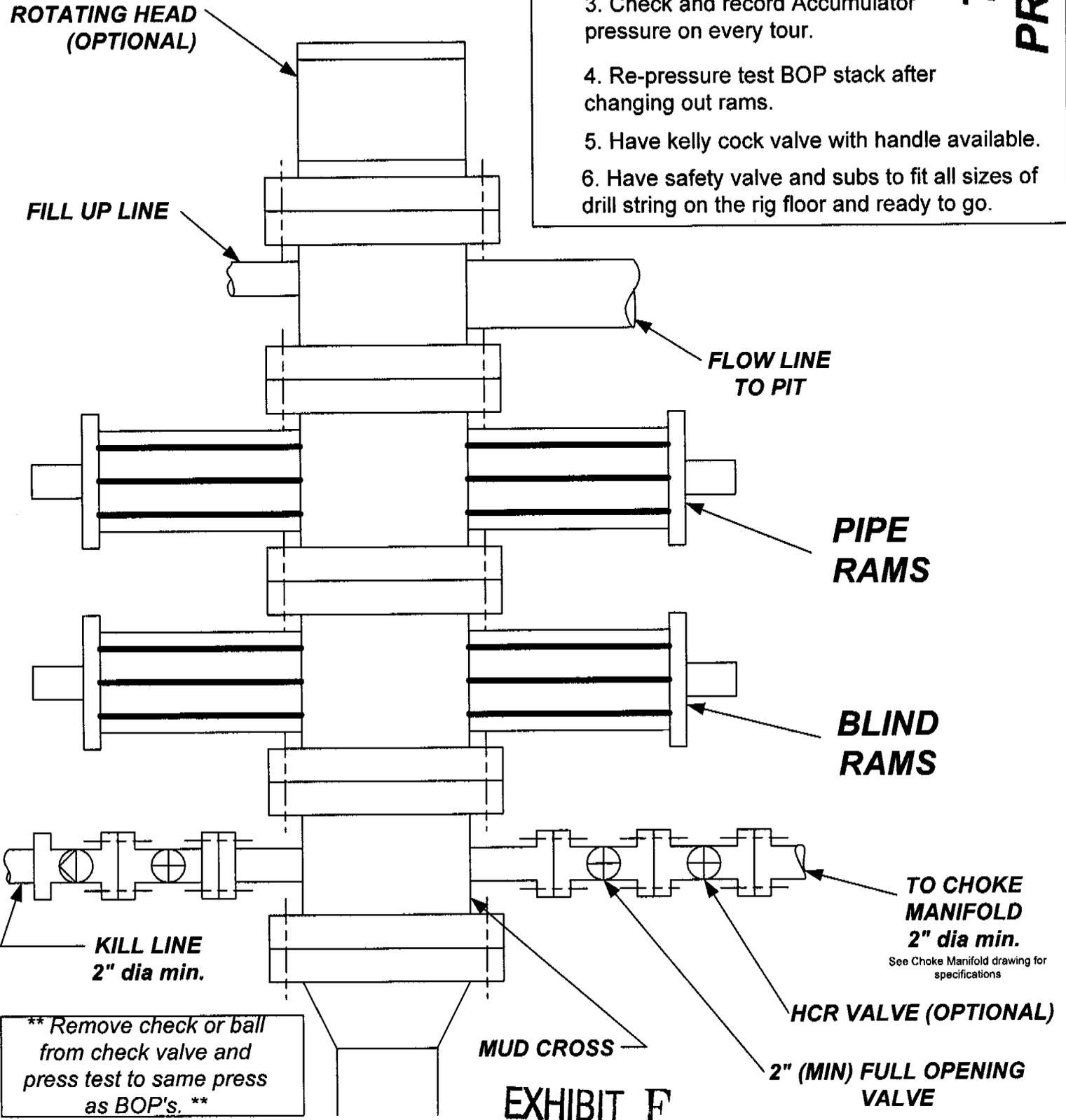
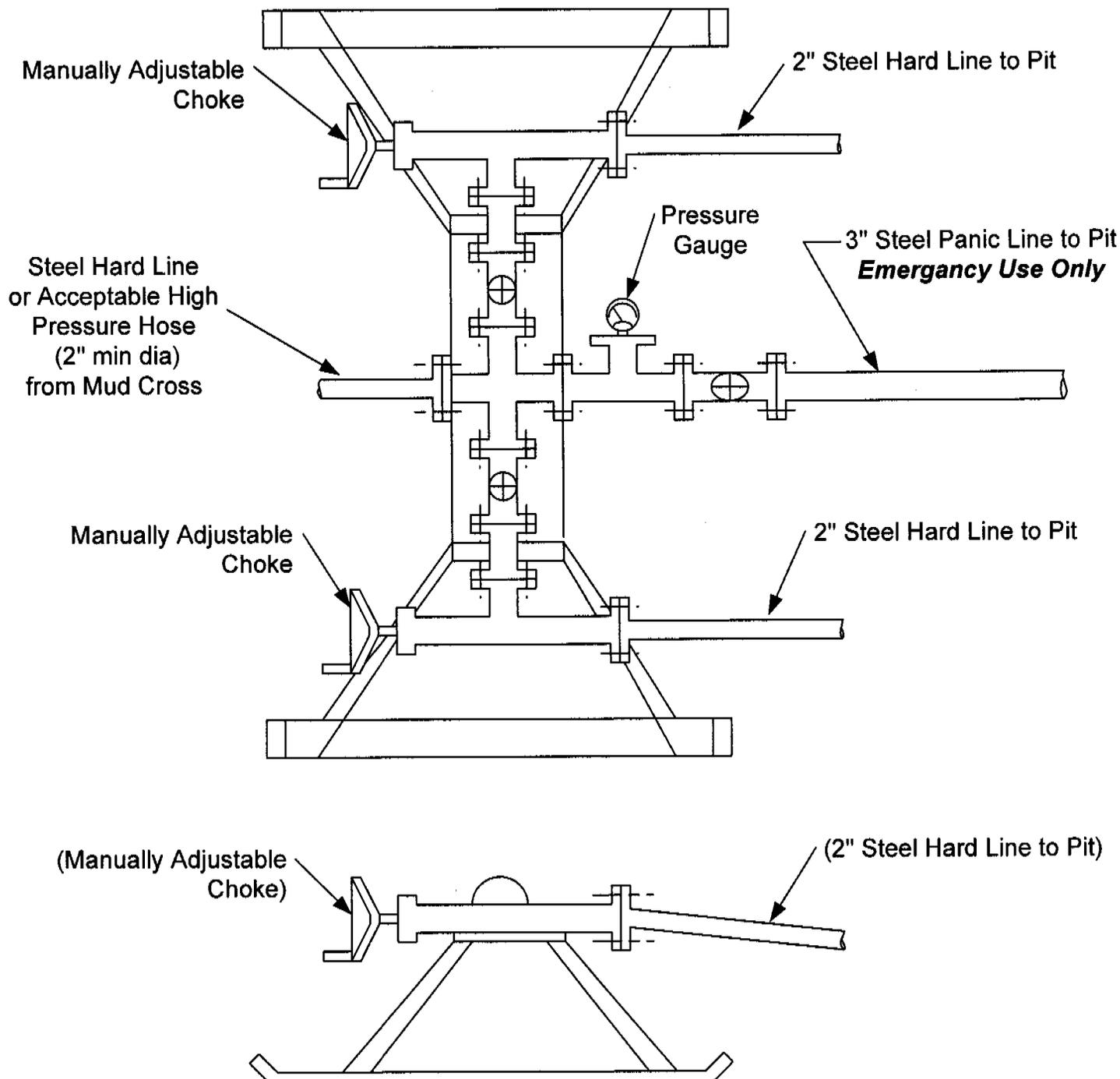


