



PIONEER
NATURAL RESOURCES USA, INC.

January 20, 2006

Bureau of Land Management
Vernal Field Office
170 South 500 East
Vernal, UT 84078
Attn: Mineral Resources

Re: 2006 Applications for Permit to Drill (APDs) in Uintah County, Utah

To Whom It May Concern:

This letter is to inform you that beginning January 2006 to December 31, 2006 Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Pioneer Natural Resources USA, Inc. when necessary for filing county, state and federal permits including Onshore Order No. 1, Right of Way applications, etc., for the 2006 drilling program in Uintah County, Utah.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Pioneer Natural Resources USA, Inc. agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above-mentioned well.

Sincerely,
Pioneer Natural Resources USA, Inc.

David N. Holland
Environmental Manager



14421 County Rd. 10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco 1@aol.com

February 1, 2006

Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Attn: Diana Whitney

Re: Pioneer Natural Resources USA, Inc.
MC FED #12-8-15S-23E
2500' FNL and 1110' FWL
SW NW Section 8, T15S - R23E
Uintah County, Utah

Dear Diana,

Enclosed please find two copies of the Application for Permit to Drill, along with the required drilling program, BOP diagram, wellsite maps and diagrams.

If you should need additional information, please don't hesitate to contact me. Approved copies of the A.P.D. should be sent to Permitco Inc. at the address shown above.

Sincerely,

PERMITCO INC.

Venessa Langmacher

Venessa Langmacher
Consultant for
Pioneer Natural Resources USA, Inc.

Enc.

cc: Pioneer Natural Resources USA, Inc. - Denver, CO

RECEIVED
FEB 03 2006
DIV. OF OIL, GAS & MINING

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO.: UTU-9211	6. SURFACE: BLM
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc.		9. WELL NAME and NUMBER: MC FED #12-8-15S-23E	
3. ADDRESS OF OPERATOR: 1401 17th Street, Suite 1200, Denver, CO 80202		10. FIELD AND POOL, OR WILDCAT: Main Canyon	
PHONE NUMBER: 303/298-8100		11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN: Section 8, T15S - R23E	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 639991X 2500' FNL and 1110' FWL AT PROPOSED PRODUCING ZONE: SW NW 43764214			
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 47.6 miles south of Ouray, UT		12. COUNTY: Utah	13. STATE: UT
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 2786'	16. NUMBER OF ACRES IN LEASE: 2551.20	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 Acres; SW NW	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 2300'	19. PROPOSED DEPTH: 10,225'	20. BOND DESCRIPTION: Nationwide Bond No. 104091293	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7488' GL	22. APPROXIMATE DATE WORK WILL START: ASAP	23. ESTIMATED DURATION: 35 Days	

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12-1/4"	9-5/8", J, 36#	2000'	300 sx Rockies LT, 11.9 lb/gal, 3.09 cuft/sk + 175 sx Rockies LT, 13.5 lb/gal, 1.81 cuft/sk
7-7/8"	4-1/2", N, 11.6#	10,225'	295 sx Hi Fill 11.0 lb/gal, 3.84 cuft/sk + 965 sx 50-50 Poz, 14.3 lb/gal, 1.2 cuft/sk

CONFIDENTIAL-TIGHT HOLE

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 checked="" 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 |

AGENT: **PermitCo Inc., 14421 County Road 10, Fort Lupton, CO 80621** AGENT'S PHONE NO.: **303/857-9999**
 NAME (PLEASE PRINT) **Venessa Langmacher** TITLE **Agent for Pioneer Natural Resources USA, Inc.**
 SIGNATURE *Venessa Langmacher* DATE **February 1, 2006**

(This space for State use only)

API NUMBER ASSIGNED: **43-047-37703**

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

Date: **02-07-06**
(See instructions on Reverse Side)
By: *[Signature]*

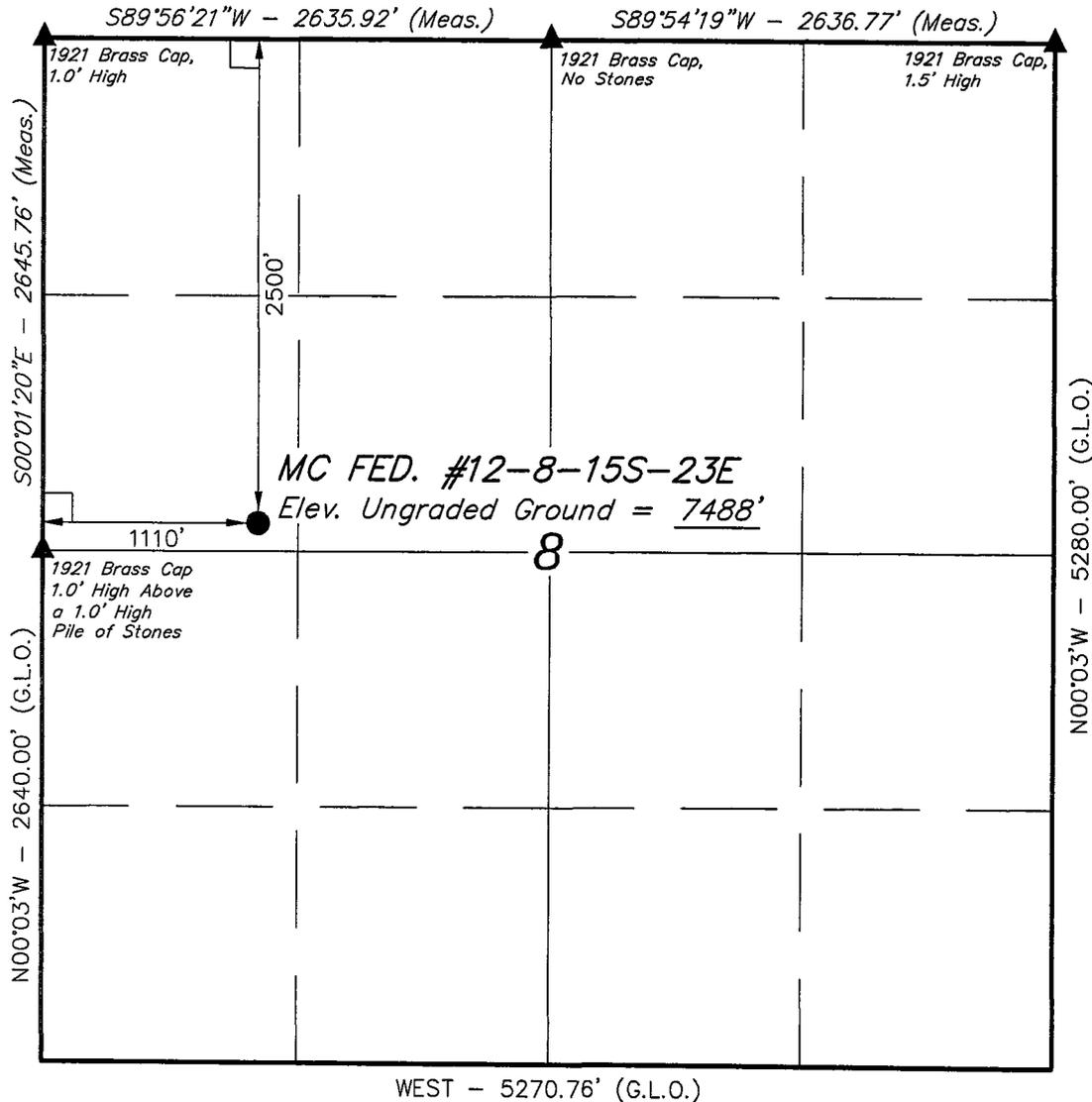
RECEIVED
FEB 03 2006
DIV. OF OIL, GAS & MINING

(11/2001) Federal Approval of this Action Is Necessary

T15S, R23E, S.L.B.&M.

PIONEER NATURAL RESOURCES USA, INC.

Well location, MC FED. #12-8-15S-23E, located as shown in the SW 1/4 NW 1/4 of Section 8, T15S, R23E, S.L.B.&M. Uintah County, Utah.

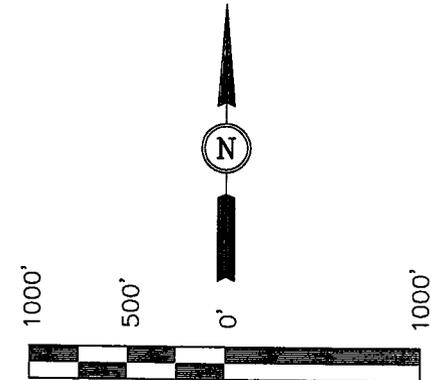


BASIS OF ELEVATION

SPOT ELEVATION ALONG A JEEP TRAIL LOCATED IN THE NE 1/4 OF SECTION 25, T14S, R22E, S.L.B.&M. TAKEN FROM THE PINE SPRING CANYON QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7172 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

John P. Steyer
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
 LATITUDE = $39^{\circ}31'40.65''$ (39.527958)
 LONGITUDE = $109^{\circ}22'18.63''$ (109.371842)
 (AUTONOMOUS NAD 27)
 LATITUDE = $39^{\circ}31'40.77''$ (39.527992)
 LONGITUDE = $109^{\circ}22'16.20''$ (109.371167)

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 10-12-05	DATE DRAWN: 10-17-05
PARTY J.F. C.W. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE PIONEER NATURAL RESOURCES USA, INC.	

ONSHORE OIL & GAS ORDER NO. 1

**Approval of Operations on Onshore
Federal and Indian Oil & Gas Leases**

**MC FED #12-8-15S-23E
2500' FNL and 1110' FWL
SW NW Section 8, T15S - R23E
Uintah County, Utah**

Prepared For:

Pioneer Natural Resources USA, Inc.

By:

**PERMITCO INC.
14421 County Road 10
Ft. Lupton, Colorado 80621
303/857-9999**

CONFIDENTIAL-TIGHT HOLE

Copies Sent To:

- 3 - Bureau of Land Management - Vernal, UT**
- 1 - Utah Division of Oil, Gas & Mining - SLC, UT**
- 2 - Pioneer Natural Resources USA, Inc. - Denver, CO**



APPLICATION FOR PERMIT TO DRILL OR REENTER

24. Attachments

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

1. Well plat certified by a registered surveyor.
Attached.
2. A Drilling Plan
Attached.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the Appropriate Forest Service Office.
See Surface Use Plan Attached.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20).
Bond coverage for this well is provided by Pioneer Natural Resources USA, Inc. under their Nationwide Bond No. 104091293.
5. Operator certification.
Please be advised that Pioneer Natural Resources USA, Inc. is considered to be the operator of the above mentioned well. Pioneer Natural Resources USA, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands.
6. Such other site specific information and/or plans as may be required by the authorized officer.

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. **ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS**

<i>Formation</i>	<i>Depth</i>	<i>Subsea</i>
Castlegate	4,610'	+2,875'
Mancos B	5,360'	+2,125'
Dakota	8,425'	-940'
Entrada	9,425'	-1,940'
Wingate	9,825'	-2,340'
TD	10,225'	-2,740'

2. **ESTIMATED DEPTH OF ANTICIPATED WATER, OIL, GAS OR MINERAL FORMATIONS:**

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>
Gas	Entrada	9,425'
Gas	Wingate	9,825'

All fresh water prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.



3. PRESSURE CONTROL EQUIPMENT

Pioneer Natural Resources USA, Inc.'s minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double with annular, 5000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed;
- b. whenever any seal subject to test pressure is broken
- c. following related repairs; and
- d. at 30-day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.



All of the above described tests and/or drills shall be recorded in the drilling log.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead time, in order to have the BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 5000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. PROPOSED CASING AND CEMENTING PROGRAM:

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.



- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)
- d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- l. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.



m. The proposed casing program will be as follows:

<i>Purpose</i>	<i>Depth</i>	<i>Hole Size</i>	<i>O.D.</i>	<i>Weight</i>	<i>Grade</i>	<i>Type</i>	<i>New/Used</i>
Surface	0-2000'	12-1/4"	9-5/8"	36#	J	8rd	New
Production	0-10,225'	7-7/8"	4-1/2"	11.6#	N	8rd	New

n. Casing design subject to revision based on geologic conditions encountered.

o. The cement program will be as follows:

<i>Surface</i>	<i>Type and Amount</i>
TOC @Surface	Rockies LT + 1/4 lb/sk Flocele + 1/4 lb/sk Kwik Seal Lead: 300 sx, 11.9 lb/gal, 3.09 cuft/sk Tail: 175 sx, 13.5 lb/gal, 1.81 cuft/sk
<i>Production</i>	<i>Type and Amount</i>
TOC @ 1800'	DV Tool @ 6000 ft. Lead: Lt. Fill 11.0 lb/gal, 3.84 cuft/sk Tail: 50-50 Poz 14.3 lb/gal, 1.2 cuft/sk 1 st Stage: 150 sx Hi Fill Lead, 475 sx 50-50 Poz Tail 2 nd Stage: 145 sx Hi Fill Lead, 490 sx 50-50 Poz Tail

p. Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

q. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.

r. The following reports shall be filed with the District Manager within 30 days after the work is completed.

1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:



- a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
- b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- s. Auxiliary equipment to be used is as follows:
 - 1. Kelly cock
 - 2. No bit float is deemed necessary.
 - 3. A sub with a full opening valve.

5. MUD PROGRAM

- a. The proposed circulating mediums to be employed in drilling are as follows:

<i>Interval</i>	<i>Mud Type</i>	<i>Mud Wt.</i>	<i>Visc.</i>	<i>F/L</i>
0' - 2000'	Spud Mud	8.3 - 8.6	28	N/C
2000' - 10,225'	KCL Polymer	8.8 - 8.9	38 - 40	10

There will be sufficient mud on location to control a blowout should one occur. A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

- b. Mud monitoring equipment to be used is as follows:
 - 1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.
- c. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.



- d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- e. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

6. EVALUATION PROGRAM

The anticipated type and amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program will consist of a GR-RES-DEN-NEU-SP to be run from 2000' - TD.
- c. No cores are anticipated.



- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cutting, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- e. The anticipated completion program will be determined based on drilling shows.
- f. Daily drilling and completion progress reports shall be submitted to the BLM in Vernal on a weekly basis.

7. ABNORMAL TEMPERATURES OR PRESSURES

- a. The expected bottom hole pressure is 4422 psi. The maximum bottom hole temperature anticipated is 230 degrees F.
- b. No hydrogen sulfide gas is anticipated. No abnormal pressures are anticipated.

8. ANTICIPATED STARTING DATES AND NOTIFICATION OF OPERATIONS

- a. Drilling is planned to commence on upon approval of this application.
- b. It is anticipated that the drilling of this well will take approximately 35 days.
- c. The BLM in Vernal, Utah shall be notified of the anticipated date of location construction commencement and of anticipated spud date.
- d. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.



- e. The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.
- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, UT 84078.
- g. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- h. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- i. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- j. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- k. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.
- l. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.).



ONSHORE ORDER NO. 1
Pioneer Natural Resources USA, Inc.
MC FED #12-8-15S-23E
2500' FNL and 1110' FWL
SW NW Section 8, T15S - R23E
Uintah County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-9211

DRILLING PROGRAM

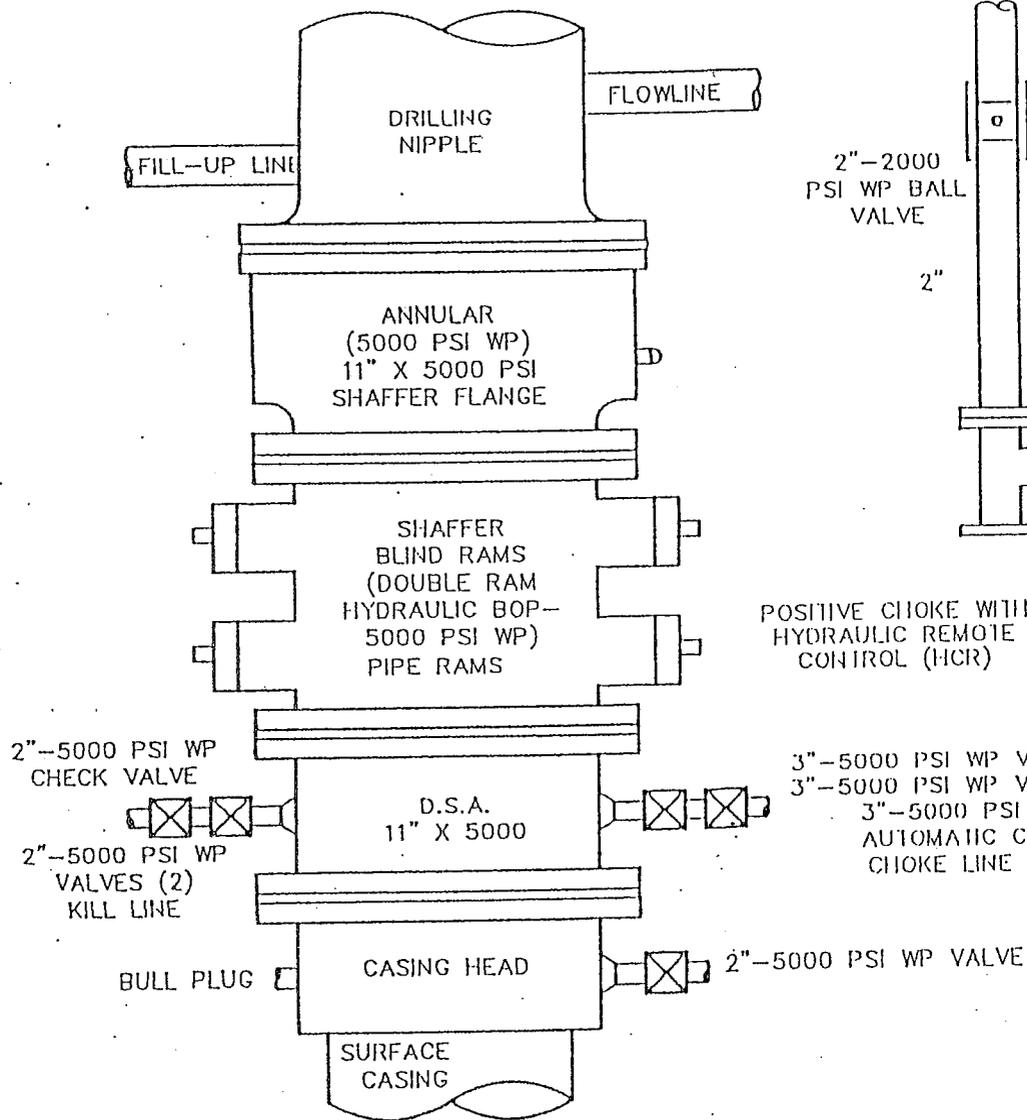
Page 10

- m. A first production conference will be scheduled within 15 days after receipt of the first production notice.
- n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.
- o. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

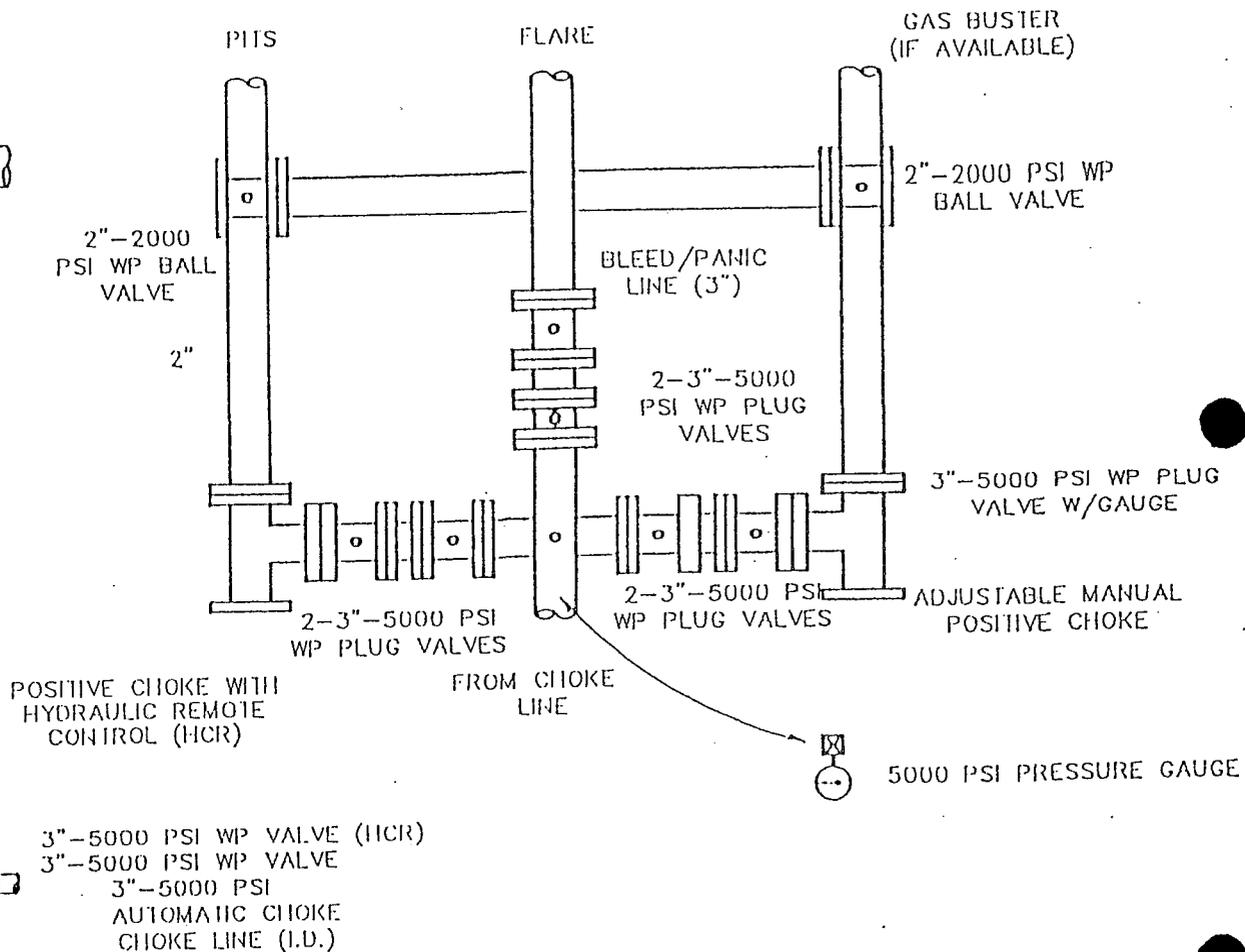
Bureau of Land Management 170 South 500 East Vernal, Utah 84078		
Phone: 435/781-4400		Fax: 435/781-4410
After Hours:		
Matt Baker	Petroleum Engineer	435/828-4470
Michael Lee	Petroleum Engineer	435/828-7875



BOP SCHEMATIC
5000 PSI WORKING PRESSURE



PLAN VIEW CHOKES MANIFOLD



THE HYDRAULIC CLOSING UNIT WILL BE LOCATED MORE THAN 30' FROM THE WELLHEAD. CHOKER AND BLEED/PANIC LINES WILL GO TO THE PIT AND FLARE. ALL CONNECTIONS IN CHOKER LINES AND MANIFOLD WILL BE FLANGED OR WELDED. ALL FLANGES SHOULD BE RING JOINT GASKET TYPE. ALL TURNS IN LINES SHALL BE CONSTRUCTED USING TARGETING 90° TEES OR ELLS. ALL LINES SHALL BE ANCHORED.

**ONSHORE OIL & GAS ORDER NO. 1
NOTIFICATION REQUIREMENTS**

- Location Construction - forty-eight (48) hours prior to construction of location and access roads.
- Location Completion - prior to moving on the drilling rig.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well.
- Casing String and Cementing - twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - twenty-four (24) hours prior to initiating pressure tests.
- First Production - Notice - within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

The onsite inspection for the subject well site was conducted on Wednesday, November 2, 2005 at approximately 1:15 p.m. Weather conditions were cool, overcast and breezy. In attendance at the onsite inspection were the following individuals:

Holly Villa	Natural Resource Specialist	Bureau of Land Management
Todd Megrath	Wildlife Biologist	Bureau of Land Management
Lisa Smith	Permitting Agent	Permitco Inc.
David Holland	Environmental Manager	Pioneer Natural Resources USA, Inc.
Jim Oldham	Dirt Contractor	Diamond Oilfield Construction, Inc.
John Floyd	Surveyor	Uintah Engineering & Land Surveying

1. **EXISTING ROADS**

- a. The proposed well site is located approximately 47.6 miles southeast of Ouray, Utah.



