

**PIONEER**  
NATURAL RESOURCES USA, INC

June 12, 2006

Bradley J. Okerland  
Cramer Oil Company  
410 17<sup>th</sup> Street, Suite 1340  
Denver, Colorado 80202

RE: Utah-Colorado Oil Corporation  
Proposed Well Locations and Rights of Ways  
Township 12 South, Range 25 East, Sections 24 and 25  
Uintah County, Utah

Dear Mr. Okerland:

Pioneer has filed Applications for Permits to Drill (APDs) for the following wells located on the Utah-Colorado Oil Corporation's (Utah-Colorado) oil and gas lease. We anticipate drilling the wells upon approval of the APDs and rig scheduling. Copies of the survey plats for the well locations and the rights of way plats are enclosed for your information.

1. UTCO Fee #23C-25-12-25
2. UTCO Fee #32C-25B-12-25
3. UTCO Fee #43C-25-12-25
4. UTCO Fee #24C-24-12-25

As discussed, the Utah Division of Oil, Gas and Mining has requested a copy of the Surface Use Agreement so that they can process the APDs. Insofar as we have not finalized an agreement for the wells, please execute the attached letter acknowledging your agreement with the above locations. I am preparing the Surface Use and Damage Agreement and will forward you a copy for your review. As discussed, the wells will not be drilled until we have reached an agreement for damages.

Pioneer will also need access across the Utah-Colorado lands to drill the following federal wells on the adjacent lands in Section 25. Enclosed please find copies of the rights-of-way plats for said wells.

1. Displacement Federal 42C-25-12-25
2. Displacement Federal 52C-25-12-25
3. Displacement Federal 54C-25-12-25

Cramer Oil Corporation  
June 12, 2006  
Page Two

As discussed, Pioneer will pay Utah-Colorado \$2500.00 per drillsite location. For new roads, or existing private roads, Pioneer will pay a one time payment of \$15.00 per rod for the easement and right-of-way. For pipelines, Pioneer will pay \$15.00 per rod for the right of way as a one time payment. In the event the pipeline is in the same right-of-way as the road, Pioneer will pay a one time payment of \$25.00 per rod.

Thank you for your consideration in this regard. If you have any questions concerning the above, please call me at your earliest convenience at 303-675-2691.

Very truly yours,

Pioneer Natural Resources USA, Inc.



Sharon Logan  
Staff Landman

Enclosures

**BRAD J. OKERLUND**

410 17TH STREET, SUITE 1340  
DENVER, COLORADO 80202  
PHONE 303/573-5582  
FAX 303/623-9409

June 12, 2006

Utah Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84111

RE: Applications for Permits to Drill  
1. UTCO Fee #23C-25-12-25  
2. UTCO Fee #32C-25B-12-25  
3. UTCO Fee #43C-25-12-25  
4. UTCO Fee #24C-24-12-25  
Uintah County, Utah

Ladies and Gentlemen:

Pioneer Natural Resources USA, Inc. (Pioneer) has submitted Applications for Permits to Drill on the above reference wells. Utah-Colorado Oil Corporation (Utah-Colorado) is the surface and mineral owner of the subject lands and hereby approves the locations for said wells and the processing of the APDs. Utah-Colorado and Pioneer are in the process of finalizing the surface use agreement for the subject wells and Utah-Colorado does not want the permits to be held up pending finalization of the agreement.

Thank you for your consideration in this regard. If you have any question, please contact the undersigned at 303-573-5582.

Very truly yours,

Utah-Colorado Oil Corporation



Bradley J. Okerland  
Agent for Utah-Colorado Oil Corporation

*SENT F20 EXP 6-13-06  
to Docm*



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

June 21, 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.  
UTC Fee #43C-25-12-25  
2452' FSL and 2089' FEL  
Lot 8 Section 25, T12S - R25E  
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.

An exception location request was previously submitted to your office for the subject location directly by Pioneer on June 8, 2006.

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  
Consultant for  
Pioneer Natural Resources USA, Inc.

Enc.

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

RECEIVED  
JUN 26 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)

<b>APPLICATION FOR PERMIT TO DRILL</b>		5. MINERAL LEASE NO.:	6. SURFACE:
		Fee	Fee
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 type="checkbox"/> OTHER <u>CBM</u> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: Displacement Point Unit (Suspended)	
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc.		9. WELL NAME and NUMBER: UTCO Fee #43C-25-12-25	
3. ADDRESS OF OPERATOR: 1401 17th Street, Suite 1200, Denver, CO 80202		10. FIELD AND POOL, OR WILDCAT: <del>Displacement Point</del> Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2452' FSL and 2089' FEL AT PROPOSED PRODUCING ZONE: Lot 8 4401123Y		11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN: Section 25, T12S - R25E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 25.2 miles south of Bonanza, UT		12. COUNTY: Uintah	13. STATE: UT
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) Approximately 275'	16. NUMBER OF ACRES IN LEASE: 1903.24	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 Acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): Approximately 2300'	19. PROPOSED DEPTH: 2675'	20. BOND DESCRIPTION: Utah Bond No. 104319463	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6227' GL	22. APPROXIMATE DATE WORK WILL START: ASAP	23. ESTIMATED DURATION: 4 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
11"	8-5/8", J-55, 24#	250'	250 sx Class C, 15.6 ppg, 1.18 cf/sx
7-7/8"	5-1/2", J-55, 17#	2675'	450 sx Class C, 13.5 ppg, 1.6 cf/sx
<b>CONFIDENTIAL-TIGHT HOLE</b>			

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 June 21, 2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38338

Approved by the  
Utah Division of  
Oil, Gas and Mining

RECEIVED  
JUN 26 2006

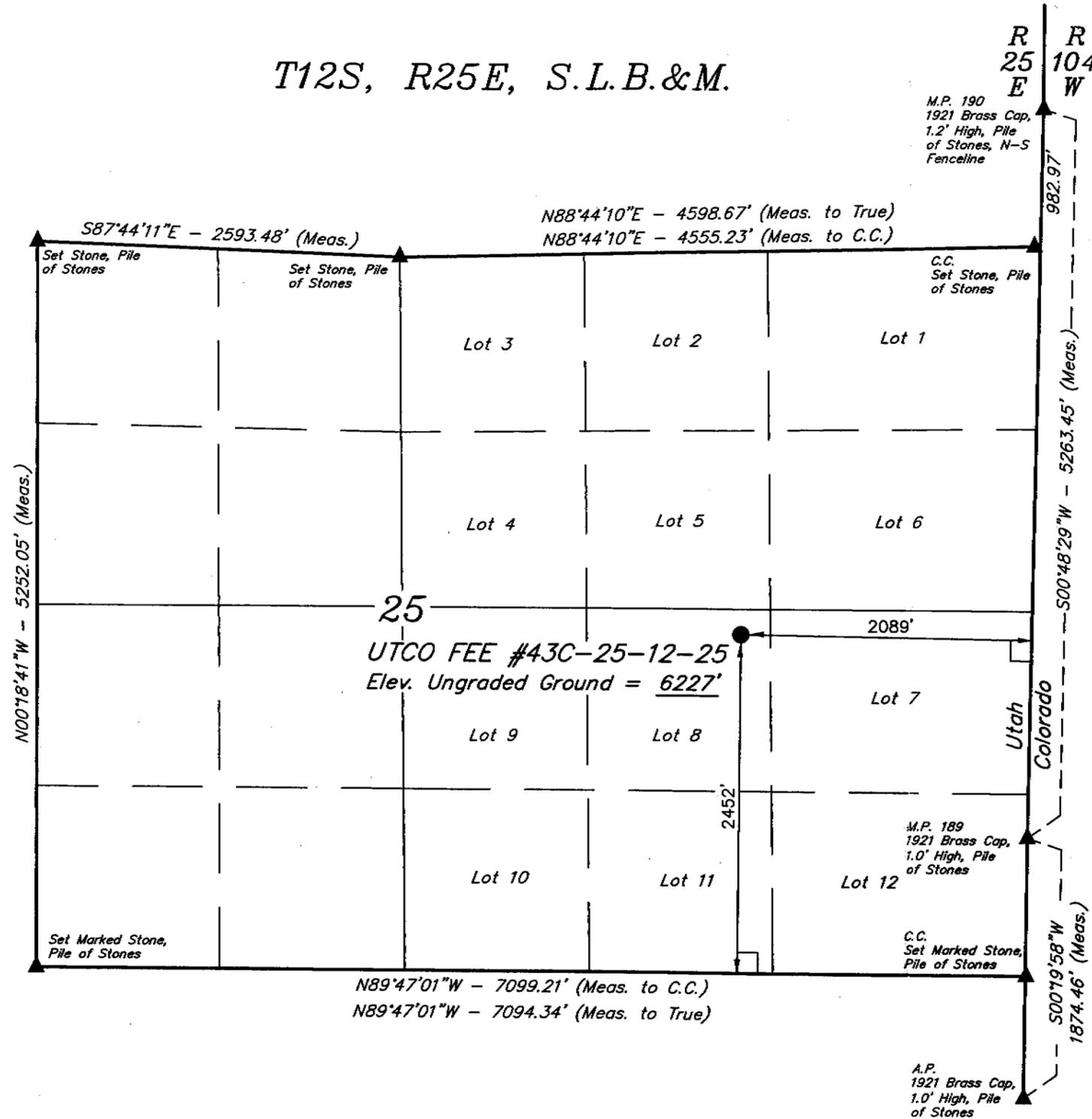
(11/2001)

(See instructions on Reverse Side)

Date: 10-19-06  
By: *[Signature]*

DIV. OF OIL, GAS & MINING

T12S, R25E, S.L.B.&M.



