

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. MINERAL LEASE NO: <b>UTU-67532</b>	6. SURFACE: <b>Federal</b>
1A. TYPE OF WORK: <b>DRILL</b> <input checked="" type="checkbox"/> <b>REENTER</b> <input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>	
B. TYPE OF WELL: <b>OIL</b> <input type="checkbox"/> <b>GAS</b> <input checked="" type="checkbox"/> <b>OTHER</b> _____ <b>SINGLE ZONE</b> <input checked="" type="checkbox"/> <b>MULTIPLE ZONE</b> <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: <b>N/A</b>	
2. NAME OF OPERATOR: <b>XTO ENERGY INC.</b>				9. WELL NAME and NUMBER: <b>Utah Federal 18-7-34-43D</b>	
3. ADDRESS OF OPERATOR: <b>382 CR 3100</b> CITY <b>AZTEC</b> STATE <b>NM</b> ZIP <b>87410</b>			PHONE NUMBER: <b>(505) 333-3100</b>	10. FIELD AND POOL, OR WILDCAT: <b>Ferron Sanstone</b> <i>Buzzard Bench</i>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>1986' FNL x 1780' FEL</b> <i>489622x 43403774 39.214484 - 111.120208</i> AT PROPOSED PRODUCING ZONE: <b>2345' FSL x 1000' FEL</b> <i>NES E 489858x 43400964 39.21956 - 111.117467</i>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWNE 34 18S 7E S</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>Approximately 3.5 miles Southwest of Orangeville, Utah</b>				12. COUNTY: <b>EMERY</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>1700'</b>	16. NUMBER OF ACRES IN LEASE: <b>2451.97</b>		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>Lse basis</b>		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>1747'</b>	19. PROPOSED DEPTH: <b>3,650</b>		20. BOND DESCRIPTION: <b>UTB000138</b>		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>6473' Ground Elevation</b>	22. APPROXIMATE DATE WORK WILL START: <b>8/25/2008</b>		23. ESTIMATED DURATION: <b>2 weeks</b>		

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
14.75"	10.75"	J-55	40.5#	300	Type V	+/- 223 sx	1.61 ft3/sx	14.2 ppg
8.75"	5.5	J-55	15.5#	3,650	CBM light wt-lead	+/-90 sx	4.15 ft/3 sx	10.5 ppg
8.75"	5.5"	J-55	15.5#	3,650	CBM light wt-tail	+/- 160 sx	1.81 ft3/sx	13.5 ppg

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Kelly K. Small TITLE Regulatory Compliance  
SIGNATURE *Kelly Small* DATE 5/23/2008

(This space for State use only)

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

**RECEIVED  
MAY 28 2008  
DIV. OF OIL, GAS & MINING**

API NUMBER ASSIGNED: 43-01530753

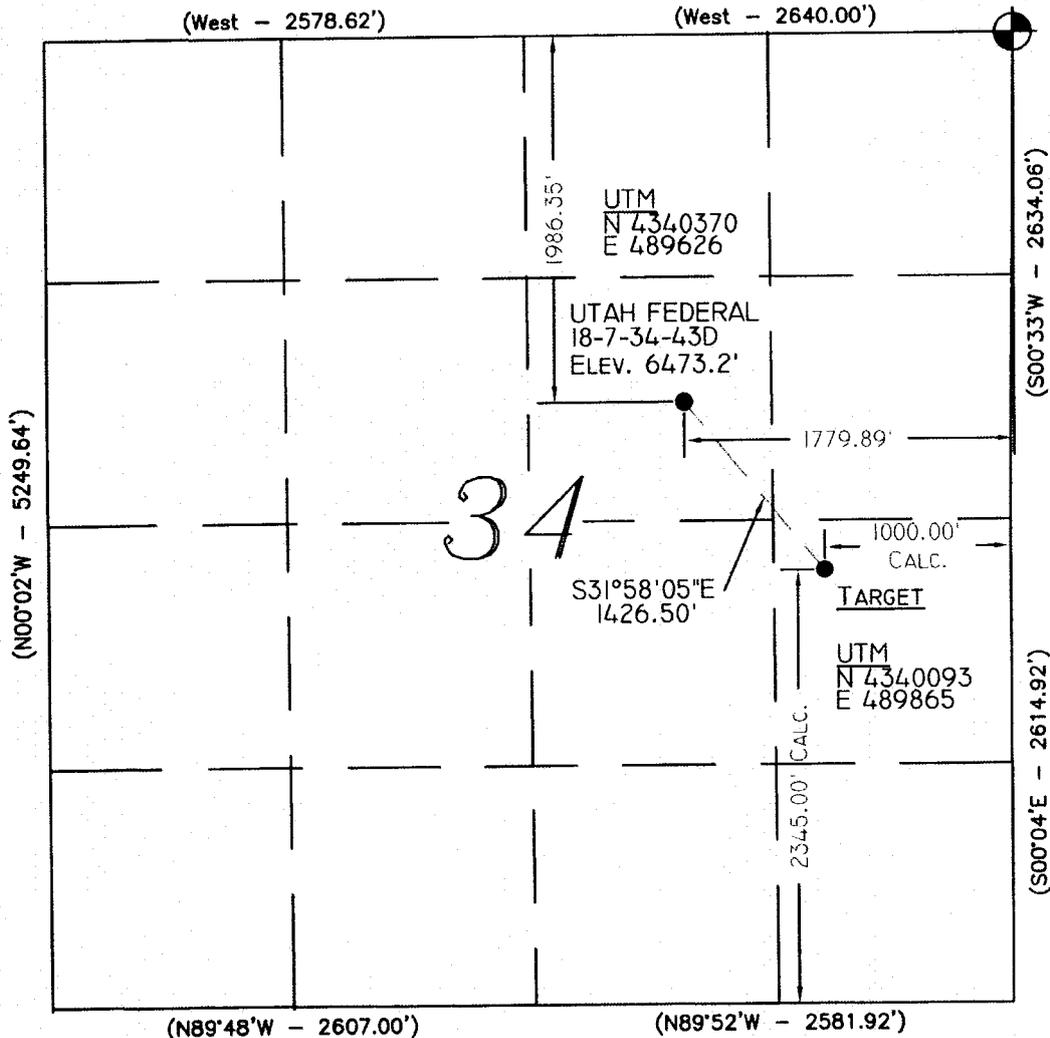
APPROVAL:  
Date: 05-29-08  
By: *[Signature]*

(11/2001) **Federal Approval of this  
Action is Necessary**

(See Instructions on Reverse Side)

# 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 6026.00' being at the Northeast Section Corner of Section 26, Township 18 South, Range 7 East, Salt Lake Base and Meridian, as shown on the Castle Dale Quadrangle 7.5 minute series map.

### Description of Location:

#### Surface

Proposed Drill Hole located in the SW/4 NE/4 of Section 34, T18S, R7E, S.L.B.&M., being 1986.35' South and 1779.89' West from the Northeast Section Corner of Section 34, T18S, R7E, Salt Lake Base and Meridian.

#### Target

Proposed Target located in the NE/4 SE/4 of Section 34, T18S, R7E, S.L.B.&M., being North 2345.00' from South Line and West 1000.00' from East Line of Section 34, 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 talonco@tv.net



**UTAH FEDERAL 18-7-34-43D**  
 Section 34, T18S, R7E, S.L.B.&M.  
 Emery County, Utah

Drawn By: <b>N. BUTKOVICH</b>	Checked By: <b>L.W.J./A.J.S.</b>
Drawing No. <b>A-1</b>	Date: <b>1/30/08</b>
	Scale: <b>1" = 1000'</b>
Sheet 1 of 4	Job No. <b>3373</b>

### 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.

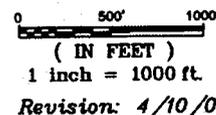
#### SURFACE LOCATION

LAT / LONG
39°12'51.916" N
111°07'12.590" W

#### TARGET LOCATION

LAT / LONG
39°12'42.940" N
111°07'02.609" W

### GRAPHIC SCALE





May 23, 2008

State of Utah  
Division of Oil, Gas & Mining  
PO Box 145801  
Salt Lake City UT 84114-5801

RE: Directional Drilling R649-3-11  
Utah Federal 18-7-34-43D  
1986' FNL x 1780' FEL (surface hole) in Sec 34, T18S, R7E  
2345' FSL x 1000' FEL (bottom hole) in Sec 34, T18S, R7E,  
both in SLB&M, Emery County, Utah

Dear Diana,

Pursuant to filing of XTO Energy, Inc. Application of Permit to Drill regarding the above referenced well on May 23, 2008 we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the Exception to Location and Sitting of Wells.

- The Utah Federal 18-7-34-43D is located within the UTU-67532 Federal Lease.
- XTO Energy, Inc. is permitting this well as a directional drill well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, XTO will be able to utilize the existing road and pipelines along with the use of an existing well pad in the area.
- Furthermore, XTO is the owner of all the oil and gas within a radius of 460 feet from all points along the intended well bore.

Therefore, based on the above stated information, XTO Energy, Inc. requests the permit be granted pursuant to R649-3-11.

Regards,

A handwritten signature in black ink that reads 'Kelly Small' in a cursive, slightly slanted script.

Kelly K. Small  
Regulatory Compliance

# XTO Energy, Inc.

## Utah Federal 18-7-34-43D Drilling Data for APD May 22, 2008

Surface Location: 1986' FNL & 1780' FEL, Sec. 34, T18S, R7E  
Bottomhole Location: 2345' FSL & 1000' FEL, Section 34, T18S, R7E

Proposed TD: 3650'  
Approximate Elevation: 6473'

Objective: Ferron Coal  
KB Elevation: 6484'

### 1. Mud Program:

Interval	0'-300'	300'-3650'
Hole Size	14.75"	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.
- 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 14.75" hole.

10.75, 40.5 #/ft, J-55, ST&C, New, ( 10.050" ID, 9.894" Drift)					
Collapse Press	Burst Press	Joint Strength	SF Collapse	SF Burst	SF Tension
1580	3130	420	11.780	23.330	34.570

- b. Production Casing set @ 3650' 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	2.565	3.042	3.570

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 WHI Fig 92 (or equivalent), 10-3/4" x 7" slip and seal, 2,000 psig WP (4,000 psig test) with 10-3/4" 8rd on bottom & 11-3/4" modified" 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.

