

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: UTU-69402	6. SURFACE: Federal
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: XTO ENERGY INC.		9. WELL NAME and NUMBER: Utah Federal 18-7-23-33	
3. ADDRESS OF OPERATOR: 382 CR 3100 CITY AZTEC STATE NM ZIP 87410		PHONE NUMBER: (505) 333-3100	10. FIELD AND POOL, OR WILDCAT: Ferron Coal Buzzard Bench
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2502' FSL x 1860' FEL AT PROPOSED PRODUCING ZONE: same		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 23 18S 7E S E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 2 miles Northwest of Orangeville, Utah		12. COUNTY: EMERY	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 174'	16. NUMBER OF ACRES IN LEASE 964.39	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: Lse basis	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) none	19. PROPOSED DEPTH: 2,980	20. BOND DESCRIPTION: UTB000138	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6088' Ground Elevation	22. APPROXIMATE DATE WORK WILL START: 7/10/2008	23. ESTIMATED DURATION: 2 weeks	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12.25"	9.625"	J-55	36#	300	Type V	+/- 175 sx	1.61 ft3/sx	14.2 ppg
8.75"	5.5	J-55	15.5#	2,980	CBM light wt-lead	+/-55 sx	4.15 ft/3 sx	10.5 ppg
8.75"	5.5"	J-55	15.5#	2,980	CBM light wt-tail	+/- 97 sx	1.81 ft3/sx	13.5 ppg

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
SIGNATURE *Kyla Vaughan* DATE 4/1/2008

(This space for State use only)

API NUMBER ASSIGNED: 43-015-30745

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 04-07-08
By: *[Signature]*

RECEIVED
APR 04 2008
DIV. OF OIL, GAS & MINING

**Federal Approval
Action is Necessary**

Range 7 East

Township 18 South

S89°51'43"W - 2695.92'

(S89°47'W - 2702.7')

(S89°29'W - 2671.68')

(N00°04'E - 2674.32')

(N00°20'E - 2649.24')

(N00°02'E - 2669.04')

(N00°05'E - 2676.30')

(N00°05'53"W - 2674.73')

(S88°37'W - 2741.64')

(N88°53'W - 2653.86')

23

UTAH FEDERAL
18-7-23-33
ELEV. 6088.4'

2502.22'

UTM
N 4343372
E 491250

1860.42'

Location:

The well location was determined using a Trimble 5700 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 6006.86' being a Utah State Engineer's benchmark located between Section 25 and Section 26, T18S., R7E., Salt Lake Base & Meridian, 350' South of the Northwest Corner of Section 25, Township 18 South, Range 7 East.

Description of Location:

Proposed Drill Hole located in the NW/4 SE/4 of Section 23, T18S, R7E, S.L.B.&M., being North 2502.22' from South Line and West 1860.42' from East Line of Section 23, T18S, 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

615 North 400 East P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonectv.net



UTAH FEDERAL 18-7-23-33
Section 23, T18S, R7E, S.L.B.&M.
Emery County, Utah

Drawn By: N. BUTKOMCH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 10/27/07
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 3143

Legend

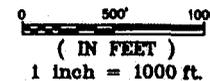
- Drill Hole Location
- ⊕ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO
- GPS Measured

NOTES:

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

LAT / LONG
39°14'29.365" N
111°06'05.011" W

GRAPHIC SCALE



Application for Permit to Drill Surface Use Plan

Company: XTO Energy, Inc
Well No: Utah Federal 18-7-23-33
Location: 2502' FSL & 1860' FEL, Section 23, T18S, R7E

Thirteen Point Surface Use Plan

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

1. Existing Roads

- a. Proposed route to location: The proposed route to location is shown on Exhibit "A" and is from the Castle Dale Quadrangle 7.5 minute series USGS quadrangle map.
- b. Location of proposed well in relation to town or other reference point: From Orangeville, Utah, go North on State Road 29 to overpass, turn left (South) onto State Road 57, continue South 0.7 miles to a gas field road, turn right (West) on gas field road, continue West .65 miles, turn left, location is 400' South.
- c. Contact the County Road Department for use of County Roads: County road permits will be researched and submitted if required.
- d. Plans for improvement and/or maintenance of existing roads: All existing roads within 1 mile of the drill site are shown on Exhibit "B". All roads that will be used to the well location will be maintained to their current conditions are better.
- e. Other Comments: None

2. Planned Access Roads

- a. Location of Access Road: Starting from a point along an existing road in the NE/4 of Section 23, T18S, R7E.
- b. Length of New Road: 400' of road will need to be constructed to access this location.
- c. Length of Existing Road to Upgrade: No existing roads should need upgrades to access this location.
- d. Maximum Disturbed Width: Typically new access roads require up to 60' of disturbed width which includes ROW for gas and water pipe lines and electric service.
- e. Travel Width of Access Road: 25' or less.

- f. Maximum Grade after Construction: Maximum grades will not exceed 10% after construction.
- g. Turnouts Planned: No Turnouts are planned at this time.
- h. Surface Materials: Only native materials will be used if additional construction is required. 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 re-crowned and bar ditches, if necessary, will be located on either side. 18"-24" culverts will be 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 the State of Utah 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 the 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 State of Utah 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 State of Utah.

- 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:

- a. 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 "B".

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). All production and measurement shall conform to the provisions of 43 CFR § 3162.7 and Onshore Oil and Gas Order No. 4, if applicable.
- 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 include compression, processing, separation, tanks, pits, electronics, and produced water disposal (SWD) well.
- d. Pipelines: The well will be produced into gas and water pipelines (sizes to be determined) and transported to existing pipelines. See Exhibit "C" for the proposed pipeline route.
- e. Power lines: Power lines are located underground in the same ROW as the water and gas pipelines.

5. Location and Type of Water Supply:

- a. All water required for drilling will be purchased from 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 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 land owners or from a commercial gravel/materials pit. The use of materials will conform to 43 CFR § 3610.2-3, if applicable.
- b. The use of materials under State of Utah jurisdiction will conform to 43CFR § 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 mills in thickness. 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 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. The amount of time the pit may remain open will typically be specified by the COA's. Once dry, the liner will be cut and removed at the mud line and the pit will be covered and buried in place.
- b. Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than the completion of drilling operations.
- c. Sewage from 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:

- a. No ancillary facilities will be required during the drilling or completion of the well.

9. Well Site Layout:

- a. Depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1"=50'. See Exhibit "D" & "E".
- b. All equipment and vehicles that will be used to drill and complete this well will remain within the boundaries of the approved well pad. Any equipment and or vehicles parked or

stored off the location will be considered trespassing on federal lands and will NOT be tolerated.

- c. Materials obtained from the construction of the 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 or as specified by the approved APD.
- 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 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 conditions of approval.
- m. If necessary, and abandonment marker will be one of the following, as specified by the State of Utah:
 - 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 description (township, section, range, and either quarter-quarter or footages).

n. Additional requirements: None

11. Surface and Mineral Ownership:

Both the Surface and the Minerals are owned by the Federal Government and are managed by the Bureau of Land Management: 82 East Dogwood Avenue, Moab, Utah, 84532, 435.259.2106.

12. Other Information:

- a. Archeological Concerns: An approved contractor will submit the appropriate reports to the agency as required. Special stipulations will be included in the COA's of the approved APD.
- 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 State of Utah Field Office. Within five (5) working days, the State of Utah 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 State of Utah to complete an expedited review under 36 CFR § 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the State of Utah are correct and that mitigation is appropriate.
- c. If the operator wishes, at any time, to relocate activities to avoid the expenses of mitigation and/or the delays associated with this process, the State 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 State of Utah will provide technical and procedural guidelines for the conduct of mitigation. Upon Verification from the State of Utah that the required mitigation has been completed, the operator will then be allowed to resume construction.
- d. Threatened and Endangered Species Concerns:
 - i. An approved contractor will submit the appropriate reports as required. Special Stipulations 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 Environment Impact Statement.

13. The Drilling Program is attached: See Exhibit "F".
14. Federal on-site took place on February 27, 2008 with Nathan Sill-BLM, David Waller-BLM, Jeffery Brown-BLM, Ray Jensen-BLM, Allen Childs-Talon, Damien Jones-XTO, Kevin Waller-XTO and Kyla Vaughan-XTO.

Operator Certification:

a. Permitting and Compliance:

Kyla Vaughan
Regulatory Compliance
XTO ENERGY INC.
382 CR 3100
AZTEC, NM 87410
505-333-3100

b. Drilling and Completions:

Brent Martin
XTO Energy Inc.
382 CR 3100
Aztec, NM 87410
505-333-3100

c. 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 provisions of 18 U.S.C. § 1001 for the filing of a false statement.

Signature: Kyla Vaughan 4/1/08
Kyla Vaughan

XTO Energy, Inc.

Utah Federal 18-7-23-33
Drilling Data for APD
March 31, 2008

Surface Location: 2502' FSL & 1860' FEL, Sec. 23, T18S, R7E

Proposed TD: 2980'

Objective: Ferron Coal

Approximate Elevation: 6088'

KB Elevation: 6100'

1. Mud Program:

Interval	0'-300'	300'-2980'
Hole Size	12.25"	8.75"
Mud Type	Fresh Water/Spud Mud	Air/LSND/Gel Chemical
Weight	N/A	8.4-8.6
Viscosity	N/A	45-60
Water Loss	N/A	8-10

- a. Drill surface with Fresh Water/Spud Mud. If aeration becomes necessary, nipple up 20" rotating head.
- b. Air drill to TD using produced water for mist fluid unless excessive water flow (more than can be lifted using available booster capacity) is encountered.
 - i. If the water flow is fresh, switch to fresh water based LSND/Gel Chemical mud.
 - ii. If the water flow is $R_w > 0.35$ mix mud using produced water.
 - iii. 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.
- c. 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 gasses.
- d. 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.
- e. Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.

EXHIBIT F

- f. The BOP system will be consistent with API RP53 and Onshore Oil & Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment subject to pressure will be conducted before drilling the 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 daily. Annular preventers shall be inspected and operated weekly to ensure good mechanical working order. The inspections and tests shall be recorded in the drilling log and daily drilling report. See the attached BOP and choke manifold schematic.

2. Casing Program:

- a. Surface Casing set @ 300' in a 12.25" hole.

9.625,36 #/ft, J-55, ST&C, New, (8.921" ID, 8.765" Drift)					
Collapse Press	Burst Press	Joint Strength	SF Collapse	SF Burst	SF Tension
2020	3520	394	15.060	26.240	36.480

- b. Production Casing set @ 2980' in a 8.75" hole.

5.5", 15.5 #/ft, J-55, ST&C, New, (4.950" I.D., 4.825" Drift)					
Collapse Press	Burst Press	Joint Strength	SF Collapse	SF Burst	SF Tension
4040	4810	202	3.030	3.610	4.370

Safety Factors based on vertical wellbore conditions with hydrostatic of fresh water with no backup used to calculate burst and collapse. Tension based on hanging weight in air.

3. Well Heads:

- a. Casing Head: Install Larkin Fig 92 (or equivalent), 10" nominal, 2,000 psig WP (4,000 psig test) with 9-5/8" 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 API 8 rnd female thread) on bottom, 7 1/16" 5,000 psig flange on top with two 3" LPOs.