PIONEER NATURAL RESOURCES USA, INC.

Well location, UTCO FEE #43C-25-12-25, located as shown in LOT 8 of Section 25, T12S, R25E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (A-37) LOCATED IN THE SE 1/4 OF SECTION 35, T3S, R104W, 6th P.M., TAKEN FROM THE DAVIS CANYON QUADRANGLE, UTAH-COLORADO, RIO BLANCO COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6013 FEET.

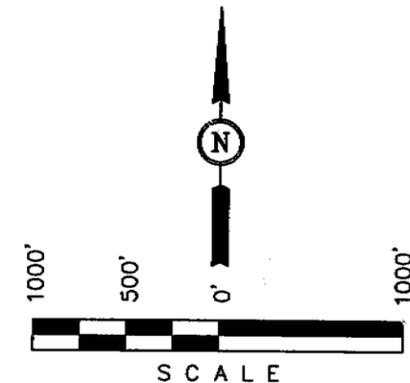
BASIS OF BEARINGS

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

RECEIVED

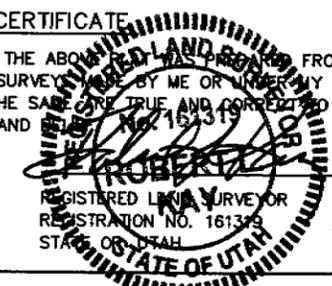
JUN 26 2006

DIV. OF OIL, GAS & MINING



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE SURVEY FROM FIELD NOTES OF ACTUAL SURVEYING BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)  
 LATITUDE =  $39^{\circ}44'44.06''$  (39.745572)  
 LONGITUDE =  $109^{\circ}03'30.30''$  (109.058417)  
 (NAD 27)  
 LATITUDE =  $39^{\circ}44'44.16''$  (39.745600)  
 LONGITUDE =  $109^{\circ}03'27.91''$  (109.057753)

**UINTAH ENGINEERING & LAND SURVEYING**  
 85 SOUTH 200 EAST - VERNAL, UTAH 84078  
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 05-18-06	DATE DRAWN: 05-24-06
PARTY P.J. T.B. P.M.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PIONEER NATURAL RESOURCES USA, INC.	

AFFIDAVIT

STATE OF COLORADO §  
  §  
COUNTY OF DENVER §

Betty Brownson, being duly sworn upon oath, deposes and says that she is the Attorney-in-Fact of Pioneer Natural Resources USA, Inc., a Delaware corporation, qualified and authorized to do business in the State of Utah, and makes this Affidavit on behalf of said Corporation:

A Surface Use, Damage and Easement Agreement exists by and between Pioneer Natural Resources USA, Inc. and Utah-Colorado Oil Corporation covering the use of land connected with the UTCO Fee 43C-25-12-25 well located in Lot 8 of Section 25, Township 12 South, Range 25 East, Uintah County, Utah.

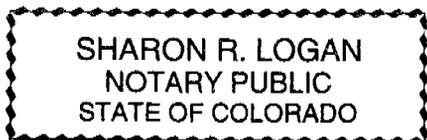
Further Affiant sayth not.

  
Betty Brownson, Attorney-in-Fact for  
Pioneer Natural Resources USA, Inc.

Subscribed and sworn to before me this 20th day of September 2006 by Betty Brownson, Attorney-in-Fact of Pioneer Natural Resources USA, Inc.

Witness my hand and official seal.

My commission expires:  
(seal)



My Commission Expires 02/18/2008



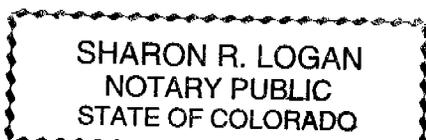
Notary Public: Sharon R. Logan

STATE OF COLORADO §  
  §  
COUNTY OF DENVER §

The foregoing instrument was acknowledged before me this 20th day of September 2006, by Betty Brownson, Attorney in Fact of Pioneer Natural Resources USA, Inc.

Witness my hand and official seal.

My Commission Expires:  
(seal)



My Commission Expires 02/18/2008



Notary Public: Sharon R. Logan

**CONFIDENTIAL - TIGHT HOLE**

**UTCO Fee #43C-25-12-25**  
**2452' FSL and 2089' FEL**  
**Lot 8 Section 25, T12S - R25E**  
**Uintah County, Utah**

**Prepared For:**

**Pioneer Natural Resources USA, Inc.**

**By:**

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

**CONFIDENTIAL - TIGHT HOLE**

**Copies Sent To:**

- 2 - Utah Division of Oil, Gas & Mining - SLC, UT**
- 1 - Utah Division of Oil, Gas & Mining - Roosevelt, UT**
- 2 - Pioneer Natural Resources USA, Inc. - Denver, CO**



**1. Estimated Tops/Geologic Markers**

The estimated tops of important geologic markers are as follows:

<i>Formation</i>	<i>Depth</i>	<i>Subsea</i>
Green River/Wasatch	Surface	6,249'
Mesa Verde	712'	5,547'
First Coal	2,176'	4,083'
CS_Coal_Zone	2,259'	4,000'
Thickest Coal	2,327'	3,932'
L_Neslen Coal Zone	2,476'	3,783'
T.D.	2,675'	3,584'

**2. Estimated Depths and Names of Anticipated Water, Oil, Gas or Other Minerals Bearing Formations.**

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>
Gas	Mesaverde Coals and Sands	2,259' - 2,476'

**3. Well Control Equipment & Testing Procedures**

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

Ram Type: 11" Hydraulic double, 2000 psi w.p.

Pioneer Natural Resources USA, Inc. will comply will all requirements pertaining to well control as listed in the Rule R649-3-7 of the Utah Division of Oil, Gas & Mining.

The size and rating of the BOP stack is shown on the attached diagram.



**4. Casing Program**

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	0-250'	11"	8-5/8"	24#	J-55	ST&C	New
Production	0-2,675'	7-7/8"	5-1/2"	17#	J-55	LT&C	New

Casing design subject to revision based on geologic conditions encountered.

**5. Cement Program**

<i>Surface</i>	<i>Type and Amount</i>
0-250'	250 sx Class C, 15.6 ppg, 1.18 cft/sx
<i>Production</i>	<i>Type and Amount</i>
0-2,675'	450 sx Class C, 13.5 ppg, 1.60, cf/sx

\*Note: Actual cement volume to be based upon caliper log.

**6. Drilling Fluids**

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'-250'	Air-Mist/Water	N/A	N/A	N/C
250'-2,675'	Aerated Water	N/A	N/A	N/C

**7. Testing, Logging and Coring**

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

- a. No drill stem tests are anticipated.



**UTC Fee #43C-25-12-25**

2452' FSL and 2089' FEL

Lot 8 Section 25, T12S - R25E

Uintah County, Utah

**DRILLING PROGRAM**

Page 3

- b. The logging program will consist of a Triple Combo Hi Res Density log to be run from TD to surface casing.
- c. No cores are anticipated.

**8. Anticipated Pressures and H<sub>2</sub>S**

- a. Normal pressures and temperatures are expected in the objective formation. A maximum bottom hole pressure of 1000 psi is expected. A maximum bottom hole temperature of 100 degrees Fahrenheit is anticipated. Sour gas (H<sub>2</sub>S) is not anticipated.

**9. Water Source**

- a. Water will be obtained from the State of Utah from Willow Creek at Buck Canyon under A-1 Tank Rental water permit #49-1661. Should water not be available from this source, water will be purchased from A-1 Tank Rental from a water well in Ouray, UT under permit #43-8496.

**10. Other Information**

- a. Drilling is planned to commence upon approval of this application.
- b. It is anticipated that the drilling of this well will take approximately 4 days.
- c. Lining of the reserve pit will be done if deemed necessary by the Utah Division of Oil, Gas and Minerals.
- d. At the end of drilling operations the location will be reclaimed and re-seeded as requested by the surface owner.