4. Cement Program:

- a. Surface: 223 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 ft<sup>3</sup>/sk.
  - i. Slurry Volume is 359 ft<sup>3</sup>, 100% 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' TVD above the Upper Ferron Sandstone (as indicated on the attached directional plan).
  - ii. Lead Cement: 90 sx of CBM Light Weight Cement with 10 pps Gilsonite and ¼ pps celloflake mixed at 10.5 ppg and 4.15 ft<sup>3</sup>/sk.
  - iii. Tail Cement: 160 sx of CBM Light Weight Cement with 10 pps Gilsonite and ¼ pps celloflake mixed at 13.5 ppg and 1.81 ft<sup>3</sup>/sk.
  - iv. Slurry volume is 663 ft<sup>3</sup>, 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:

<b>Formation</b>	<b>Well Depth</b>
Emery SS	Outcrops
Lower Bluegate Shale	1150
Top of Upper Ferron SS	3160
Top of Lower Ferron SS	3345
Tununk Shale	3518
Total Depth	3650

- a. No known oil zones will be penetrated.
- b. Gas bearing sandstones and coals will be penetrated from 3160' to 3650'.
- 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, H<sub>2</sub>S, or other hazardous conditions are known to exist.

7. Company Personnel:

<b>Name</b>	<b>Title</b>	<b>Office Phone</b>	<b>Mobile Phone</b>
Brent H. Martin	Drilling Manager	505-333-3110	505-320-4074
John Egelston	Drilling Engineer	505.333.3163	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	

## Application for Permit to Drill Surface Use Plan

Company: XTO Energy, Inc  
Well No: Utah Federal 18-7-34-43D  
Location: 1986' FNL & 1780' FEL, Section 34, T18S, R7E (Surface Hole)  
2345' FSL & 1000' FEL, Section 34, T18S, R7E (Bottom Hole)

### 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 Hiawatha 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 interchange with State Road 57. Turn left (South) onto State Road 57 & continue South 0.7 miles to XTO office. From XTO office turn Right (South) onto State Road 57 (Coal Haul Road) & continue 3.2 Miles to County Road 510. Turn Right (South) on County Road 510 & continue 0.9 Miles. Turn Right on County Road 511, 1.6 miles to the access road to Buzzard Bench. Turn Right on Buzzard Bench road & continue 2.5 miles to XTO #O-4 Compressor Station. Turn Left (South) & continue through well #34-7, 0.2 miles to proposed access. Turn Right (West) to well location, 1300' to the Southwest
- b. Contact the County Road Department for use of County Roads: County road permits will be researched and submitted if required.
- c. 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.
- d. 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 34, T18S, R7E.
- b. Length of New Road: 1300' 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 maybe purchased and used to improve road conditions and travel.
- i. Drainage (crowning, ditching, culverts, etc.): Roads will be re-crowned and bar ditches, if necessary, will be located 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 way 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 reseeded, 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, an 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. **Federal on-site** took place on March 27, 2008 with Nathan Sill-BLM, David Waller-BLM, Jeffrey Brown-BLM, Ray Jensen -BILM, David Waller –BLM, Kevin Waller – XTO, Ray Peterson-Emery County, Parke Killpack-Nielsons, Allen Childs-Talon.

**Operator Certification:**

**a. Permitting and Compliance:**

Kelly Small  
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 someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; 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 in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or XTO Energy Inc., are responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 23rd day of May, 2008.

Signature: \_\_\_\_\_

*Kelly Small*  
Kelly Small

# **XTO Energy**

**Utah Wells(NAD 27)**

**Utah Federal 18-7-34-43D**

**Utah Federal 18-7-34-43D**

**Utah Federal 18-7-34-43D**

**Plan: Permitted Wellbore**

## **Standard Planning Report**

**19 May, 2008**

**XTO Energy, Inc.**  
Planning Report

**Database:** EDM 2003.14 Single User Db  
**Company:** XTO Energy  
**Project:** Utah Wells(NAD 27)  
**Site:** Utah Federal 18-7-34-43D  
**Well:** Utah Federal 18-7-34-43D  
**Wellbore:** Utah Federal 18-7-34-43D  
**Design:** Permitted Wellbore

**Local Co-ordinate Reference:** Well Utah Federal 18-7-34-43D  
**TVD Reference:** Rig KB @ 6485.0ft (Ellenburg #11)  
**MD Reference:** Rig KB @ 6485.0ft (Ellenburg #11)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature

<b>Project</b>	Utah Wells(NAD 27), Emery Co. & Carbon Co., Utah, Ferron Coal Wells		
<b>Map System:</b>	US State Plane 1927 (Exact solution)	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	NAD 1927 (NADCON CONUS)		Using Well Reference Point
<b>Map Zone:</b>	Utah South 4303		

<b>Site</b>	Utah Federal 18-7-34-43D, T18S, R7E		
<b>Site Position:</b>		<b>Northing:</b>	928,016.73 ft
<b>From:</b>	Lat/Long	<b>Easting:</b>	2,107,656.28 ft
<b>Position Uncertainty:</b>	0.0 ft	<b>Slot Radius:</b>	"
		<b>Latitude:</b>	39° 12' 51.916 N
		<b>Longitude:</b>	111° 7' 12.590 W
		<b>Grid Convergence:</b>	0.23 °

<b>Well</b>	Utah Federal 18-7-34-43D, S-Well to Ferron Coal/SS		
<b>Well Position</b>	<b>+N/-S</b>	0.0 ft	<b>Northing:</b> 928,016.73 ft
	<b>+E/-W</b>	0.0 ft	<b>Easting:</b> 2,107,656.28 ft
<b>Position Uncertainty</b>	0.0 ft	<b>Wellhead Elevation:</b>	6,473.0 ft
		<b>Latitude:</b>	39° 12' 51.916 N
		<b>Longitude:</b>	111° 7' 12.590 W
		<b>Ground Level:</b>	6,473.0 ft

<b>Wellbore</b>	Utah Federal 18-7-34-43D				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination</b>	<b>Dip Angle</b>	<b>Field Strength</b>
	IGRF200510	5/19/2008	(°)	(°)	(nT)
			11.96	64.97	51,974

<b>Design</b>	Permitted Wellbore			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PROTOTYPE	<b>Tie On Depth:</b>	0.0
<b>Vertical Section:</b>	<b>Depth From (TVD)</b>	<b>+N/-S</b>	<b>+E/-W</b>	<b>Direction</b>
	(ft)	(ft)	(ft)	(°)
	0.0	0.0	0.0	139.14

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
360.0	0.00	0.00	360.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,865.0	45.15	139.14	1,714.0	-425.7	368.3	3.00	3.00	0.00	139.14	
1,989.8	45.15	139.14	1,802.0	-492.6	426.2	0.00	0.00	0.00	0.00	
3,161.5	10.00	139.14	2,824.4	-896.4	775.5	3.00	-3.00	0.00	180.00	
3,252.5	10.00	139.14	2,914.0	-908.4	785.8	0.00	0.00	0.00	0.00	Utah Federal 18-7-34
3,649.5	10.00	139.14	3,305.0	-960.5	830.9	0.00	0.00	0.00	0.00	

# XTO Energy, Inc.

## Planning Report

**Database:** EDM 2003.14 Single User Db  
**Company:** XTO Energy  
**Project:** Utah Wells(NAD 27)  
**Site:** Utah Federal 18-7-34-43D  
**Well:** Utah Federal 18-7-34-43D  
**Wellbore:** Utah Federal 18-7-34-43D  
**Design:** Permitted Wellbore

**Local Co-ordinate Reference:**  
**TVD Reference:**  
**MD Reference:**  
**North Reference:**  
**Survey Calculation Method:**

Well Utah Federal 18-7-34-43D  
 Rig KB @ 6485.0ft (Ellenburg #11)  
 Rig KB @ 6485.0ft (Ellenburg #11)  
 True  
 Minimum Curvature

### Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
<b>Emery SS</b>									
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
<b>10 3/4"</b>									
360.0	0.00	0.00	360.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	1.20	139.14	400.0	-0.3	0.3	0.4	3.00	3.00	0.00
500.0	4.20	139.14	499.9	-3.9	3.4	5.1	3.00	3.00	0.00
600.0	7.20	139.14	599.4	-11.4	9.9	15.1	3.00	3.00	0.00
700.0	10.20	139.14	698.2	-22.8	19.7	30.2	3.00	3.00	0.00
800.0	13.20	139.14	796.1	-38.2	33.0	50.5	3.00	3.00	0.00
900.0	16.20	139.14	892.8	-57.4	49.6	75.8	3.00	3.00	0.00
1,000.0	19.20	139.14	988.1	-80.3	69.5	106.2	3.00	3.00	0.00
1,100.0	22.20	139.14	1,081.6	-107.1	92.6	141.6	3.00	3.00	0.00
1,150.4	23.71	139.14	1,128.0	-121.9	105.5	161.2	3.00	3.00	0.00
<b>Lower Bluegate Shale</b>									
1,200.0	25.20	139.14	1,173.2	-137.5	118.9	181.8	3.00	3.00	0.00
1,300.0	28.20	139.14	1,262.5	-171.4	148.3	226.7	3.00	3.00	0.00
1,400.0	31.20	139.14	1,349.4	-208.9	180.7	276.2	3.00	3.00	0.00
1,500.0	34.20	139.14	1,433.5	-249.8	216.1	330.3	3.00	3.00	0.00
1,600.0	37.20	139.14	1,514.7	-293.9	254.2	388.6	3.00	3.00	0.00
1,700.0	40.20	139.14	1,592.7	-341.2	295.1	451.1	3.00	3.00	0.00
1,800.0	43.20	139.14	1,667.4	-391.5	338.7	517.6	3.00	3.00	0.00
1,865.0	45.15	139.14	1,714.0	-425.7	368.3	562.9	3.00	3.00	0.00
1,900.0	45.15	139.14	1,738.7	-444.5	384.5	587.7	0.00	0.00	0.00
1,989.8	45.15	139.14	1,802.0	-492.6	426.2	651.4	0.00	0.00	0.00
2,000.0	44.84	139.14	1,809.2	-498.1	430.9	658.6	3.00	-3.00	0.00
2,100.0	41.84	139.14	1,881.9	-550.0	475.8	727.2	3.00	-3.00	0.00
2,200.0	38.84	139.14	1,958.2	-599.0	518.2	792.0	3.00	-3.00	0.00
2,300.0	35.84	139.14	2,037.6	-644.8	557.8	852.6	3.00	-3.00	0.00
2,400.0	32.84	139.14	2,120.2	-687.5	594.7	909.0	3.00	-3.00	0.00
2,500.0	29.84	139.14	2,205.6	-726.8	628.8	961.0	3.00	-3.00	0.00
2,600.0	26.84	139.14	2,293.6	-762.7	659.8	1,008.5	3.00	-3.00	0.00
2,700.0	23.84	139.14	2,384.0	-795.1	687.8	1,051.3	3.00	-3.00	0.00
2,800.0	20.84	139.14	2,476.5	-823.8	712.7	1,089.3	3.00	-3.00	0.00
2,900.0	17.84	139.14	2,570.8	-848.9	734.4	1,122.5	3.00	-3.00	0.00
3,000.0	14.84	139.14	2,666.7	-870.2	752.8	1,150.6	3.00	-3.00	0.00
3,100.0	11.84	139.14	2,764.0	-887.6	767.9	1,173.7	3.00	-3.00	0.00
3,160.1	10.04	139.14	2,823.0	-896.2	775.3	1,185.1	3.00	-3.00	0.00
<b>Upper Ferron SS</b>									
3,161.5	10.00	139.14	2,824.4	-896.4	775.5	1,185.3	3.00	-3.00	0.00
3,200.0	10.00	139.14	2,862.3	-901.5	779.9	1,192.0	0.00	0.00	0.00
3,252.5	10.00	139.14	2,914.0	-908.4	785.8	1,201.1	0.00	0.00	0.00
<b>Utah Federal 18-7-34-43D -- Requested BHL</b>									
3,300.0	10.00	139.14	2,960.8	-914.6	791.2	1,209.4	0.00	0.00	0.00
3,344.9	10.00	139.14	3,005.0	-920.5	796.3	1,217.2	0.00	0.00	0.00
<b>Lower Ferron SS</b>									
3,400.0	10.00	139.14	3,059.3	-927.7	802.6	1,226.7	0.00	0.00	0.00
3,500.0	10.00	139.14	3,157.8	-940.9	814.0	1,244.1	0.00	0.00	0.00
3,517.5	10.00	139.14	3,175.0	-943.2	815.9	1,247.1	0.00	0.00	0.00
<b>Tununk Shale</b>									
3,600.0	10.00	139.14	3,256.3	-954.0	825.3	1,261.5	0.00	0.00	0.00