- b. Directions to the location from Ouray, Utah are as follows:

Proceed on Seep Ridge Road southeasterly 46.7 miles. Turn right onto an existing road and proceed westerly 0.5 miles. Turn right onto an existing road and proceed northwesterly 0.15 miles until reaching the #6-8. Continue northwesterly on the proposed access for approximately 0.25 miles until reaching the proposed location.

- c. For location of access roads within a 2-Mile radius, see Maps A & B.
- d. Improvement to existing main roads will not be required.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. PLANNED ACCESS ROADS

- a. Approximately 0.25 miles of new construction will be necessary.
- b. The road will be constructed as a crowned and ditched road with a maximum disturbed width of 50'. The road will be constructed in accordance with the BLM 9113 Manual.
- b. The maximum grade of the new construction will be approximately 5%.
- c. No low water crossings will be necessary.
- d. No culverts will be necessary.
- e. The last 0.25 miles of new access road was centerline flagged at the time of staking.
- f. The use of surfacing material is not anticipated, however it may be necessary depending on weather conditions.
- g. No cattle guards will be necessary.



- h. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
 - i. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).
 - j. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowing and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.
 - k. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
 - l. All access roads outside the Lease Boundary are County Maintained roads. No road right of way will be necessary.
3. **LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION.**
(See Map "C")
- a. Water wells - none
 - b. Injection wells - none
 - c. Producing wells - three
 - d. Drilling wells - none



- e. Shut-in wells - one
- f. Temporarily abandoned wells - none
- g. Disposal wells -none
- h. Abandoned wells - one
- i. Dry Holes - none

4. LOCATION OF TANK BATTERIES AND PRODUCTION FACILITIES.

- a. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted Olive Black. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.
- b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- c. If production is established, a production facility diagram will be submitted via sundry.
- d. All loading lines will be placed inside the berm surrounding the tank battery.
- e. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flow line will be buried or anchored down from the wellhead to the separator. Meter runs will be housed and/or fenced.
- f. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO 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 will be submitted to the Vernal Field Office. All meter measurement facilities will conform with Onshore Oil and Gas Order No. 4 for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurement.



MC FED #12-8-15S-23E

Lease No. UTU-9211

2500' FNL and 1110' FWL

SW NW Section 8, T15S - R23E

SURFACE USE PLAN

Uintah County, Utah

Page 5

- g. If at any time the facilities located on public land and 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), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.
- h. Any necessary pits will be properly fenced to prevent any wildlife entry.
- i. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- j. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- k. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- l. The road will be maintained in a safe useable condition.
- m. Pipelines will be constructed along the access roads as shown on Map D. See pipeline attachment.

5. LOCATION AND TYPE OF WATER SUPPLY

- a. The proposed water source will be from a water well located in the SW SE, Section 32, T4S - R3E, Ouray, UT, Permit No. 43-8496
- b. Water will be hauled by Dalbo, Inc. to the location over the access roads shown on Maps A and B.
- c. No water well will be drilled on this lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- a. Surface and subsoil materials in the immediate area will be utilized.
- b. Any gravel used will be obtained from a commercial source.
- c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
- d. No construction materials will be removed from Federal land.



7. METHODS OF HANDLING WASTE DISPOSAL

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- b. At the request of the BLM, the reserve pit will be lined with a 12 mil liner. If fractured rock is encountered, the pit will be first lined with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.
- c. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.
- d. After first production, produced waste water will be confined to a unlined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.
- e. Drill cuttings are to be contained and buried in the reserve pit.
- f. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
- g. A chemical porta-toilet will be furnished with the drilling rig.
- h. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

8. ANCILLARY FACILITIES

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.



9. WELL SITE LAYOUT

- a. The operator or his/her contractor shall contact the BLM Office at 435/781-4400 forty-eight (48) hours prior to construction activities.
- b. The reserve pit will be located on the south side of the location.
- c. The flare pit will be located on the west side of the reserve pit, a minimum of 100 feet from the well head and 20 feet from the reserve pit fence.
- d. The stockpiled topsoil (first six inches) will be stored on the south side of the location, between Corners 5 and 6 near the wellpad. Topsoil along the access route will be wind rowed on the uphill side.
- e. Access to the well pad will be from the south as shown on the Pit & Pad Layout.
- f. See Location Layout for orientation of rig, cross section of drill pad and cuts and fills.
- g. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be shown on the Location Layout.
- h. All pits will be fenced according to the following minimum standards:
 1. 39 inch net wire shall be used with at least one strand or barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
 2. The net wire shall be no more than 2-inches above the ground. The barbed wire shall be 3-inches above the net wire. Total height of the fence shall be at least 42-inches.
 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
 4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.



- i. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.

10. PLANS FOR RESTORATION OF SURFACE

Producing Location

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- b. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- c. If a plastic nylon reinforced liner is used it shall be torn and perforated before backfilling of the reserve pit.
- d. The reserve pit and that portion of the location not needed for production facilities or operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., will be removed.
- e. Reclamation of unused disturbed areas on the well pad/access road no longer needed for operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer. A seed mixture will be specified by the Bureau of Land Management in their Conditions of Approval for the subject well.

Seeding will be performed immediately after the location has been reclaimed and the pit has been backfilled, regardless of the time of year. Seed will be broadcast and walked in with a dozer.
- f. The topsoil stockpile will be seeded as soon as the location has been constructed with the same recommended seed mix. The seed will be walked in with a cat.
- g. The seed mixture will be attached as a condition of approval by the BLM.



Dry Hole

- h. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and BLM will attach the appropriate surface rehabilitation conditions of approval.

11. **SURFACE OWNERSHIP**

Access Roads - The majority of the access roads are maintained by the County Road Department or the Bureau of Land Management.

Well pad - The well pad is located on lands managed by the BLM.

12. **OTHER INFORMATION**

- a. A Class III archeological survey has been conducted by Grand River Institute. A copy of the report is attached.
- b. The operator is responsible for informing all persons in the areas 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 authorized officer (AO). Within five working days the AO will inform the operator as to:

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

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

-a time frame for the AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO 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 AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- c. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- d. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure.
- e. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.
- f. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- g. There will be no deviation from the proposed drilling and/or work over program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.
- h. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- i. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period. After permit termination, a new application will be filed for approval for any future operations.



- j. The operator or his contractor shall contact the BLM Offices at 435/781-4400 48 hours prior to construction activities.
- k. The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

13. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

Permit Matters

PERMITCO INC.
14421 County Road 10
Ft. Lupton, CO 80621
303/857-9999 (O)
303/857-0577 (F)
Lisa Smith

Drilling & Completion Matters

Pioneer Natural Resources USA, Inc.
1401 - 17th Street, Suite 1200
Denver, CO 80202
303/675-2624 (O)
303/294-1275 (F)
David Holland - Environmental Manager

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Pioneer Natural Resources USA, Inc. and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

February 1, 2006
Date: _____



Venessa Langmacher - PERMITCO INC.
Authorized Agent for:
Pioneer Natural Resources USA, Inc.



PIPELINE INFORMATION
MC FED #12-8-15S-23E

1. The type of pipeline is a single well flow line.
2. The outside diameter (O.D.) of all will be 4 inches.
3. The anticipated production through the line is approximately 2000 MCF per day.
4. The anticipated maximum test pressure is 1000 psi.
5. The anticipated operating pressure is 100-200 psi.
6. The type of pipe is steel.
7. The method of coupling is welded.
8. The pipeline will be buried.
9. There are no other pipelines to be associated in same right of way.
10. There will be other objects to be associated in the same right of way. (Risers, Pig Launchers Pig Traps, meters and other appurtenances as required.)
11. The total length of pipeline is approximately 1,455 feet - see Map D
12. The line will be buried adjacent to the access road, as shown on Map D. The pipeline will follow existing or proposed roads.
13. The construction width for total surface disturbing activities is 30 feet.
14. The estimated total acreage involving all surface disturbing activities is 1.0 acre.
15. Any surface disturbance created as a result of the pipeline construction will be reclaimed utilizing the reclamation procedures and seed mixture specified by the Bureau of Land Management.
16. The line will be tested with gas pressure to 1000 psi.



PIONEER NATURAL RESOURCES USA, INC.

MC FED. #12-8-15S-23E

LOCATED IN UINTAH COUNTY, UTAH

SECTION 8, T15S, R23E, S.L.B.&M.



PHOTO: VIEW OF LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

U
E
L
S Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

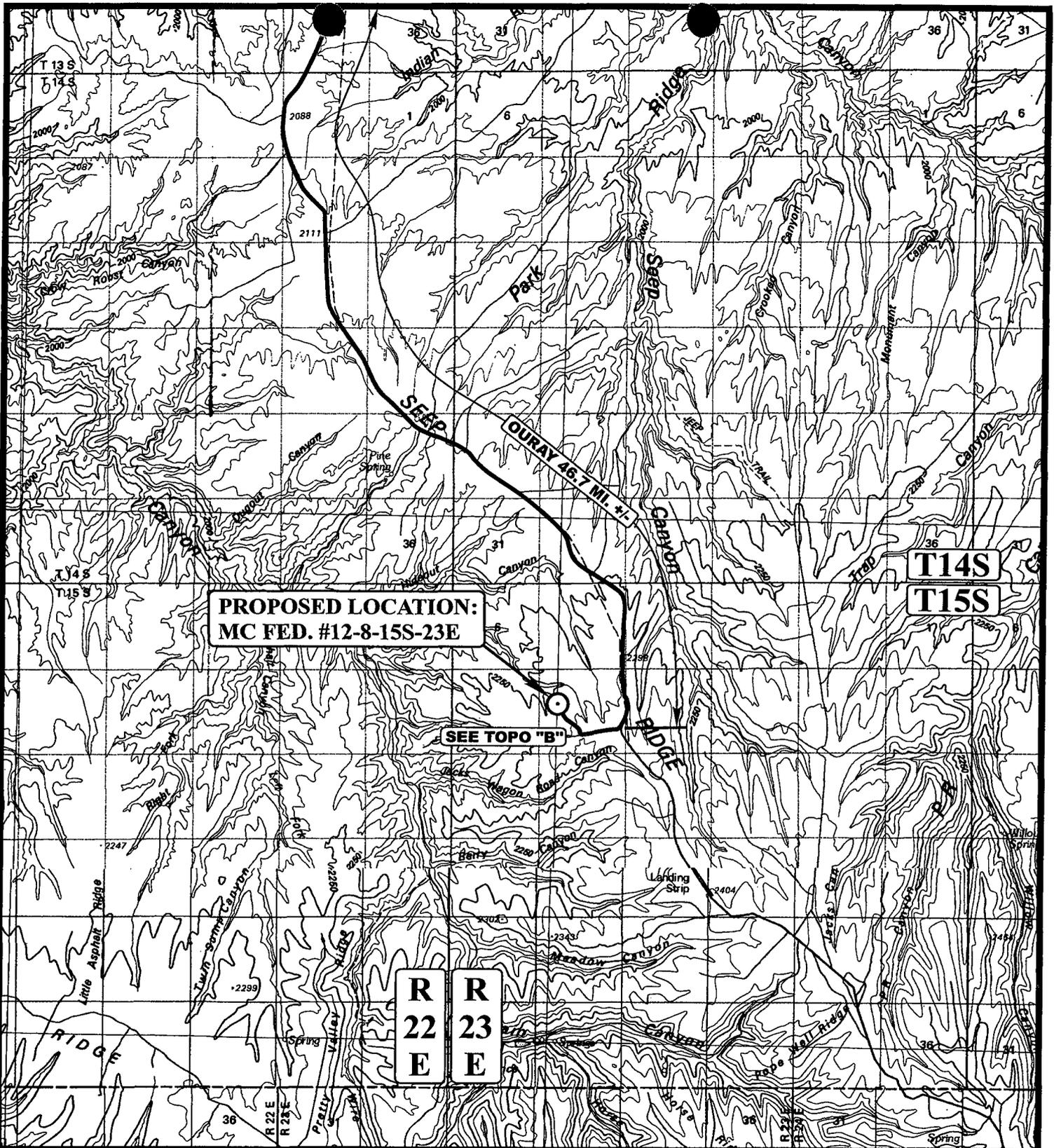
10 19 05
MONTH DAY YEAR

PHOTO

TAKEN BY: J.E.