Surface Owner

Utah-Colorado Oil Corporation

3872 Village Rim Road

Park City, UT 84098

Contact - Brad Oklerlund at Cramer Oil 303/573-5582



# PIONEER NATURAL RESOURCES USA, INC.

**UTCO FEE #43C-25-12-25**

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 25, T12S, R25E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

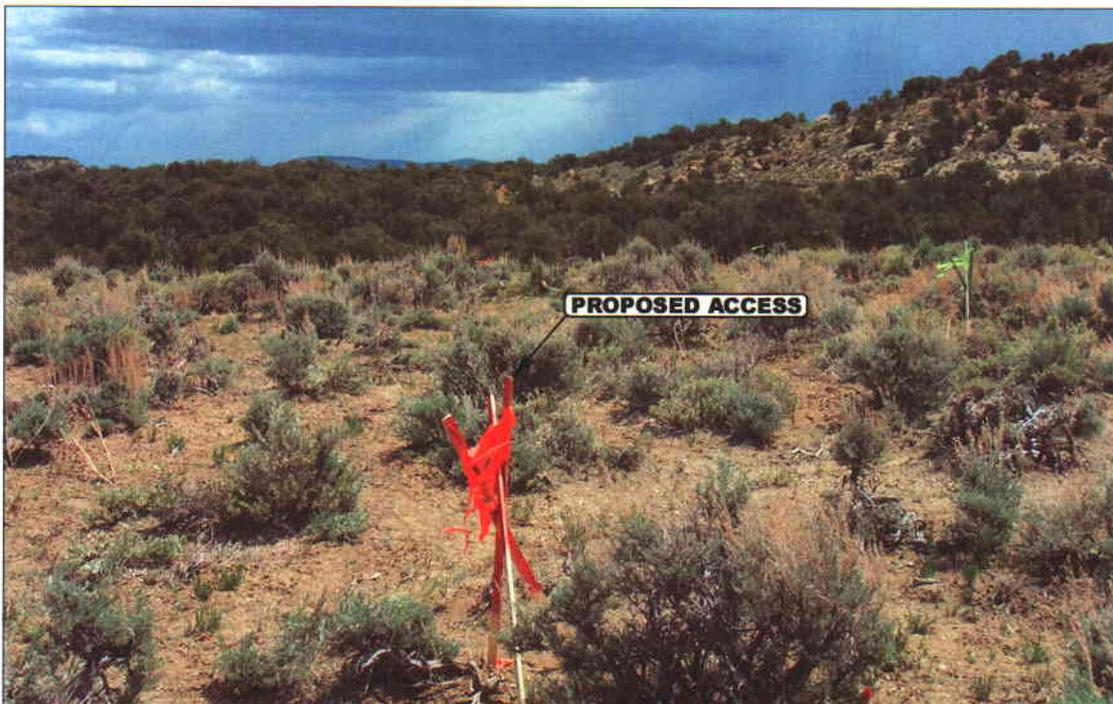


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY

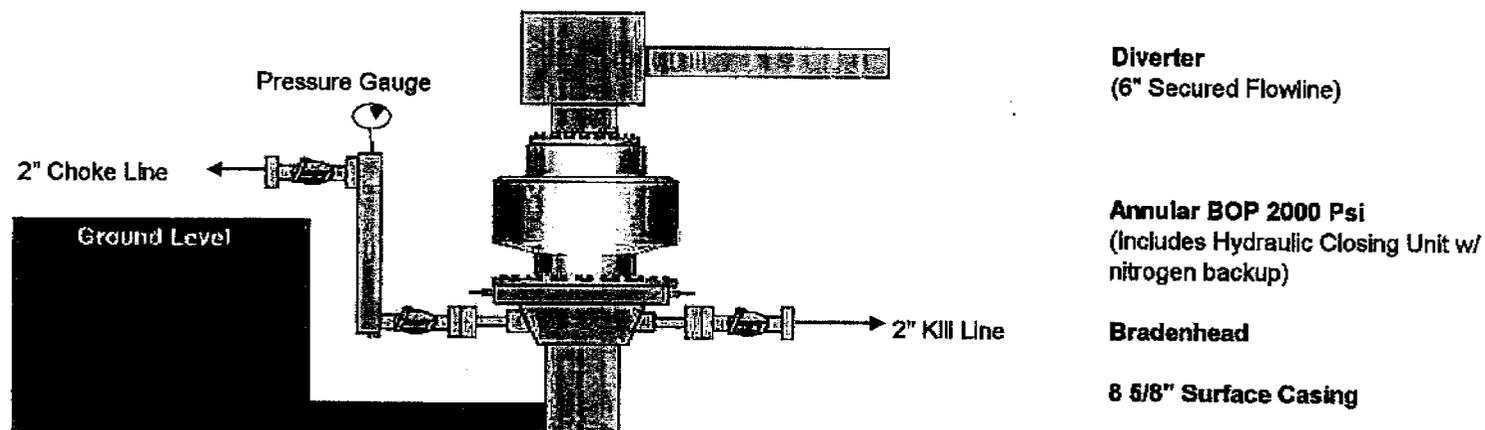


- Since 1964 -

**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

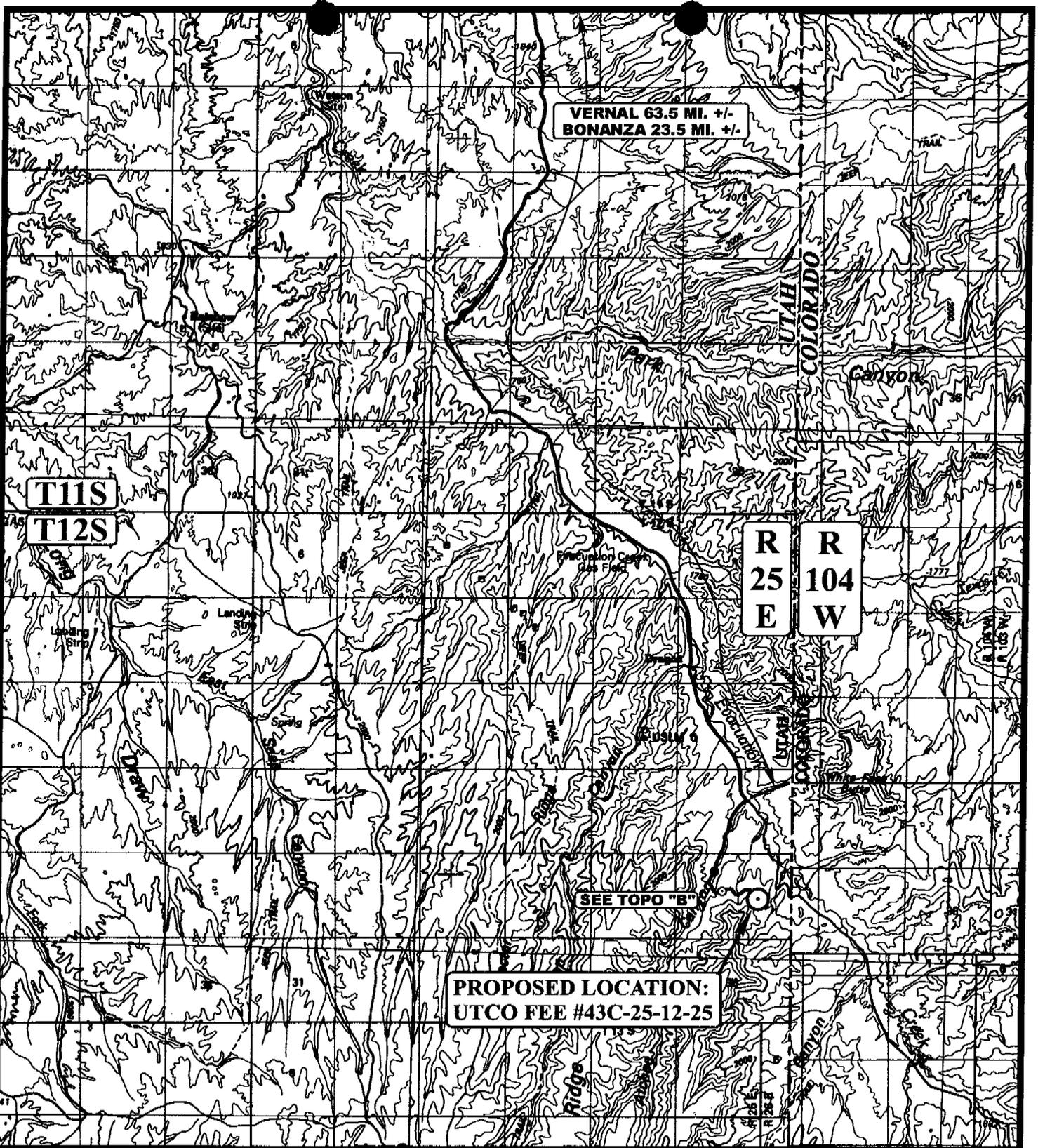
<b>LOCATION PHOTOS</b>	<b>05</b>	<b>24</b>	<b>06</b>	<b>PHOTO</b>
	MONTH	DAY	YEAR	
TAKEN BY: P.J.	DRAWN BY: P.M.		REVISED: 00-00-00	

## Pioneer Natural Resources Well Control System



Note: The locations have 150% of hole volume of fresh water on lease during the drilling operation. Depending on the type of drilling operation there may also be a dedicated fluid pump on lease. When we are drilling with air then the fluid package may not be present. There is a fluid pumper within 1 - 2 hours notice and generally sooner in the immediate area including either production pumps or cement units all owned and operated by Pioneer Natural Resources.