**XTO Energy, Inc.**  
Planning Report

**Database:** EDM 2003.14 Single User Db  
**Company:** XTO Energy  
**Project:** Utah Wells(NAD 27)  
**Site:** Utah Federal 18-7-34-43D  
**Well:** Utah Federal 18-7-34-43D  
**Wellbore:** Utah Federal 18-7-34-43D  
**Design:** Permitted Wellbore

**Local Co-ordinate Reference:** Well Utah Federal 18-7-34-43D  
**TVD Reference:** Rig KB @ 6485.0ft (Ellenburg #11)  
**MD Reference:** Rig KB @ 6485.0ft (Ellenburg #11)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature

**Planned Survey**

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
3,649.5 5 1/2"	10.00	139.14	3,305.0	-960.5	830.9	1,270.1	0.00	0.00	0.00

**Targets**

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
Utah Federal 18-7-34-43 - plan hits target - Circle (radius 30.0)	0.00	0.00	2,914.0	-908.4	785.8	927,111.55	2,108,445.80	39° 12' 42.940 N	111° 7' 2.609 W

**Casing Points**

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
300.0	300.0	10 3/4"	10-3/4	14-3/4
3,649.5	3,305.0	5 1/2"	5-1/2	9-7/8

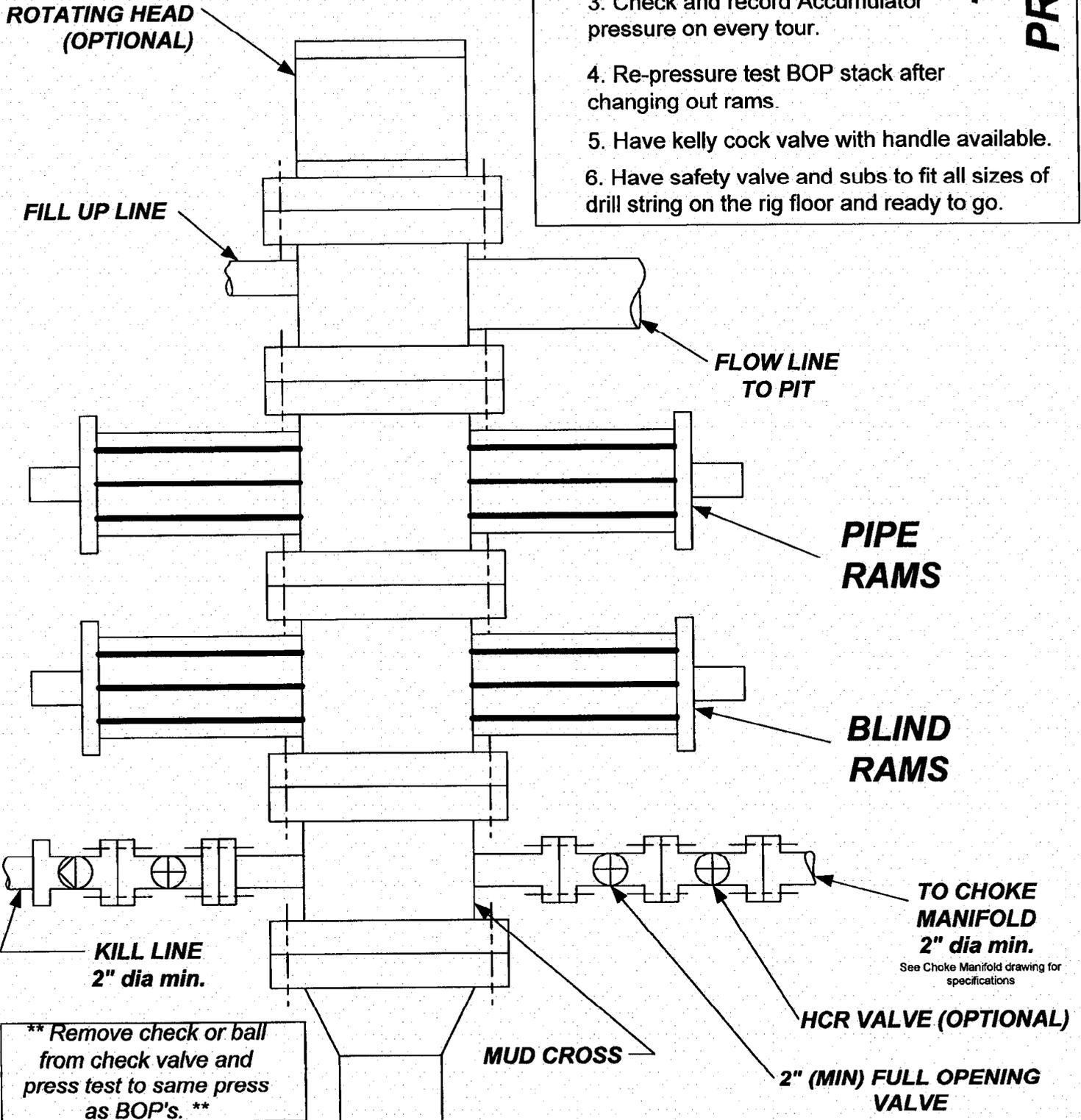
**Formations**

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
0.0	0.0	Emery SS	Sandstone	0.00	
1,150.4	1,128.0	Lower Bluegate Shale	Shale	0.00	
3,160.1	2,823.0	Upper Ferron SS	Sandstone	0.00	
3,344.9	3,005.0	Lower Ferron SS	Sandstone	0.00	
3,517.5	3,175.0	Tununk Shale	Shale	0.00	