EXHIBIT F

4. Cement Program:

- a. Surface: 175 sx of Type V cement (or equivalent) containing 1% CaCl, ¼ pps Flocele, and 10% Cal_Seal mixed at 14.2 ppg and 1.61 ft³/sk.
 - i. Slurry Volume is 282 ft³, 200% excess of calculated annular volume to 300'.
- b. Production:
 - i. The production casing will be cemented using 2 (lead and tail) cement slurries. The lead cement (filler grade) volume will be calculated based on a maximum achievable top assuming formation pressure of 1,000 psi at the shoe. The tail cement will be calculated from TD to 300' above the Upper Ferron Sandstone as indicated on the formation tops table.
 - ii. Lead Cement: 55 sx of CBM Light Weight Cement with 10 pps Gilsonite and ¼ pps celloflake mixed at 10.5 ppg and 4.15 ft³/sk.
 - iii. Tail Cement: 97 sx of CBM Light Weight Cement with 10 pps Gilsonite and ¼ pps celloflake mixed at 13.5 ppg and 1.81 ft³/sk.
 - iv. Slurry volume is 400 ft³, 40% excess of calculated annular volume to 1,000 psi hydrostatic over formation pressure.
 - v. If fresh water is encountered in the Emery Sandstone, a DV/ECP tool will be run 50' below the logged base of the Emery Sandstone and it will be attempted to circulate the filler grade cement as used in the lead to surface from above the ECP.

5. Logging Program

- a. Mud logger: The mud logger will come on after surface pipe is set and will remain until TD. The mud will be logged in 10' intervals.
- b. Run Array Induction (if wet), compensated neutron, density, GR, caliper, SP (if wet), and Pe from TD to the bottom of the surface casing.

6. Formation Tops:

Formation	Well Depth
Top of Upper Ferron SS	2540
Top of Coal Zone	2610
Top of Lower Ferron SS	2680
Total Depth	2980

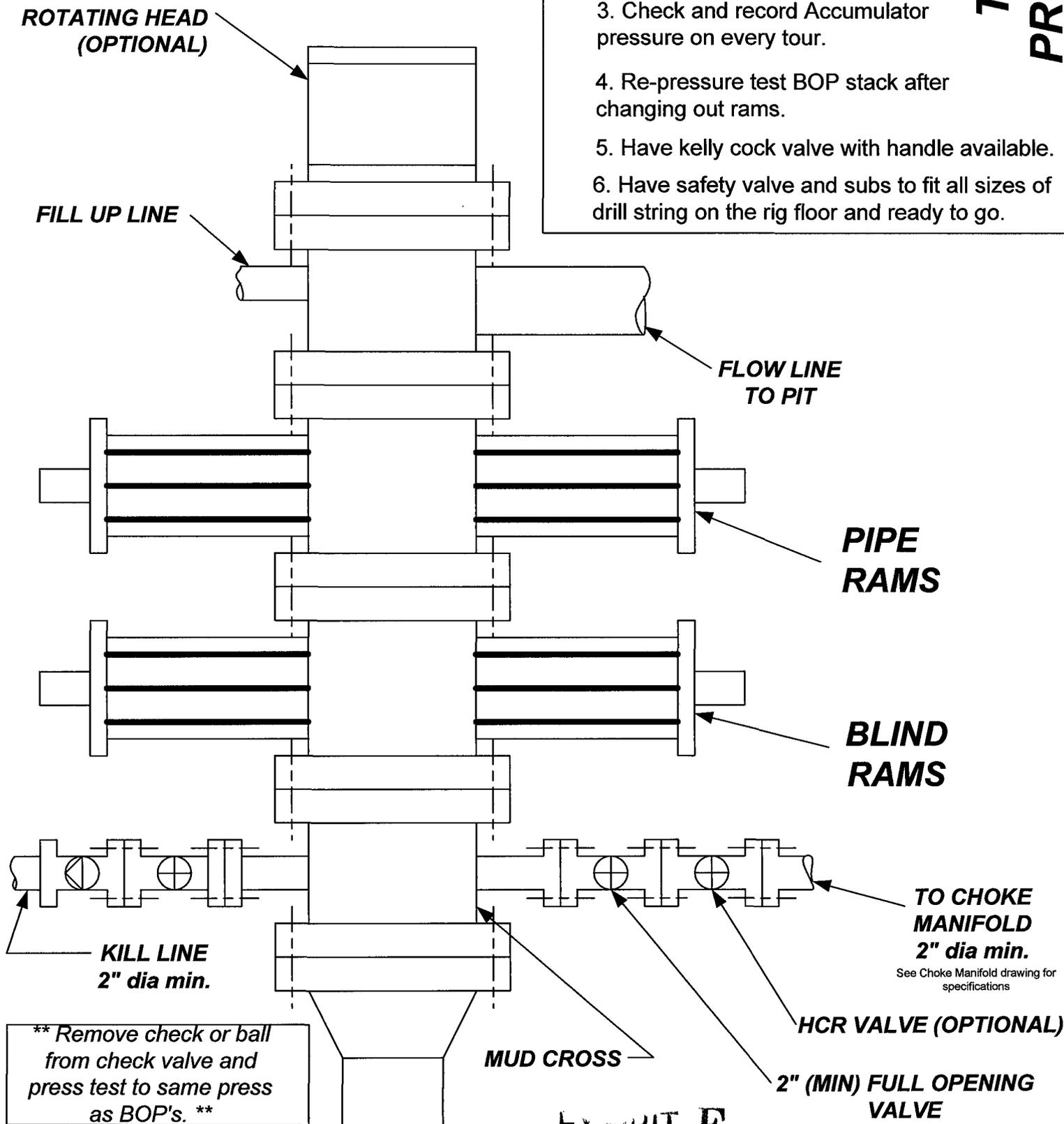
EXHIBIT F

- a. No known oil zones will be penetrated.
- b. Gas bearing sandstones and coals will be penetrated from 2540' to 2980'.
- c. No known fresh water zones will be penetrated. The gas bearing sandstones and coals may contain in-situ water.
- d. No known mineral zones will be penetrated.
- e. Any prospectively valuable minerals and all fresh water zones encountered during drill will be recorded, cased, and cemented (Please see contingency in cementing section). If possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to the appropriate agency.
- f. Maximum anticipated bottomhole pressure is anticipated to be less than 1,500 psi.
- g. No abnormal pressure, abnormal temperature, H2S, or other hazardous conditions are known to exist.

7. Company Personnel:

Name	Title	Office Phone	Mobile Phone
John Egelston	Drilling Engineer	505.564.6734	505.330.6902
Bobby Jackson	Drilling Superintendent	505.333.3224	505.486.4706
Joshua Stark	Project Geologist	817.885.2240	817.565.7158
Leonard West	Reservoir Engineer	817.885.2800	

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



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.