EXHIBIT F

# 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**



**EXHIBIT F**

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 03/06/2006

API NO. ASSIGNED: 43-015-30675
--------------------------------

WELL NAME: ST OF UT 17-7-36-21  
 OPERATOR: XTO ENERGY INC ( N2615 )  
 CONTACT: KYLA VAUGHAN

PHONE NUMBER: 505-324-1090

PROPOSED LOCATION:

NENW 36 170S 070E  
 SURFACE: 0981 FNL 2028 FWL  
 BOTTOM: 0981 FNL 2028 FWL  
 COUNTY: EMERY  
 LATITUDE: 39.30496 LONGITUDE: -111.0883  
 UTM SURF EASTINGS: 492388 NORTHINGS: 4350414  
 FIELD NAME: BUZZARD BENCH ( 132 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DRC	4/5/06
Geology		
Surface		

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-45567  
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: FRSD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

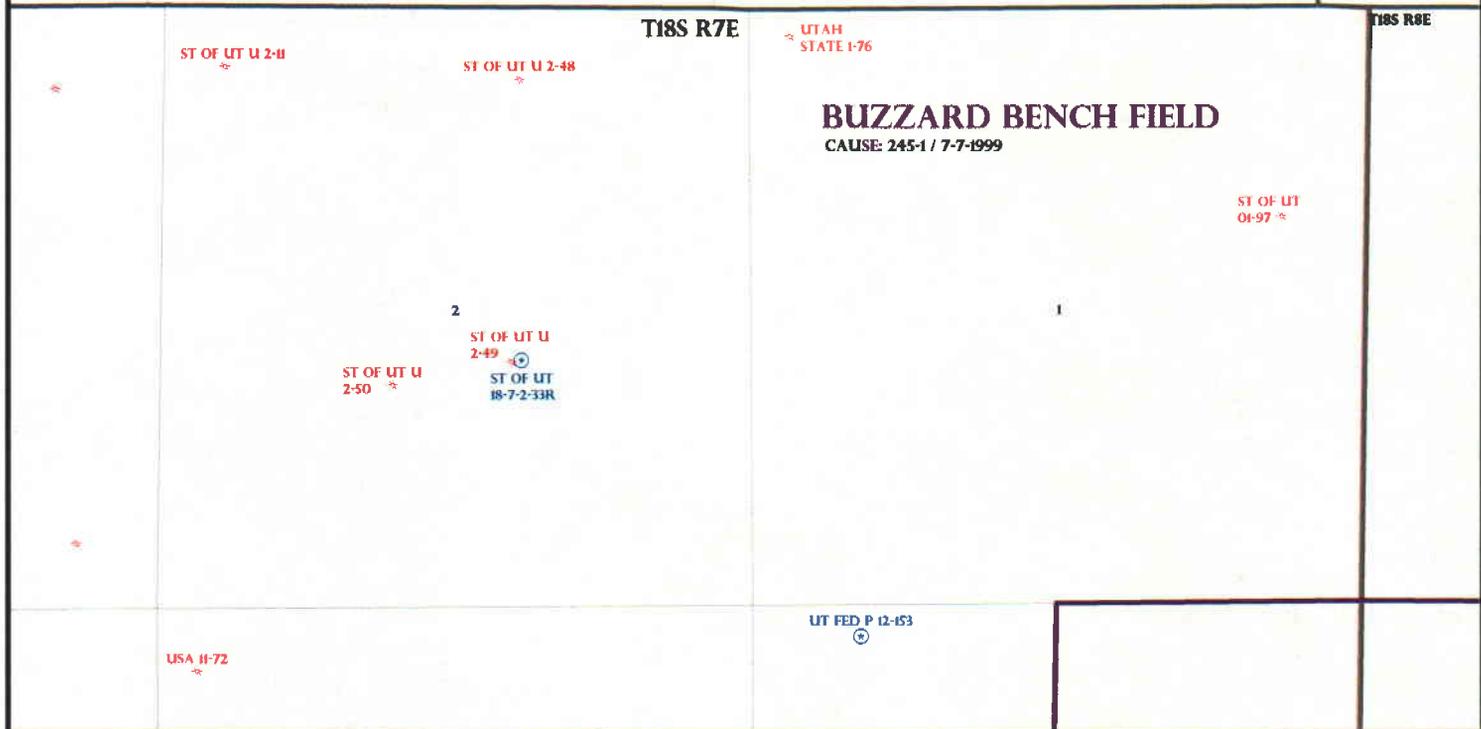
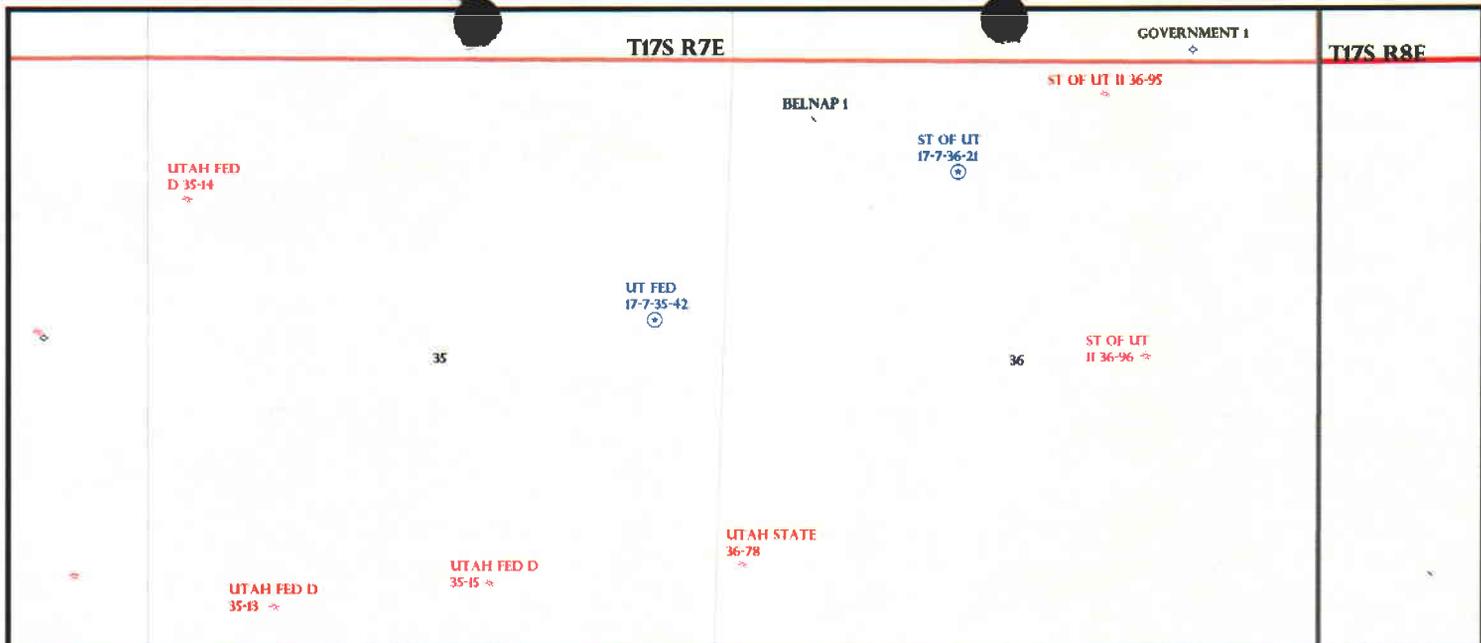
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 104312762 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. MUNICIPAL )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit: \_\_\_\_\_
- R649-3-2. General  
Siting: 460' From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 245-1  
Eff Date: 7-7-99  
Siting: 460' fr Outer bdrly, 920' fr other wells.
- R649-3-11. Directional Drill

COMMENTS: Needs Permit (03-22-06)

STIPULATIONS: 1- STATEMENT OF BASIS



OPERATOR: XTO ENERGY INC (N2615)

SEC: 36 T. 17S R. 7E

FIELD: BUZZARD BENCH (132)

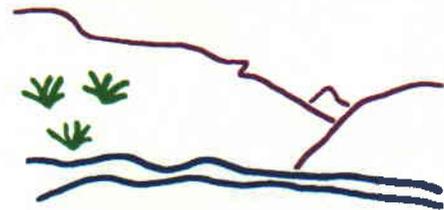
COUNTY: EMERY

CAUSE: 245-1 / 7-7-1999

- 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: 09-MARCH-2006

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