DRAWN BY: C.P.

REVISED: 01-27-06



**PROPOSED LOCATION:
MC FED. #12-8-15S-23E**

SEE TOPO "B"

**R
22
E** **R
23
E**

**T14S
T15S**

LEGEND:

○ PROPOSED LOCATION



PIONEER NATURAL RESOURCES USA, INC.

**MC FED. #12-8-15S-23E
SECTION 8, T15S, R23E, S.L.B.&M.
2500' FNL 1110' FWL**



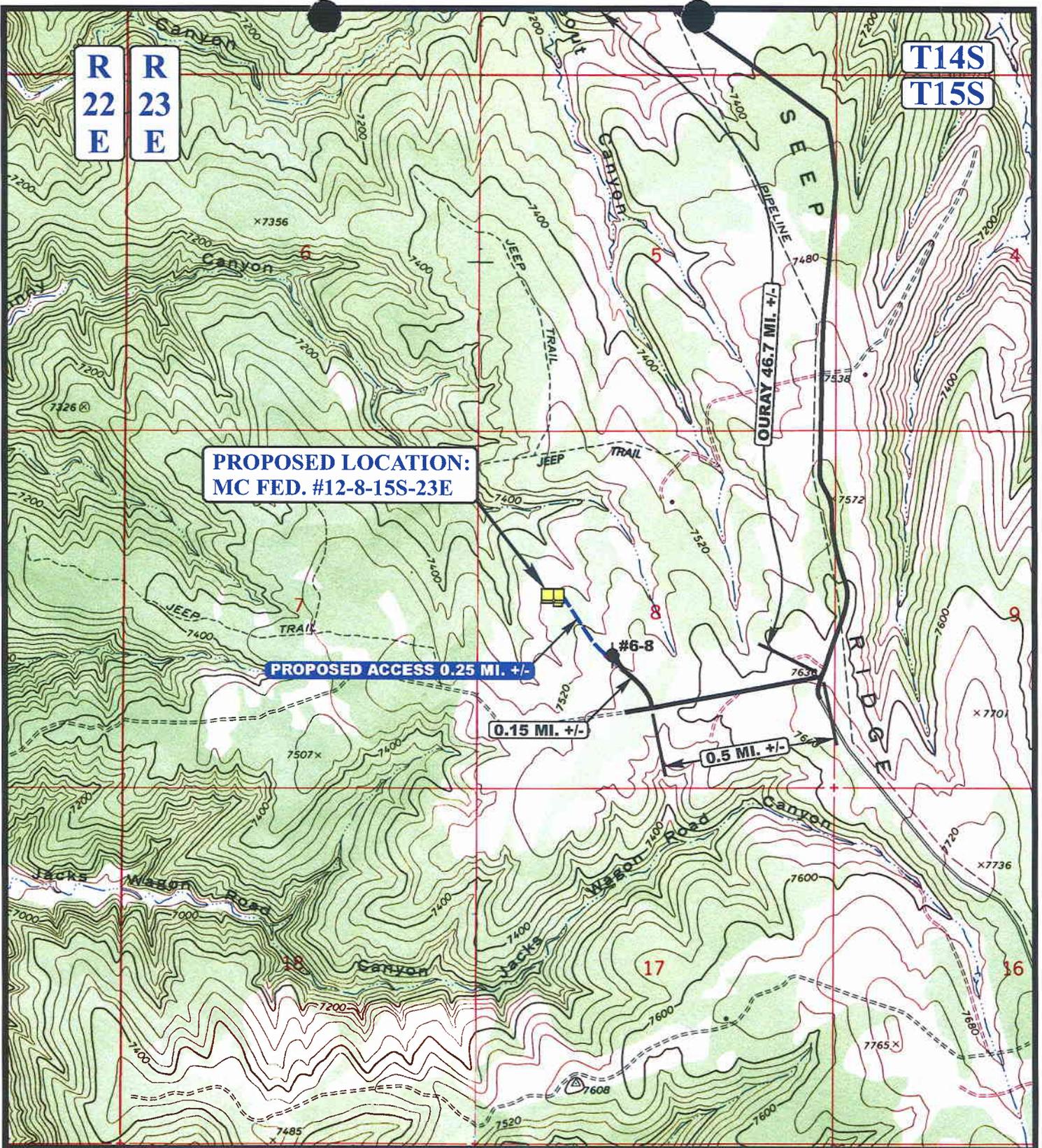
Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

10 19 05
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





R
22
E

R
23
E

T14S
T15S

**PROPOSED LOCATION:
MC FED. #12-8-15S-23E**

PROPOSED ACCESS 0.25 MI. +/-

0.15 MI. +/-

0.5 MI. +/-

LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

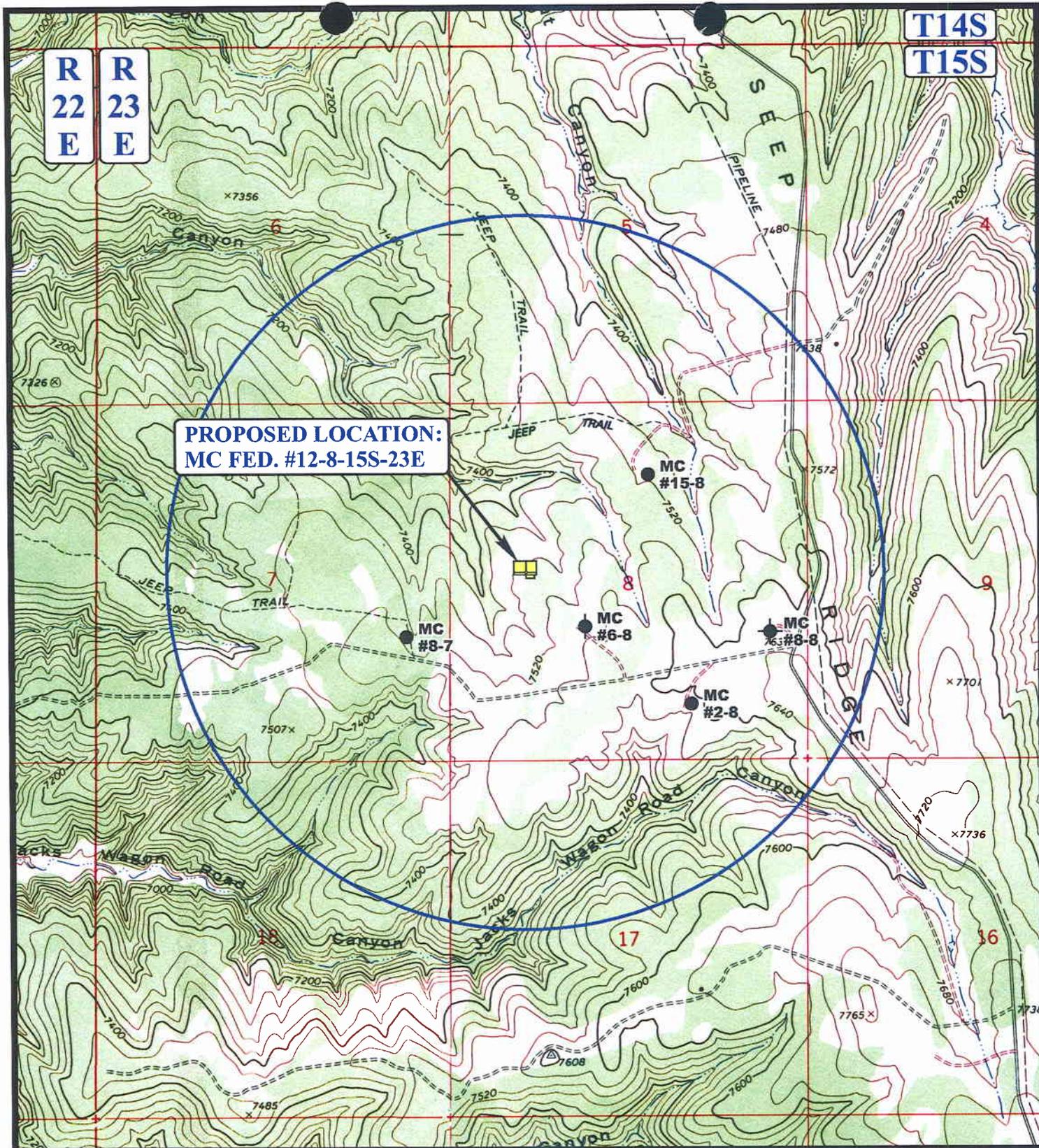


PIONEER NATURAL RESOURCES USA, INC.

**MC FED. #12-8-15S-23E
SECTION 8, T15S, R23E, S.L.B.&M.
2500' FNL 1110' FWL**

U E L S
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC **10** **19** **05**
M A P MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **B**
 TOPO



**PROPOSED LOCATION:
MC FED. #12-8-15S-23E**

LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- ⬮ SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

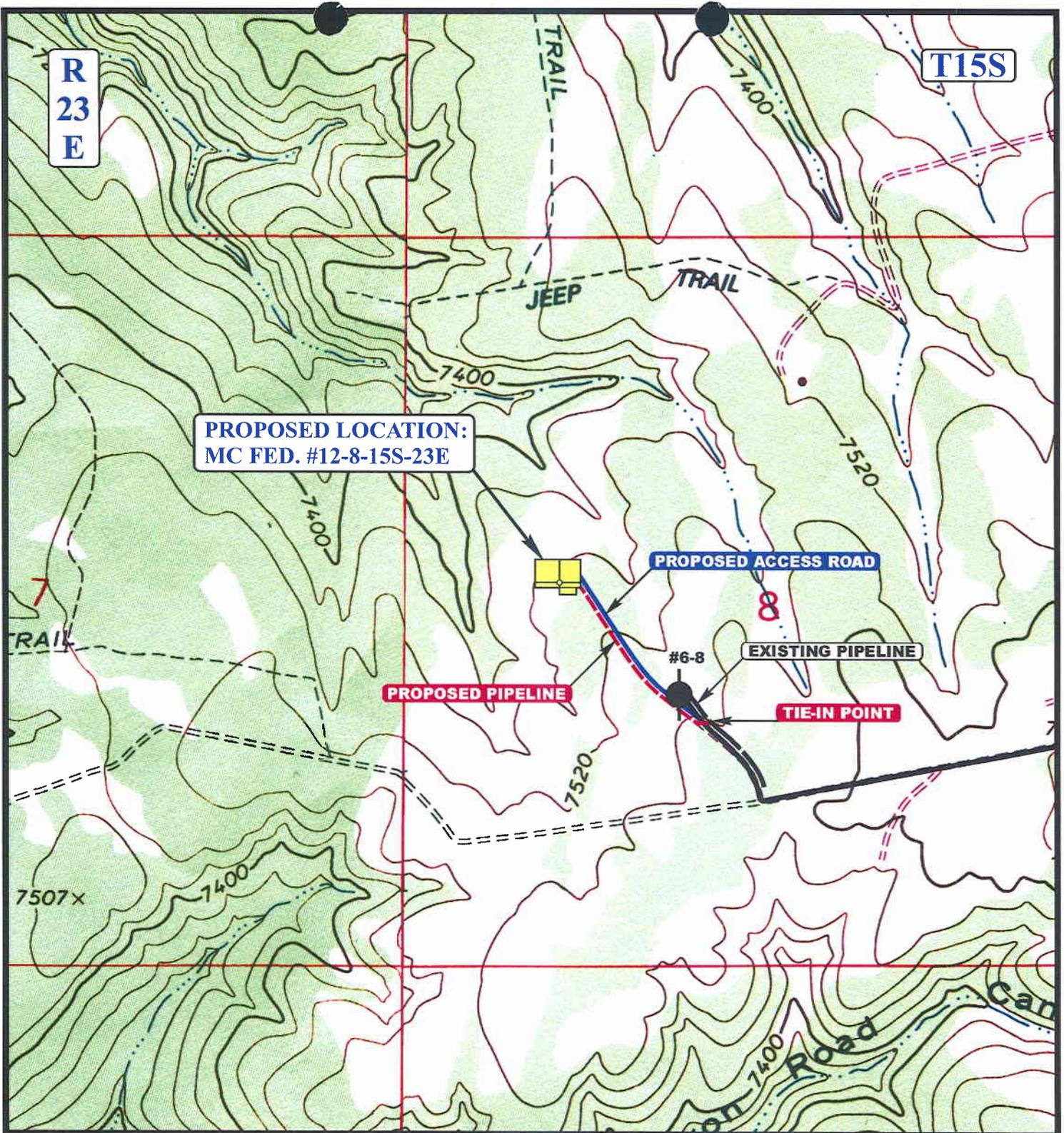


PIONEER NATURAL RESOURCES USA, INC.