TESTING PROCEDURE

**** 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**

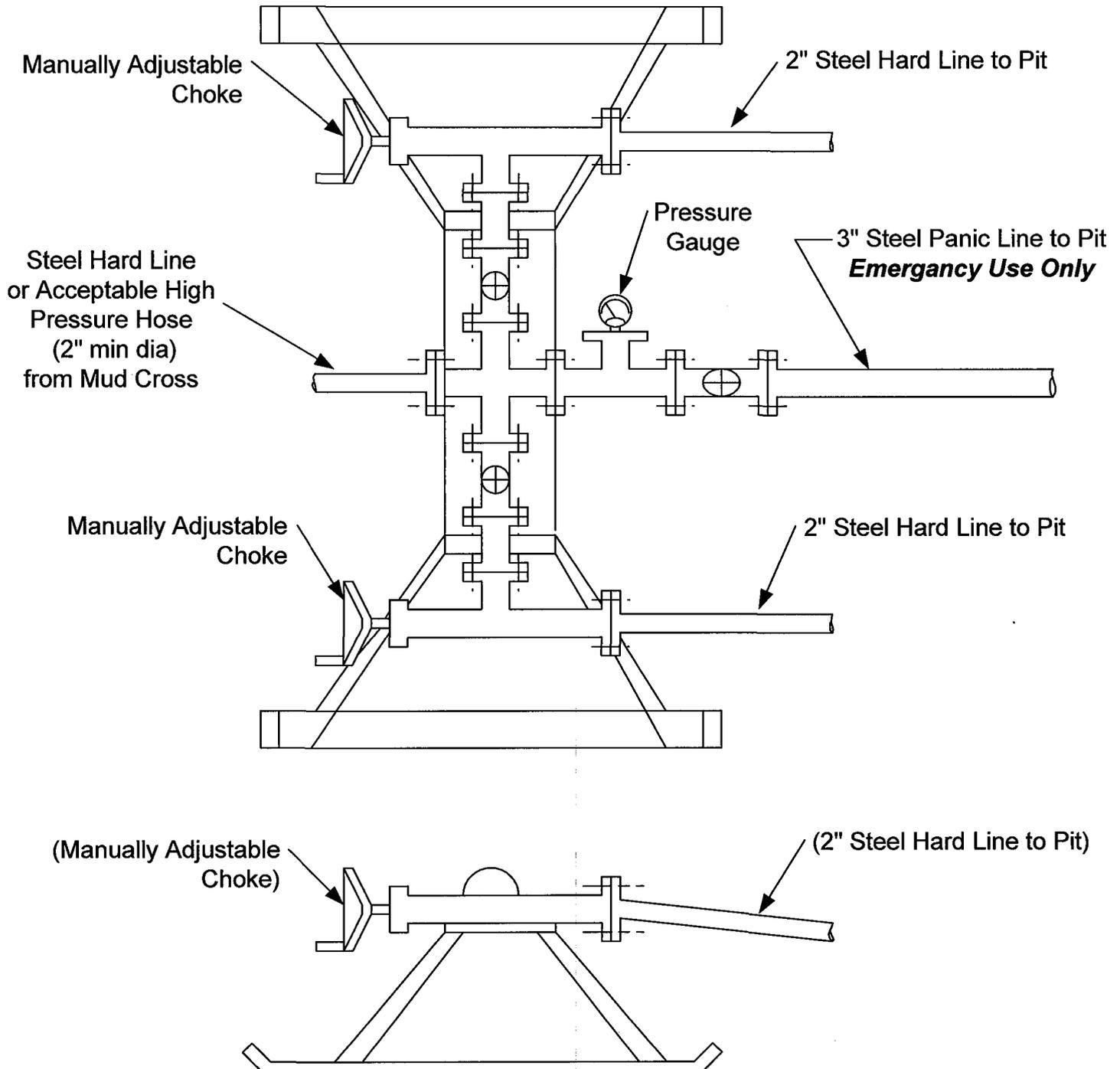


EXHIBIT F

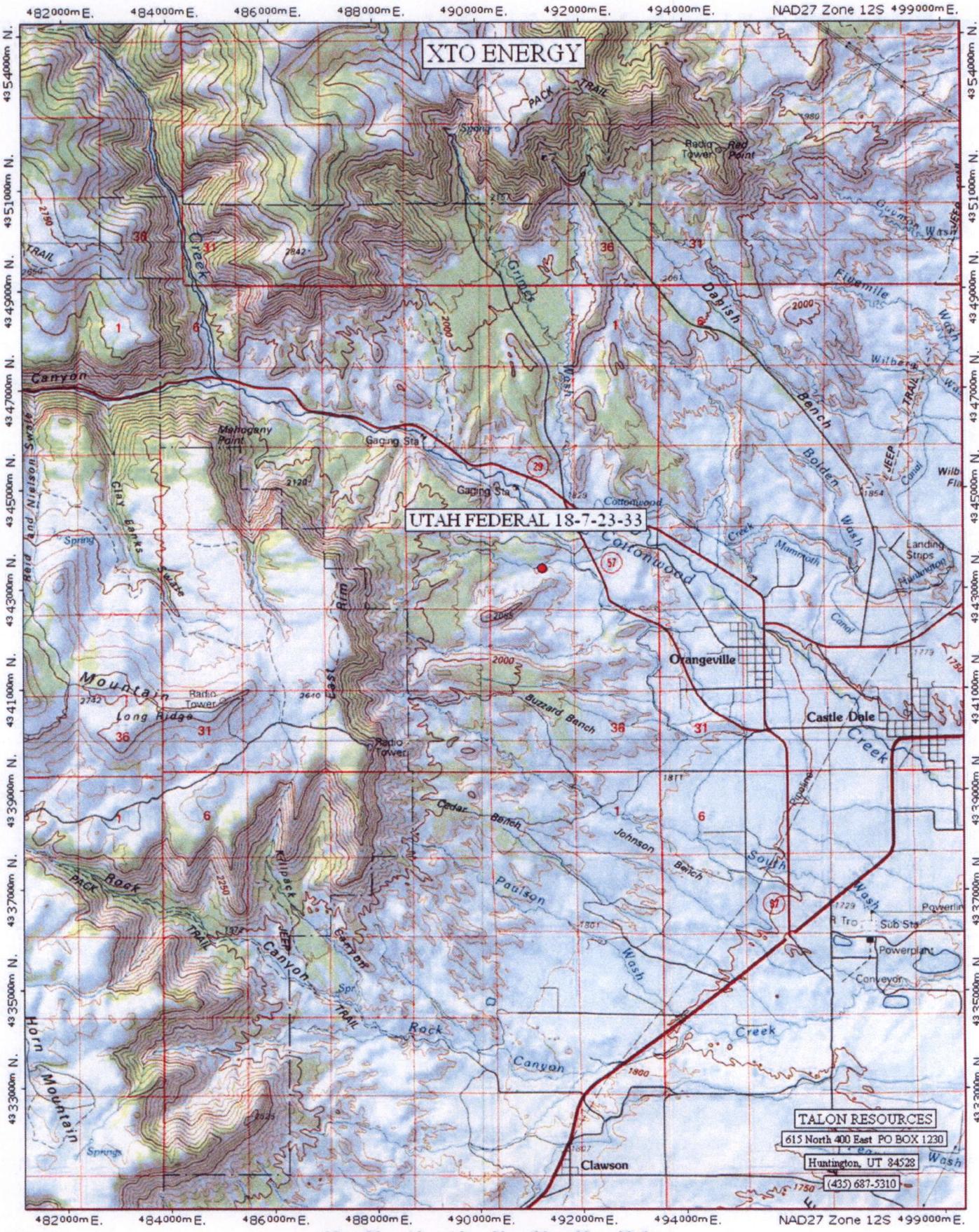
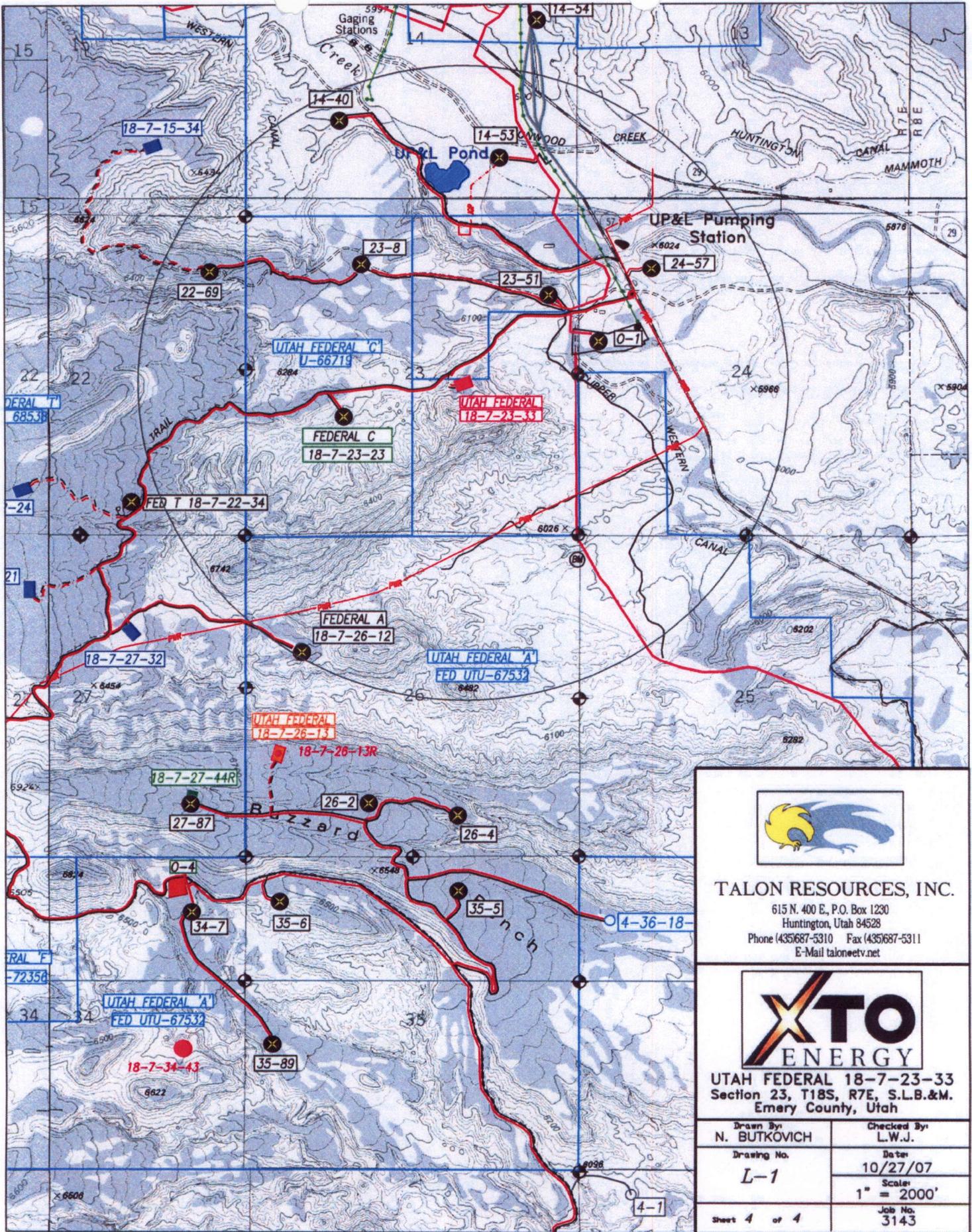


EXHIBIT A



TALON RESOURCES, INC.

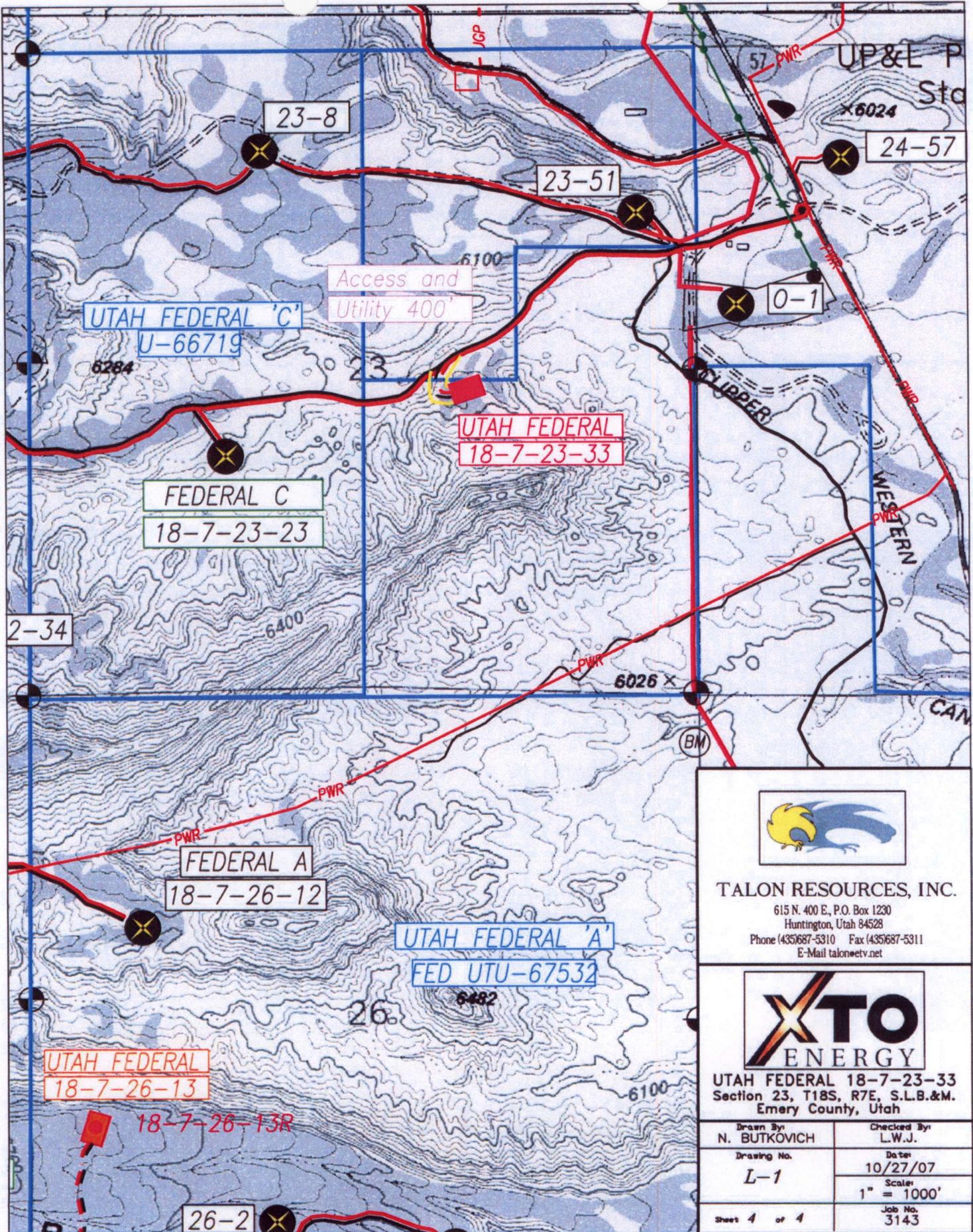
615 N. 400 E., P.O. Box 1230
Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@etv.net



UTAH FEDERAL 18-7-23-33
Section 23, T18S, R7E, S.L.B.&M.
Emery County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. L-1	Date: 10/27/07
	Scale: 1" = 2000'
Sheet 4 of 4	Job No. 3143