**OPERATOR:** XTO Energy, Inc.  
**WELL NAME & NUMBER:** State of Utah 17-7-36-21  
**API NUMBER:** 43-015-30675  
**LOCATION:** 1/4,1/4 NENW Sec:36 TWP: 17 S RNG: 7 E 981 FNL 2028 FWL

**Geology/Ground Water:**

A well at this location will spud into a poorly to moderately permeable soil developed on the Upper Portion of the Blue Gate Member of the Mancos Shale. While aquifers with significant high quality ground water are unlikely to be encountered in the strata penetrated at this location and there are no known culinary water wells in this part of Emery County, a potential locally useful resource could exist in the sandier units of the subdivided Emery Sandstone Member of the Mancos Shale. The 300' proposed setting depth for the surface casing and cementing program may be insufficient to afford protection to the units of the subdivided Emery Sandstone Member and should be extended as needed to ensure the protection of any unknown ground water resources therein. A search of the Division of Water Rights records revealed that no filings exist on underground sources of water within a mile of this location.

**Reviewer:** Christopher J. Kierst    **Date:** 3/30/06

**Surface:**

Proposed location is on Danish Bench below the old Dez Bee Dove Coal Mine, ~5.3 miles northwest of Orangeville, Utah. The current surface use of the immediate area surrounding the proposed well is grazing and wildlife habitat. Access to this well will be along existing XTO gas field roads and County maintained roads. Approximately 140' of new access road will be built from the east for this location. The direct area drains to the south, towards Cottonwood Creek, a year-round live water source. Location layout, current surface status and characteristics, planned disturbances, access and utility route, wildlife issues, and the reserve pit characteristics were all discussed. SITLA questioned surface drainage above the cut slope of the pad. DWR had no concerns after verifying the location is more than .5 mile away from an active eagle nest. Jim Davis (SITLA), Kevin Waller and Gary Bennett (XTO), Nathan Sill (DWR), Allen Childs (Talon), Ray Peterson (Emery County), and Chris Nielson (Nielson Construction) were in attendance.