**MC FED. #12-8-15S-23E
SECTION 8, T15S, R23E, S.L.B.&M.
2500' FNL 1110' FWL**

U E L S
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 10 19 05
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **C TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 1,455' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



PIONEER NATURAL RESOURCES USA, INC.

**MC FED. #12-8-15S-23E
SECTION 8, T15S, R23E, S.L.B.&M.
2500' FNL 1110' FWL**



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP

10 19 05
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00

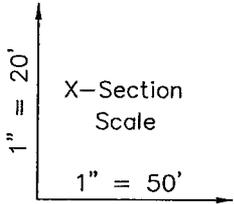


PIONEER NATURAL RESOURCES USA, INC.

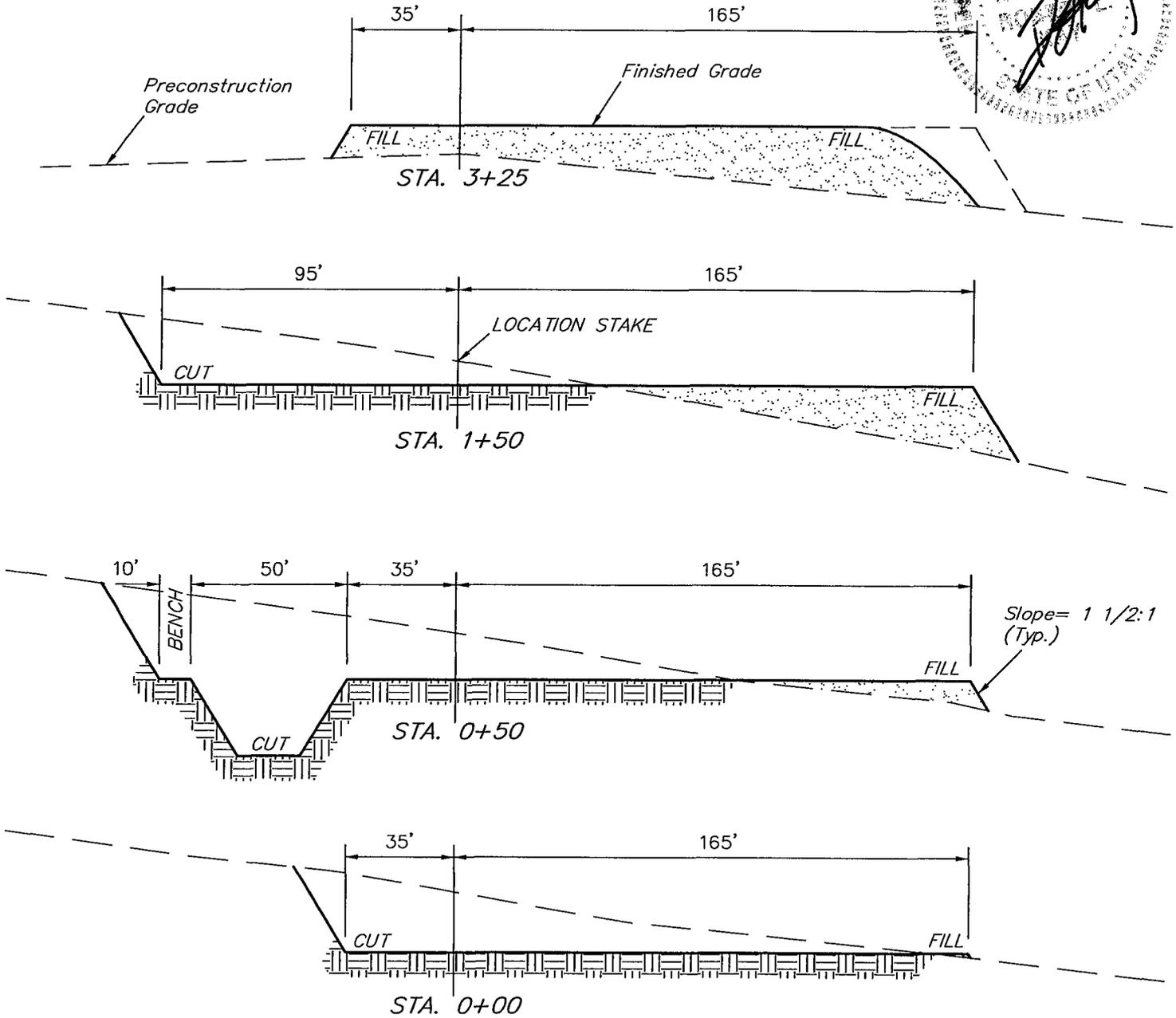
FIGURE #2

TYPICAL CROSS SECTIONS FOR

MC FED. #12-8-15S-23E
SECTION 8, T15S, R23E, S.L.B.&M.
2500' FNL 1110' FWL



DATE: 10-17-05
Drawn By: P.M.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,660 Cu. Yds.
Remaining Location	= 7,900 Cu. Yds.
TOTAL CUT	= 9,560 CU.YDS.
FILL	= 7,210 CU.YDS.

EXCESS MATERIAL	= 2,350 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,350 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

FEDERAL STIPULATIONS AND TIMING RESTRICTIONS

Any federal stipulations will be attached as a condition of approval.



✦ Grand River Institute ✦

P.O. Box 3543 ✦ Grand Junction, CO 81502 ✦ 970/245-7868 FAX 970-245-6317

December 9, 2005

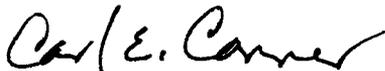
Lisa Smith
Permitco
14421 Weld County Rd. 10
Ft. Lupton, Colorado 80621

Re: GRI Project No. 25124 -- Class III cultural resources inventory for eleven well locations and related new access routes in Uintah County, Utah, for Pioneer Natural Resources USA, Inc.

Dear Lisa:

Enclosed is a copy of our final report for the above cited project. Copies each have been sent to the Pioneer, BLM, and SITLA. Our invoice for this work is enclosed. Thank you for your help in this matter. Please call me if you have any questions or comments.

Sincerely,



Carl Conner
Director

Enc

UTAH STATE COVER PAGE

Must Accompany All Project Reports
Submitted to Utah SHPO

Project Name: **Class III cultural resources inventory for eleven well locations and related new access routes in Uintah County, Utah, for Pioneer Natural Resources USA, Inc.**

State Proj. No. **U05-GB-1276b,s**

Report Date: **8 December 2005**

County(ies): **Uintah**

Principal Investigator: **Carl E. Conner**

Field Supervisor(s): **Carl E. Conner**

Records search completed at: **BLM Vernal, UDSH** Record search date(s): **11/1 and 10/2005**

Acreage Surveyed ~ Intensive: **243.4 acres** Recon/Intuitive: **0 acres**

7.5' Series USGS Map Reference(s): **Pine Spring Canyon and Seep Canyon 1966/1987**

Sites Reported	Count	Smithsonian Site Numbers
Archaeological Sites	0	
Revisits (no inventory form update)		
Revisits (updated IMACS site inventory form attached)	1	42UN1090
New recordings (IMACS site inventory form attached)	1	42UN5139
Total Count of Archaeological Sites	2	
Historic Structures (USHS 106 site info form attached)	0	
Total National Register Eligible Sites	1	42UN5139

-----Checklist of Required Items-----

1. Copy of the Final Report
2. Copy of 7.5' Series USGS Map with Surveyed/Excavated Area Clearly Identified.
3. Completed IMACS Site Inventory Forms, Including
 - Parts A and B or C, The IMACS Encoding Form,
 - Site Sketch Map, Photographs
 - Copy of the appropriate 7.5' Series USGS Map w/ the Site Location Clearly Marked and Labeled with the Smithsonian Site Number
4. Completed "Cover Sheet" Accompanying Final Report and Survey Materials (Please make certain all of your checked items are attached.)



Summary Report of Cultural Resources Inspection

**Project No.: U05-GB-1276 b,s
[GRI Project No. 25124]**

1. Report Title: **Class III cultural resources inventory for eleven well locations and related new access routes in Uintah County, Utah**
2. Report Date: **12/08/2005** 3. Date(s) of Survey: **11/1, 5, 6 and 25/2005**
4. Development Company: **Pioneer Natural Resources USA, Inc.**
5. Responsible Institution: **BLM Vernal Office**
6. Responsible Individuals Principal Investigator: Field Supervisor: **Carl E. Conner**
Report Author(s): **Carl E. Conner**
7. BLM Field Office: **Vernal Field Office**
8. County(ies): **Uintah**
9. Fieldwork Location: **T. 14 S., R. 23 E., Sections 31 and 32; T. 15 S., R. 23 E., Sections 5, 6, 7, 8, and 10; SLBM**
10. Record Search:
Location of Records Searched for BLM: **BLM Vernal/UDSH** Date: **11/01/2005**
11. Description of Proposed Project: **Eleven locations and related accesses**
12. Description of Examination Procedures: **Class III, 100% pedestrian, survey of ten-acre plots centered on each of the proposed well locations was intensively surveyed for cultural resources by a crew of two persons that walked transects spaced at an average of 15 meters apart. The related access routes not included within the 10-acre study plots were surveyed by walking four parallel transects spaced at 15m intervals and centered on the flagged lines to cover corridors 200 feet wide. A total of about 243.40 acres was intensively surveyed.**

13. Area Surveyed:	BLM	OTHER FED	STATE	PRI.
Linear Miles Intensive:	25140 feet		1730 feet	
Recon/Intuitive:				
Acreage Intensive:	120 acres			
Recon/Intuitive:				

14. Sites Recorded:

Smithsonian Site Numbers	#	BLM	OTHER FED	STATE	PRI
Revisits NR Eligible	0				
(no IMACS form) Not Eligible	0				
Revisits NR Eligible	0				
updated IMACS) Not Eligible	1	42UN1090			
New NR Eligible	1			42UN5139	
Recordings Not Eligible	0				
Total Number of Archaeological Sites	2				
Historic Structures (USHS Form)	0				
Total National Register Eligible Sites	0				

15. Description of Findings: (see attached report) Files searches indicated one previously recorded site (42UN1090) occurs within the project area. It was described as a source material locality that exhibited no cultural artifacts, and upon revisiting as part of this project it was found to be a completely disturbed area. No further consideration should be given this site. One Protohistoric open architectural site (42UN5139) and two prehistoric isolated finds were newly recorded. The site was field evaluated as significant, and the two isolated finds as non-significant.

16. Collection Yes No

(If Yes) Curation Facility:

Accession Number(s):

17. Conclusion/Recommendations: The proposed project will have no apparent adverse effect on any significant historic properties. Accordingly, a determination of "no effect" is recommended pursuant to Section 106 of the National Historic Preservation Act (36 CFR 800).

**Class III Cultural Resource Inventory Report
for
Eleven Proposed Well Locations and Related New Access Routes
in Uintah County, Utah,
for
Pioneer Natural Resources USA, Inc.**

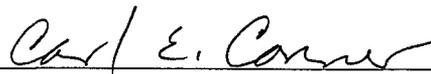
Declaration of Positive Findings

GRI Project No. 25124

8 December 2005

Prepared by

Grand River Institute
P.O. Box 3543
Grand Junction, Colorado 81502
BLM Antiquities Permit No. 05UT-54939
UDSH Project Authorization No. U05-GB-1276b,s



Carl E. Conner, Principal Investigator

Submitted to

The Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

School and Institutional
Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

Abstract

Grand River Institute conducted a Class III cultural resources inventory for eleven well locations and related access routes (4.8 miles) in Uintah County, Utah, for Pioneer Natural Resources USA, Inc. under BLM Antiquities Permit No. 05UT-54939 and Utah Division of State History (UDSH) Project Authorization No. U05-GB-1276b,s. This work was done to meet requirements of Federal and State laws that protect cultural resources. Field work was performed on November 1, 5, 6 and 25, 2005. A total of about 243.4 acres (235.4 BLM, 8.0 State) was inspected. The inventory was conducted and the report prepared by Carl E. Conner (Principal Investigator and Field Supervisor) and Barbara Davenport.