PNR - BOP Drawing A



**LEGEND:**

⊙ PROPOSED LOCATION



**PIONEER NATURAL RESOURCES USA, INC.**

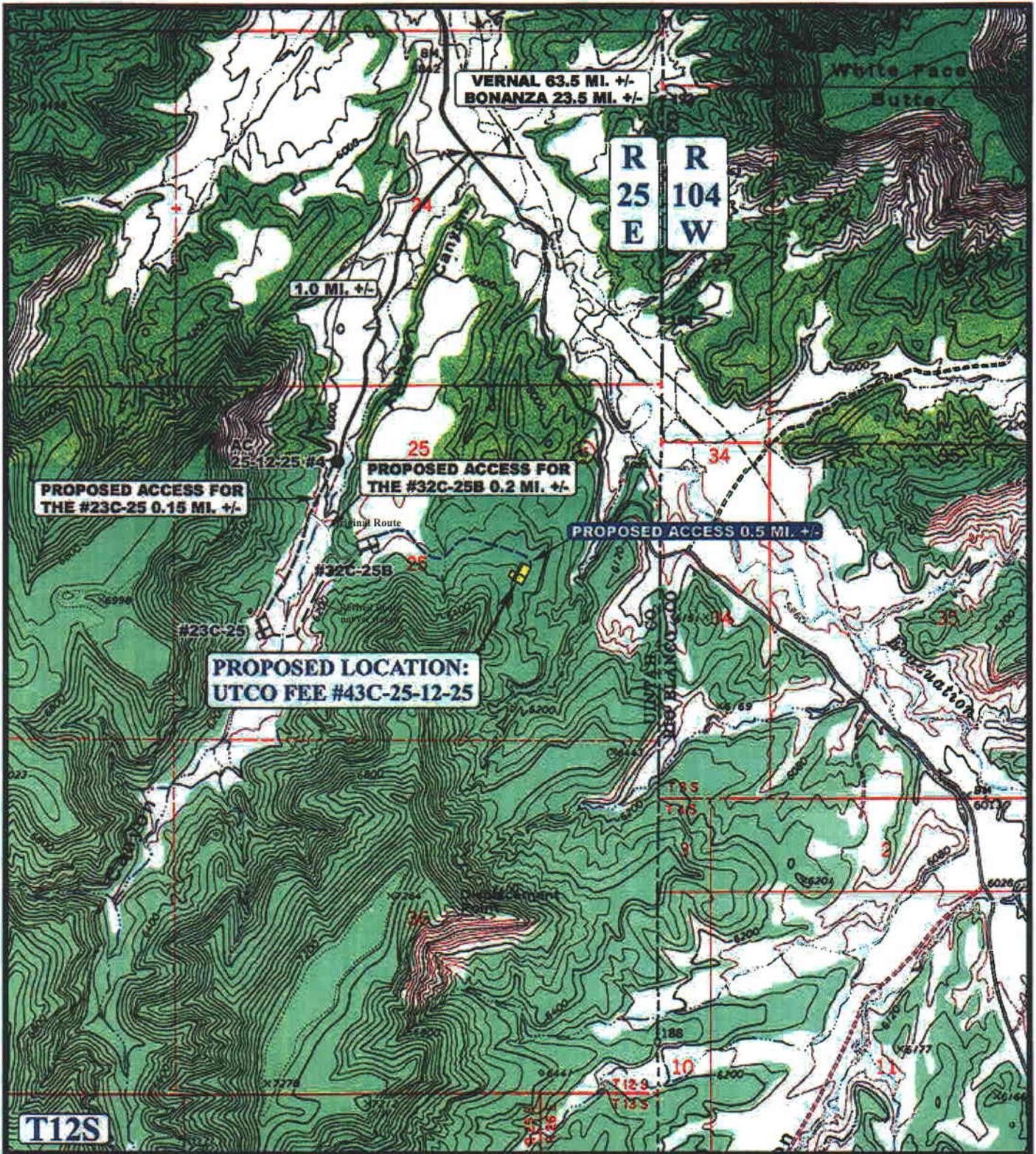
UTCO FEE #43C-25-12-25  
SECTION 25, T12S, R25E, S.L.B.&M.  
2452' FSL 2089' FEL



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

TOPOGRAPHIC MAP  
05 24 06  
MONTH DAY YEAR  
SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00





**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

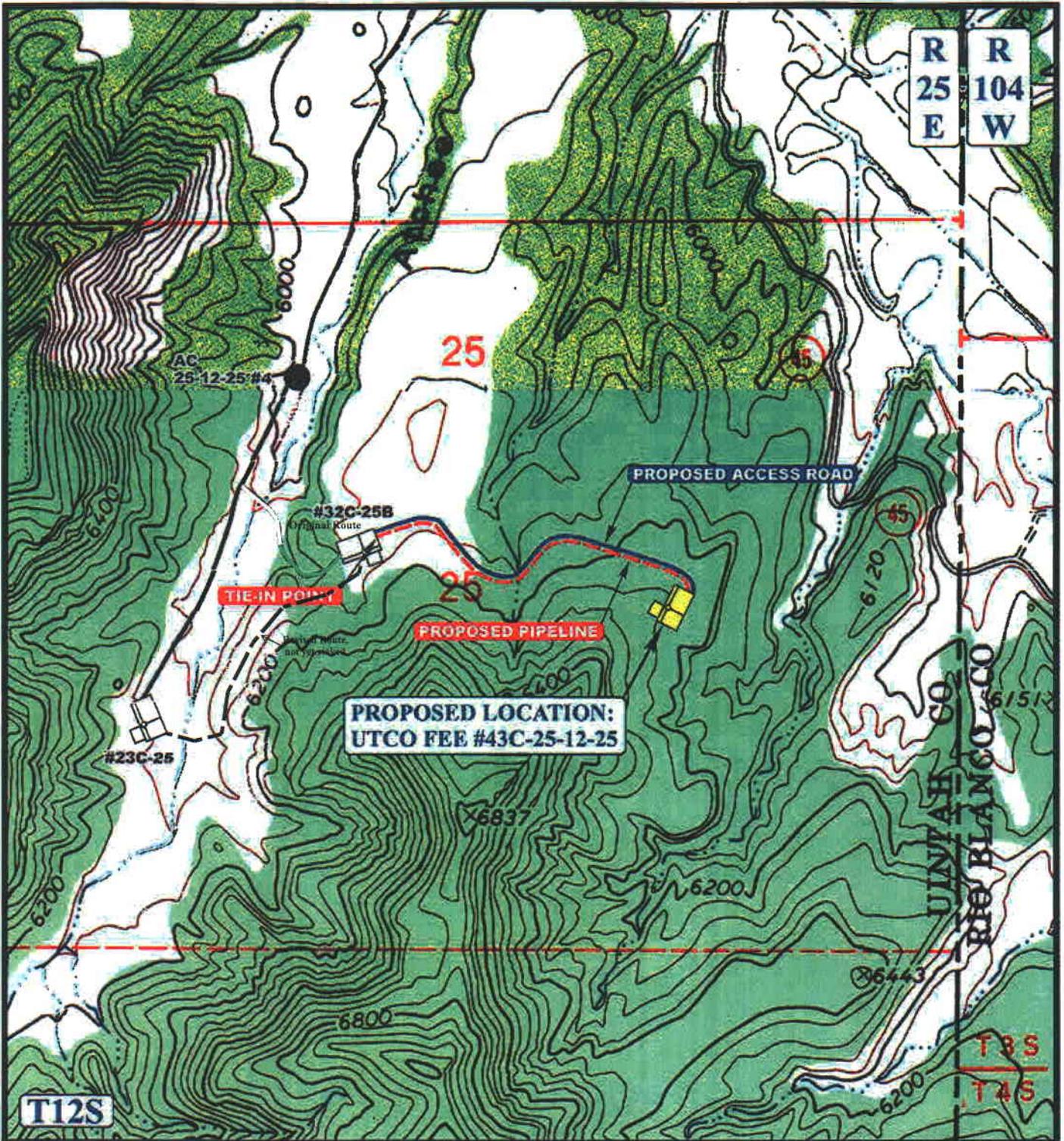
**PIONEER NATURAL RESOURCES USA, INC.**

UTCO FEE #43C-25-12-25  
 SECTION 25, T12S, R25E, S.L.B.&M.  
 2452' FSL 2089' FEL

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



**TOPOGRAPHIC MAP** 05 24 06  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00  
**B**  
 TOPO



**APPROXIMATE TOTAL PIPELINE DISTANCE = 6,554' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE



**PIONEER NATURAL RESOURCES USA, INC.**

**UTCO FEE #43C-25-12-25**  
**SECTION 25, T12S, R25E, S.L.B.&M.**  
**2452' FSL 2089' FEL**



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

**TOPOGRAPHIC** **05 24 06**  
**MAP** MONTH DAY YEAR

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

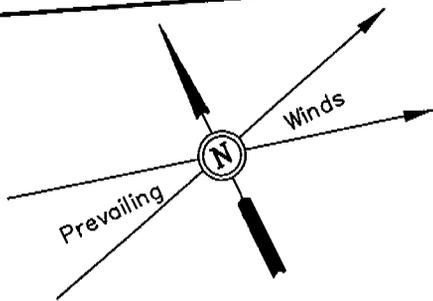


PIONEER NATURAL RESOURCES USA, INC.