**Reviewer:** Mark L. Jones

**Date:** March 23, 2006

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

1. Provide drainage diversion above cut slope of location.

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

OPERATOR: XTO Energy, Inc.  
WELL NAME & NUMBER: State of Utah 17-7-36-21  
API NUMBER: 43-015-30675  
LEASE: State FIELD/UNIT: \_\_\_\_\_  
LOCATION: 1/4, 1/4 NENW Sec: 36 TWP: 17S RNG: 7E 981 FNL 2028 FWL  
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4 LINE; 920 F ANOTHER WELL.  
GPS COORD (UTM): X =492388 E; Y =4350414 N SURFACE OWNER: SITLA.

**PARTICIPANTS**

M. Jones (DOGM), Jim Davis (SITLA), Kevin Waller and Gary Bennett (XTO), Nathan Sill (DWR), Allen Childs (Talon), Ray Peterson (Emery County), and Chris Nielson (Nielson Construction) were in attendance.

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Proposed location is on Danish Bench below the old Dez Bee Dove Coal Mine, ~5.3 miles northwest of Orangeville, Utah. The current surface use of the immediate area surrounding the proposed well is grazing and wildlife habitat. Access to this well will be along existing XTO gas field roads and County maintained roads. Approximately 140' of new access road will be built from the east for this location. The direct area drains to the south, towards Cottonwood Creek, a year-round live water source.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 170' x 260' w/ 80' x 44' x 8' (included) pit.

LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS: 8 producing, shut-in, SWD, and/or PA wells are within a 1-mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: On location and along roadway.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and trucked to site.

ANCILLARY FACILITIES: None anticipated.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): No.

**WASTE MANAGEMENT PLAN:**

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill.

Crude oil production is unlikely. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected into the Navajo Sandstone via a salt-water disposal well. Used oil from drilling operations and support is hauled to a used oil recycler and reused.

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: Dry washes nearby.

FLORA/FAUNA: Sagebrush/grass community.

SOIL TYPE AND CHARACTERISTICS: Mancos clay.

SURFACE FORMATION & CHARACTERISTICS: \_\_\_\_\_

EROSION/SEDIMENTATION/STABILITY: Erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

**RESERVE PIT**

CHARACTERISTICS: Dugout earthen, 80'x44'x8', w/in the location.

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

**SURFACE RESTORATION/RECLAMATION PLAN**

As per surface use agreement.

SURFACE AGREEMENT: With SITLA lease.

CULTURAL RESOURCES/ARCHAEOLOGY: Completed by Montgomery.

**OTHER OBSERVATIONS/COMMENTS**

The reserve pit is staked totally in cut material and, based on characteristics of the immediate and surrounding surface profiles, this pit will be entirely within Mancos shale, a low permeable soil, thus lowering the pit liner ranking score to a sensitivity level III, no specific lining being required.

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Mark L. Jones  
DOGM REPRESENTATIVE

March 22, 2006 / 11:00 am  
DATE/TIME

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

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>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.



03.22.2006 10:44



03.22.2006 10:45





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# UTAH DIVISION OF WATER RIGHTS

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# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Point of Diversion Query Program

Version: 2004.12.30.00      Rundate: 03/30/2006 04:35 PM

### 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 981 feet East 2028 feet

from the NW Corner, Section 36

Township 17S, Range 7E, 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

Casing Schematic

Manco Surface

8-5/8"  
MW 8.4  
Frac 19.3

TOC @ 0.  
TOC @ 0.  
Surface  
300. MD

✓ w/ 18% Washout

BHP

$(.052)(4130)(8.6) = 1846$

Gas

$(.12)(4130) = 495$

MASP = 1351

BoPE - 2,000 ✓

Surf csg - 2950

70% = 2065

Max pressure @ Surf csg shoe = 1004

Test to 1,000 # ✓

✓ Adequate DND 4/5/06

5-1/2"  
MW 8.6

Production  
4130. MD

3074  
TOC Tail

3495 Upper Ferron S-S

✓ w/ 20% Washout

Well name:

03-06 XTO St of Ut 17-7-36-21

Operator: XTO Energy Inc.

String type: Surface

Project ID:

43-015-30675

Location: Emery County

**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: 250 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 264 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 300 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 buoyed weight.  
Neutral point: 262 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 4,130 ft  
Next mud weight: 8.600 ppg  
Next setting BHP: 1,845 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	10.479	300	2950	9.83	6	244	38.83 J

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

Phone: 801-538-5280  
FAX: 810-359-3940

Date: March 31,2006  
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 300 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. 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:

03-06 XTO St of Ut 17-7-36-21

Operator: XTO Energy Inc.

String type: Production

Project ID:

43-015-30675

Location: Emery County

**Design parameters:**

**Collapse**

Mud weight: 8.600 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: 123 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 1,349 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 1,845 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 buoyed weight.