# 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.

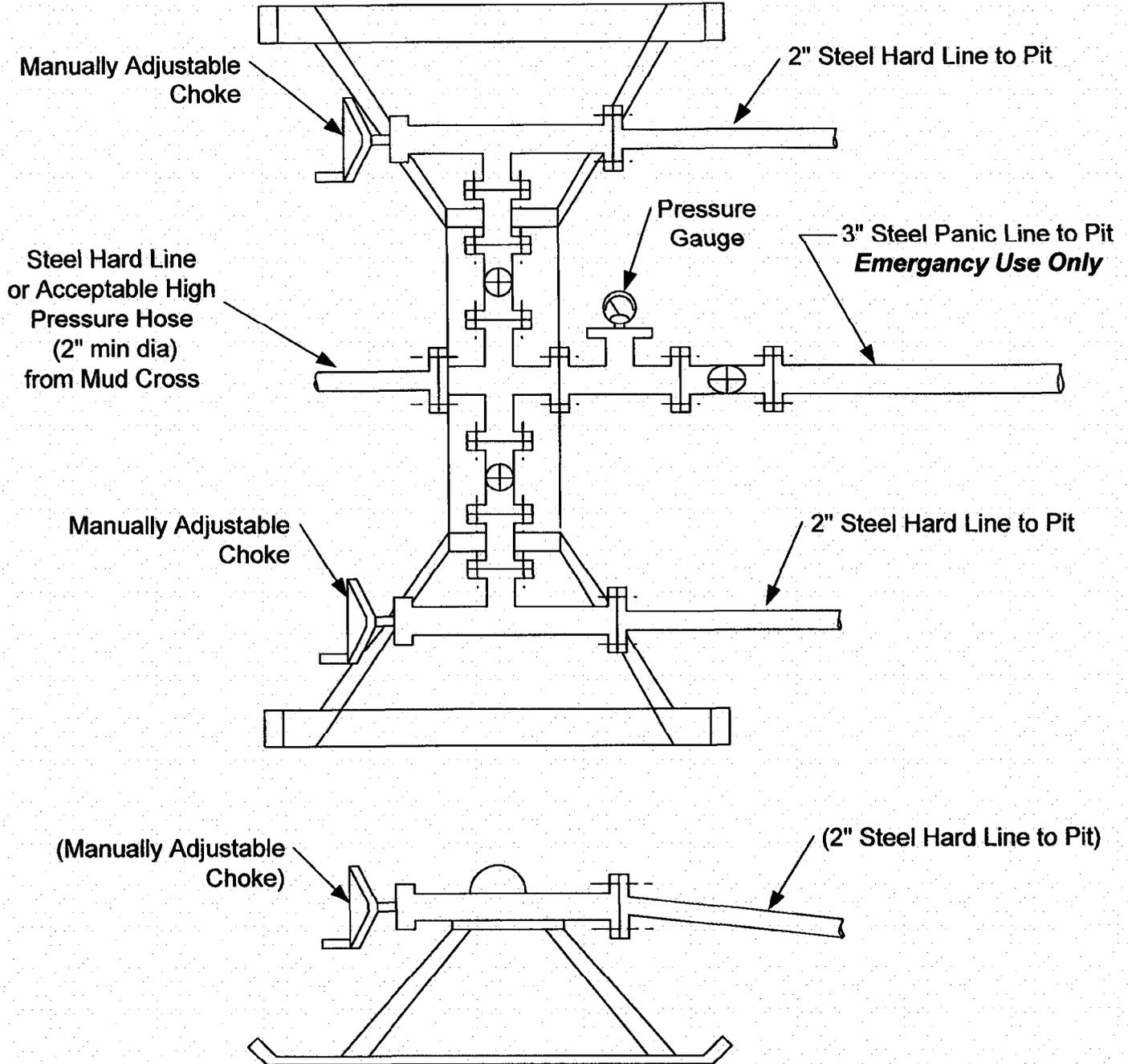
## TESTING PROCEDURE



# 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**



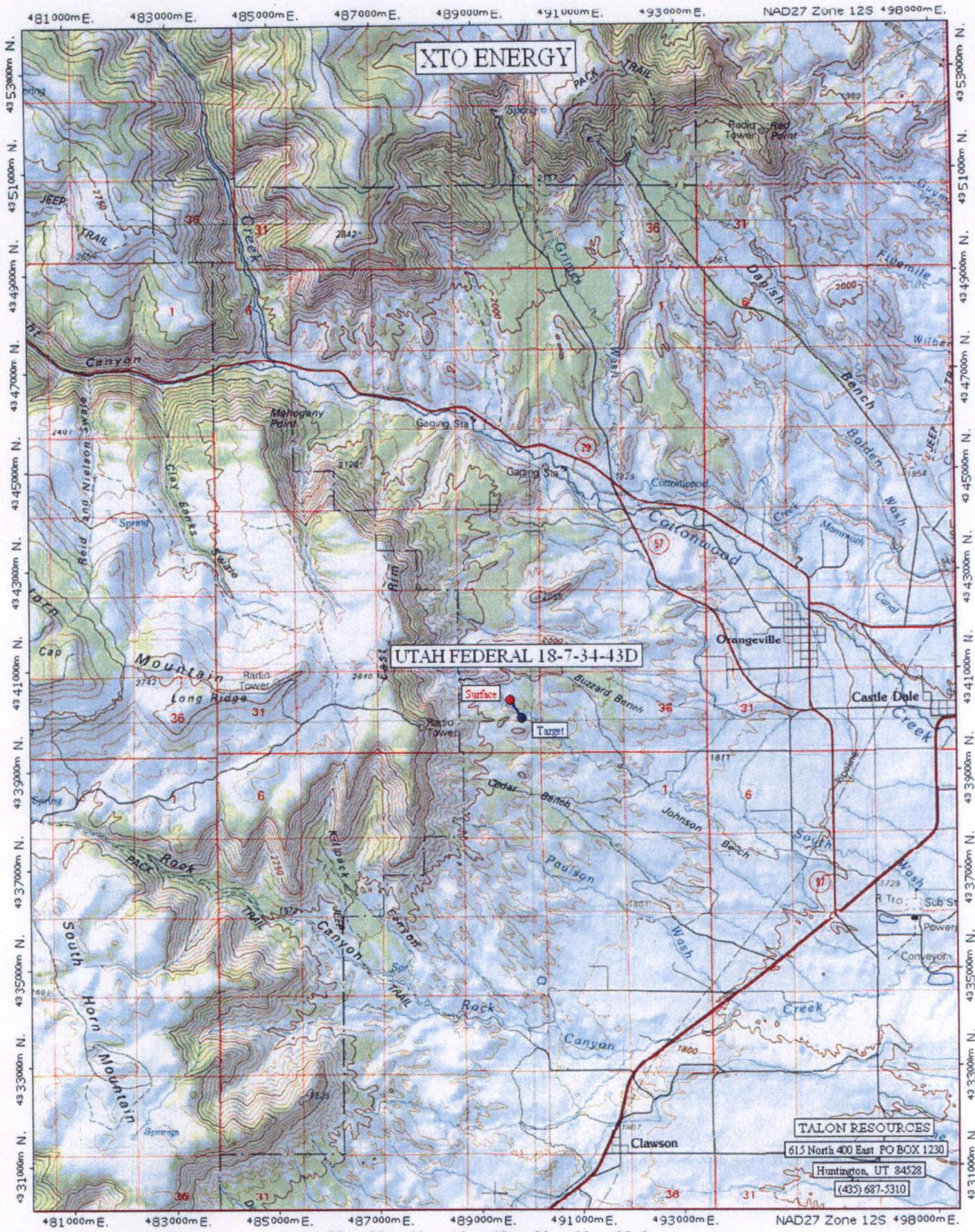
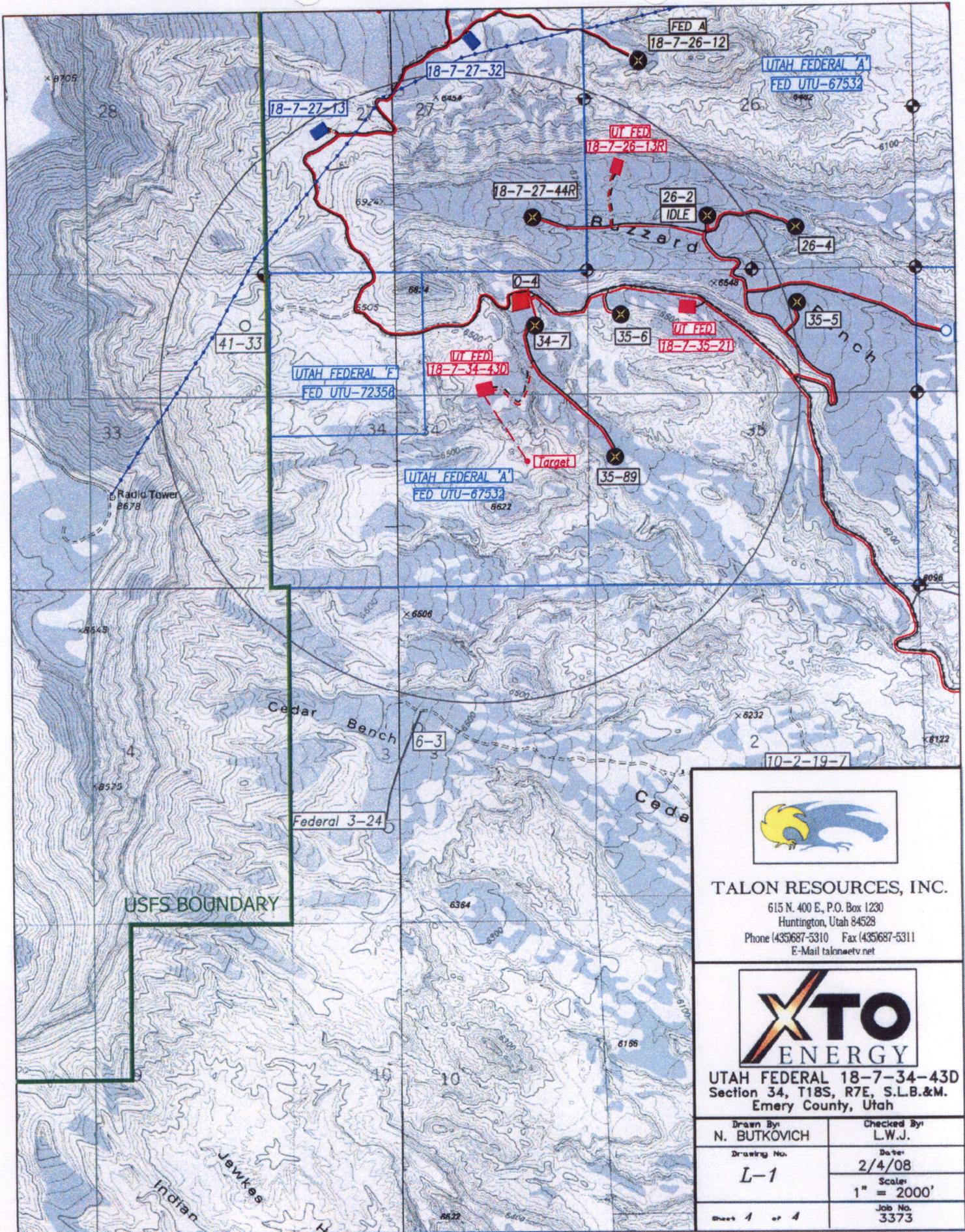


EXHIBIT A



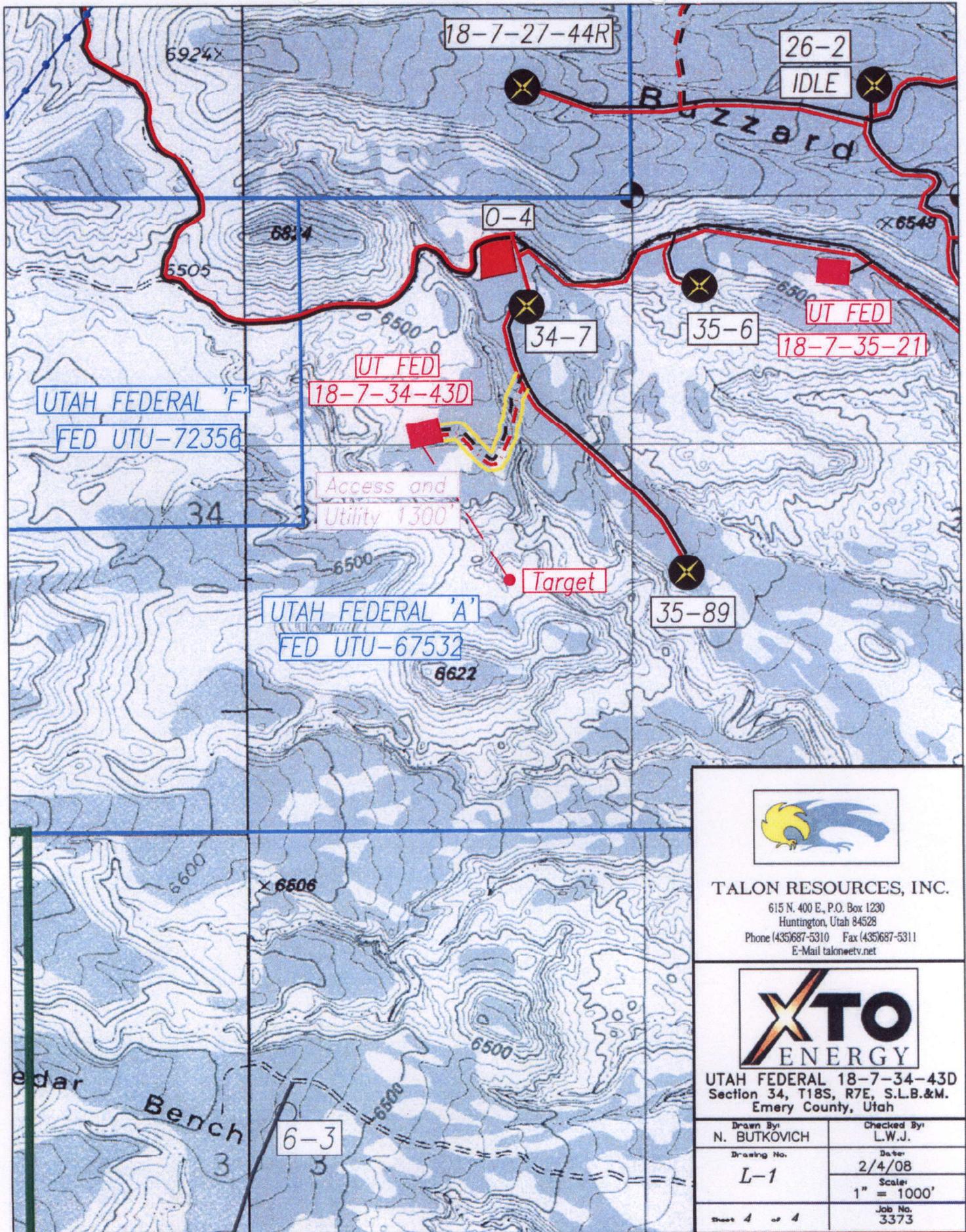
**TALON RESOURCES, INC.**  
 615 N. 400 E., P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talon@etv.net