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Huntington, Utah 84528

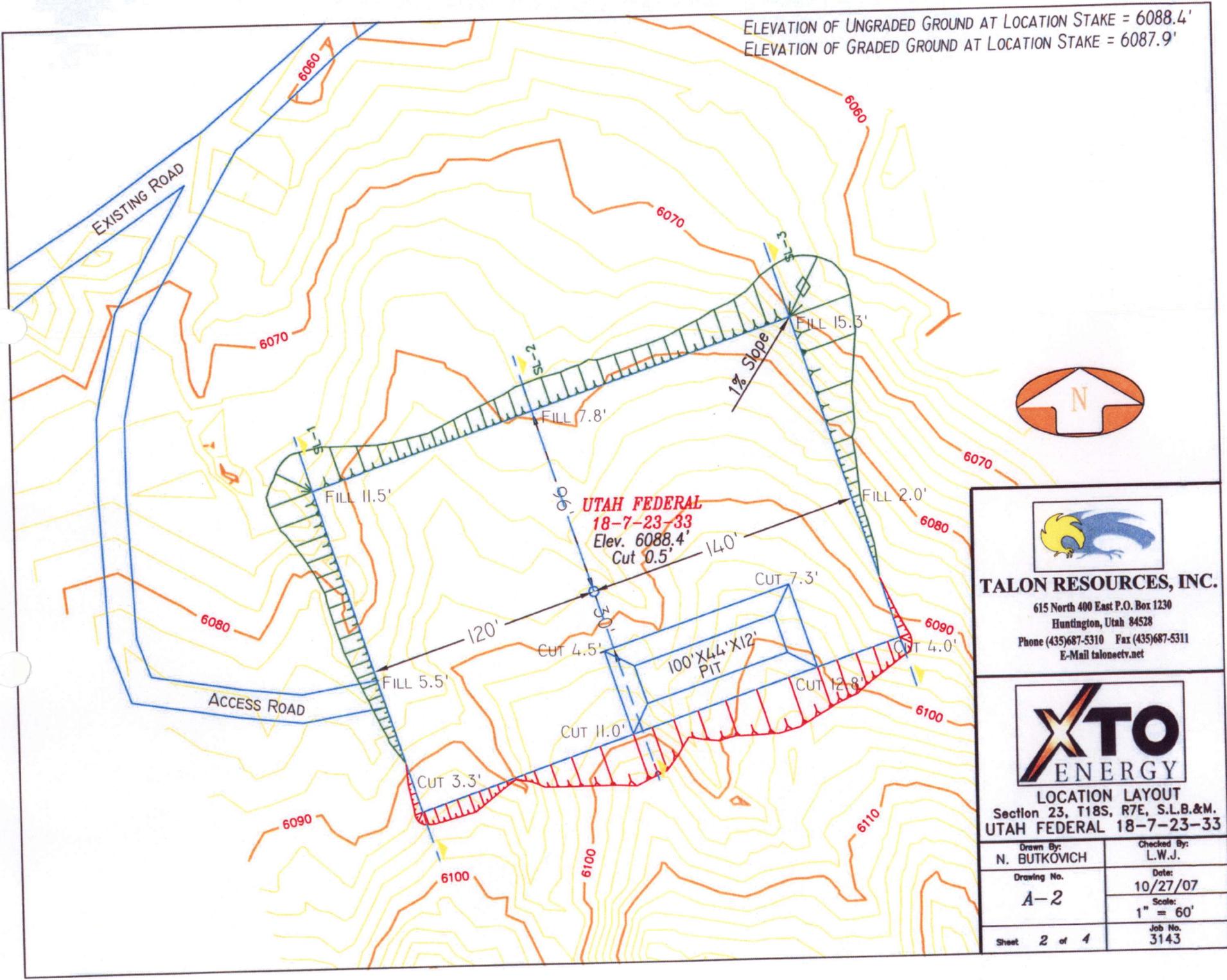
Phone (435)687-5310 Fax (435)687-5311
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UTAH FEDERAL 18-7-23-33
Section 23, T18S, R7E, S.L.B.&M.
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Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. L-1	Date: 10/27/07
	Scale: 1" = 1000'
Sheet 4 of 4	Job No. 3143

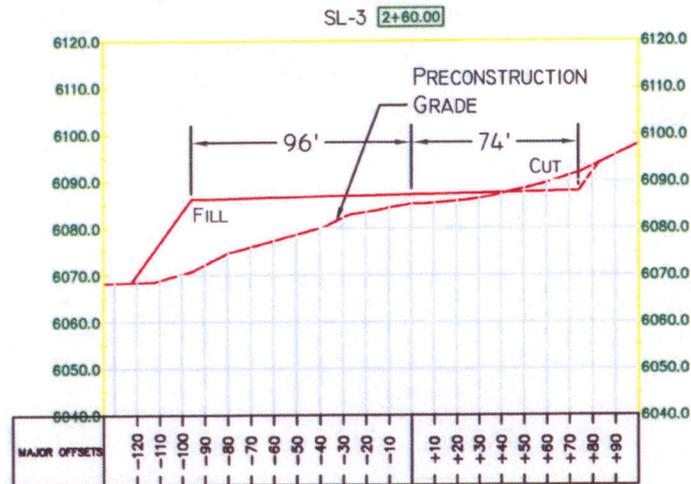
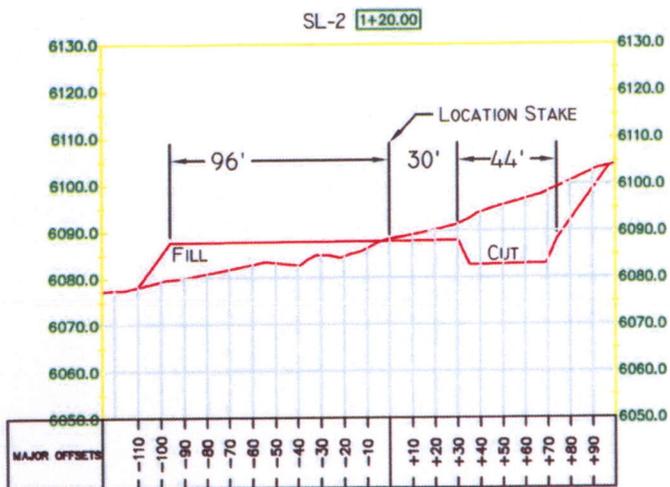
EXHIBIT C



TALON RESOURCES, INC.
 615 North 400 East P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talonnetv.net

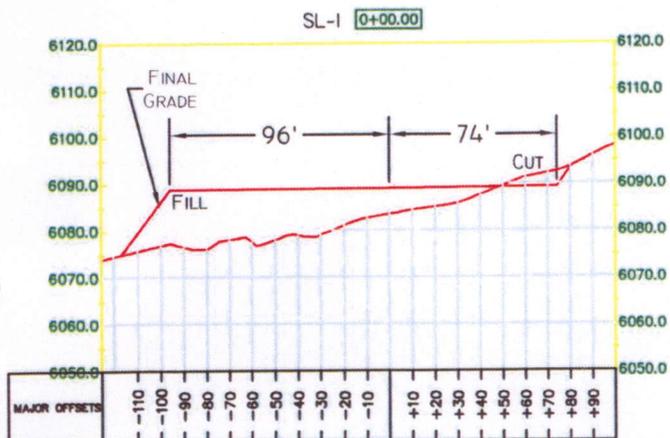
XTO ENERGY
 LOCATION LAYOUT
 Section 23, T18S, R7E, S.L.B.&M.
 UTAH FEDERAL 18-7-23-33

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 10/27/07
Sheet 2 of 4	Scale: 1" = 60'
	Job No. 3143



1" = 10'
X-Section Scale
1" = 20'

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



APPROXIMATE YARDAGES

(6") TOPSOIL STRIPPING = 820 CU. YDS.
TOTAL CUT (INCLUDING PIT) = 5,770 CU. YDS.
TOTAL FILL = 4,900 CU. YDS.



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TYPICAL CROSS SECTION
Section 23, T18S, R7E, S.L.B.&M.
UTAH FEDERAL 18-7-23-33

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 10/27/07
	Scale: 1" = 80'
Sheet 3 of 4	Job No. 3143

T18S R7E

UP & L 14-55 *

L & M
CURTIS B-56

FEDERAL T 22-69 *

FEDERAL C23-8 *

UP & L 24-57 *

UP & L 23-51 *

SWD 1

23

UT FED
18-7-23-33

FED C 18-7-23-23R (RIGSKID)
FED C 18-7-23 #23

BUZZARD BENCH FIELD

CAUSE: 245-01 / 7-7-1999

FEDERAL T 27-86

OPERATOR: XTO ENERGY INC (N2615)

SEC: 23 T.18S R. 7E

FIELD: BUZZARD BENCH (132)

COUNTY: EMERY

CAUSE: 245-01 / 7-7-1999



OIL, GAS & MINING



PREPARED BY: DIANA MASON
DATE: 4-APRIL-2008

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

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



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

April 7, 2008

XTO Energy Inc
382 CR 3100
Aztec, NM 87410

Re: Utah Federal 18-7-23-33 Well, 2502' FSL, 1860' FEL, NW SE, Sec. 23, T. 18 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 43-015-30745.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: XTO Energy Inc
Well Name & Number Utah Federal 18-7-23-33
API Number: 43-015-30745
Lease: UTU-69402

Location: NW SE **Sec.** 23 **T.** 18 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

Notify the Division with 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No. UTU-69402	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. N/A	
8. Lease Name and Well No. Utah Federal #18-7-23-33	
9. API Well No. 43015 30745	
10. Field and Pool, or Exploratory Ferron Sandstone	
11. Sec., T. R. M. or Blk. and Survey or Area SEC 23, T18S, R7E	
12. County or Parish EMERY	13. State UT
14. Distance in miles and direction from nearest town or post office* Approximate 2 miles Northwest of Orangeville, UT.	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 174'	16. No. of acres in lease 964.39
17. Spacing Unit dedicated to this well Lse basis	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. none
19. Proposed Depth 2980'	20. BLM/BIA Bond No. on file UTB-000138
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6088' Ground Elevation	22. Approximate date work will start* 07/10/2008
23. Estimated duration 2 weeks	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 04/01/2008
Title Regulatory Compliance		

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) MICHAEL STEWART	Date 7/10/08
Title Acting Field Manager		
Office Price Field Office		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