FIGURE #1

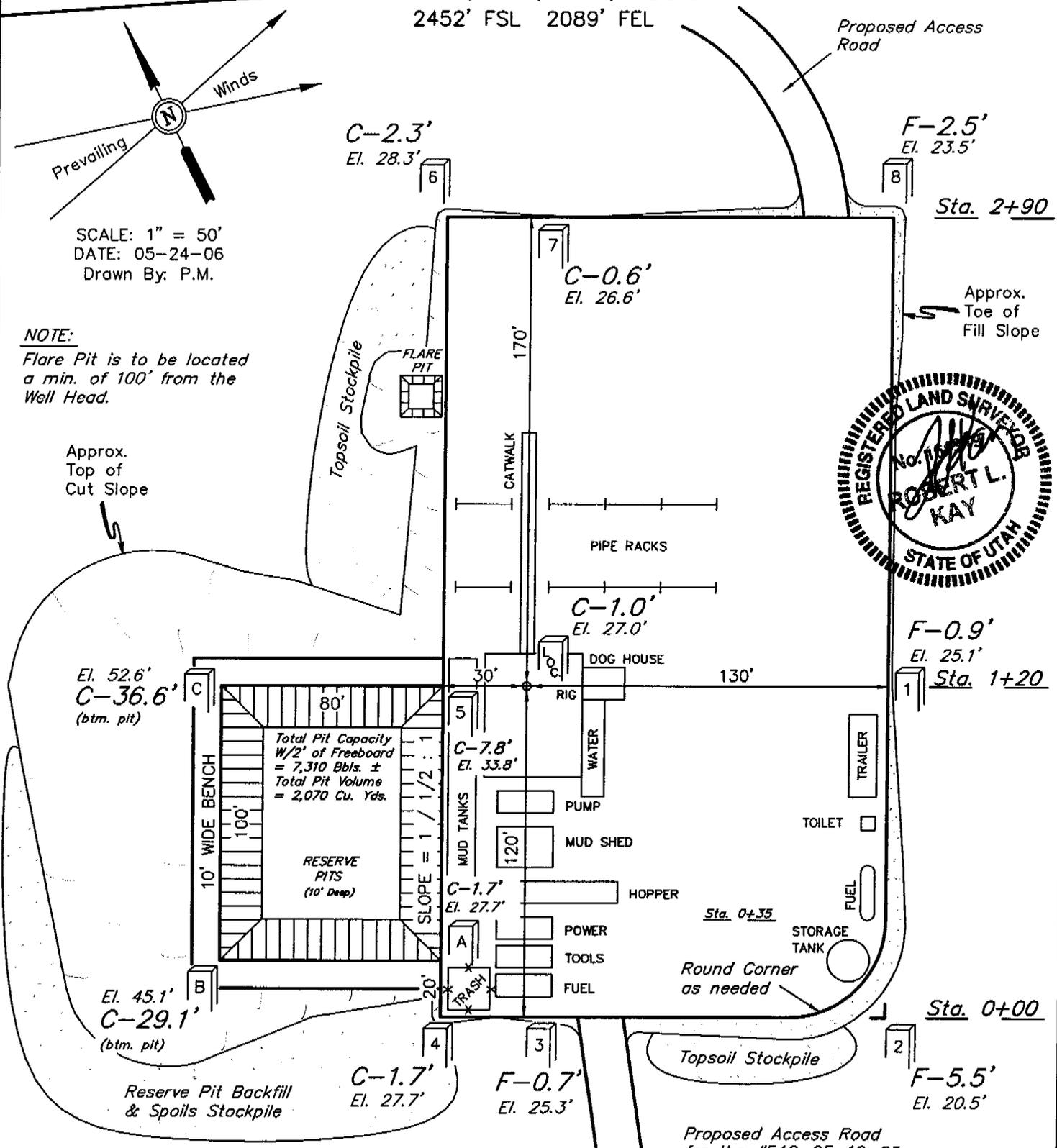
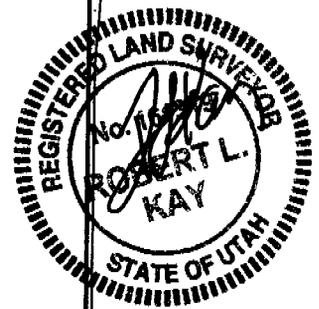
LOCATION LAYOUT FOR

UTCO FEE #43C-25-12-25  
SECTION 25, T12S, R25E, S.L.B.&M.  
2452' FSL 2089' FEL



SCALE: 1" = 50'  
DATE: 05-24-06  
Drawn By: P.M.

**NOTE:**  
Flare Pit is to be located a min. of 100' from the Well Head.



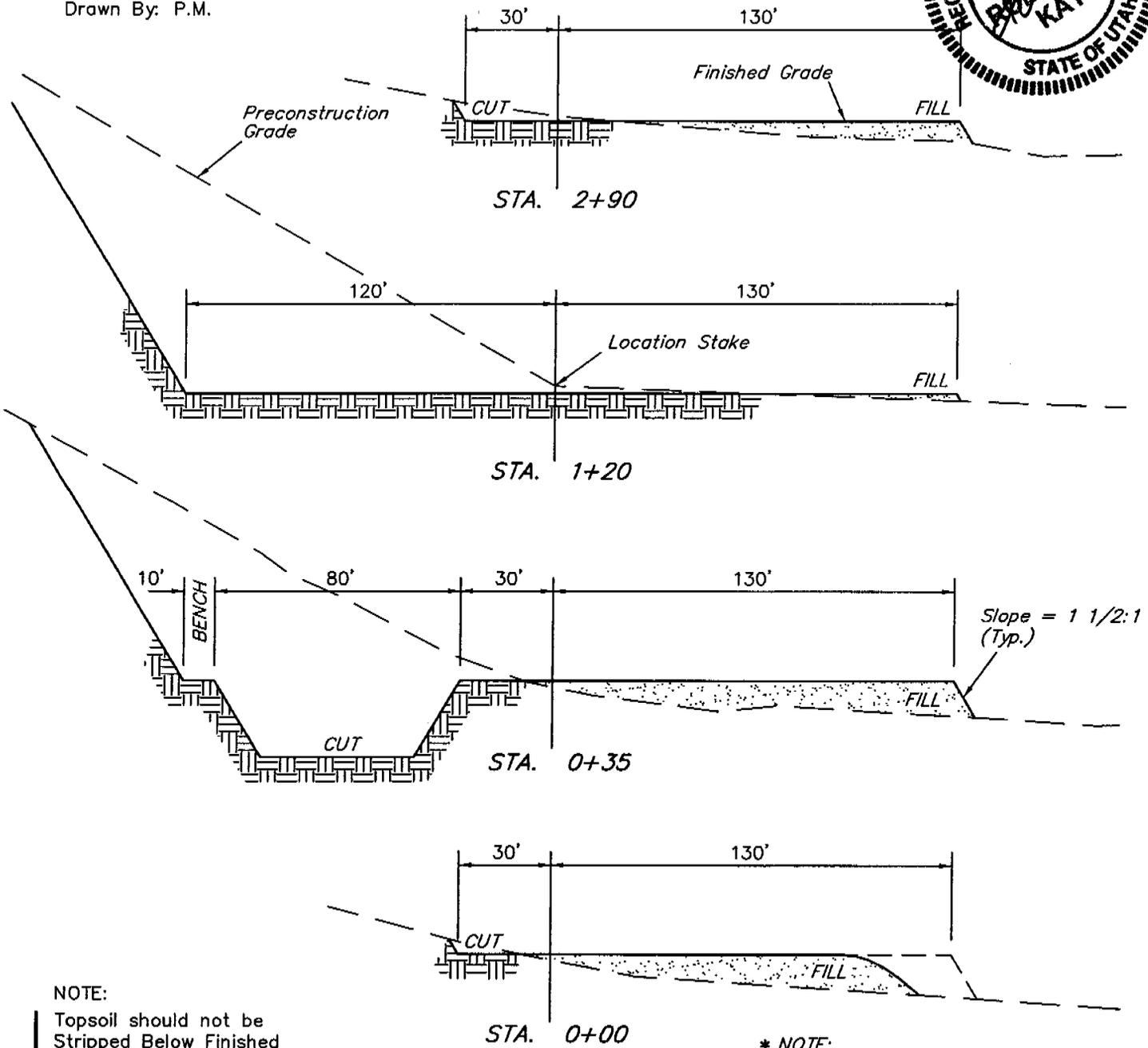
**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 6227.0'  
FINISHED GRADE ELEV. AT LOC. STAKE = 6226.0'

TYPICAL CROSS SECTIONS FOR  
 UTCO FEE #43C-25-12-25  
 SECTION 25, T12S, R25E, S.L.B.&M.  
 2452' FSL 2089' FEL

X-Section Scale  
 1" = 20'  
 1" = 50'

DATE: 05-24-06  
 Drawn By: P.M.