**UTAH FEDERAL 18-7-34-430**  
 Section 34, T18S, R7E, S.L.B.&M.  
 Emery County, Utah

Drawn By <b>N. BUTKOVICH</b>	Checked By <b>L.W.J.</b>
Drawing No. <b>L-1</b>	Date <b>2/4/08</b>
	Scale <b>1" = 2000'</b>
Sheet <b>4</b> of <b>4</b>	Job No. <b>3373</b>

**EXHIBIT B**



**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 18-7-34-43D**  
 Section 34, T18S, R7E, S.L.B.&M.  
 Emery County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. L-1	Date: 2/4/08
	Scale: 1" = 1000'
Sheet 4 of 4	Job No. 3373

EXHIBIT C

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6473.2'  
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6472.7'

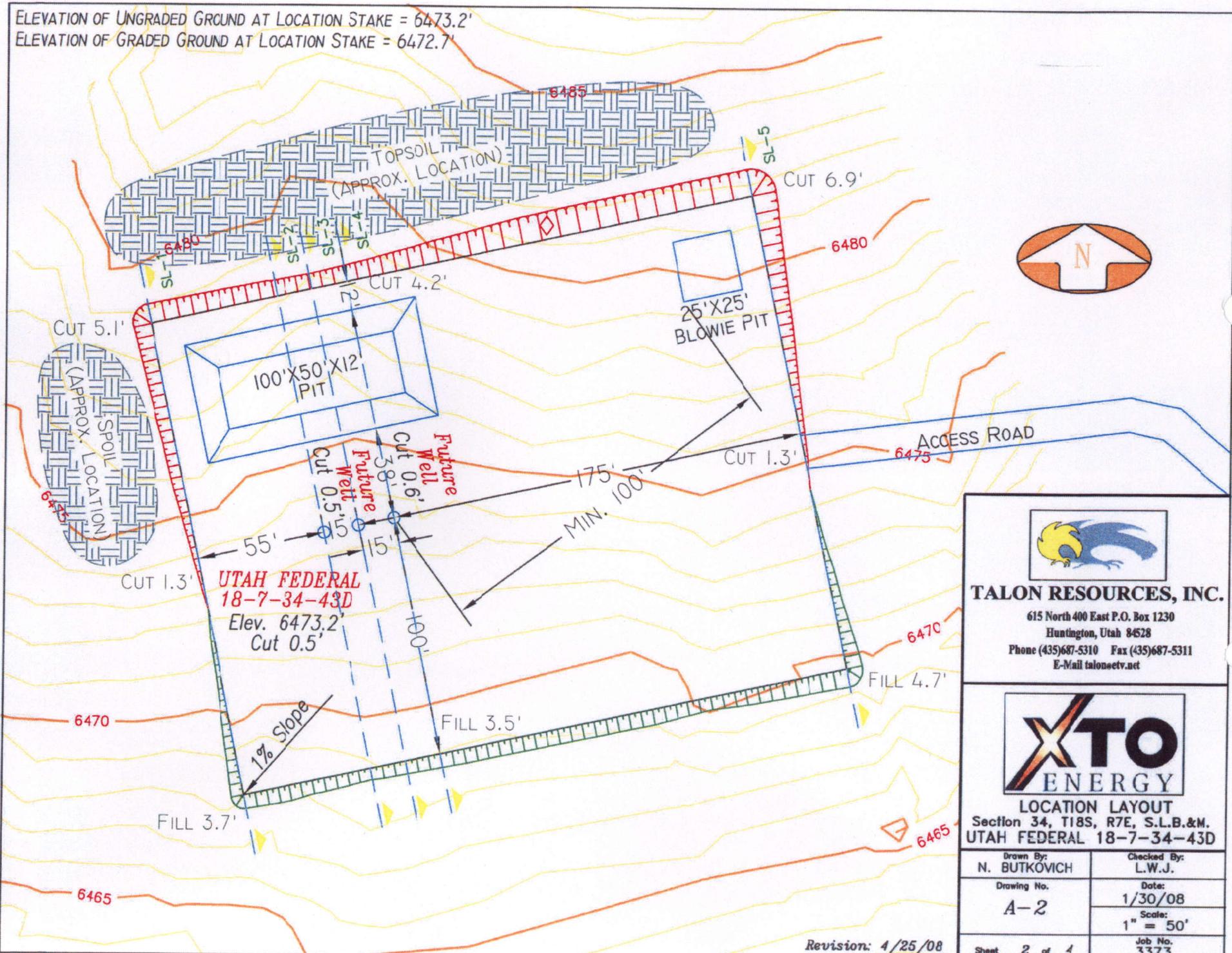


EXHIBIT D



**TALON RESOURCES, INC.**

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

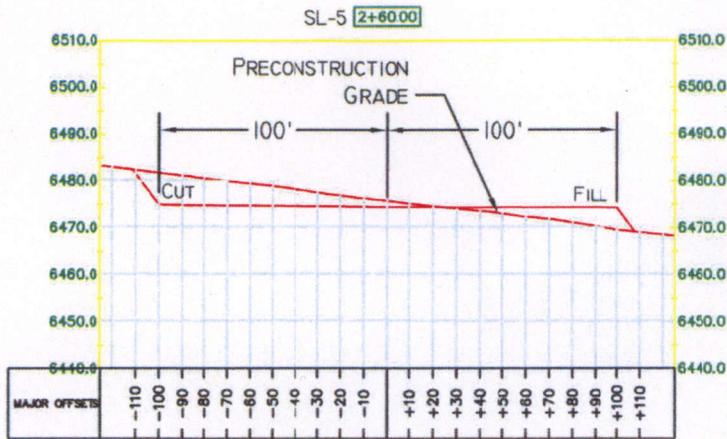


**LOCATION LAYOUT**  
 Section 34, T18S, R7E, S.L.B.&M.  
 UTAH FEDERAL 18-7-34-43D

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 1/30/08
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 3373

Revision: 4/25/08

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

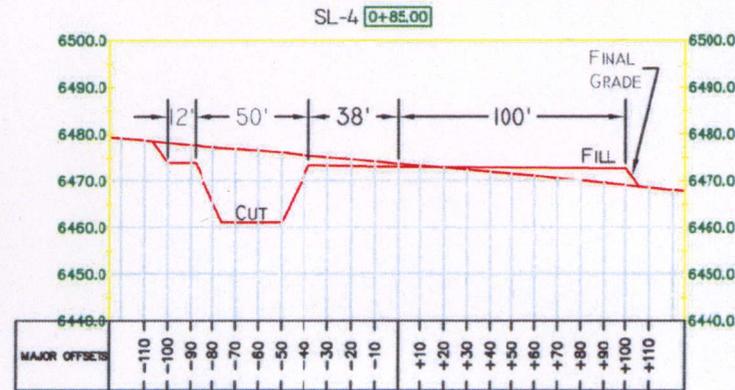
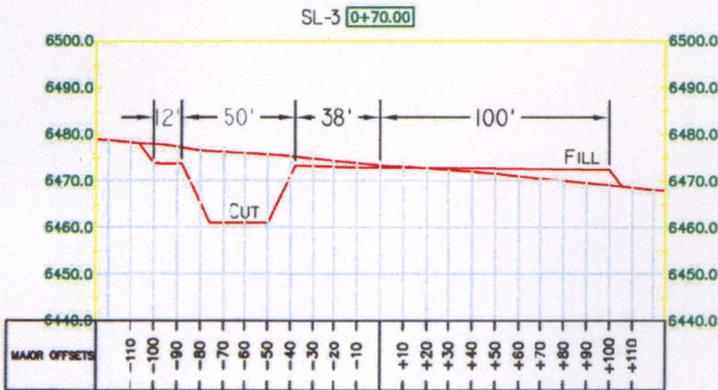


APPROXIMATE YARDAGES

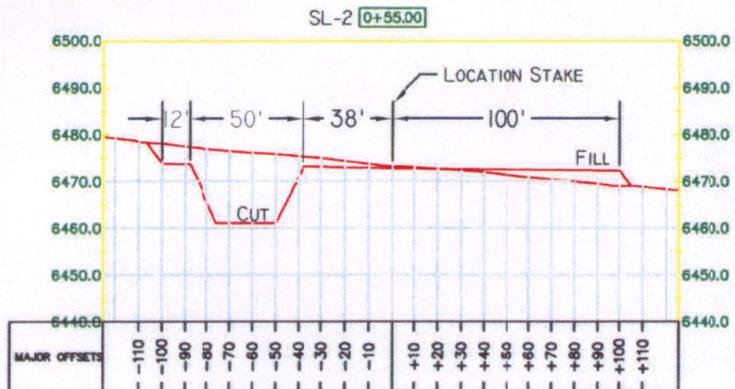
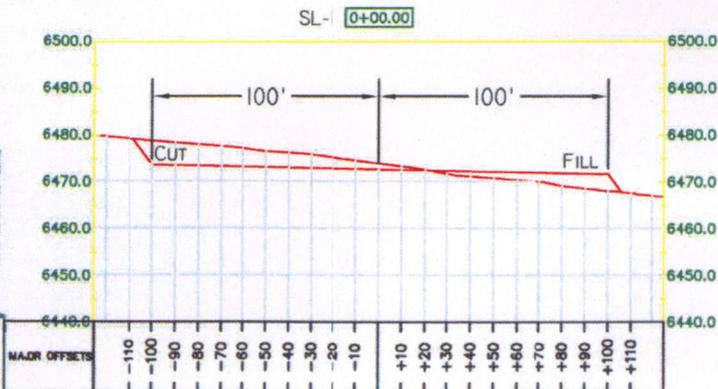
(6") TOPSOIL STRIPPING = 965 CU. YDS.

TOTAL CUT (INCLUDING PIT) = 5,400 CU. YDS.

TOTAL FILL = 1,595 CU. YDS.