Files searches indicated one previously recorded site (42UN1090) occurs within the project area. It was described as a source material locality that exhibited no cultural artifacts, and upon revisiting as part of this project it was found to be a completely disturbed area. No further consideration should be given this site. One Protohistoric open architectural site (42UN5139) and two prehistoric isolated finds were newly recorded. The site was field evaluated as significant, and the two isolated finds as non-significant.

The proposed project will have no apparent adverse effect on any significant historic properties. Accordingly, a determination of "no effect" is recommended pursuant to Section 106 of the National Historic Preservation Act (36 CFR 800).

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Introduction

Grand River Institute conducted a Class III cultural resources inventory for eleven well locations and related access routes (4.8 miles) in Uintah County, Utah, for Pioneer Natural Resources USA, Inc. under BLM Antiquities Permit No. 05UT-54939 and Utah Division of State History (UDSH) Project Authorization No. U05-GB-1276b,s. This work was done to meet requirements of Federal and State laws that protect cultural resources. Field work was performed on November 1, 5, 6 and 25, 2005. A total of about 243.4 acres (235.4 BLM, 8.0 State) was inspected. The inventory was conducted and the report prepared by Carl E. Conner (Principal Investigator and Field Supervisor) and Barbara Davenport.

This study provides an inventory to identify cultural resources within previously unsurveyed areas likely to be affected by the proposed project, to locate previously unrecorded sites, to evaluate their eligibility to the National Register of Historic Places (NRHP), and to make recommendations for the sites found to be eligible. For federally funded or licensed projects, such studies are done to meet requirements of the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321), Executive Order 11593 (36 F.R. 8921), the Historical and Archaeological Data-Preservation Act (AHPA) of 1974 (16 U.S.C. 469), the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470aa *et seq.*, as amended). Such resources tend to be localized and highly sensitive to disturbance.

Location of Project Area

The study area lies approximately 60.0 miles south of Vernal in Uintah County, Utah. The eleven wells and accesses are located in T. 14 S., R. 23 E., Sections 31 and 32; T. 15 S., R. 23 E., Sections 5, 6, 7, 8, and 10; SLBM (Figures 1 and 2).

Environment

The general project area is within the major geologic subdivision of the Colorado Plateau known as the Uinta Basin Section. In Utah, this section extends from the Uinta Mountains on the north to the Book Cliffs on the south. It is a broad downwarp into which Quaternary- and Tertiary-age deposits were made from the surrounding mountains which include Holocene and Pleistocene pediment deposits, and Eocene-age fluvial and lacustrine sedimentary rocks (Rigby 1976:xi). Physiographically, the basin includes the Uinta basin in the north portion and the Book Cliffs/Roan Plateau in the south portion.

The eleven proposed wells lie atop the Roan Plateau. Sedimentary rocks of Cretaceous age underlie the study area and include the Mount Garfield and Sego Sandstone

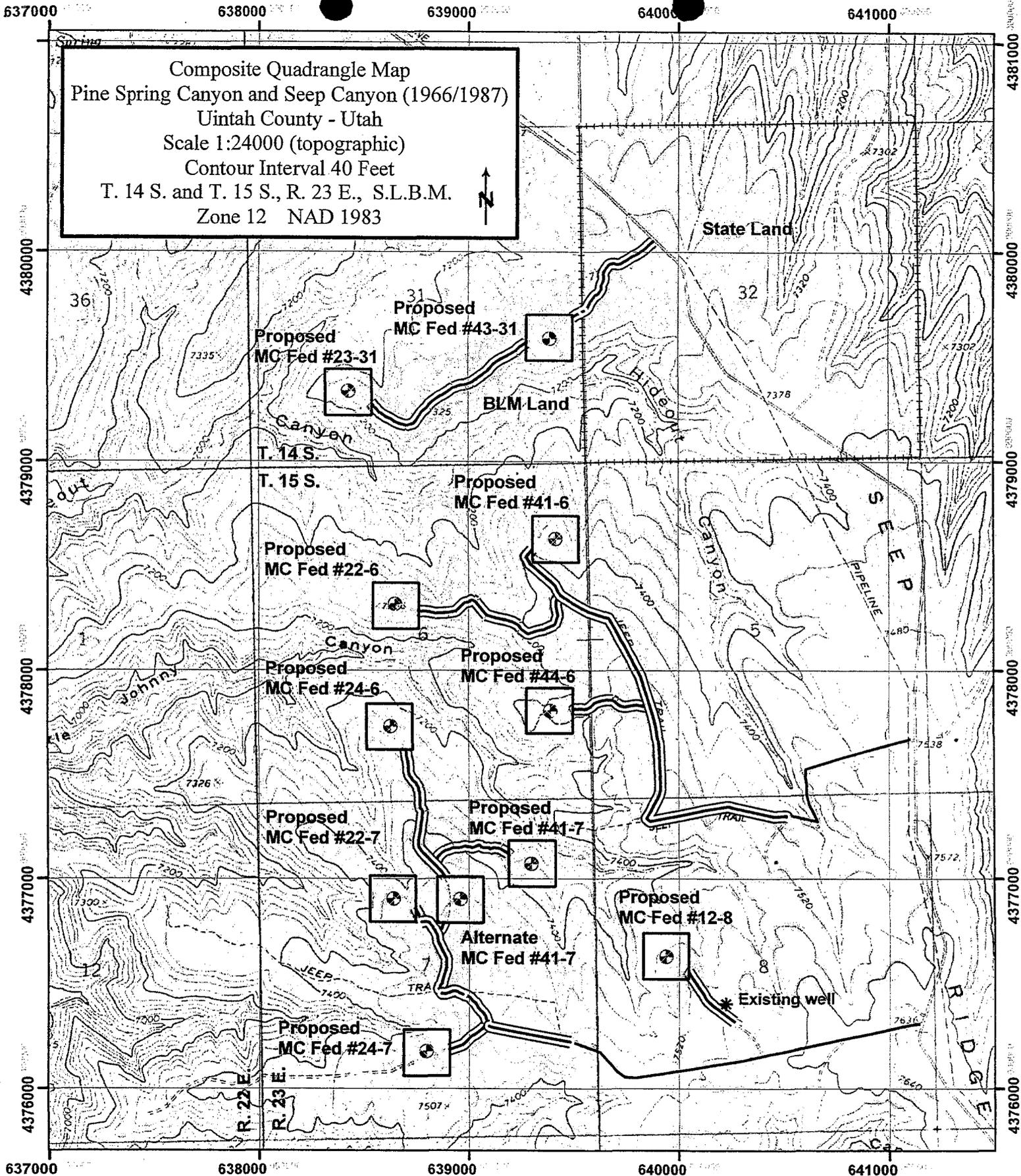


Figure 1. Project location map (1 of 2) for the Class III cultural resources inventory of eleven proposed well locations and related short new accesses in Uintah County, Utah for Pioneer Natural Resources USA, Inc. Areas surveyed for cultural resources are highlighted. [GRI Project No. #25124, 12/07/05]

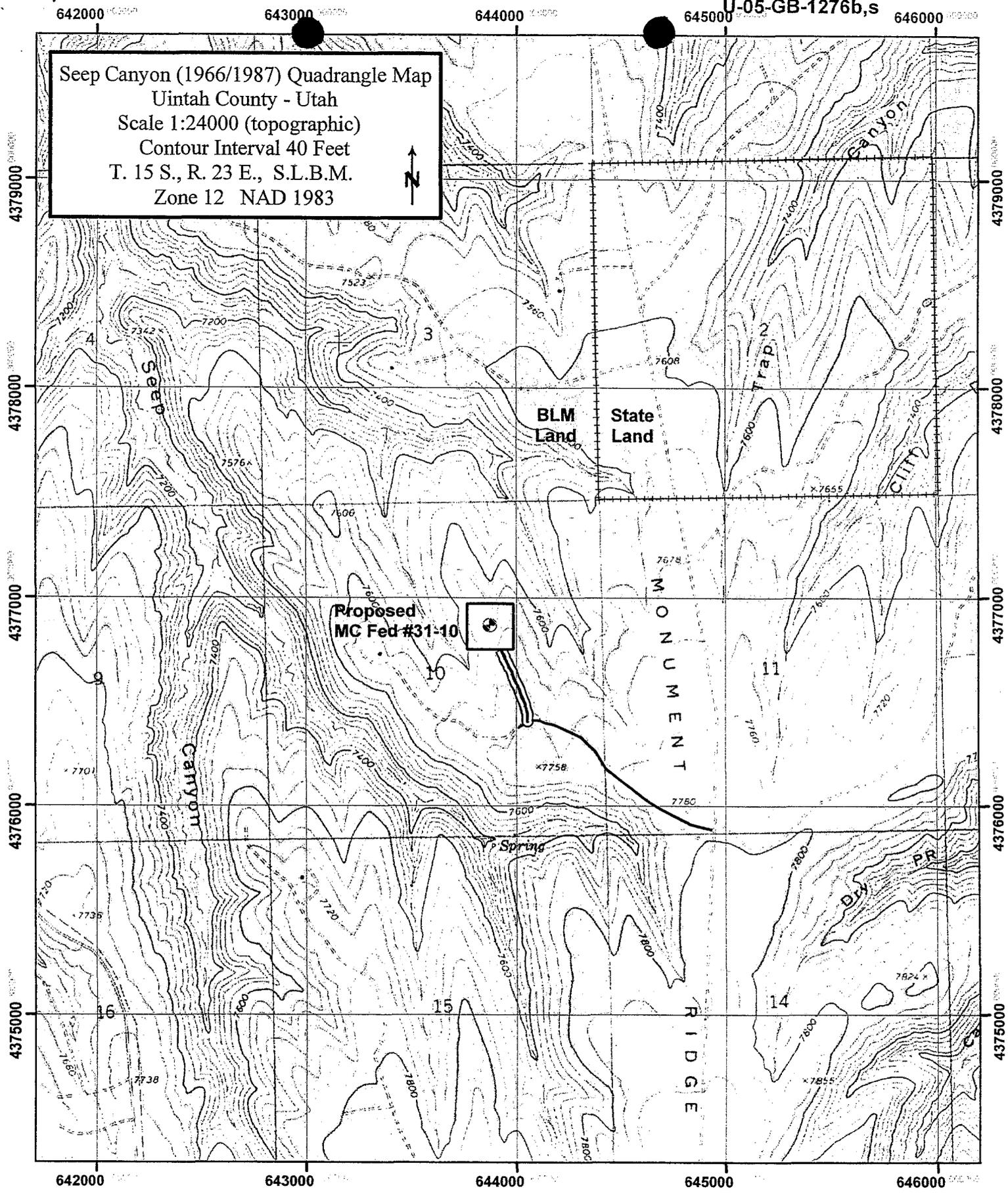


Figure 2 Project location map (2 of 2) for the Class III cultural resources inventory of eleven proposed well well locations and related short new accesses in Uintah County, Utah for Pioneer Natural Resources USA, Inc. Areas surveyed for cultural resources are highlighted. [GRI Project No. #25124, 12/07/05]

Formation (Young and Young 1977). Shales and sands provided by *in situ* deterioration are the parent materials for the local soils.

Topographically the area is characterized by a mountainous ridge spine from which the main washes drain either south into the Colorado River or north into the Green River. Slopes in and around the study area range from 5 to 15 percent. Elevations range between 7100 and 7800 feet. Vegetation is predominantly pinyon/juniper forest mixed with Transitional Zone Brush. Such elevations provides range for elk and mule deer (winter) that may attract the predatory mountain lion. Small mammals include the cottontail, black-tailed jackrabbit, coyote, bobcat, fox, skunk, badger, weasel, deer mouse, prairie dog and rock squirrel. Game birds listed for the area are mourning dove, quail, and chukar. Raptors such as golden eagles, great horned owls, red-tailed hawks, and prairie falcons have been sighted.

Climatically, the region is characterized as having a cool, semiarid, steppe-type climate. On the Roan Plateau at 8000 feet, the average annual rainfall is 25.66 inches and the average annual temperature is 35.5° F. (UOC:182, Tables K.1.5 and K.1.7). Agriculture is limited by the short period of frost-free days, and low winter temperatures. The project areas' forests and grassland are used for livestock grazing and as wildlife habitat. Paleoenvironmental data are scant, but it is generally agreed that gross climatic conditions have remained fairly constant over the last 12,000 years. However, changes in effective moisture, and cooling-warming trends probably affected the prehistoric occupation of the region.