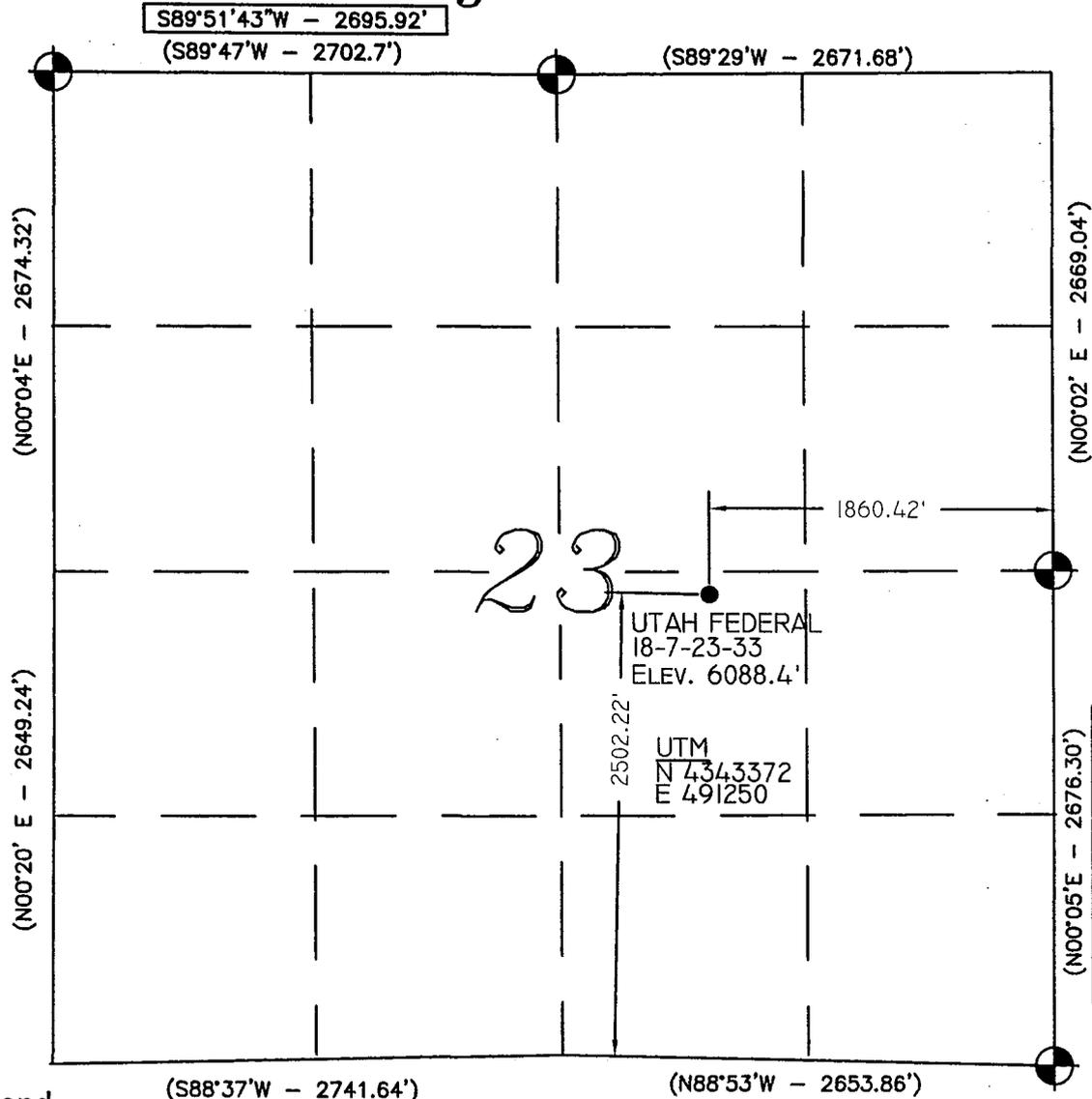
*(Instructions on page 2)

RECEIVED
JUL 14 2008
DIV. OF OIL, GAS & MINING

2008 APR - 7 AM 10:44
COPY
UDOGM

Range 7 East

Township 18 South



Location:

The well location was determined using a Trimble 5700 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 6006.86' being a Utah State Engineer's benchmark located between Section 25 and Section 26, T18S., R7E., Salt Lake Base & Meridian, 350' South of the Northwest Corner of Section 25, Township 18 South, Range 7 East.

Description of Location:

Proposed Drill Hole located in the NW/4 SE/4 of Section 23, T18S, R7E, S.L.B.&M., being North 2502.22' from South Line and West 1860.42' from East Line of Section 23, T18S, 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.

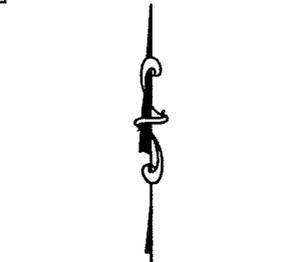
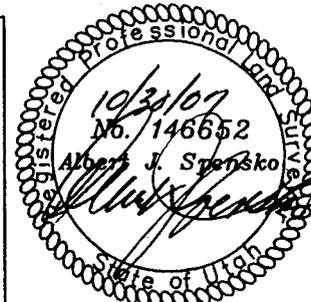
Legend

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

NOTES:

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

LAT / LONG
39°14'29.365" N
111°06'05.011" W



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



TALON RESOURCES, INC

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Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail taloneetv.net



UTAH FEDERAL 18-7-23-33
Section 23, T18S, R7E, S.L.B.&M.
Emery County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 10/27/07
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 3143



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
PRICE FIELD OFFICE

125 SOUTH 600 WEST PRICE, UT 84501 (435) 636-3600



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: XTO Energy Inc. Location: NWSE-Sec.23-T18S-R7E
Well No: Utah Federal 18-7-23-33 Lease No: UTU-69402
API No: 43-015-30745 Agreement:

Title	Name	Office Phone Number	Cell Phone Number
Acting Field Manager & Authorized Officer:	Michael Stiewig	(435) 636-3633	(435) 650-9135
Senior Petroleum Engineer:	Matthew Baker (Primary)	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	James Ashley (Alt.)	(435) 781-4470	(435) 828-7874
Petroleum Engineering Technician	Randy Knight (Primary)	(435) 636-3615	(435) 650-9143
Petroleum Engineering Technician	Walton Willis (Alt.)	(435) 636-3662	(435) 650-9140
NRS/Enviro Scientist:	Nathan Sill (Primary)	(435) 636-3668	
NRS/Enviro Scientist:	Don Stephens (Alt.)	(435) 636-3608	

Fax: (435) 636-3657

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify NRS)	- Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify NRS)	- Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC COAs:

- This well location will undergo interim reclamation as soon as completion operations are finished. Interim reclamation will be according to Gold Book standards (Fourth Edition-2006, pages 45-46). Reclamation will consist of recontouring the no longer necessary portions of the well pad to a tear-dropped shape to blend in with the surrounding environment. The remaining unreclaimed area will be just large enough for production operations. Topsoil will be spread and the well site will be revegetated. To reduce visual impacts revegetation should be maximized to allow the well location to blend in with the surrounding environment. This will include all areas on the well pad except for the area immediately around the well head.
- For reducing visual contrast, all production facilities to remain on-site longer than 6 months will be painted a flat, non-reflective standard environmental color (Olive Black 5WA20-6), approved by the Rocky Mountain Five State Interagency Committee, prior to installation. This Fuller O'Brien color is for reference only. This will include all facilities except those required to comply with Occupational Safety and Health (OSHA) regulations.
- Vegetation removed during construction should be salvaged and used during interim reclamation. Vegetation is not to be buried or mixed with topsoil, rather it should be laid on top of the reclaimed area to provide micro-sites for revegetation.
- The reserve pit will be lined with an impermeable liner. An impermeable liner is any liner having a permeability less than 10^{-7} cm/sec. The liner will be installed so that it will not leak and will be chemically compatible with all substances that may be put in the pit. Liners made of any man-made synthetic material will be of sufficient strength and thickness to withstand normal installation and pit use. In gravelly or rocky soils, a suitable bedding material such as sand will be used prior to installing the liner.

SURFACE USE COAs:

- The following appendices are attached for your reference. They are to be followed as conditions of approval:
 - Appendix 2: Seed Mixtures for Reclamation/Revegetation Areas
- Best Management Practices and the BLM Price Field Office Hydrologic Modification Standards will be implemented.
- The companies Spill Prevention, Containment, and Cleanup Plan shall be followed and a copy submitted to the authorized officer.
- Dust shall be controlled during all phases of project implementation through the use of water or approved dust suppressants.
- XTO shall avoid clearing trees in a straight line and maintain the irregular shaped areas of the access road and mitigation project as designed.

- Control of non-native, invasive species (noxious weeds) will be in accordance with the Federal Noxious Weed Act, the Utah Noxious Weed Act (R68-9), and County Noxious Weed Control Plans. Control of non-native, invasive species will be completed on all disturbed sites associated with the development and final reclamation of well pads and pipelines. The use of herbicides will be approved through a pesticide use proposal (PUP) submitted to the BLM prior to herbicide application.
- The Companies will provide georeferenced spatial data depicting as-built locations of all facilities, wells, roads, pipelines, power lines, and other related facilities to the BLM by November 1 of each year until completion of project construction activities has occurred.
- Reserve pits will be adequately fenced during and after drilling operations until pit is reclaimed so as to effectively keep out wildlife and livestock. Adequate fencing, in lieu of more stringent requirements by the surface owner, is defined as follows:
 - Construction materials will consist of steel or wood posts. Three or four strand wire (smooth or barbed) fence or hog panel (16-foot length by 50-inch height) or plastic snow fence must be used with connectors such as fence staples, quick-connect clips, hog rings, hose clamps, twisted wire, etc. Electric fences will not be allowed.
 - Construction standards: Posts shall be firmly set in ground. If wire is used, it must be taut and evenly spaced, from ground level to top wire, to effectively keep out animals. Hog panels must be tied securely into posts and one another using fence staples, clamps, etc. Plastic snow fencing must be taut and sturdy. Fence must be at least 2-feet from edge of pit. 3 sides fenced before beginning drilling, the fourth side fenced immediately upon completion of drilling and prior to rig release. Fence must be left up and maintained in adequate condition until pit is closed.
- The reserve pit will be oriented to prevent collection of surface runoff. After the drilling rig is removed, the operator may need to construct a trench on the uphill side of the reserve pit to divert surface drainage around it. If constructed, the trench will be left intact until the pit is closed.
- The reserve pit will be constructed so that at least half of its total volume is in solid cut material (below natural ground level).
- The reserve pit shall have 2 foot of freeboard maintained at all times to prevent overflow of fluids.
- XTO will measure gas production on the well pad unless permission is granted for measurement at another place.

GENERAL CONSTRUCTION:

- Operator shall contact the Price BLM Office (Nathan Sill 435-636-3668) at least forty-eight hours prior to the anticipated start of construction and/or any surface disturbing activities including reclamation. The BLM may require and schedule a preconstruction conference with the operator prior to the operator commencing construction and/or surface disturbing activities. The operator and the operator's contractor, or agents involved with construction and/or any surface disturbing activities associated with the

project, shall attend this conference to review the Conditions of Approval and plan of development. The operator's inspector will be designated at the pre-drill conference, and is to be given an approved copy of all maps, permits and conditions of approval before the start of construction. The BLM will also designate a representative for the project at the preconstruction conference.

- The operator shall designate a representative(s) who shall have the authority to act upon and to implement instructions from the BLM. The operator's representative shall be available for communication with the BLM within a reasonable time when construction or other surface disturbing activities are underway.
- Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public land is to be immediately reported to the Price BLM Office. The operator will suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Price BLM Office. An evaluation of the discovery will be made by the BLM to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator is responsible for the cost of evaluation of any site found during construction. The BLM will determine what mitigation is necessary.
- During project construction, surface disturbance and vehicle travel shall be limited to the approved location and access routes. Any additional area needed must be approved by the Price BLM Office prior to use.
- The operator must provide a trash cage for the collection and containment of all trash. The trash shall be disposed in an authorized landfill. The location and access roads shall be kept litter free.
- Vegetation removal necessitated by construction shall be confined to the limits of actual construction. Removed vegetation will be stockpiled for use in reclamation or removed from the construction site at the direction of the BLM.
- Prior to surface disturbance, topsoil is to be separately removed and segregated from other material. Topsoil depth will be decided onsite by BLM. If the topsoil is less than 6 inches, a 6-inch layer that includes the A horizon and the unconsolidated material immediately below the A horizon shall be removed and the mixture segregated and redistributed as the surface soil layer. The company in consultation with BLM shall determine stockpile locations and dimensions at the onsite. If the topsoil stockpiles will not be redistributed for a period in excess of one (1) year, the stockpiles are to be seeded with seed mixture (see Appendix 2, Table A-1 and A-2).