Neutral point: 3,593 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	4130	5.5	15.50	J-55	LT&C	4130	4130	4.825	129.5
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	1845	4040	2.190	1845	4810	2.61	56	217	3.90 J

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

Phone: 801-538-5280  
FAX: 810-359-3940

Date: March 31, 2006  
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 4130 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes. 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:** 7/19/2006 2:30:06 PM  
**Subject:** Well Clearance

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

**ConocoPhillips Company**

Utah 1-1129  
Utah 1-1130  
Utah 1-1131  
Utah 1-1132  
Utah 2-1136  
Utah 12-1160  
Utah 12-1163  
Utah 30-1088 (revised Location)  
Utah 17-1176 (revised location)  
Utah 17-1177

**EOG Resources, Inc**

CWU 955-32  
CWU 954-32  
CWU 1031-32  
NBU 456-2E  
Petes Wash Unit 9-36

**Summit Operating, LLC**

State 10-32-13-22  
State 8-36-13-22  
State 2-36-13-22

**XTO Energy, Inc**

State of Utah 18-7-2-33R  
State of Utah 17-7-36-21  
State of Utah 17-7-36-33R

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

**CC:** Davis, Jim; 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*

July 20, 2006

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

Re: State of Utah 17-7-36-21 Well, 981' FNL, 2028' FWL, NE NW, Sec. 36,  
T. 17 South, R. 7 East, Emery County, Utah

Gentlemen:

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

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 43-015-30675.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Emery County Assessor  
SITLA

Operator: XTO Energy, Inc.  
Well Name & Number State of Utah 17-7-36-21  
API Number: 43-015-30675  
Lease: ML-45567

Location: NE NW                      Sec. 36                      T. 17 South                      R. 7 East

### Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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  
DIVISION OF OIL, GAS AND MINING

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-45567</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>STATE OF UTAH 17-7-36-21</b>	
2. NAME OF OPERATOR: <b>XTO ENERGY INC.</b>		9. API NUMBER: <b>4301530675</b>
3. ADDRESS OF OPERATOR: 2700 Farmington Ave. Bldg K <small>CITY</small> Farmington <small>STATE</small> NM <small>ZIP</small> 87401	PHONE NUMBER: <b>(505) 324-1090</b>	10. FIELD AND POOL, OR WILDCAT: <b>FERRON SANDSTONE</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>987' FNL &amp; 2028' FWL</b>		COUNTY: <b>EMERY</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENW 36 17S 07E</b>		STATE: <b>UTAH</b>

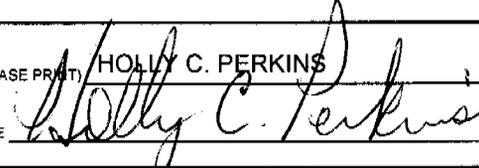
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>8/30/2006</u>	<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 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: <u>CHG CMT DETAILS</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

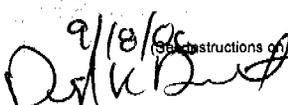
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO Energy Inc. proposes to change the cement details on this new drill per attached document.

COPY SENT TO OPERATOR  
Date: 10/2/06  
Initials: EM

NAME (PLEASE PRINT) <u>HOLLY C. PERKINS</u>	TITLE <u>REGULATORY COMPLIANCE TECH</u>
SIGNATURE 	DATE <u>8/25/2006</u>

(This space for State use only)

APPROVED BY THE STATE  
OF UTAH DIVISION OF OIL, GAS AND MINING  
8/18/06  
  
(See instructions on Reverse Side)

RECEIVED  
**AUG 28 2006**



**Well Name:** State of Utah 17-7-36-21

**Location:** 981' FNL & 2028' FWL, Sec. 36, T17S, R7E

**County:** Emery County

**State:** Utah

**Upper Ferron SS (est):** 3660

### Surface Casing Detail

<b>Type:</b>	Type V cement (or equivalent) containing 1% CaCl, 1/4 pps Flocele and 10% Cal_Seal		
Percent Excess:	200.00%	Lead Density (ppg):	14.20
Calc'd Volume (Bbls):	69.0	Lead Yield (cuft/sk):	1.61
Calc'd Volume (cuft):	387.5		
Lead Volume (sxs):	240.7		

### Production Casing Detail

String	Casing Type	Weight	OD	ID	Depth	Open Hole
Surface	8.625 J-55 24	24.00	8 5/8	8.097	300.0	12 1/4
Longstring	5.5 J-55 15.5	15.50	5 1/2	4.950	4130.0	7 7/8

Float Equipment			Cement Tops	
Desc.	Depth	Lead:	Hyd. Head	Stage 1 Top:
Float Insert	4085.0	459.46		2518
Float Shoe	4130.0	540.54		3360

#### Spacer Description

<b>Type:</b>	10 bbls chem wash + 5 bbls scavenger slurry		
Volume (bbls):	15	Density (ppg):	9.00

#### Lead Description

<b>Type:</b>	CBM Light Weight Cement with 10 pps Gilsonite and 1/4 pps celloflake		
Percent Excess:	40.00%	Lead Density (ppg):	10.50
Calc'd Volume (Bbls):	36.4	Lead Yield (cuft/sk):	4.14
Calc'd Volume (cuft):	204.2	Lead Mix Water (gal/sk):	27.53
Lead Volume (sxs):	49.0	Mix Water (bbls):	32.1