Files Search

Regional archaeological studies suggest nearly continuous human occupation of northeastern Utah for the past 12,000 years. Evidence of the Paleoindian Tradition, the Archaic Tradition, Fremont Culture, and Protohistoric/Historic Utes has been found. Historic records suggest occupation or use by EuroAmerican trappers, settlers, miners, and ranchers as well. Overviews of the prehistory and history of the region are provided in the Utah BLM Cultural Resource Series No. 11, Archaeological Inventory in the Seep Ridge Cultural Study Tract, Uintah County, Northeastern Utah (Larralde and Chandler 1980), Cultural Resources Existing Data Inventory Vernal District (Jones and MacKay 1980), and in the BLM Grand Resource Area Class I Cultural Resource Inventory (Horn et al. 1994).

Files searches conducted through the Preservation Office UDSH and the BLM Vernal Office indicated only one previously recorded site (42UN1090) occurs within the project area. Several inventories have been conducted in the area with the largest being those conducted for the Seep Ridge Road (under project numbers U89-AF-687 and U-90-AF-133), a BLM project for hazardous fuels reduction (U-04-BL-0483b,p,s), and a 3-D seismic project (U-04-ST-0432b,t,s).

Study Objectives

The purpose of the study was to identify and record all cultural resources within the areas of potential impact and to assess their significance and eligibility to the National Register of Historic Places (NRHP). Paleontological resources were also considered in the inspection. However, a final evaluation of those resources must be provided by a paleontologist permitted by the Bureau of Land Management and the State of Utah.

Field Methods

A Class III, 100% pedestrian, cultural resources survey of the proposed new access roads was made by walking a series of four transects along both sides of the flagged centerlines spaced at 15-meter intervals to cover 200 foot-wide corridors. A ten-acre plot centered on each of the proposed well locations was intensively surveyed for cultural resources by a crew of two persons that walked transects spaced at an average of 15 meters apart. Crew members worked from USGS 7.5' series maps. A total of about 243.4 acres was intensively surveyed.

Cultural resources were sought as surface exposures and were characterized as sites or isolated finds. Sites were defined by the presence of six or more artifacts and/or significant features indicative of patterned human activity. Isolated finds were defined by the presence of a single artifact or several artifacts, which apparently represent a single event (e.g., a single core reduction, or small historic can cluster), and is surficial in nature.

Cultural resources encountered were to be recorded to standards set by the Preservation Office of the Utah Division of State History and the Bureau of Land Management. Sites were to be recorded using the following methods of mapping and note taking. The basic approach to the data collection was to be the continuous mapping of observed artifacts and features by recording UTM coordinates (NAD 83 Datum) using a Trimble Geo XT. Site maps were to be created using corrected data and ARCMAP. Photographs were to be taken at each site and included general views and specific artifacts or features. The isolated finds were also photographed. No artifacts were collected. Field notes are on file at Grand River Institute.

Inventory Results

Few cultural resources have been found in the general area and few were expected. One previously recorded site (42UN1090) occurs within the project area. It was revisited and reevaluated. One Protohistoric site (42UN5139) and two prehistoric isolated finds were newly recorded. This section provides a general description the finds. Location data is

provided in Appendix A and Appendix B contains the IMACS and isolated find forms (both available only through the BLM and the OAHP).

Site Descriptions

Site **42UN1090** was previously recorded by the Vernal Office of the BLM in 1981 by Larry Negulesco. He reported that the site is a large chert source, but reported no procurement activity or actual artifacts.

Evaluation and Management Recommendation

The site was previously evaluated as not eligible. Since the original recording the area has been completely disturbed. No change was made to the original evaluation, and no further work is necessary.

Site **42UN5139** is an open camp with one architectural feature located on an open, pinyon-juniper forested ridge top at an elevation of 7330 feet. It consists of one wickiup feature that has five standing poles and a fragment of a sixth that roughly circle a large old juniper tree. These poles form a footprint pattern of 3.5m by 4.5m. Within the footprint is a thick layer of duff that is likely the result of a build-up of materials from occupation and later accumulation.

This area near the site has also been impacted by wood- and post-cutting. Potentially poles of other wickiups in the area and of this one (except those in a deteriorated state) were likely removed for fence posts. One other juniper tree that occurs about 10m to the south of the recorded one also has an accumulation of duff that could be related to a wickiup structure that has been destroyed through pole collection or wood cutting. No other trees in the surrounding area have such a build-up of duff.

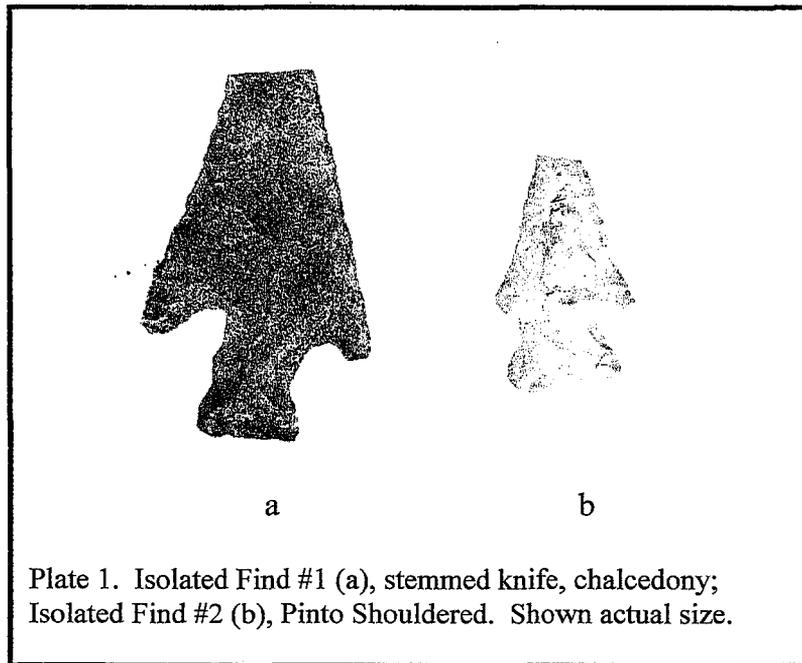
This location on the ridge is open and flat and is an attractive spot for modern hunters for camping and also for wood-cutting. No artifacts were found in the immediate vicinity except for a Pinto-Shouldered projectile point recorded as an isolate that occurs about 31.5m to the southeast of the wickiup. The lack of artifacts could be the result of the impact of the modern period activities in the area. Other impacts in the adjacent area have been recent seismic work.

Evaluation and Management Recommendation

Due to the fact that the site has yielded and is likely to yield additional significant information concerning the Protohistoric/Historic Ute occupation of the region, it is field evaluated as significant. Avoidance is recommended, and as it now occurs the site lies at least 28m away from any impact by the present project.

Isolated Find Descriptions

Two isolated finds (IFs) were recorded. Isolated Find #1 consists of a stemmed knife made of chalcedony (Plate 1, a). Isolated Find #2 is a Pinto Shouldered projectile point (dating ca. 6300-4200 B.C., Holmer 1986:97-98) made of mudstone (Plate 1, b) that was found about 30m south of site 42UN5139. Temporally, it is unrelated to the wickiup, but it may have been curated by the occupants of the wickiup.



Management Recommendations

The National Historic Preservation Act of 1966 (NHPA) directs the BLM to ensure that BLM-initiated or authorized actions do not inadvertently disturb or destroy significant cultural resource values. Significance is a quality of cultural resource properties that qualifies them for inclusion in the NRHP. The statements of significance included in this report are field assessments to support recommendations to the BLM and State Historic Preservation Officer (SHPO). The final determination of site significance is made by the BLM in consultation with the SHPO.

The Code of Federal Regulations was used as a guide for the in-field site evaluations. Titles 36 CFR 60, 36 CFR 800, and 36 CFR 64 are concerned with the concepts of significance and (possible) historic value of cultural resources. Titles 36 CFR 65 and 36 CFR 66 provide standards for the conduct of significant and scientific data recovery

activities. Finally, Title 36 CFR 60.4 establishes the measure of significance that is critical to the determination of a site's NRHP eligibility, which is used to assess a site's research potential:

The quality of significance in American history, architecture, archaeology, and culture is present in districts, sites, buildings, structures, and objects of State and local importance that possess integrity of location, design, setting, materials, workmanship, feeling, and association, and **a)** that are associated with events that have made a significant contribution to the broad patterns of history; or **b)** that are associated with the lives of persons significant in our past; or **c)** that embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or **d)** that have yielded, or may be likely to yield, information important in the prehistory or history.

The eligibility determination and consultation process is guided by Section 106 of the NHPA (36 CFR 60, 63, and 800). BLM actions cannot be authorized until the Section 106 process is completed (36 CFR 800.3). An inventory such as this is the first step in the Section 106 process. As part of this first step, sites evaluated as "field eligible" or "field need data" (unofficial evaluations) are assessed in terms of professional discretionary observations concerning the probable effect due to the proposed action. Final determinations of National Register eligibility and effect are made by the controlling federal agencies in consultation with the State Historic Preservation Officer.

Files searches indicated one previously recorded site (42UN1090) occurs within the project area. It was described as a source material locality that exhibited no cultural artifacts, and upon revisiting as part of this project it was found to be a completely disturbed area. No further consideration should be given this site. One Protohistoric open architectural site (42UN5139) and two prehistoric isolated finds were newly recorded. The site was field evaluated as significant, and the two isolated finds as non-significant.

The proposed project will have no apparent adverse effect on any significant historic properties. Accordingly, a determination of "no effect" is recommended pursuant to Section 106 of the National Historic Preservation Act (36 CFR 800).

References

Holmer, Richard N.

- 1986 Common Projectile Points of the Intermountain West. In Anthropology of the Desert West, ed. by Carol J. Condie and Don D. Fowler, pp. 91-115. University of Utah Anthropological Papers No. 110. Salt Lake City.

Horn, J., Alan Reed, and Susan Chandler

- 1994 Grand Resource Area Class I Cultural Resource Inventory. Ms on file Bureau of Land Management Grand Field Office, Moab.

Jones, Kevin T. and K.L. MacKay

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Larralde, Signa L. and Susan M. Chandler

- 1980 Archaeological Inventory in the Seep Ridge Cultural Study Tract, Uintah County, Northeastern Utah. Utah BLM Cultural Resource Series No. 11. Salt Lake City.

Union Oil Company, Energy Mining Division

- 1982 Colorado Mined Land Reclamation Board Permit Application. Phase II: Parachute Creek Shale Oil Program. Volumes VI and VII. Union Oil Company of California, Parachute.

Young, Robert G. and Joann W.

- 1977 Colorado West, Land of Geology and Wildflowers. Wheelwright Press, Ltd., U.S.A.

APPENDIX: Resources Location Data and Forms
For Official Use Only
Disclosure of Site Locations is Prohibited (36CFR296.18)



14421 County Rd. 10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco 1@aol.com

February 1, 2006

Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Attn: Diana Whitney

Re: Pioneer Natural Resources USA, Inc.
MC FED #12-8-15S-23E
2500' FNL and 1110' FWL
SW NW Section 8, T15S - R23E
Uintah County, Utah

Diana,

Please note that this location was staked at non-standard spacing in accordance with the rules and regulations of the Utah Division of Oil Gas and Mining. This was done for geologic considerations. Please also note that Pioneer Natural Resources USA, Inc. is the only working interest owner within a 460 foot radius. Therefore, we request your administrative approval of this exception to spacing.

If you should need additional information, please don't hesitate to contact me

Sincerely,

PERMITCO INC.

Venessa Langmacher
Consultant for
Pioneer Natural Resources USA, Inc.