ROAD AND PIPELINE CONSTRUCTION:

- Operator shall provide an inspector under the direction of a registered professional engineer (PE) at all times during road construction.
- Road construction or routine maintenance activities are to be performed during periods when the soil can adequately support construction equipment. If such equipment creates ruts more than 6 inches deep, the soil is deemed too wet to adequately support construction equipment.

- The operator is responsible for maintenance of all roads authorized through the lease or a right-of-way. Construction and maintenance shall comply with Class II or III Road Standards as described in BLM Manual Section 9113 and the Moab District Road Standards, except as modified by BLM. Maintenance may include but is not limited to grading, applying gravel, snow removal, ditch cleaning, and headcut restoration/prevention.
- Topsoil from access roads and pipelines are to be wind rowed along the uphill side of the road or stored in an approved manner. When the road and pipeline is rehabilitated, this soil will then be used as a top coating for the seed bed.
- Erosion-control structures such as water bars, diversion channels, and terraces will be constructed to divert water and reduce soil erosion on the disturbed area. Road ditch turnouts shall be equipped with energy dissipators as needed to avoid erosion. Where roads interrupt overland sheet-flow and convert this runoff to channel flow, ditch turnouts shall be designed to reconvert channel flow to sheet flow. Rock energy dissipators and gravel dispersion fans may be used, or any other design which would accomplish the desired reconversion of flow regime. As necessary cut banks, road drainages, and road crossings shall be armored or otherwise engineered to prevent headcutting.

PAD CONSTRUCTION:

- During the construction of the drill pad, suitable topsoil material is to be stripped and conserved in a stockpile on the pad. If stockpiles are to remain for more than a year, they shall be seeded with the seed mixture (see Appendix 2, Table A-1 and A-2).
- Generally, drill pads are to be designed to prevent overland flow of water from entering or leaving the site. The pad is to be designed to allow for zero runoff. The drill pad shall be designed to disperse diverted overland flow and to regulate flow velocity so as to prevent or minimize erosion. Well pad diversion outlets shall be equipped with rock energy brakes and gravel-bedded dispersion fans.

REHABILITATION PROCEDURES:

Site Preparation:

- Upon completion of the well, all disturbed areas not needed for production facilities would be restored. Overall, the pad for a well during production is expected to be about 60 percent of the size that was needed for drilling and completion.
- The entire roadbed should be obliterated and brought back to the approximate original contour. Drainage control is to be reestablished as necessary. All areas affected by road construction are to be recontoured to blend in with the existing topography. All berms are to be removed unless determined to be beneficial by BLM. In recontouring the disturbed areas, care should be taken to not disturb additional vegetation.

Seedbed Preparation:

- An adequate seedbed should be prepared for all sites to be seeded. Areas to be revegetated should be chiseled or disked to a depth of at least 12 inches unless restrained by bedrock.

- Ripping of fill materials should be completed by a bulldozer equipped with single or a twin set of ripper shanks. Ripping should be done on 4-foot centers to a depth of 12 inches. The process should be repeated until the compacted area is loose and friable, then shall be followed by final grading. Seedbed preparation will be considered complete when the soil surface is completely roughened and the number of rocks (if present) on the site is sufficient to cause the site to match the surrounding terrain.
- After final grading, the stockpiled topsoil shall be spread evenly across the disturbed area.

Fertilization:

- Commercial fertilizer with a formula of 16-16-8 is to be applied at a rate of 200 pounds per acre to the site. The rate may be adjusted depending on soil.
- Fertilizer is to be applied not more than 48 hours before seeding, and shall be cultivated into the upper 3 inches of soil.
- Fertilizer is to be broadcast over the soil using hand-operated "cyclone-type" seeders or rotary broadcast equipment attached to construction or revegetation machinery as appropriate to slope. All equipment should be equipped with a metering device. Fertilizer application is to take place before the final seeding preparation treatment. Fertilizer broadcasting operations should not be conducted when wind velocities would interfere with even distribution of the material.

Mulching:

- When it is time to reclaim this location, the Price BLM Office will determine whether it will be necessary to use mulch in the reclamation process. The type of mulch should meet the following requirements: Wood cellulose fiber shall be natural or cooked, shall disperse readily in water, and shall be nontoxic. Mulch shall be thermally produced and air dried. The homogeneous slurry or mixture shall be capable of application with power spray equipment. A colored dye that is noninjurious to plant growth may be used when specified. Wood cellulose fiber is to be packaged in new, labeled containers. A minimum application of 1500 pounds per acre shall be applied. A suitable tackifier shall be applied with the mulch at a rate of 60 to 80 pounds per acre.
 - An alternative method of mulching on small sites would be the application of straw or hay mulch at a rate of 2000 pounds per acre. Hay or straw shall be certified weed free. Following the application of straw or hay, crimping shall occur to ensure retention.

Reseeding:

- All disturbed areas are to be seeded with the seed mixture required by the BLM. The seed mixture(s) shall be planted in the fall of the year (Sept-Nov), in the amounts specified in pounds of pure live seed (PLS)/acre. There shall be no noxious weed seed in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within 12 months prior to planting. Commercial seed will be either certified or registered seed. The seed mixture container shall be tagged in accordance with State law(s) and available for inspection by the BLM. Seed is to be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area. (Smaller/heavier seeds tend to drop to the bottom of the drill and are

planted first. Appropriate measures should be taken to ensure this does not occur.) Where drilling is not possible, seed is to be broadcast and the area raked or chained to cover the seed. Woody species with seeds that are too large for the drill will be broadcast. When broadcasting the seed, the pounds per acre noted below are to be increased by 50 percent. Reseeding may be required if a satisfactory stand is not established to the surface rights owner's specifications. Evaluation of the seeding's success will not be made before completion of the second growing season after the vegetation becomes established. The Price BLM Office is to be notified a minimum of seven days before seeding a project.

- The disturbed areas for the road and pipeline must be seeded in the fall of the year, immediately after the topsoil is replaced. The prescribed seed mixture is Pinyon-Juniper (see attached).

General:

- Prior to the use of insecticides, herbicides, fungicides, rodenticides and other similar substances, the operator must obtain from BLM, approval of a written plan. The plan must describe the type and quantity of material to be used, the pest to be controlled, the method of application, the location for storage and disposal of containers, and other information that BLM may require. A pesticide may be used only in accordance with its registered uses and within other agency limitations. Pesticides must not be permanently stored on public lands.

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- The 2M BOPE shall be tested to 2,000 psi if utilizing a test plug or 70% of the rates burst of the casing if no plug is utilized.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Price Field Office within 24 hours of spudding.
- Notify Price Field Office Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- If air drilling operations are utilized, the requirements of Onshore Oil & Gas Order No. 2, Part III.E *Special Drilling Operations*, shall be implemented.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Price Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Price Field Office, in writing, within 5

working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Price BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Price Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- The use of a flow conditioner in lieu of straightening vanes in the gas meter run cannot be approved with the information provided. This proposal is not consistent with the provisions of Onshore Oil & Gas Order No. 5, and as such, can only be considered for approval as a "variance" from Order No. 5. A written request for variance would identify the Order No. 5 requirement(s) from which the variance is being requested, and it would include supporting justification as to how the alternate method of measurement would meet or exceed the minimum standards established in Order No. 5. A variance request for the use of a flow conditioner would also include the make, model, dimensions, and description of use for the specific flow conditioner being proposed.
- **Please submit a copy of all other logs run on this well to the BLM Price Field Office.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Price Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Price Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Price Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Price Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in

accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Price Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Price Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Price Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Price Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Price Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Price Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Price Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Price Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

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

FORM 6

ENTITY ACTION FORM

Operator: XTO ENERGY INC.
Address: 382 CR 3100
city AZTEC
state NM zip 87410

Operator Account Number: N 2615

Phone Number: (505) 333-3100

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301530745	UTAH FEDERAL #18-7-23-33		NWSE	23	18S	7E	EMERY
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	17102	9/8/2008		9/25/08		
Comments: FRSD							

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:							

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)

JENNIFER M. HEMBRY

Name (Please Print)
Jennifer M. Hembry
Signature
FILE CLERK
Title
9/19/08
Date

RECEIVED

SEP 22 2008

(5/2000)

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU-69402
2. Name of Operator XTO Energy Inc.		6. If Indian, Allottee or Tribe Name N/A
3a. Address 382 CR 3100 Aztec, NM 87410	3b. Phone No. (include area code) 505-333-3100	7. If Unit or CA/Agreement, Name and/or No. N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2502' FSL & 1860' FEL NWSE SEC 23-T18S-R7E S MERIDIAN		8. Well Name and No. Utah Federal #18-7 -23-33
		9. API Well No. 43-015-30745
		10. Field and Pool, or Exploratory Area BUZZARD BENCH FERRON SANDSTONE
		11. County or Parish, State EMERY UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other SPUD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc. spudded 20" hole on 9/8/08 & drilled to 90'. Set 14", 36.75#, A252A conductor casing @ 90' & cemented w/7yds ready mix. Circ cement to surf.

Drilling ahead. . .

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

LORRI D. BINGHAM

Title **REGULATORY COMPLIANCE TECH**

Signature

Date **9/18/08**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

DOGM COPY

SEP 23 2008

DIV. OF OIL GAS & MINERAL

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-69402

SUNDRY NOTICES AND REPORTS ON WELLS

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

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:
N/A

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
UTAH FEDERAL 18-7-23-33

2. NAME OF OPERATOR:
XTO ENERGY INC.

9. API NUMBER:
4301530745

3. ADDRESS OF OPERATOR:
382 CR 3100 CITY AZTEC STATE NM ZIP 87410

PHONE NUMBER:
(505) 333-3100

10. FIELD AND POOL, OR WILDCAT:
BUZZ BENCH/FERRON COAL

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2502' FSL & 1860' FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 23 18S 7E S

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: 9/30/2008	<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: SEPTEMBER '08 MONTHLY REPORT
	<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.

Attached is XTO Energy's monthly report for the period of 9/01/2008 thru 9/30/2008.

NAME (PLEASE PRINT) WANETT MCCAULEY TITLE FILE CLERK
SIGNATURE *Wanett McCauley* DATE 10/3/2008

(This space for State use only)

RECEIVED
OCT 06 2008
DIV. OF OIL, GAS & MINING

EXECUTIVE SUMMARY REPORT

9/1/2008 - 9/30/2008
Report run on 10/1/2008 at 3:14 PM

Utah Federal 18-07-23-33 - Buzzards Bench, 23, 18S, 07E, Emery, Utah, ,
Orangeville,

AFE: 800051

Objective: Drill & Complete a Ferron Coal gas well
Rig Information: Elenburg Exploration, 11,

9/6/2008 Spud @ 08:00, 9-5-08. Drlg f/0' to 40'. Run 40' of 14" csg. Cmt w/3 yards
readymix. Cmt to surface. Release rig @ 16:00, 9-5-08
Spud @ 08:00 9-5-08. Drlg 20" hole f/0' to 40'. Run 1 jt of 14" 36.75#,
A252A, Total 40', Set @ 40' GL/51' KB.