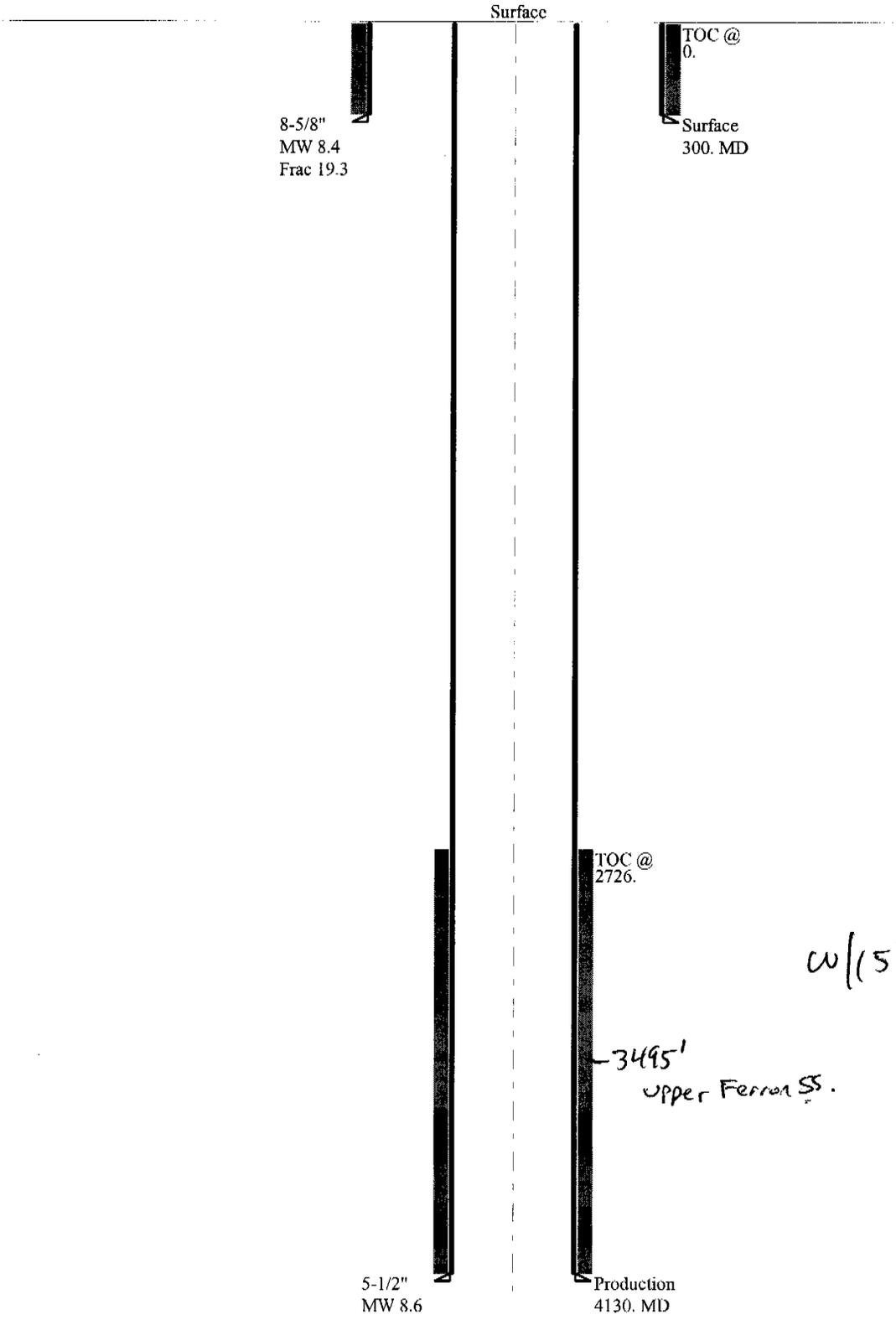
#### Tail Description

<b>Type:</b>	CBM Light Weight Cement with 10 pps Gilsonite and 1/4 pps celloflake		
Percent Excess:	40.00%	Tail Density (ppg):	13.5
Calc'd Volume (Bbls):	34.33419	Tail Yield (cuft/sk):	1.81
Calc'd Volume (cuft):	192.7804	Tail Mix Water (gal/sk):	8.84
Tail Volume (sxs):	107	Mix Water (bbls):	22.5

#### Displacement Description

<b>Type:</b>	Fresh Water		
Calc'd Volume (Bbls):	98.28	Density (ppg):	8.40

Casing Schematic



**Farmington Well Workover Report**

<b>STATE OF UTAH</b>	<b>Well # 17-07-36-21</b>
----------------------	---------------------------

**Objective:** Drill & Complete**First Report:** 08/25/2006**AFE:** 504858

**8/25/06** Notified Carol Daniels, (State of Utah, Price, Utah) & Dan Jarvis, (DOGM, SLC) on 8/18/06 regarding pending construction. Built new loc, acc road & res pit. Lnd res pit. Notified Carol Daniels, (State of Utah, Price, Utah) & Dan Jarvis, (DOGM, SLC) on 8/18/06 regarding conductor csg. Susp rpts pending further activity.

4301520675

34 175 7E

**RECEIVED****OCT 02 2006****DIV. OF OIL, GAS & MINING**

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-45567</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>STATE OF UTAH 17-7-36-21</b>	
2. NAME OF OPERATOR: <b>XTO ENERGY INC.</b>	9. API NUMBER: <b>4301530675</b>	
3. ADDRESS OF OPERATOR: 2700 Farmington, Bldg K-1    CITY Farmington    STATE NM    ZIP 87401	PHONE NUMBER: <b>(505) 324-1090</b>	10. FIELD AND POOL, OR WILDCAT: <b>FERRON SANDSTONE</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>981' FNL &amp; 2028' FWL</b>		COUNTY: <b>EMERY</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENW 36 17S 07E</b>		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: <b>12/1/2006</b>	<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: <b>DEC MONTHLY RPT</b>
	<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.

Due to closure in the area from December 1 to April 15, 2007, there is no activity on this well to report. Monthly reporting will resume on this well in April, 2007.

NAME (PLEASE PRINT) <u>HOLLY C. PERKINS</u>	TITLE <u>REGULATORY COMPLIANCE TECH</u>
SIGNATURE	DATE <u>1/10/2007</u>

(This space for State use only)

**RECEIVED**  
**JAN 16 2007**

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

**ML-45567**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT 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.

8. WELL NAME and NUMBER:

**STATE OF UTAH 17-7-36-21**

1. TYPE OF WELL

OIL WELL  GAS WELL  OTHER \_\_\_\_\_

9. API NUMBER:

**43-015-30675**

2. NAME OF OPERATOR:

**XTO ENERGY INC.**

3. ADDRESS OF OPERATOR:

**2700 Farmington, Bldg K-1** CITY **Farmington** STATE **NM** ZIP **87401**

PHONE NUMBER:

**(505) 324-1090**

10. FIELD AND POOL, OR WILDCAT:

**FERRON SANDSTONE**

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **981' FNL & 2028' FWL**

COUNTY: **EMERY**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENW 36 17S 07E**

STATE:

**UTAH**

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

TYPE OF SUBMISSION

TYPE OF ACTION

NOTICE OF INTENT  
(Submit in Duplicate)

Approximate date work will start:

SUBSEQUENT REPORT  
(Submit Original Form Only)

Date of work completion:

**5/16/2007**

ACIDIZE

ALTER CASING

CASING REPAIR

CHANGE TO PREVIOUS PLANS

CHANGE TUBING

CHANGE WELL NAME

CHANGE WELL STATUS

COMMINGLE PRODUCING FORMATIONS

CONVERT WELL TYPE

DEEPEN

FRACTURE TREAT

NEW CONSTRUCTION

OPERATOR CHANGE

PLUG AND ABANDON

PLUG BACK

PRODUCTION (START/RESUME)

RECLAMATION OF WELL SITE

RECOMPLETE - DIFFERENT FORMATION

REPERFORATE CURRENT FORMATION

SIDETRACK TO REPAIR WELL

TEMPORARILY ABANDON

TUBING REPAIR

VENT OR FLARE

WATER DISPOSAL

WATER SHUT-OFF

OTHER: **MONTHLY REPORT**

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

There has been no monthly activity on this well since the area has reopened.