NOTE:  
 Topsoil should not be Stripped Below Finished Grade on Substructure Area.

\* NOTE:  
 FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,460 Cu. Yds.
Remaining Location	= 14,020 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 15,480 CU.YDS.</b>
<b>FILL</b>	<b>= 2,650 CU.YDS.</b>

EXCESS MATERIAL	= 12,830 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,500 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 10,330 Cu. Yds.

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/26/2006

API NO. ASSIGNED: 43-047-38338

WELL NAME: UTCO FEE 43C-25-12-25  
 OPERATOR: PIONEER NATL RES USA ( N5155 )  
 CONTACT: VENESSA LANGMACHER

PHONE NUMBER: 303-857-9999

PROPOSED LOCATION:

LOTS 25 120S 250E  
 SURFACE: 2452 FSL 2089 FEL  
 BOTTOM: 2452 FSL 2089 FEL  
 COUNTY: UINTAH  
 LATITUDE: 39.74566 LONGITUDE: -109.0578  
 UTM SURF EASTINGS: 666413 NORTHINGS: 4401123  
 FIELD NAME: WILDCAT ( 1 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	7/20/06
Geology		
Surface		

LEASE TYPE: 4 - Fee  
 LEASE NUMBER: FEE  
 SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: FRSD  
 COALBED METHANE WELL? YES

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 104319462 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-8496 )
- RDCC Review (Y/N)  
(Date: 07/14/2006 )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

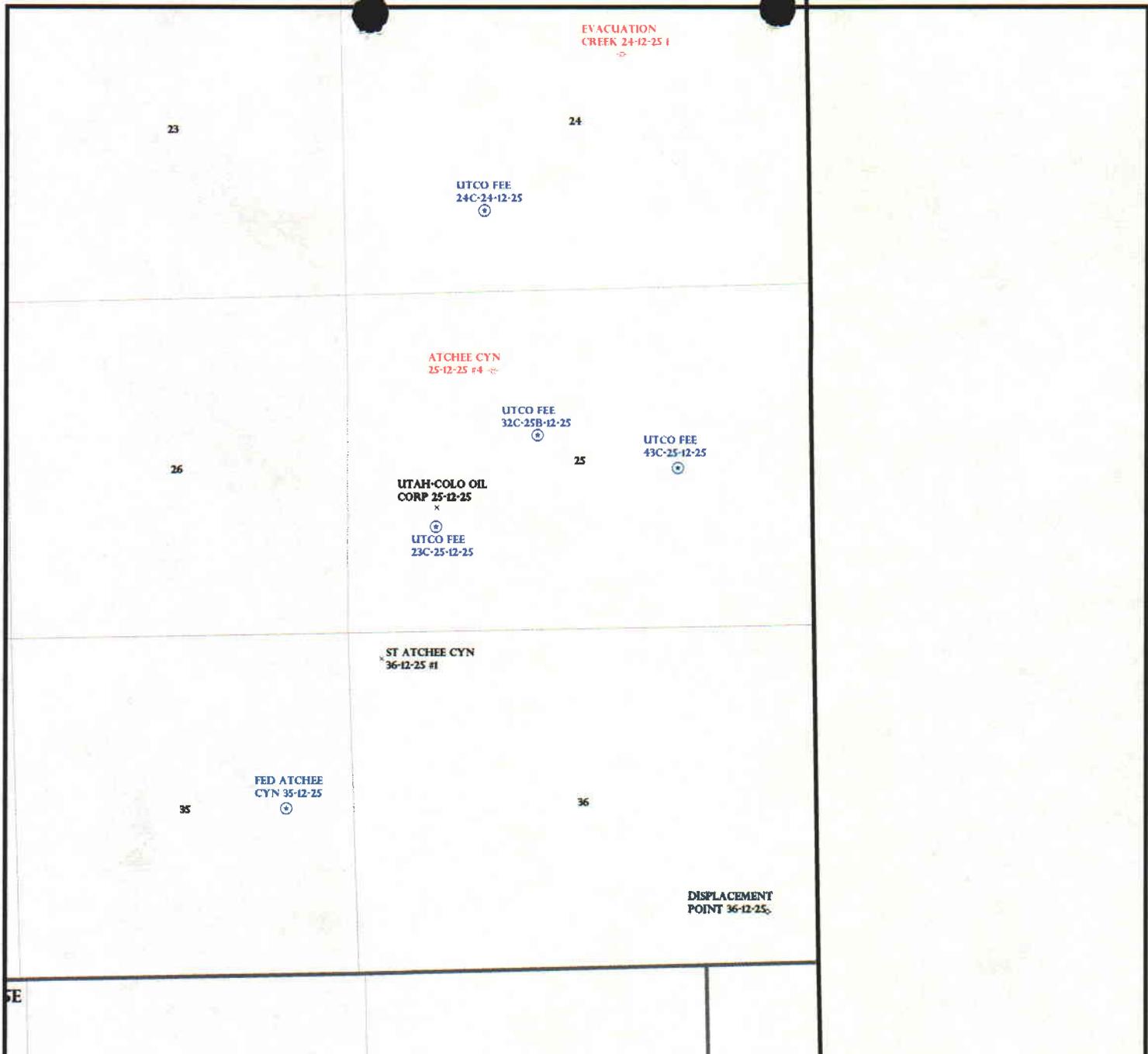
- R649-2-3.
- Unit: \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: \_\_\_\_\_
- Eff Date: \_\_\_\_\_
- Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS:

Needs Permit (06/29/06)

STIPULATIONS:

- 1- Spacing Strip
- 2- STATEMENT OF BASIS
- 3- Cement strip #3 (5/2" production, back to surface)



OPERATOR: PIONEER NAT RES (N5155)

SEC: 25 T. 12S R. 25E

FIELD: WILDCAT (001)

COUNTY: UINTAH

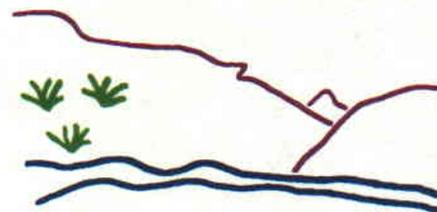
SPACING: R649-3-3 / EXCEPTION LOCATION

- 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: 29-JUNE-2006

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

**OPERATOR:** PIONEER NATURAL RESOURCES USA, INC.  
**WELL NAME & NUMBER:** UTCO FEE #43C-25-12-25  
**API NUMBER:** 43-047-38338  
**LOCATION:** 1/4,1/4 LOT 8 Sec: 25 TWP: 12S RNG:25E 2089' FEL 2452' FSL

**Geology/Ground Water:**

Pioneer proposes to set 250' of surface casing at this location. The base of the moderately saline water is at approximately 3,700 feet in this area. This is below the anticipated T.D. for the proposed well. This location lies on the Green River Formation. The proposed location is in a recharge area for the aquifers of the upper Green River formation and fresh water can be expected to be found in the upper Green River. A search of Division of Water Rights records indicates no water wells within a 10,000 foot radius of the proposed location. The proposed casing and cement program should adequately protect any useable ground water.

**Reviewer:** Brad Hill **Date:** 07-06-2006

**Surface:**

The predrill investigation of the surface was performed on 6/29/06. This site is on fee surface with fee minerals, and appears to be the best site for a location in the immediate area. I notified Mr. Brad Ockerland (representative of Utah Colorado Oil Corporation) by telephone on 6/22/2006 and invited him to this investigation. He told me there was a verbal landowner agreement, and he would not be attending. He was not present. Utah Colorado Oil Corporation also owned mineral rights for this well.