===== Utah Federal 18-07-23-33 =====

9/26/2008 MIRURT, Spud @ 12:00 hrs 09/25/2008, Drill 12-1/4" surface hole f/40' -
t/330', Run 317' of 9-5/8", 36#, J-55, ST&C casing, Land at 317', Cement
casing w/225 sks, Circ. 10 bbls to surface, RDMO

===== Utah Federal 18-07-23-33 =====

9/29/2008 Move in rig up rotary tools, Nipple up BOP equipment, Pressure test BOP
equipment, Lay blooie line, Pick up BHA, Trip in the hole, Drill out cement
shoe joint

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-69402
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: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: XTO ENERGY INC.		8. WELL NAME and NUMBER: UTAH FEDERAL 18-7-23-33
3. ADDRESS OF OPERATOR: 382 CR 3100 CITY AZTEC STATE NM ZIP 87410		9. API NUMBER: 4301530745
PHONE NUMBER: (505) 333-3100		10. FIELD AND POOL, OR WILDCAT: BUZZ BENCH/FERRON COAL
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2502' FSL & 1860' FEL		COUNTY: EMERY
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 23 18S 7E S		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/31/2008	<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: OCTOBER 08
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	MONTHLY REPORT

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

Attached is XTO Energy's monthly report for the period of 10/01/2008 thru 10/31/2008.

RECEIVED
NOV 10 2008
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) JENNIFER M. HEMBRY	TITLE FILE CLERK
SIGNATURE <i>Jennifer M. Hembry</i>	DATE 11/5/2008

(This space for State use only)

EXECUTIVE SUMMARY REPORT

10/1/2008 - 10/31/2008
Report run on 11/4/2008 at 12:16 PM

Utah Federal 18-07-23-33 - Buzzards Bench, 23, 18S, 07E, Emery, Utah, ,
Orangeville,

AFE: 800051

Objective: Drill & Complete a Ferron Coal gas well

10/1/2008 Drill f/1930' - t/2479', Trip for bit, Cut drilling line, Drill f/2479' -
t/2715'

----- Utah Federal 18-07-23-33 -----
10/2/2008 Drill f/2715' - t/2980' w/2000 cfm air, 20 bph mist, Total depth, Circulate
hole clean, Short trip 20 stands

----- Utah Federal 18-07-23-33 -----
10/3/2008 Short trip, Circulate, Trip out, Lay down drill string, Run open hole logs,
Run 66 jts 5-1/2" casing, Land at 2973', Cement casing, Nipple down BOP, Set
slips, Cut off casing, Rig down rotary tools, Release rig

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-69402
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: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: XTO ENERGY INC.			8. WELL NAME and NUMBER: UTAH FEDERAL 18-7-23-33
3. ADDRESS OF OPERATOR: 382 CR 3100 CITY AZTEC STATE NM ZIP 87410		PHONE NUMBER: (505) 333-3100	9. API NUMBER: 4301530745
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2502' FSL & 1860' FEL			10. FIELD AND POOL, OR WILDCAT: BUZZ BENCH/FERRON COAL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 23 18S 7E S			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: 11/30/2008	<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: DECEMBER 08
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	MONTHLY REPORT

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

Attached is XTO Energy's monthly report for the period of 11/01/2008 thru 11/30/2008.

NAME (PLEASE PRINT) <u>JENNIFER M. HEMBRY</u>	TITLE <u>REGULATORY CLERK</u>
SIGNATURE <u>Jennifer M. Hembry</u>	DATE <u>12/5/2008</u>

(This space for State use only)

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DEC 09 2008

DIV. OF OIL, GAS & MINING

EXECUTIVE SUMMARY REPORT

11/1/2008 - 11/30/2008
Report run on 12/3/2008 at 5:29 PM

Utah Federal 18-07-23-33 - Buzzards Bench, 23, 18S, 07E, Emery, Utah, ,
Orangeville,

AFE: 800051
Objective: Drill & Complete a Ferron Coal gas well

11/6/2008 SICP 0 psig. MIRU BHWS #2.

11/7/2008 SICIP 0 psig. TIH w/84 jts 2-7/8" tbg. TOH w/34 jts 2-7/8" tbg. RU & RIH
w/swb tls. BFL @ 500' FS. S. 0 BO, 20 BLW, 7 runs, 2 hrs., FFL @ 1,700' FS
w/0 psig, blow on tbg. FCP 0 psig. Rets of cln wtr, tr of sd. TOH w/54 jts
2-7/8" tbg. SWI. SDFN.

11/8/2008 SICIP 0 psig. MIRU JW WL. RIH w/4" Slick csg gun loaded w/Titan EXP-3323-
322T chrgs, 22.7 gm, 0.41" dia., 54 holes. Perforate Ferron Coal perfs
fr/2,722' - 2,762' w/3 JSPF. RDMO JW WL. TIH w/84 jts 2-7/8" tbg. EOT @
2,805'. RU & RIH w/swb tls. BFL @ 1,100' FS. S. 0 BO, 25 BLW, 7 runs, 5
hrs., FFL @ 2,750' FS w/0 blow on tbg. FCP 0 psig. Rets of cln wtr, tr of
sd. Perforate fr/8:00 a.m. to 11:00 a.m., swb 11: 00 a.m. to 4:30 p.m. SWI &
SDFN. 0 BLWTR.

11/9/2008 SICIP 0 psig. EOT @ 2,805'. RU & RIH w/swb tls. BFL @ 2,700' FS. S. 0 BO,
5 BLW, 4 runs, 5 hrs., FFL @ 2,750' FS w/0 psig blow on tbg. FCP 0 psig.
Rets of cln wtr, tr of sd. TOH & LD 84 jts 2-7/8" tbg. RDMO 4 CWS rig # 2.
MIRU Cal Frac. Swab from 7:00 a.m. to 12:00 p.m., LD tbg fr/12:00 p.m. to
1:30 p.m., RDMO fr/1:30 p.m. to 2:30 p.m. MIRU Cal Frac equip fr/2:30 p.m.
to 5:30 p.m. SWI & SDFN. 0 BLWTR.

11/10/2008 SICIP 4 psig. MIRU CAL FRAC frac crew. A. Ferron Coal perfs fr/2,722' -
2,762' dwn 5-1/2 csg w/1000 gals 15% HCL at 8 BPM & 10 psig. Form BD @ 24
bpm & 1,000 psig. Frac Ferron Coal perfs fr/2,722' - 2,762' w/879 bbl slick
wtr. 1,863 bbl DynAqua-1 frac fld carrying 89,444 lbs 20/40 Brady sd, &
60,102 lbs 16/30 Brady sd. Last 62,311 lbs 16-30 Brady sd ppd SiberProp
coated. Frac Gradient 0.76. Flshd w/64 bbls Linear Gel. Sd conc 0.30 -
5.00 ppg. SIPS 902 psig, 5" SIP 861 psig, 10" SIP 812 psig, 15" SIP 793
psig. ATP 1,179 psig. AIR 41 bpm. Max TP 1,405 psig. Max IR 43 bpm. Max
sd conc 5.00 ppg. MIRU JW WL. RIH w/ 5-1/2" CBP & 4" Slick Csg Gun. Set 5-
1/2" CBP @ 2,710', PT plg to 2,000 psig, Perf Ferron Coal w/3 JSPF fr/2,642'
- 2,670'. (27 holes, 22.7 gm, .41" dia, 120 deg ph). All dpts correlated
fr/CNL/GR log ran on 10-2-08. POH & LD csg guns. RDMO JW WL. A. Ferron
Coal perfs fr/2,642' - 2,670' dwn 5-1/2 csg w/1000 gals 15% HCL at 4 BPM & 10
psig. Form BD @ 24 bpm & 2,412' psig. Frac Ferron Coal perfs fr/2,642' -
2,670' w/390 bbls slick wtr. 821 bbls DynAqua-1 frac fld carrying 41,896 lbs
20/40 Brady sd, & 30,758 lbs 16/30 Brady sd. Last 13,569 lbs 16-30 Brady sd
ppd SiberProp coated. Frac Gradient 0.86. Flshd w/60 bbls Linear Gel, 3
bbls short. Sd conc 0.30 - 5.00 ppg. SIPS 1,118 psig, 5" SIP 1,001 psig,
10" SIP 899 psig, 15" SIP 812 psig. ATP 1,656 psig. AIR 28 bpm. Max TP
2,412 psig. Max IR 30 bpm. Max sd conc 5.00 ppg. 4,078 BLWTR. RD CAL
FRAC. RDMO CAL FRAC. SWI.

11/11/2008 SICIP 65 psig. MIRU BHWS #2. Attd to Bd & KW w/o success. OWU on 32/64" ck.
F. 0 BO, 180 BLW, 5 hrs., FCP 65 - 0 psig, 32/64" ck. ND frac vlv, NU BOP.
3,898 BLWTR