NAME (PLEASE PRINT) **HOLLY C. PERKINS**

TITLE **REGULATORY COMPLIANCE TECH**

SIGNATURE *Holly C. Perkins*

DATE **5/7/2007**

(This space for State use only)

**RECEIVED**

**MAY 21 2007**

**DIV. OF OIL, GAS & MINING**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>MI-45567</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>STATE OF UTAH 17-7-36-21</b>
2. NAME OF OPERATOR: <b>XTO ENERGY INC.</b>		9. API NUMBER: <b>4301530675</b>
3. ADDRESS OF OPERATOR: <b>2700 Farmington, Bldg K-1</b> CITY <b>Farmington</b> STATE <b>NM</b> ZIP <b>87401</b>		10. FIELD AND POOL, OR WILDCAT: <b>FERRON SANDSTONE</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>981' FNL &amp; 2028' FWL</b>		COUNTY: <b>EMERY</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENW 36 17S 7E</b>		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>6/6/2007</b>	<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: <b>MONTHLY RPT</b>
	<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. has had no activity on this well in the last month.**

NAME (PLEASE PRINT) <b>HOLLY C. PERKINS</b>	TITLE <b>REGULATORY COMPLIANCE TECH</b>
SIGNATURE	DATE <b>6/6/2007</b>

(This space for State use only)

**RECEIVED**  
**JUN 11 2007**  
**DIV. OF OIL, GAS & MINING**

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

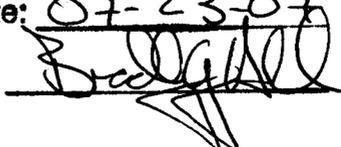
FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>			<b>5 LEASE DESIGNATION AND SERIAL NUMBER</b> ML-45567
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, re-enter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			<b>6 IF INDIAN, ALLOTTEE OR TRIBE NAME</b> N/A
<b>1 TYPE OF WELL</b> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			<b>7 UNIT or CA AGREEMENT NAME</b> N/A
<b>2 NAME OF OPERATOR</b> XTO ENERGY INC.			<b>8 WELL NAME and NUMBER</b> State of Utah 17-7-36-21
<b>3 ADDRESS OF OPERATOR</b> 2700 Farmington Ave Farmington NM 87401		<b>PHONE NUMBER</b> (505) 324-1090	<b>9 API NUMBER</b> 4301530675
<b>4 LOCATION OF WELL</b> FOOTAGES AT SURFACE 981' FNL x 2028' FWL QTR/4TR SECTION TOWNSHIP RANGE MERIDIAN NENW 36 17S 7E S			<b>10 FIELD AND POOL, OR WILDCAT</b> FERRON SANDSTONE COUNTY EMERY STATE UTAH

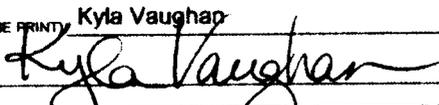
11 CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion _____	<input 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 <u>Extend APD</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12 DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
XTO is requesting permission to extend the existing APD.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 07-23-07  
By: 

7-25-07  
RM

NAME (PLEASE PRINT) <u>Kyla Vaughan</u>	TITLE <u>Regulatory Compliance</u>
SIGNATURE 	DATE <u>7/18/2007</u>

(This space for State use only)

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

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

**API:** 4301530675  
**Well Name:** State of Utah 17-7-36-21  
**Location:** 981' FNL x 2028' FWL in Sec 36, T17S, R7E, NENW  
**Company Permit Issued to:** XTO Energy, Inc.  
**Date Original Permit Issued:** 7/20/2006

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

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

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

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

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

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

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

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

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

Kyla Vaughan  
Signature

7/18/2007  
Date

Title: Kyla Vaughan

Representing: XTO Energy, Inc.

RECEIVED

JUL 23 2007

DIV. OF OIL, GAS & MINING

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-45567</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>
		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
1. TYPE OF WELL <b>OIL WELL</b> <input type="checkbox"/> <b>GAS WELL</b> <input checked="" type="checkbox"/> <b>OTHER</b> _____		8. WELL NAME and NUMBER: <b>State of Utah 17-7-36-21</b>
2. NAME OF OPERATOR: <b>XTO ENERGY INC.</b>		9. API NUMBER: <b>4301530675</b>
3. ADDRESS OF OPERATOR: <b>382 Road 3100</b> CITY <b>Aztec</b> STATE <b>NM</b> ZIP <b>87410</b>	PHONE NUMBER: <b>(505) 333-3145</b>	10. FIELD AND POOL, OR WILDCAT: <b>Ferron Sandstone/Buzzard Bench</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>981' FNL x 2028' FWL</b>		COUNTY: <b>EMERY</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENW 36 17S 7E S</b>		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> (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"/> <b>SUBSEQUENT REPORT</b> (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
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	<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: <b>APD Extension</b>
	<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 is requesting permission to extend the existing APD.**

**This is the 2nd extension request.**

Approved by the  
Utah Division of  
Oil, Gas and Mining

**COPY SENT TO OPERATOR**  
Date: 6-26-2008  
Initials: KS

Date: 6-25-08  
By: [Signature]

NAME (PLEASE PRINT) <u>Kelly Small</u>	TITLE <u>Regulatory Compliance</u>
SIGNATURE <u>[Signature]</u>	DATE <u>6/19/2008</u>

(This space for State use only)

**RECEIVED**  
**JUN 23 2008**



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

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

**API:** 4301530675  
**Well Name:** State of Utah 17-7-36-21  
**Location:** 981' FNL x 2028' FWL in Sec 36, T17S, R7E, NENW  
**Company Permit Issued to:** XTO Energy, Inc.  
**Date Original Permit Issued:** 7/20/2006

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

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

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

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

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

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

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

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

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

Kelly Small  
Signature

6/19/2008  
Date

Title: Regulatory Compliance

Representing: XTO Energy, Inc.