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



**TALON RESOURCES, INC.**

615 North 400 East P.O. Box 1230  
Huntington, Utah 84528

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



TYPICAL CROSS SECTION  
Section 34, T18S, R7E, S.L.B.&M.  
UTAH FEDERAL 18-7-34-43D

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 1/30/08
	Scale: 1" = 80'
Sheet 3 of 4	Job No. 3373

EXHIBIT

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/28/2008

API NO. ASSIGNED: 43-015-30753

WELL NAME: UT FED 18-7-34-43D  
 OPERATOR: XTO ENERGY INC ( N2615 )  
 CONTACT: KELLY SMALL

PHONE NUMBER: 505-333-3100

PROPOSED LOCATION:

*NESE*

SWNE 34 180S 070E  
 SURFACE: 1986 FNL 1780 FEL  
 BOTTOM: 2345 FSL 1000 FEL  
 COUNTY: EMERY  
 LATITUDE: 39.21448 LONGITUDE: -111.1202  
 UTM SURF EASTINGS: 489622 NORTHINGS: 4340377  
 FIELD NAME: BUZZARD BENCH ( 132 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-67532  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: FRSD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

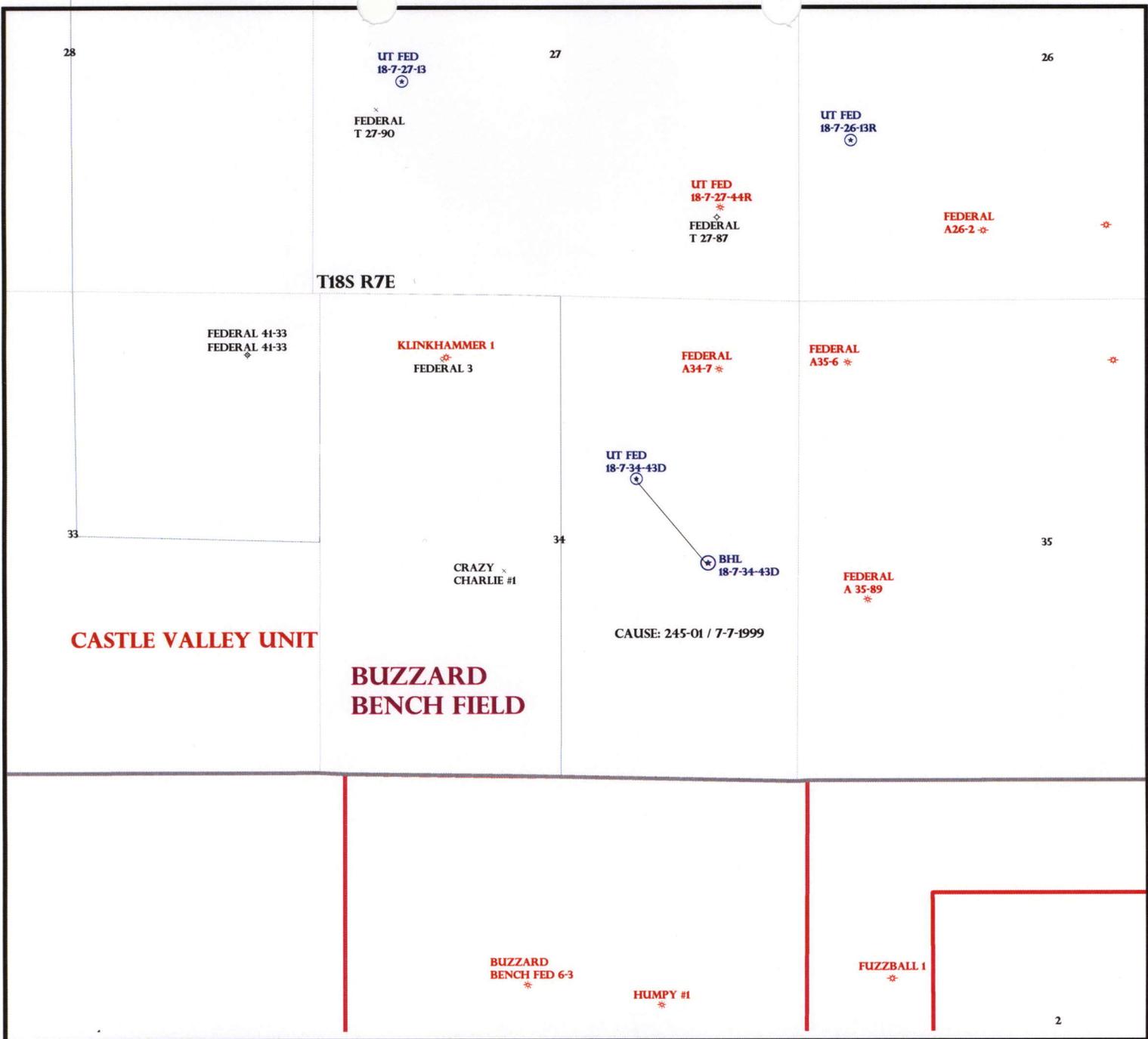
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. UTB000138 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. MUNICIPAL )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.  
Unit: \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 245-1  
Eff Date: 7-7-19-99  
Siting: 460' fr Outer bdr of U & 920' fr other wells
- R649-3-11. Directional Drill

COMMENTS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

STIPULATIONS: 1 Federal Approval  
 \_\_\_\_\_  
 \_\_\_\_\_



OPERATOR: XTO ENERGY INC (N2615)

SEC: 34 T.18S R. 7E

FIELD: BUZZARD BENCH (132)

COUNTY: EMERY

CAUSE: 245-01 / 7-7-1999

- 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

- |                     |                    |
|---------------------|--------------------|
| <b>Field Status</b> | <b>Unit Status</b> |
| ⬜ ABANDONED         | ⬜ EXPLORATORY      |
| ⬜ ACTIVE            | ⬜ GAS STORAGE      |
| ⬜ COMBINED          | ⬜ NF PP OIL        |
| ⬜ INACTIVE          | ⬜ NF SECONDARY     |
| ⬜ PROPOSED          | ⬜ PENDING          |
| ⬜ STORAGE           | ⬜ PI OIL           |
| ⬜ TERMINATED        | ⬜ PP GAS           |
|                     | ⬜ PP GEOTHERML     |
|                     | ⬜ PP OIL           |
|                     | ⬜ SECONDARY        |
|                     | ⬜ TERMINATED       |



OIL, GAS & MINING



PREPARED BY: DIANA MASON  
DATE: 29-MAY-2008



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

May 29, 2008

XTO Energy Inc.  
382 CR 3100  
Aztec, NM 87410

Re: Utah Federal 18-7-34-43D Well, Surface Location 1986' FNL, 1780' FEL, SW NE, Sec. 34, T. 18 South, R. 7 East, Bottom Location 2345' FSL, 1000' FEL, NE SE, Sec. 34, 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 43-015-30753.

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 18-7-34-43D  
API Number: 43-015-30753  
Lease: UTU-67532

Surface Location: SW NE      Sec. 34      T. 18 South      R. 7 East  
Bottom Location: NE SE      Sec. 34      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 within 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 (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.

5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

# COPY

Form 3160-3  
(February 2005)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

### APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. <b>UTU-67532</b>	
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. <b>Utah Federal #18-7-34-43D</b>	
9. API Well No. <b>43-015-30753</b>	
10. Field and Pool, or Exploratory <b>Ferron Sandstone</b>	
11. Sec., T. R. M. or Blk. and Survey or Area <b>SWNE SEC 34, T18S, RTE</b>	
12. County or Parish <b>EMERY</b>	13. State <b>UT</b>
14. Distance in miles and direction from nearest town or post office* <b>Approximate 3.5 miles Southwest of Orangeville, UT.</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>1,700'</b>	16. No. of acres in lease <b>2451.97</b>
17. Spacing Unit dedicated to this well <b>Lse basis</b>	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>1,747'</b>	19. Proposed Depth <b>3,650'</b>
20. BLM/BIA Bond No. on file <b>UTB-000138</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6,473' Ground Elevation</b>	22. Approximate date work will start* <b>08/25/2008</b>
23. Estimated duration <b>2 weeks</b>	

#### 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>Kelly K. Small</i>	Name (Printed/Typed) <b>Kelly K. Small</b>	Date <b>05/23/2008</b>
Title <b>Regulatory Compliance</b>		

Approved by (Signature) <i>Stew. Rigby</i>	Name (Printed/Typed) <b>Stew Rigby</b>	Date <b>10-21-08</b>
Title <b>AFM - Acting</b>	Office <b>PFO</b>	

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)

**NOTICE OF APPROVAL RECEIVED**

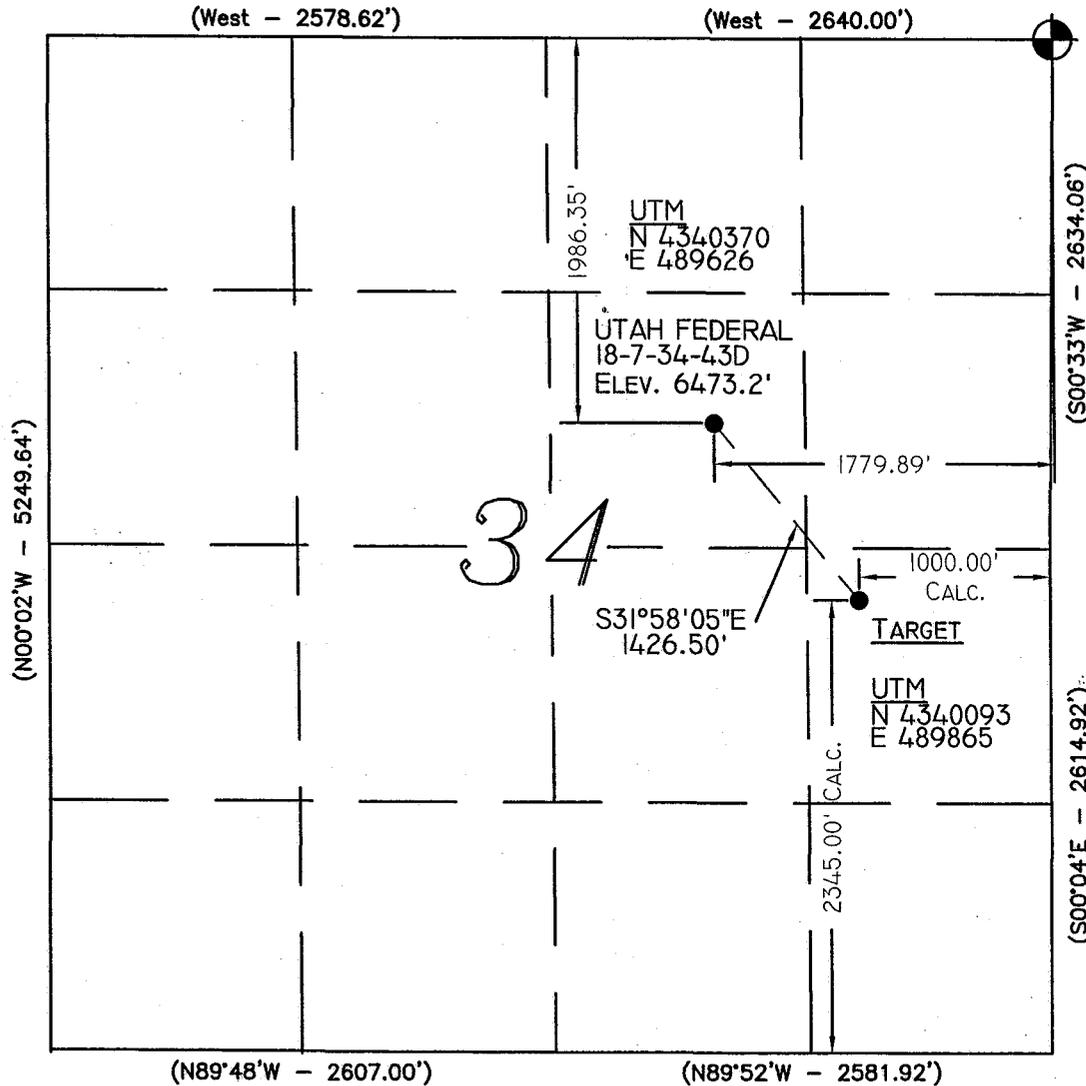
**OCT 27 2008**

DIV. OF OIL, GAS & MINING

2008 MAY 29 AM 9:24  
RECEIVED  
BOARD FIELD OFFICE  
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 6026.00' being at the Northeast Section Corner of Section 26, Township 18 South, Range 7 East, Salt Lake Base and Meridian, as shown on the Castle Dale Quadrangle 7.5 minute series map.