EXECUTIVE SUMMARY REPORT

11/1/2008 - 11/30/2008
Report run on 12/3/2008 at 5:29 PM

- 11/12/2008 ===== Utah Federal 18-07-23-33 =====
SICP 65 psig. Attd to Bd & KW w/o success. OWU on 32/64" ck. F. 0 BO, 80 BLW, 3 hrs., FCP 65 - 0 psig, 32/64" ck. TIH w/4-3/4" bit, 1 jt 2-7/8" tbg, SN & 81 jts 2-7/8" tbg, tgd CBP @ 2,710'. MIRU Tech Foam AFU. DO CBP & CO sd fill to PBD @ 2,973'. TOH w/10 jts 2-7/8" tbg. RDMO AFU. SWI & SDFN. 3,800 BLWTR
- 11/13/2008 ===== Utah Federal 18-07-23-33 =====
SITP 20 psig, SICP 60 psig. TIH w/10 jts 2-7/8 " tbg, tgd @ 2,970, 3' new fill. TOH w/ 6 jts 2- 7/8" tbg. RU & RIH w/swb tbs. BFL @ surf. S. 0 BO, 234 BLW, 17 runs, 6 hrs., FFL @ 800' FS w/0 psig blow on tbg. SICP 0 psig. Rets of cln wtr, tr of sd. TIH w/6 jts 2-7/8" tbg, tgd 4' of fill. TOH w/10 jts 2-7/8" tbg. SWI & SDFN. 3,566 BLWTR.
- 11/14/2008 ===== Utah Federal 18-07-23-33 =====
SITP 0 psig, SICP 0 psig. TIH w/10 jts 2-7/8 " tbg, tgd 1' new fill @ 2,965. TOH w/6 jts 2- 7/8" tbg. RU & RIH w/swb tbs. BFL @ 100' FS. S. 0 BO, 142 BLW, 16 runs, 6 hrs., FFL @ 400' FS w/0 psig blow on tbg. SICP 0 psig. Rets of cln wtr, tr of sd. TIH w/6 jts 2-7/8" tbg, tgd 1' of addl fill @ 2,964'. TOH w/10 jts 2-7/8" tbg. SWI. SDFWE. 3,424 BLWTR.
- 11/17/2008 ===== Utah Federal 18-07-23-33 =====
SITP 0 psig, SICP 0 psig. TIH w/10 jts 2-7/8 " tbg tgd 2,963, 1' new fill. TOH w/ 6 jts 2- 7/8" tbg RU & RIH w/swb tbs. BFL @ surface BFS. S. 0 BO, 216 BLW, 25 runs, 8 hrs., FFL @ 900' FS w/0 blow on tbg. SICP 0 psig. Rets of cln wtr, tr of sd. TIH w/ 6 jts 2-7/8" tbg tgd 3' of fill @ 2,960'. TOH w/ 10 jts 2-7/8 " tbg. SWI. SDFN. 3,218 BLWTR.
- 11/18/2008 ===== Utah Federal 18-07-23-33 =====
SITP 0 psig, SICP 0 psig. TIH w/10 jts 2-7/8 " tbg tgd 2,960, 1' new fill. TOH w/90 jts 2- 7/8" tbg. RU & RIH w/2-7/8" blr assy & 89 jts 2-7/8" tbg. CO 13' of fill to 2,973'. TOH w/90 jts 2-7/8" tbg, LD blr assy. TIH w/2-7/8" purge vlv, 6' x 2-7/8" tbg sub, Cavins Desander, 4' x 2-7/8" tbg sub, SN, 7 jts 2-7/8" tbg, 5-1/2" x 2-7/8" TAC & 79 jts 2-7/8" tbg. Attd to set TAC @ 2,612'. SN @ 2,842', EOT @ 2,874'. PBD @ 2,973'. Sheared TAC while attg to set. SWI. SDFN. 3,218 BLWTR.
- 11/19/2008 ===== Utah Federal 18-07-23-33 =====
SITP 0 psig, SICP 0 psig. TOH w/79 jts 2- 7/8" tbg. LD & repld 5-1/2" x 2-7/8" sheared TAC. TIH w/79 jts 2-7/8" tbg. Set TAC @ 2,612'. Ld tbg w/2-7/8" donut tbg hgr in 12 K tens. SN @ 2,842'. EOT @ 2,874'. PBD @ 2,973'. Ferron Coal perms fr/2,642' - 2,722'. ND BOP, NU WH. PU & loaded Western pump 2-1/2" x 2" x 20' RWBC-DV pmp (XTO # 163) w/1' X 1" stnr nip. TIH w/pmp, 1 - 1-1/2" x 25' sbs, shear tool, 1 - 7/8" x 4' stabilizer rod, 1 - 1-1/2" x 25' sbs, 1 - 7/8" x 4' stabilizer rod, 2 - 1-1/2" x 25' sbs, 1 - 7/8" x 4' stabilizer rod, 2 - 1-1/2" x 25' sbs, 1 - 7/8" x 4' stabilizer rod, 2 - 1-1/2" x 25' sbs, 1 - 7/8" x 4' stabilizer rod, 101 - 3/4" skr d w/3 molded guides pr rod, 3 -3/4" guided rod sub (8',8',2') & 1-1/4" x 26' PR. Seated pmp. PT tbg to 1,000 psig w/4 BFW for 10". Tstd ok. Rltd press. LS pmp w/rig to 500 psig. GPA. SWI & SDFN. 3,222 BLWTR.
- 11/20/2008 ===== Utah Federal 18-07-23-33 =====
SITP 0 psig, SICP 0 psig. SWO & clamped of rods for PU installation. RDMO BHWS #2 SWI. SDFN. 3,222 BLWTR.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU-69402
2. Name of Operator XTO Energy Inc.		6. If Indian, Allottee or Tribe Name N/A
3a. Address 382 CR 3100 Aztec, NM 87410	3b. Phone No. (include area code) 505-333-3100	7. If Unit or CA/Agreement, Name and/or No. N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2502' FSL & 1860' FEL NWSE SEC 23-T18S-R7E S MERIDIAN		8. Well Name and No. Utah Federal #18-7 -23-33
		9. API Well No. 43-015-30745
		10. Field and Pool, or Exploratory Area BUZZARD BENCH FERRON SANDSTONE
		11. County or Parish, State EMERY UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other 1ST DELIVERY
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc. first delivered this well to Questar Gas Management @ 1700 hours on Wednesday, 12/10/2008.

IFR 30 MCFPD.

XTO Meter: #OV1534RF

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DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) BARBARA A. NICOL		Title REGULATORY CLERK
Signature <i>Barbara A. Nicol</i>		Date 12/11/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	DOGM COPY

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-69402
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: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: XTO ENERGY INC.		8. WELL NAME and NUMBER: UTAH FEDERAL 18-7-23-33
3. ADDRESS OF OPERATOR: 382 CR 3100 CITY AZTEC STATE NM ZIP 87410		9. API NUMBER: 4301530745
		10. FIELD AND POOL, OR WLD CAT: BUZZ BENCH/FERRON COAL
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2502' FSL & 1860' FEL		COUNTY: EMERY
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 23 18S 7E S		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 12/31/2008	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: DECEMBER 08 MONTHLY REPORT

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

Attached is XTO Energy's monthly report for the period of 12/01/2008 thru 12/31/2008.

NAME (PLEASE PRINT) JENNIFER M. HEMBRY	TITLE REGULATORY CLERK
SIGNATURE	DATE 1/5/2009

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JAN 12 2009

EXECUTIVE SUMMARY REPORT

12/1/2008 - 12/31/2008
Report run on 1/5/2009 at 9:58 AM

Utah Federal 18-07-23-33 - Utah Federal 18-07-23-33

Section 23-18S-07E, Emery, Utah, Orangeville

Objective: Drill & Complete a Ferron Coal gas well

Date First Report: 9/5/2008

Last Casing String:

Method of Production: Beam

12/10/2008

The Utah Federal 18-07-23-33 first delivered an initial flow rate of 30 mcf/d to Questar through the Orangeville CDP @ 5:00 p.m., Wednesday, 12/10/08.

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-69402

SUNDRY NOTICES AND REPORTS ON WELLS

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

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:
N/A

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
UTAH FEDERAL 18-7-23-33

2. NAME OF OPERATOR:
XTO ENERGY INC.

9. API NUMBER:
4301530745

3. ADDRESS OF OPERATOR:
382 CR 3100 CITY **AZTEC** STATE **NM** ZIP **87410**

PHONE NUMBER:
(505) 333-3100

10. FIELD AND POOL, OR WILDCAT:
FERRON SANDSTONE

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **2502' FSL x 1860' FEL**

COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSW 23 18S 7E S**

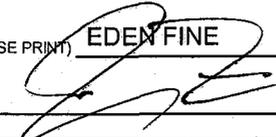
STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/31/2009	<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: January 08
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	MONTHLY REPORT

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

XTO Energy Inc. has nothing to report on this well for the period of 1/1/2009 thru 1/31/2009

NAME (PLEASE PRINT) EDEN FINE TITLE REGULATORY CLERK
SIGNATURE  DATE 2/6/2009

(This space for State use only)

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FEB 10 2009
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: UTU-69402
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
		7. UNIT or CA AGREEMENT NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: UTAH FEDERAL 18-7-23-33
2. NAME OF OPERATOR: XTO ENERGY INC.		9. API NUMBER: 4301530745
3. ADDRESS OF OPERATOR: 382 CR 3100 CITY AZTEC STATE NM ZIP 87410		10. FIELD AND POOL, OR WILDCAT: FERRON SANDSTONE
PHONE NUMBER: (505) 333-3100		

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **2502' FSL x 1860' FEL** COUNTY: **UINTAH**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSW 23 18S 7E S** STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/31/2009	<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: February 09
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	MONTHLY REPORT

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

XTO Energy Inc. has nothing to report on this well for the period of 2/1/2009 thru 2/28/2009

NAME (PLEASE PRINT) EDEN FINE	TITLE REGULATORY CLERK
SIGNATURE	DATE 3/4/2009

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MAR 09 2009
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU-69402

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

7. Unit or CA Agreement Name and No.
N/A

8. Lease Name and Well No.
UTAH FEDERAL #18-7-23-33

9. API Well No.
43-015-30745

1a. Type of Well Oil Well Gas Well Dry Other

b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resvr.,
Other _____

2. Name of Operator
XTO Energy Inc.

3. Address **382 CR 3100 Aztec, NM 87410**

3a. Phone No. (include area code) **505-333-3100**

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface **2,502' FSL & 1,860' FEL**

At top prod. interval reported below

At total depth **SAME**

10. Field and Pool, or Exploratory
BUZZARD BENCH/FERRON SANDSTONE

11. Sec., T., R., M., or Block and Survey or Area
NWSE SEC 23-T18S-R7E S

12. County or Parish **EMERY**

13. State **UT**

14. Date Spudded **09/05/2008**

15. Date T.D. Reached **10/02/2008**

16. Date Completed D & A Ready to Prod. **12/10/2008**

17. Elevations (DF, RKB, DST, GL)*
6,088 GL

18. Total Depth: MD **2,980'** TVD

19. Plug Back T.D.: MD **2,973'** TVD

20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Dual Ind/Guard Log GR, Comp Den/Comp Neut/GR, CBL/VDL/CCL/GR

22. Was well cored? No Yes (Submit analysis)
Was DST run No Yes (Submit report)
Directional Survey? No Yes (Submit copy)

RECEIVED
MAR 26 2009
DIV OF OIL, GAS & MINING

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt.(#ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20"	14"A252A	36.75#	0	51'		75/Redimix		SURF	
12.25"	9.6" J55	36#	0	317'		225 Class A		SURF	
8.75"	5.5"S-80	17#	0	2,973'		225 Class A		1,234'	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	2,874'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) FERRON COAL	2,642'	2,762'	2,642' - 2,762'	0.41"	81	OPEN HOLE
B) FRSD						
C)						
D)						

26. Perforation Record

Depth Interval	Amount and Type of Material
2,642' - 2,762'	Acidized w/2,000 gals 15% HCl acid. Frac'd w/53,298 gals slick wtr, 112,728 gals Dynaqua-1 frac fld carrying 131,340# 20/40 Brady sd, 90,860# 16/30 Brady sd. & 75,880# 16/30 Brady sd SiberProp coated.

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/10/08	12/17/08	24	→	0	35	258			PUMPING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
	128	28	→	0	35	258		PRODUCING	

28a. Production-Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			→						

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(See instructions and spaces for additional data on page 2)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

28c. Production-Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

TO BE SOLD

30. 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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				LOWER BLUEGATE SHALE	845'
				UPPER FERRON SANDSTONE	2,620'
				LOWER FERRON SANDSTONE	2,763'
				TUNUNK SHALE	2,960'

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd)
 Geologic Report
 DST Report
 Directional Survey
 Sundry Notice for plugging and cement verification
 Core Analysis
 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) WANETT MCCAULEY

Title REGULATORY CLERK

Signature *Wanett McCauley*

Date 3/23/2009

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Amended

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. UTU-69402
6. If Indian, Allottee or Tribe Name N/A
7. If Unit or CA/Agreement, Name and/or No. N/A
8. Well Name and No. Utah Federal #18-7 -23-33
9. API Well No. 43-015-30745
10. Field and Pool, or Exploratory Area BUZZARD BENCH FERRON SANDSTONE
11. County or Parish, State EMERY UT

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well Oil Well Gas Well Other
2. Name of Operator XTO Energy Inc.
3a. Address 382 CR 3100 Aztec, NM 87410
3b. Phone No. (include area code) 505-333-3100
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2502' FSL & 1860' FEL NWSE SEC 23-T18S-R7E S MERIDIAN

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production, Water Shut-Off, etc.

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations.

XTO Energy Inc. previously reported this well as spud 9/08/2008. The correct spud date is 9/05/2008.

RECEIVED APR 13 2009 DIV OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) WANETT MCCAULEY Title REGULATORY CLERK Signature [Signature] Date 4/09/09

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Title Date Office

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.