**RECEIVED**  
**JUN 23 2008**  
 DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

July 13, 2009

XTO Energy Inc.  
382 Road 3100  
Aztec, NM 87410

Re: APD Rescinded – State of Utah 17-7-36-21, Sec. 36 T. 17S, R. 7E  
Emery County, Utah API No. 43-015-30675

Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 20, 2006. On July 23, 2007 and June 25, 2008, the Division granted a one-year APD extension.

No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 13, 2009. 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  
Environmental Scientist

cc: Well File  
SITLA, Ed Bonner



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-45567
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> ST OF UT 17-7-36-21
<b>2. NAME OF OPERATOR:</b> XTO ENERGY INC	<b>9. API NUMBER:</b> 43015306750000
<b>3. ADDRESS OF OPERATOR:</b> 382 Road 3100 , Aztec, NM, 87410	<b>PHONE NUMBER:</b> 505 333-3159 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0981 FNL 2028 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NENW Section: 36 Township: 17.0S Range: 07.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> BUZZARD BENCH  <b>COUNTY:</b> EMERY  <b>STATE:</b> UTAH

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

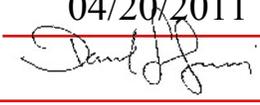
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 3/1/2012  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 50px;" type="text"/>

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

In response to your Notice of Violation dated 3/28/2011, XTO Energy Inc. hereby requests a one-year extension on the reclamation of the well pad and access road.

**REQUEST DENIED**  
**Utah Division of**  
**Oil, Gas and Mining**

**Date:** 04/20/2011

**By:** 

<b>NAME (PLEASE PRINT)</b> Barbara Nicol	<b>PHONE NUMBER</b> 505 333-3642	<b>TITLE</b> Regulatory Compliance Tech
<b>SIGNATURE</b> N/A	<b>DATE</b> 4/19/2011	

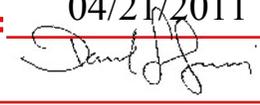
<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-45567
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> ST OF UT 17-7-36-21
<b>2. NAME OF OPERATOR:</b> XTO ENERGY INC	<b>9. API NUMBER:</b> 43015306750000
<b>3. ADDRESS OF OPERATOR:</b> 382 Road 3100 , Aztec, NM, 87410	<b>PHONE NUMBER:</b> 505 333-3159 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0981 FNL 2028 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NENW Section: 36 Township: 17.0S Range: 07.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> BUZZARD BENCH  <b>COUNTY:</b> EMERY  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 5/2/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 50px;" type="text"/>

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

In response to your Notice of Violation dated 03/28/2011, XTO Energy Inc. intends to move in & begin the reclamation of the well pad & access road. The anticipated date for work to commence is: 05/02/2011.

**Approved by the  
 Utah Division of  
 Oil, Gas and Mining**  
  
**Date:** 04/21/2011  
**By:** 

<b>NAME (PLEASE PRINT)</b> Barbara Nicol	<b>PHONE NUMBER</b> 505 333-3642	<b>TITLE</b> Regulatory Compliance Tech
<b>SIGNATURE</b> N/A	<b>DATE</b> 4/21/2011	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43015306750000**

**Please contact Bart Kettle 48 hours prior to starting the work.**

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-45567
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<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> ST OF UT 17-7-36-21	
<b>2. NAME OF OPERATOR:</b> XTO ENERGY INC	<b>9. API NUMBER:</b> 43015306750000	
<b>3. ADDRESS OF OPERATOR:</b> 382 Road 3100 , Aztec, NM, 87410	<b>PHONE NUMBER:</b> 505 333-3145 Ext	<b>9. FIELD and POOL or WILDCAT:</b> BUZZARD BENCH
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0981 FNL 2028 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NENW Section: 36 Township: 17.0S Range: 07.0E Meridian: S	<b>COUNTY:</b> EMERY	
	<b>STATE:</b> UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:  <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/5/2011  <input type="checkbox"/> SPUD REPORT Date of Spud:  <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PRODUCTION START OR RESUME <input checked="" type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input checked="" type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text" value="RECORD CLEANUP"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>XTO Energy Inc. has reclaimed the well pad &amp; access road on this location that was never drilled, just site work was done 08/25/2006.</p> <p>Reclamation work as follows: 5/23/2011 – 6/3/2011: Nielson Construction reclaimed &amp; recontoured location &amp; access road &amp; hauled out equipment. (Reseeding will be done in the fall.) 10/5/2011: Nielsons Construction reseeded location using State-approved seed mix as follows: Wyoming Sagebrush = 1.5 Fourwing saltbrush = 2 Rocky mountain Penstemon = 0.5 Indian Ricegrass = 3 Bottlebrush Squirreltail = 2 Western wheatgrass = 4 Applied at 13 pounds to the acre</p>		<p><b>Accepted by the Utah Division of Oil, Gas and Mining</b></p> <p><b>Date:</b> <u>January 31, 2012</u></p> <p><b>By:</b> <u></u></p>
<b>NAME (PLEASE PRINT)</b> Barbara Nicol	<b>PHONE NUMBER</b> 505 333-3642	<b>TITLE</b> Regulatory Compliance Tech
<b>SIGNATURE</b> N/A	<b>DATE</b> 1/25/2012	