Enc.

cc: Pioneer Natural Resources USA, Inc. - Denver, CO

RECEIVED

FEB 03 2006

DIV. OF OIL, GAS & MINING

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/03/2006

API NO. ASSIGNED: 43-047-37703

WELL NAME: MC FED 12-8-15S-23E
 OPERATOR: PIONEER NATL RES USA (N5155)
 CONTACT: VENESSA LANGMACHER

PHONE NUMBER: 303-857-9999

PROPOSED LOCATION:
 SWNW 08 150S 230E
 SURFACE: 2500 FNL 1110 FWL
 BOTTOM: 2500 FNL 1110 FWL
 COUNTY: UINTAH
 LATITUDE: 39.52792 LONGITUDE: -109.3712
 UTM SURF EASTINGS: 639991 NORTHINGS: 4376421
 FIELD NAME: MAIN CANYON (625)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-9211
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WINGT
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

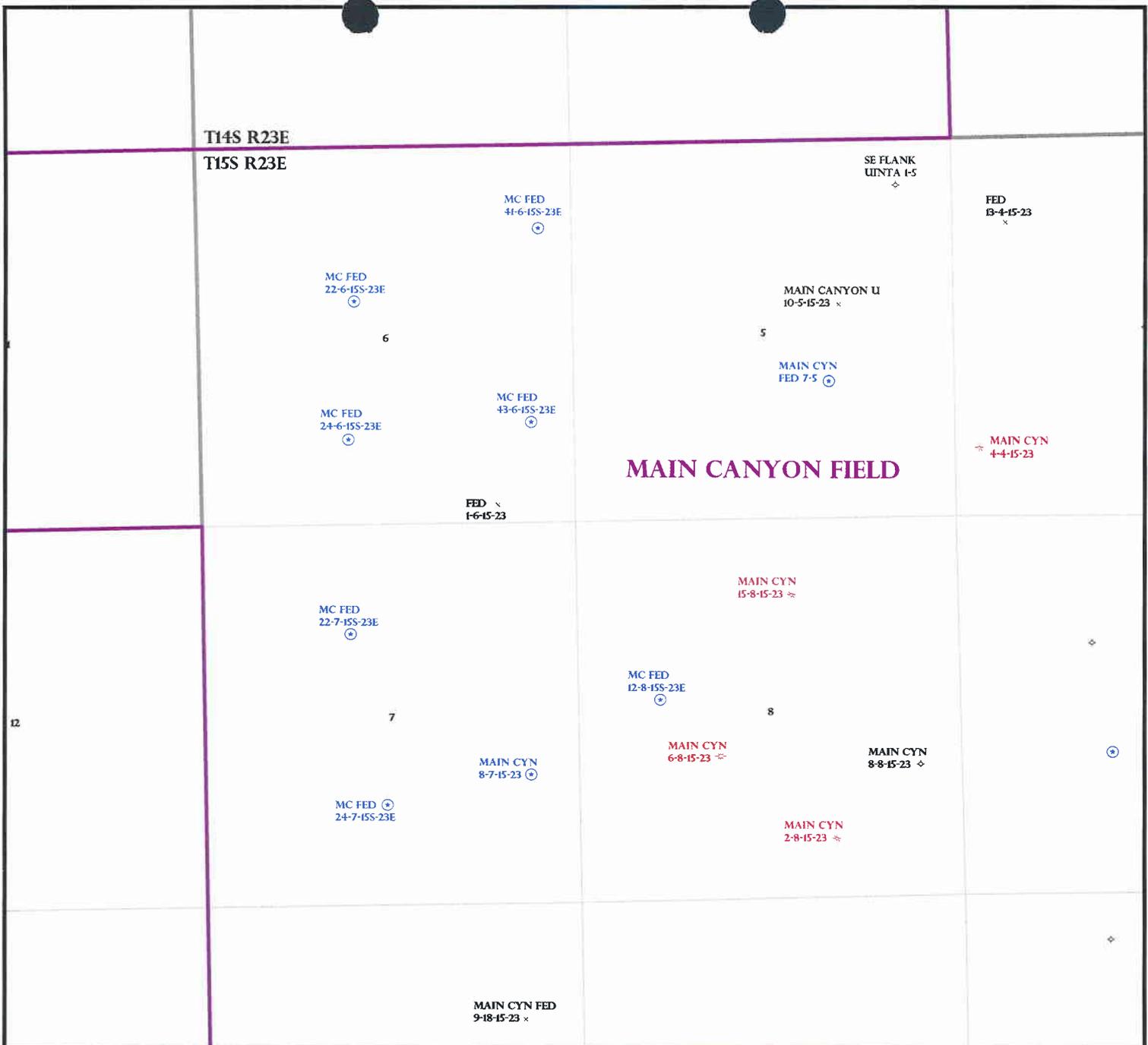
Plat
 Bond: Fed[1] Ind[] Sta[] Fee[]
 (No. 104091293)
 Potash (Y/N)
 Oil Shale 190-5 (B) or 190-3 or 190-13
 Water Permit
 (No. 43-8496)
 RDCC Review (Y/N)
 (Date: _____)
 Fee Surf Agreement (Y/N)
 Intent to Commingle (Y/N)

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: _____
 Eff Date: _____
 Siting: _____
 ___ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal Approval
2- Spacing Slip



OPERATOR: PIONEER NAT RES USA (N5155)

SEC: 6,7,8 T. 15S R. 23E

FIELD: MAIN CANYON (625)

COUNTY: UINTAH

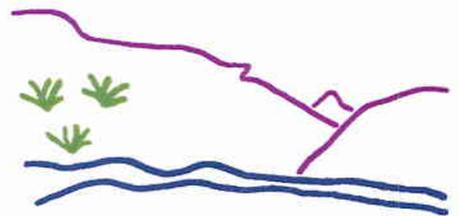
SPACING: R649-3-3 / EXCEPTION LOCATION

Field Status	
	ABANDONED
	ACTIVE
	COMBINED
	INACTIVE
	PROPOSED
	STORAGE
	TERMINATED

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

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 7-FEBRUARY-2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 7, 2006

Pioneer Natural Resources, USA, Inc.
1401 17th Street, Suite 1200
Denver, CO 80202

Re: Mc Fed 12-8-15S-23E Well, 2500' FNL, 1110' FWL, SW NW, Sec. 8,
T. 15 South, R. 23 East, Uintah County, Utah

Gentlemen:

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

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37703.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Pioneer Natural Resources, USA, Inc.

Well Name & Number Mc Fed 12-8-15S-23E

API Number: 43-047-37703

Lease: UTU-9211

Location: SW NW Sec. 8 T. 15 South R. 23 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 Dan Jarvis at (801) 538-5338

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. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: U-9211
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc.		8. WELL NAME and NUMBER: MC FED 12-8-15S-23E
3. ADDRESS OF OPERATOR: 1401 17th Street, Ste. 1200 CITY Denver STATE CO ZIP 80202		9. API NUMBER: 047-37703
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2500 FNL 1110 FWL		10. FIELD AND POOL, OR WILDCAT: Main Canyon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 8 15S 23E 6		COUNTY: Uintah
		STATE: UTAH

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

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

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

Pioneer Natural Resources would like to amend the well name which was originally submitted to your office. This has been requested to assist in tracking of assets by our accountants. We are submitting this change with the BLM as well:

Current Name:	New Name:
MC FED 12-8-15S-23E	MAIN CYN FED 12-8-15-23

Thank you for your assistance on this matter.

NAME (PLEASE PRINT) <u>Stephen Schreck</u>	TITLE <u>Environmental Regulatory Supervisor</u>
SIGNATURE	DATE <u>6/12/2006</u>

(This space for State use only)

RECEIVED
JUN 14 2006
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

FEB 03 2003

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-9211
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Pioneer Natural Resources USA, Inc.		7. If Unit or CA Agreement, Name and No. N/A
303/298-8100 1401 17th Street, Suite 1200 Denver, CO 80202		8. Lease Name and Well No. MC FED #12-8-15S-23E
3. Name of Agent PermitCo Inc. - Agent		9. API Well No. 43-047-37703
303/857-9999 14421 County Road 10 Fort Lupton, CO 80621		10. Field and Pool, or Exploratory Main Canyon
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2500' FNL and 1110' FWL At proposed prod. zone SW NW		11. Sec., T., R., M., or Blk, and Survey or Area Section 8, T15S - R23E
14. Distance in miles and direction from nearest town or post office* Approximately 47.6 miles south of Ouray, UT		12. County or Parish Uintah
		13. State UT
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2786'	16. No. of Acres in lease 2551.20	17. Spacing Unit dedicated to this well 40 Acres; SW NW
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2300'	19. Proposed Depth 10,225'	20. BLM/BIA Bond No. on file Nationwide Bond No. 104091293
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7488' GL	22. Approximate date work will start* ASAP	23. Estimated duration 35 Days

24. Attachments

CONFIDENTIAL-TIGHT HOLE

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

- | | |
|--|---|
| <ul style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification. 6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|---|

25. Signature <i>Venessa Langmacher</i>	Name (Printed/Typed) Venessa Langmacher	Date 2/1/2006
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Title
Authorized Agent for Pioneer Natural Resources USA, Inc.

Approved by (Signature) <i>Jerzy Kevorka</i>	Name (Printed/Typed) Jerzy Kevorka	Date 2-26-2006
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Title
**Assistant Field Manager
Lands & Mineral Resources**

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.

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 reverse)

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

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DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL ATTACHED

NOTICE OF APPROVAL



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

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Pioneer Natural Resources USA, Inc. **Location:** SWNW, Sec. 8, T15S, R23E
Well No: MC FED 12-8-15S-23E **Lease No:** UTU-9211
API No: 43-047-37703 **Agreement:** N/A

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	
Natural Resource Specialist:	Scott Ackerman	Office: 435-781-4437	
After Hours Contact Number:	435-781-4513	Fax: 435-781-4410	

**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 one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

- | | |
|---|--|
| Location Construction
(Notify Holly Villa) | - Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion
(Notify Holly Villa) | - 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 Jamie Sparger SPT) | - Twenty-Four (24) hours prior to running casing and cementing all casing strings. |
| BOP & Related Equipment Tests
(Notify Jamie Sparger SPT) | - 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)**

- If paleontologic materials are uncovered during construction, the operator shall immediately stop work that might further disturb such materials and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation will be necessary for the discovered paleontologic material.
- The interim seed mix for this location shall be:

Crested wheatgrass	<i>Agropyron cristatum</i>	4 lbs. /acre
Indian Ricegrass	<i>Stipa hymenoides</i>	4 lbs. /acre
Western Wheatgrass	<i>Agropyron smithii</i>	4 lbs. /acre

 - All pounds are in pure live seed.
 - Reseeding may be required if first seeding is not successful.
- The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding shall take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.
- The lessee/operator is given notice that lands in the lease have been identified as containing a crucial winter range for both deer and elk. It is requested that the lessee/operator not initiate surface disturbing activities or drilling from November 1st through April 1st. A survey may be conducted by a qualified biologist or a BLM representative during this timing period to determine if deer are in the area.
- The authorized officer may prohibit surface disturbing activities during severe winter conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- Trees will be piled separately

DOWNHOLE CONDITIONS OF APPROVAL

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

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- Production casing cement shall be brought up and into the surface casing.
- A cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe.
- As well is within a designated Special Tar Sand Area, the operator shall provide [concurrent or before well completion or plugging, whichever ever comes first] a written report [to Peter Sokolosky or John Mayers] of all encounters of tar sands (to include well name and number, date(s), the depth to [specify from KB or GL] and the vertical extent of each and operator point of contact if there are any questions.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. 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. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
- 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.

- The lessee/operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled and analyzed (a copy of the analyses to be submitted to the BLM Field Office in Vernal, Utah).
- All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
- The lessee/operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, etc.) to Peter Sokolosky or another geologist of the Vernal 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) shall the BLM need to obtain additional information.
- 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, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office shall be obtained and notification given before resumption of operations.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- Any change in the program shall be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) shall be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- Emergency approval may be obtained orally, but such approval does not waive the written report requirement. 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 pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.
- 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.
- 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, Vernal Field Office.

- A cement bond log (CBL) will be run from the production casing shoe to the surface casing shoe and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease shall have prior written approval from the BLM, Vernal Field Office.
- All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The 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, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal 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.
- This APD is approved subject to the requirement that, shall the well be successfully completed for production, the BLM, Vernal 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 Field Office Petroleum Engineers.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal 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.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 13, 2007

Pioneer Natural Resources USA Inc.
1401 17th Street, Suite 1200
Denver, CO 80202

Re: APD Rescinded –Main Canyon Fed 12-8-15S-23E Sec. 8 T. 15 R. 23E
Uintah County, Utah API No. 43-047-37703

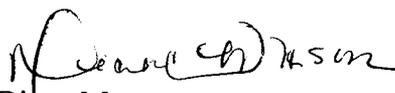
Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 7, 2006. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 13, 2007.

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