**Description of Location:**

**Surface**

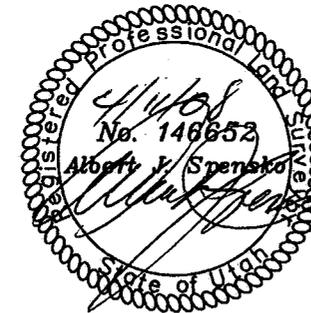
Proposed Drill Hole located in the SW/4 NE/4 of Section 34, T18S, R7E, S.L.B.&M., being 1986.35' South and 1779.89' West from the Northeast Section Corner of Section 34, T18S, R7E, Salt Lake Base and Meridian.

**Target**

Proposed Target located in the NE/4 SE/4 of Section 34, T18S, R7E, S.L.B.&M., being North 2345.00' from South Line and West 1000.00' from East Line of Section 34, 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 taloneetv.net



UTAH FEDERAL 18-7-34-43D  
 Section 34, 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: 1/30/08
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 3373

**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.

**SURFACE LOCATION**

LAT / LONG
39°12'51.916" N
111°07'12.590" W

**TARGET LOCATION**

LAT / LONG
39°12'42.940" N
111°07'02.609" W

**GRAPHIC SCALE**



( IN FEET )  
 1 inch = 1000 ft.

Revision: 4/10/08



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: SWNE-Sec. 34-T18S-R7E  
Well No: Utah Federal 18-7-34-43D Lease No: UTU-67532  
API No: 43-015-30753 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:	Ryan Angus (Alt.)	(435) 781-4430	(435) 828-7368
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:	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:**

- The proponent will avoid any construction within the seasonal buffers (February 1-July 15) for active raptor nests that are within the recommended spatial buffers. Seasonal buffers have been established as a result of BLM coordination and interaction with the Utah Division of Wildlife Resources and the US Fish and Wildlife Service, and these buffers typically involve a half-mile radius from active raptor nests (1 mile for peregrine falcon), unless an exemption is granted by the BLM.
- 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.

**SURFACE USE COAs:**

- The following appendices are attached for your reference. They are to be followed as conditions of approval:
  - Appendix 1: Wildlife Seasonal Restriction and Surface Disturbance Mitigation Plan
  - Appendix 2: Seed Mixtures for Reclamation/Revegetation Areas
- Any surface structures to remain on lease greater than six months shall be painted in the following flat, earth tone color: Olive Black (5W A 20-6) prior to installation. This Fuller O'Brien color is for reference only. Any brand of paint may be used provided the colors match. Any facilities that must be painted to comply with OSHA standards are exempt.
- 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 geo-referenced 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 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.
- 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 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:**

- A Cement Bond Log (CBL) shall be run in the production casing from the TD to the top of cement. A field copy of the CBL shall be submitted to the BLM Price Field Office for review.
- Logging Program: run Gamma Ray from TD to Surface.
- 2M BOPE shall meet all requirements of Onshore Order #2.
- If flexible lines are used for kill and/or choke line operations and connections to the BOP stack those lines must conform to API RP 53, third edition, March 1997, and API Specification 16C, first edition, January 29, 1993, Reaffirmed 2001. This includes but is not limited to the following:
  - API specified documentation, referenced below, for the flexible lines must be available upon inspection or within 24 hours upon request:
  - Manufacturer's specification of working minimum bend radius. (API RP 53, Section 8.3.1.a.2., and API Spec 16C, Section 9.14.8)
  - Purchasers certificate of compliance with API Spec 16C, Section 6.5.4.1
  - Flexible line must also be marked and identified in accordance with API Spec 16C, Section 7, and Section 10.10.1, 2, and 3
  - Must be firmly anchored and hobbled to prevent excessive whip or vibration.
  - Minimum diameters for kill and choke lines must still comply with the requirements of Onshore Order No. 2, III.A.2.a.
  - Flexible lines which are deformed (kinks, flattened areas, dents, significant surface abrasions or wear, etc) from the manufacture's design and operational specification will be replaced upon discovery.

### **Variances Granted:**

- Air Drilling to TD:
  - Dust suppression equipment. Variance granted for water mist system to substitute for the dust suppression equipment.
  - All other equipment for air/gas drilling shall meet specifications in Onshore Order #2, III. Requirements, E. Special Drilling Operations..

**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.

## Appendix 1: Wildlife Seasonal Restriction and Surface Disturbance Mitigation Plan

### **Ferron Natural Gas Project Area**

#### EPM 16 & 17: WINTER SEASONAL RESTRICTION (DECEMBER 1 to APRIL 15) ON CRUCIAL AND HIGH PRIORITY WINTER RANGE.

Restrictions on Construction Phase Activity: Prohibit construction phase activity, described below, on big game high value and critical winter range during the period (December 1 - April 15) without regard for land ownership.

This condition would not apply to normal maintenance and operation of producing wells, described below. On non-federal lands (where the federal government does not have either surface or subsurface ownership) the Companies would be allowed to conduct construction phase activity if needed to avoid breach of contract or loss of lease rights. In the event construction phase activity continues into the winter closure period on non-federal interest lands, Companies would make available appropriate documentation to UDWR, upon request.

Construction Phase Activity: Construction phase activity is considered to include all work associated with initial drilling and construction of facilities through completion, including installation of pumping equipment, connection with ancillary facilities and tie-in with pipelines necessary for product delivery.

Companies would not be allowed to initiate construction activity unless it is reasonable to believe that such work can be finished to a logical stopping point prior to December 1 of that year. Specific activities considered to be covered by the seasonal closure include all heavy equipment operation including but not limited to the following:

- Mobilization/Demobilization or operation of heavy equipment (crawler tractor, front end loader backhoe, road grader, etc.)
- Construction activity (road construction or upgrading, pad, pipeline, powerline, ancillary facilities, etc.),
- Drilling activity (Operator would not propose or initiate drilling activity if the project could not reasonably be expected to be finished to a logical stopping point by the December 1 date of that year).
- Seismic operation, detonation of explosives

This seasonal closure would not apply to reconnaissance, survey/design and/or flagging of project work or other similar activity not requiring actions listed for heavy equipment operation.

Production Phase: A well is considered to be in production phase when the well and ancillary facilities are completed to the point that they are capable of producing and delivering product for sale. It is noted that heavy equipment operation may be necessary in the performance of maintenance and operation of producing wells.

Restriction on Non Emergency Workover Operations: The Companies will schedule non-emergency workover operations (defined below) on big game crucial and high value winter range outside the December 1 to April 15 date of the seasonal closure.

Non-emergency Workover Operations: Workover operations to correct or reverse a gradual loss of production over time (loss of production of 20 percent or less over a 60 day period) is considered to be routine or non-emergency workover operations and would not be permitted during the December 1 to April 15 time frame.

Emergency Workover Operations: Emergency workover operations are defined as downhole equipment failure problems or workover operation necessary to avoid shut in of the well or to avoid an immediate safety or environmental problem. Loss of production greater than 20 percent within a 60 day period is indicative of pump failure and will be treated as an emergency workover operation. The Companies will submit Sundry notices to BLM within five days of the emergency workover operations between December 1 and April 15.

*EPM 21: SURFACE DISTURBANCE MITIGATION FOR CRITICAL AND HIGH PRIORITY WINTER RANGE*

The subject permit application is proposed within critical and high priority winter range (FEIS) and subject to EPM 21 requiring acre for acre mitigation for surface disturbance on critical winter range. The following condition comes from a cooperative agreement between the Texaco, Anadarko, Chandler (Companies), BLM-Price Field Office, the Utah Division of Wildlife Resources and the National Fish and Wildlife Foundation. The Companies agreed to the following:

1. Contribute \$1,301.26 (1998 dollars) for each Federal interest well (Federal surface and or subsurface ownership) permitted and drilled by the Companies (or on behalf of Companies by its contractor) on big game critical winter range as depicted in the FEIS Ferron Natural Gas Project Area. (Wells meeting the above criteria for which payment will be required, will be referred to as "subject wells".) This contribution will be adjusted annually for inflation based on the Consumer Price Index (CPI), see Section II.C.6. for the reference source used for the determination of the CPI and the date in which this annual adjustment will go into effect.

Since this mitigation program is designed to address impacts of all big game critical winter range surface disturbance (roads, well pads, pipelines, etc.), contributions will be required regardless of the success or failure of the subject well to produce.

- a. The recorded date for spudding for each subject well (the first boring of a hole during the drilling of a well) will serve as the reference date triggering the requirement for the mitigation contribution.
- b. Contributions will be submitted (in the form of an Company check, cashiers check or wire transfer) directly to the National Fish and Wildlife Foundation by

the 1<sup>st</sup> of August and February for all subject wells spudded in the preceding six months as reported by the Bureau.

- c. All contributions will be made payable to the "National Fish and Wildlife Foundation re, Proj 99-270" and reference the "Ferron Natural Gas Wildlife Habitat Impact Mitigation Fund".

**Appendix 2: Seed Mixtures for Reclamation/Revegetation**

**Table A-1:** The following seed mixture would be planted along service road borrow ditches, around the edges of drill pads with a production well, and surrounding other production and maintenance facilities. The purpose for this is to provide a ‘green strip’ buffer to minimize fire hazards and prevent invasion and establishment of noxious weeds in areas that will receive continued disturbance for the life of these areas.