**Reviewer:** David W. Hackford **Date:** 6/30/2006

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

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

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

**OPERATOR:** PIONEER NATURAL RESOURCES USA, INC.  
**WELL NAME & NUMBER:** UTCO FEE #43C-24-12-25  
**API NUMBER:** 43-047-38338  
**LEASE:** FEE **FIELD/UNIT:** DISPLACEMENT POINT UNIT  
**LOCATION:** 1/4,1/4 lot 8 **Sec:** 25 **TWP:** 12S **RNG:** 25E 2089' **FEL** 2452' **FSL**  
**LEGAL WELL SITING:** F **SEC. LINE;** F **1/4,1/4 LINE;** F **ANOTHER WELL.**  
**GPS COORD (UTM):** 4401118N 0666417E **SURFACE OWNER:** UTAH COLORADO OIL CORPORATION.

**PARTICIPANTS**

DAVID W. HACKFORD (DOGM), STEPHEN SCHRECK, (PIONEER), KEITH RULE (DIRT CONTRACTOR).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

SITE IS ON A PLATEAU ON THE EAST SLOPE OF ATCHEE CANYON, 0.5 MILES WEST OF THE DRY WATERCOURSE WHICH RUNS DOWN THIS CANYON. DRAINAGE IS TO THE NORTH, NORTHEAST TO EVACUATION CREEK 0.6 MILES AWAY. CANYON BOTTOM IS RELATIVELY FLAT AND LEVEL WHILE THE CANYON WALLS ARE STEEP AND RUGGED WITH NUMEROUS SHEER CLIFFS AND SANDSTONE OUTCROPPINGS. BONANZA, UTAH IS 25 MILES TO THE NORTH.

**SURFACE USE PLAN**

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 290' BY 240'. ACCESS ROAD WILL BE 0.5 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE WILL FOLLOW ACCESS ROAD.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): UNLIKELY.

**WASTE MANAGEMENT PLAN:**

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY

COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: PINION PINE, JUNIPER, SAGE, GREASEWOOD, PRICKLY PEAR, CHEATGRASS, OTHER NATIVE GRASSES. ELK, DEER, RODENTS, RAPTORS, COYOTE, SONGBIRDS, RABBIT, BOBCAT, BEAR, COUGAR.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY LOAM.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE AN INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

**RESERVE PIT**

CHARACTERISTICS: 100' BY 80' AND TEN FEET DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 12 MIL LINER AND FELT SUB-LINER WILL BE REQUIRED FOR RESERVE PIT.

**SURFACE RESTORATION/RECLAMATION PLAN**

AS PER LANDOWNER AGREEMENT

SURFACE AGREEMENT: NO. A VERBAL AGREEMENT HAS BEEN REACHED.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE IS ON FEE SURFACE.

**OTHER OBSERVATIONS/COMMENTS**

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A HOT, SUNNY DAY.

**ATTACHMENTS**

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD  
DOGM REPRESENTATIVE

6/29/06 11:00 AM  
DATE/TIME

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

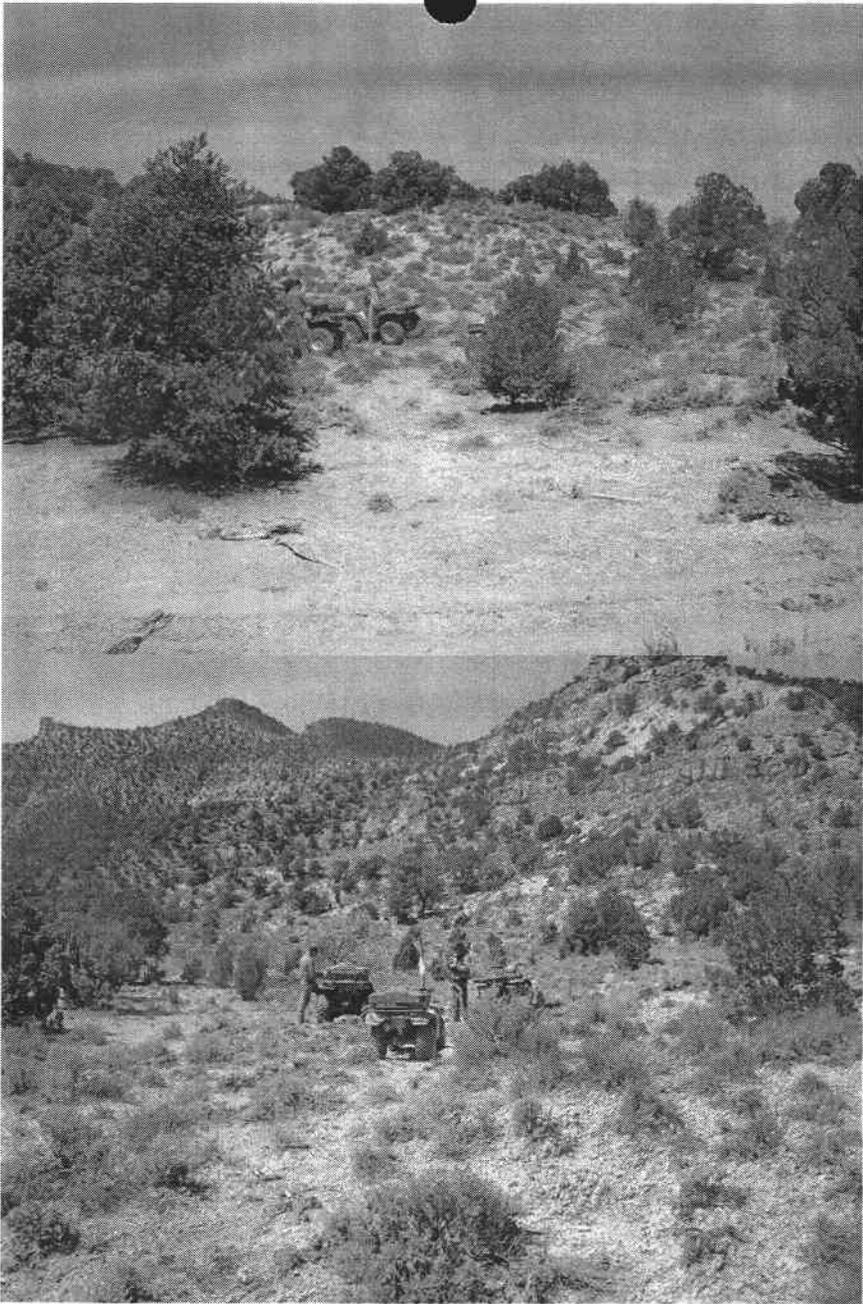
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

**Final Score**      30      (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.





**STATE ACTIONS**  
**Resource Development Coordinating Committee**  
**Governor's Office of Planning and Budget**  
**5110 State Office Building**  
**SLC, UT 84114**  
**Phone No. 537-9230**

<b>1. State Agency</b> Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	<b>2. Approximate date project will start:</b>  Upon Approval or July 13, 2006
<b>3. Title of proposed action:</b> Application for Permit to Drill	
<b>4. Description of Project:</b>  Pioneer Natural Resources USA Inc. proposes to drill the UTCO Fee 43C-25-12-25 well (wildcat) on a Fee lease, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
<b>5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)</b> (include UTM coordinates where possible) (indicate county) 2452' FSL 2089' FEL, NE/4 SE/4, Section 25, Township 12 South, Range 25 East, Uintah County, Utah	
<b>6. Possible significant impacts likely to occur:</b> Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
<b>7. Identify local government affected</b> a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
<b>8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable:</b> a. Has the representative and senator been contacted? N/A	
<b>9. Areawide clearinghouse(s) receiving state action:</b> (to be sent out by agency in block 1) Uintah Basin Association of Governments	
<b>10. For further information, contact:</b>   Diana Whitney Phone: (801) 538-5312	<b>11. Signature and title of authorized officer</b>  Gil Hunt, Associate Director Date: June 29, 2006

AMENDED REPORT   
(highlight changes)

**APPLICATION FOR PERMIT TO DRILL**

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO.: <b>Fee</b>	6. SURFACE: <b>Fee</b>
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input type="checkbox"/> OTHER <u>CBM</u> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>	
2. NAME OF OPERATOR: <b>Pioneer Natural Resources USA, Inc.</b>		8. UNIT or CA AGREEMENT NAME: <b>Displacement Point Unit (Suspended)</b>	
3. ADDRESS OF OPERATOR: <b>1401 17th Street, Suite 1200, Denver, CO 80202</b>		9. WELL NAME and NUMBER: <b>UTCO Fee #43C-25-12-25</b>	
PHONE NUMBER: <b>303/298-8100</b>		10. FIELD AND POOL, OR WILDCAT: <b>Displacement Point Wildcat</b>	
4. LOCATION OF WELL (FOOTAGES)  AT SURFACE: <b>666413x 2452' FSL and 2089' FEL</b> AT PROPOSED PRODUCING ZONE: <b>Lot 8 4461123y</b>		11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN: <b>Section 25, T12S - R25E</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>Approximately 25.2 miles south of Bonanza, UT</b>		12. COUNTY: <b>Uintah</b>	13. STATE: <b>UT</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): <b>Approximately 275'</b>	16. NUMBER OF ACRES IN LEASE: <b>1903.24</b>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>40 Acres</b>	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): <b>Approximately 2300'</b>	19. PROPOSED DEPTH: <b>2675'</b>	20. BOND DESCRIPTION: <b>Utah Bond No. 104319463</b>	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>6227' GL</b>	22. APPROXIMATE DATE WORK WILL START: <b>ASAP</b>	23. ESTIMATED DURATION: <b>4 Days</b>	