<u>Common Plant Name</u>	<u>Scientific Name</u>	<u>Pounds per acre (PLS)</u>
Forage kochia	<i>Kochia prostrata</i>	2
Wyoming big sagebrush	<i>Artemisia tridentata wyomingensis</i> var. Gordon Creek	1
Douglas low rabbitbrush	<i>Chrysothamnus viscidiflorus</i>	1
Total		4

**Table A-2: Seed mixture for Final Reclamation-Pinyon/Juniper Areas.** The following seed mixture is for the area that would receive final reclamation. Areas would be planted to protect them from soil erosion and to restore forage production.

<u>Common Plant Name</u>	<u>Scientific Name</u>	<u>Pounds per acre (PLS)</u>
<b>Pinyon Juniper Areas</b>		
<i>Grasses</i>		
Thickspike wheatgrass	<i>Elymus lanceolatus</i>	1.5
Intermediate wheatgrass	<i>Elytrigia intermedia</i>	1.5
Squirreltail	<i>Elymus elymoides</i>	2
Crested wheatgrass	<i>Agropyron desertorum</i>	2
<i>Forbs</i>		
Lewis flax	<i>Linum perenne lewisii</i>	1
Palmer penstemon	<i>Penstemon palmerii</i>	1
<i>Shrubs</i>		
Forage kochia	<i>Kochia prostrata</i>	2
Fourwing saltbrush	<i>Atriplex canescense</i>	2
Wyoming big sagebrush	<i>Artemesia tridentata wyomingensis</i> var. Gordon Creek	1
Antelope bitterbrush	<i>Purshia tridentata</i>	1
Total		15

Seeding rates are listed as pounds/acre of pure live seed (PLS) drilled. Rate is increased by 50 percent if broadcast seeded. (PLS = % seed purity x % seed germination)

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-67532
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> UT FED 18-7-34-43D
<b>2. NAME OF OPERATOR:</b> XTO ENERGY INC	<b>9. API NUMBER:</b> 43015307530000
<b>3. ADDRESS OF OPERATOR:</b> 382 Road 3100 , Aztec, NM, 87410	<b>PHONE NUMBER:</b> 505 333-3159 Ext
<b>4. LOCATION OF WELL FOOTAGES AT SURFACE:</b> 1986 FNL 1780 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 34 Township: 18.0S Range: 07.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> BUZZARD BENCH  <b>COUNTY:</b> EMERY  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 5/27/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____

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

XTO hereby requests a one year extension on the State permit for the referenced well.

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

**Date:** May 25, 2010

**By:**

<b>NAME (PLEASE PRINT)</b> Eden Fine	<b>PHONE NUMBER</b> 505 333-3664	<b>TITLE</b> Permitting Clerk
<b>SIGNATURE</b> N/A		<b>DATE</b> 5/21/2010



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43015307530000**

**API:** 43015307530000

**Well Name:** UT FED 18-7-34-43D

**Location:** 1986 FNL 1780 FEL QTR SWNE SEC 34 TWP 180S RNG 070E MER S

**Company Permit Issued to:** XTO ENERGY INC

**Date Original Permit Issued:** 5/29/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated?  Yes  No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?  Yes  No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?  Yes  No
- Has the approved source of water for drilling changed?  Yes  No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
- Is bonding still in place, which covers this proposed well?  Yes  No

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

**Signature:** Eden Fine

**Date:** 5/21/2010

**Title:** Permitting Clerk **Representing:** XTO ENERGY INC

**Date:** May 25, 2010

**By:** 

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-67532
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> UT FED 18-7-34-43D
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**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 5/27/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____

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

XTO hereby requests a one year extension on the State permit for the referenced well.

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

**Date:** May 25, 2010

**By:**

<b>NAME (PLEASE PRINT)</b> Eden Fine	<b>PHONE NUMBER</b> 505 333-3664	<b>TITLE</b> Permitting Clerk
<b>SIGNATURE</b> N/A		<b>DATE</b> 5/21/2010



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43015307530000**

**API:** 43015307530000

**Well Name:** UT FED 18-7-34-43D

**Location:** 1986 FNL 1780 FEL QTR SWNE SEC 34 TWP 180S RNG 070E MER S

**Company Permit Issued to:** XTO ENERGY INC

**Date Original Permit Issued:** 5/29/2008

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- Has the approved source of water for drilling changed?  Yes  No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
- Is bonding still in place, which covers this proposed well?  Yes  No

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

**Signature:** Eden Fine

**Date:** 5/21/2010

**Title:** Permitting Clerk **Representing:** XTO ENERGY INC

**Date:** May 25, 2010

**By:** 

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. <b>UTU-67532</b>
2. Name of Operator <b>XTO Energy Inc.</b>		6. If Indian, Allottee or Tribe Name N/A
3a. Address <b>382 CR 3100 Aztec, NM 87410</b>	3b. Phone No. (include area code) <b>505-333-3100</b>	7. If Unit or CA/Agreement, Name and/or No. N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>(at surface) 1986' ENL &amp; 1780' FEL SW/4NE/4, Sec. 34, T18S, R7E</b> <b>(BHL) 2345' FSL &amp; 1000' FEL</b>		8. Well Name and No. <b>Utah Federal 18-7-34-43D</b>
		9. API Well No. <b>43-015-30753</b>
		10. Field and Pool, or Exploratory Area <b>Ferron Sandstone</b>
		11. County or Parish, State <b>Emery UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<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
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <b>APD EXT.</b>

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 recomplate 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 applicant has determined that the final site is ready for final inspection.)

XTO Energy Inc., would like to request a two (2) year extension on the existing APD.

**RECEIVED**

**APR 04 2011**

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

**RECEIVED**  
**FEB 28 2011**  
**BLM - PRICE, UT**

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**COPY**

**APPROVED**

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Krista Wilson</b>		Title <b>Permitting Tech.</b>
Signature <i>Krista Wilson</i>		Date <b>02/23/2011</b>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>Manny Hernandez</i>	Title <b>Petroleum Engineer</b>	Date <b>MAR 03 2011</b>
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 <b>PRICE FIELD OFFICE</b>

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.

**UDOGM**

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-67532
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> UT FED 18-7-34-43D	
<b>2. NAME OF OPERATOR:</b> XTO ENERGY INC	<b>9. API NUMBER:</b> 43015307530000	
<b>3. ADDRESS OF OPERATOR:</b> 382 Road 3100 , Aztec, NM, 87410	<b>PHONE NUMBER:</b> 505 333-3159 Ext	<b>9. FIELD and POOL or WILDCAT:</b> BUZZARD BENCH
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1986 FNL 1780 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 34 Township: 18.0S Range: 07.0E Meridian: S	<b>COUNTY:</b> EMERY	
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 5/10/2012  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
XTO Energy hereby requests a one (1) year extension of the State APD for the referenced well. <div style="text-align: right; margin-top: 20px;"> <p><b>Approved by the Utah Division of Oil, Gas and Mining</b></p> <p><b>Date:</b> <u>05/11/2011</u></p> <p><b>By:</b> <u></u></p> </div>		
<b>NAME (PLEASE PRINT)</b> Krista Wilson	<b>PHONE NUMBER</b> 505 333-3647	<b>TITLE</b> Permitting Tech
<b>SIGNATURE</b> N/A	<b>DATE</b> 5/10/2011	



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43015307530000**

**API:** 43015307530000

**Well Name:** UT FED 18-7-34-43D

**Location:** 1986 FNL 1780 FEL QTR SWNE SEC 34 TWNP 180S RNG 070E MER S

**Company Permit Issued to:** XTO ENERGY INC

**Date Original Permit Issued:** 5/29/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated?  Yes  No
  
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?  Yes  No
  
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
  
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?  Yes  No
  
- Has the approved source of water for drilling changed?  Yes  No
  
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
  
- Is bonding still in place, which covers this proposed well?  Yes  No

**Signature:** Krista Wilson

**Date:** 5/10/2011

**Title:** Permitting Tech **Representing:** XTO ENERGY INC

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-67532	
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<b>9. FIELD and POOL or WILDCAT:</b> BUZZARD BENCH	
<b>COUNTY:</b> EMERY	
<b>STATE:</b> UTAH	

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<b>1. TYPE OF WELL</b> Gas Well	
<b>2. NAME OF OPERATOR:</b> XTO ENERGY INC	
<b>3. ADDRESS OF OPERATOR:</b> 382 Road 3100 , Aztec, NM, 87410	<b>PHONE NUMBER:</b> 505 333-3145 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1986 FNL 1780 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 34 Township: 18.0S Range: 07.0E Meridian: S	

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 2/28/2013	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
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	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

XTO Energy requests a one (1) year extension of the State APD for the referenced well.

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

**Date:** May 17, 2012

**By:**

<b>NAME (PLEASE PRINT)</b> Richard L. Redus	<b>PHONE NUMBER</b> 303 397-3712	<b>TITLE</b> Regulatory
<b>SIGNATURE</b> N/A	<b>DATE</b> 5/9/2012	



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43015307530000**

API: 43015307530000

Well Name: UT FED 18-7-34-43D

Location: 1986 FNL 1780 FEL QTR SWNE SEC 34 TWNP 180S RNG 070E MER S

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

Signature: Richard L. Redus

Date: 5/9/2012

Title: Regulatory

Representing: XTO ENERGY INC



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
Green River District, Price Field Office  
125 South 600 West  
Price, UT 84501  
<http://www.blm.gov/ut/st/en/fo/price.html>

NOV 07 2012

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NOV 09 2012

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:  
3160 (UTG021)

Krista Wilson  
XTO Energy Inc.  
382 CR 3100  
Aztec, New Mexico 87410

43-015-30753

Re: Notice of Expiration, Well No. Utah Federal 18-7-34-43D, SWNE, Sec. 34, T18S, R7E,  
Emery County, Utah, Lease No. UTU-67532

Dear Ms. Wilson:

The Application for Permit to Drill (APD) the above-referenced well was approved on October 21, 2008. A two-year extension of the original APD was requested. The request was reviewed and the extension approved until October 21, 2012. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new APD must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact Anita Jones at (435) 636-3614.

Sincerely,

Leslie Peterson  
Acting Associate Field Manager

cc: Utah Division of Oil Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84116



GARY R. HERBERT  
Governor

GREGORY S. BELL  
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

August 14, 2013

43 015 30753  
Ut Fed 8-7-3A-43D  
18S 7E 3A

XTO Energy Inc.  
382 Road 3100  
Aztec, NM 87410

Re: APDs Rescinded for XTO Energy, Inc., Uintah and Emery County

Ladies and Gentlemen:

Enclosed find the list of APDs that are being rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective August 14, 2013.

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

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

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal  
Bureau of Land Management, Price



43-047-38095	LCU 4-1H
43-047-38096	LCU 3-1H
43-047-38097	LCU 15-1H
43-047-38098	LCU 10-1H
43-047-38183	LCU 6-35F
43-047-38184	LCU 8-9H
43-047-38185	LCU 8-1H
→ 43-015-30753	UT FED 18-7-34-43D
43-015-30754	UT FED 17-7-35-22
43-047-40127	LCU 3-9H
43-047-40128	LCU 4-9H