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
11"	8-5/8", J-55, 24#	250'	250 sx Class C, 15.6 ppg, 1.18 cf/sx
7-7/8"	5-1/2", J-55, 17#	2675'	450 sx Class C, 13.5 ppg, 1.6 cf/sx
<b>CONFIDENTIAL-TIGHT HOLE</b>			

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 **June 21, 2006**

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38338 APPROVAL:

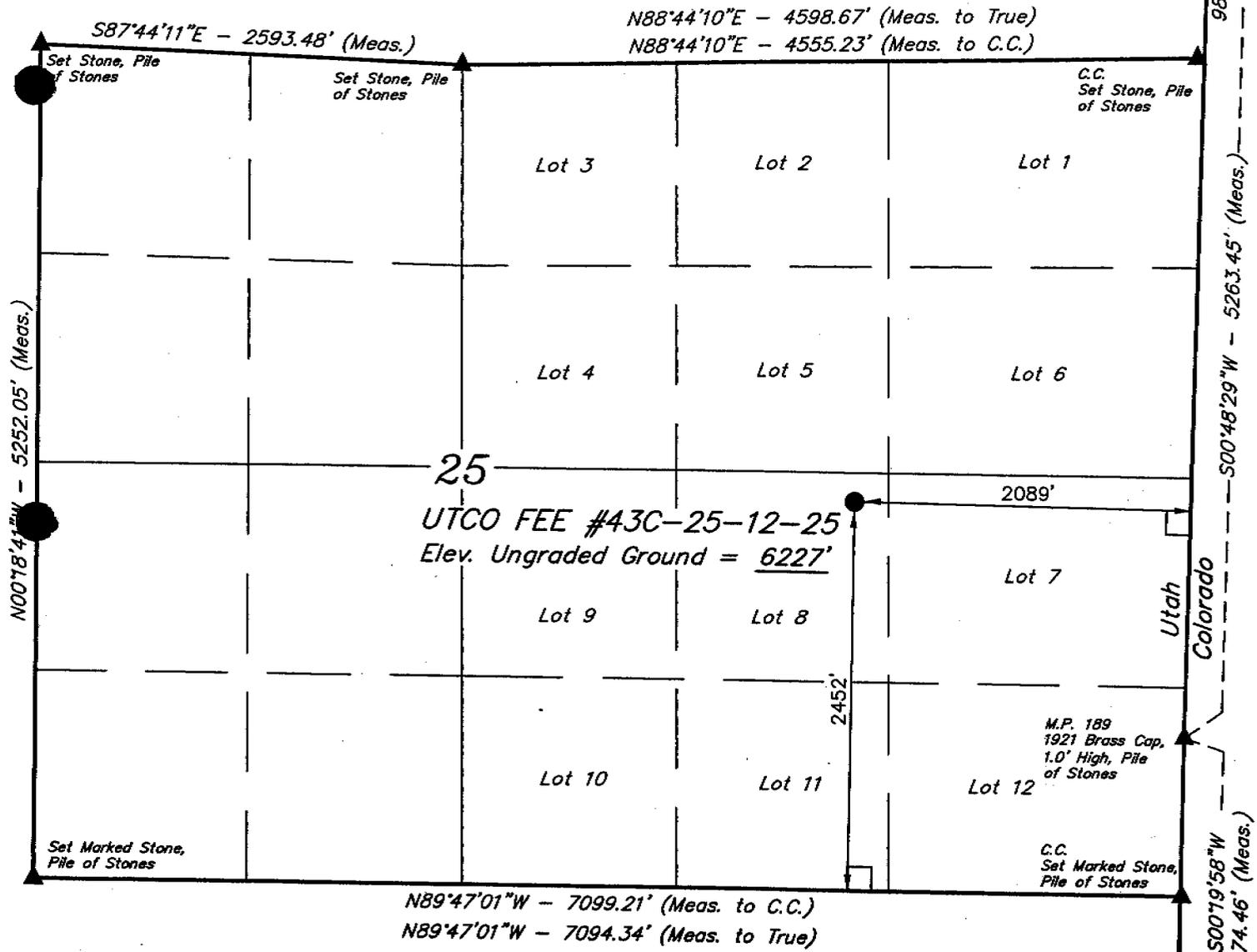
**RECEIVED**  
**JUN 26 2006**

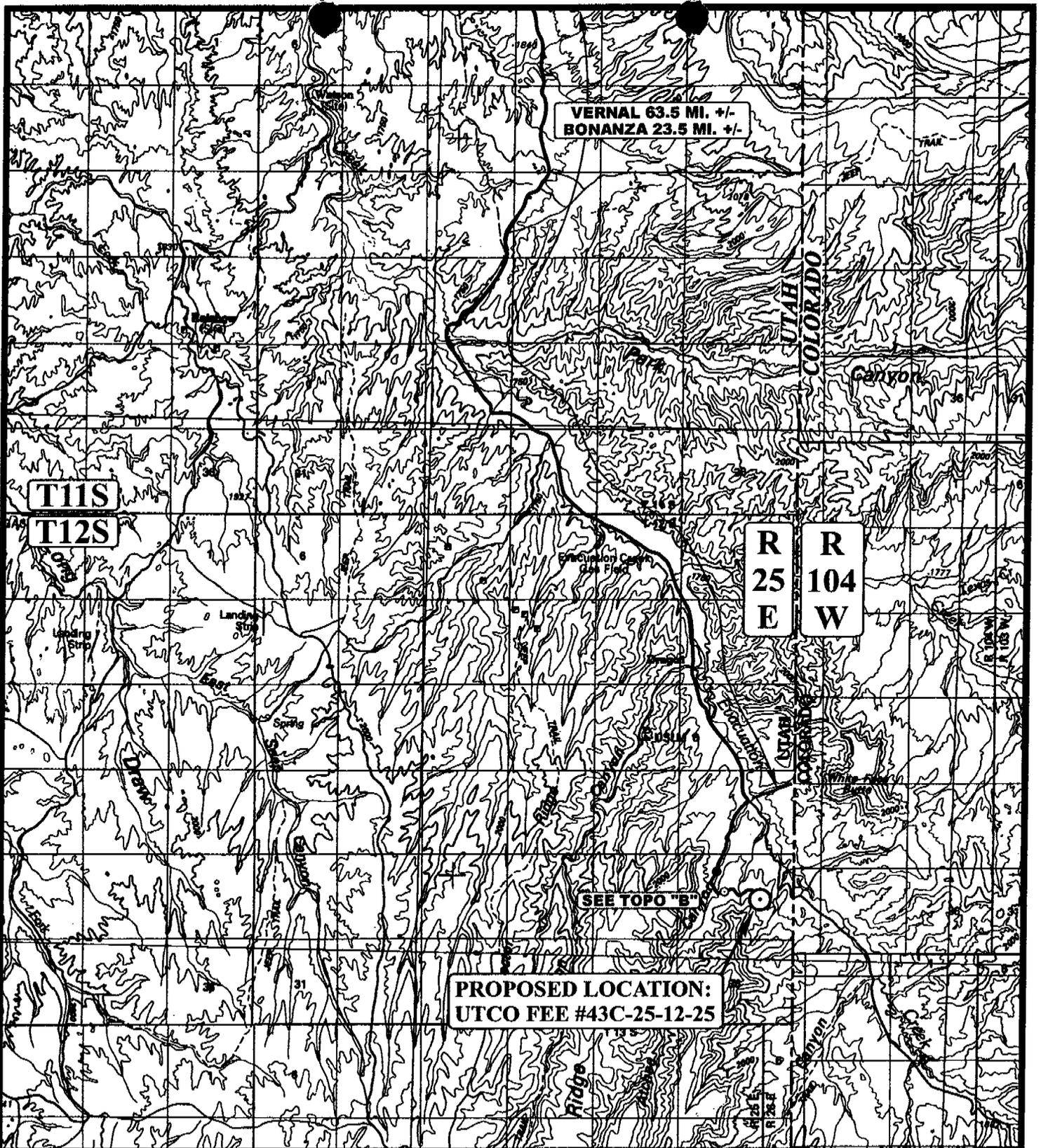
DIV. OF OIL, GAS & MINING

T12S, R25E, S.L.B.&M.

R  
25  
E  
R  
104  
W

M.P. 190  
1921 Brass Cap,  
1.2' High, Pile  
of Stones, N-S  
Fenceline





**LEGEND:**

○ PROPOSED LOCATION



**PIONEER NATURAL RESOURCES USA, INC.**

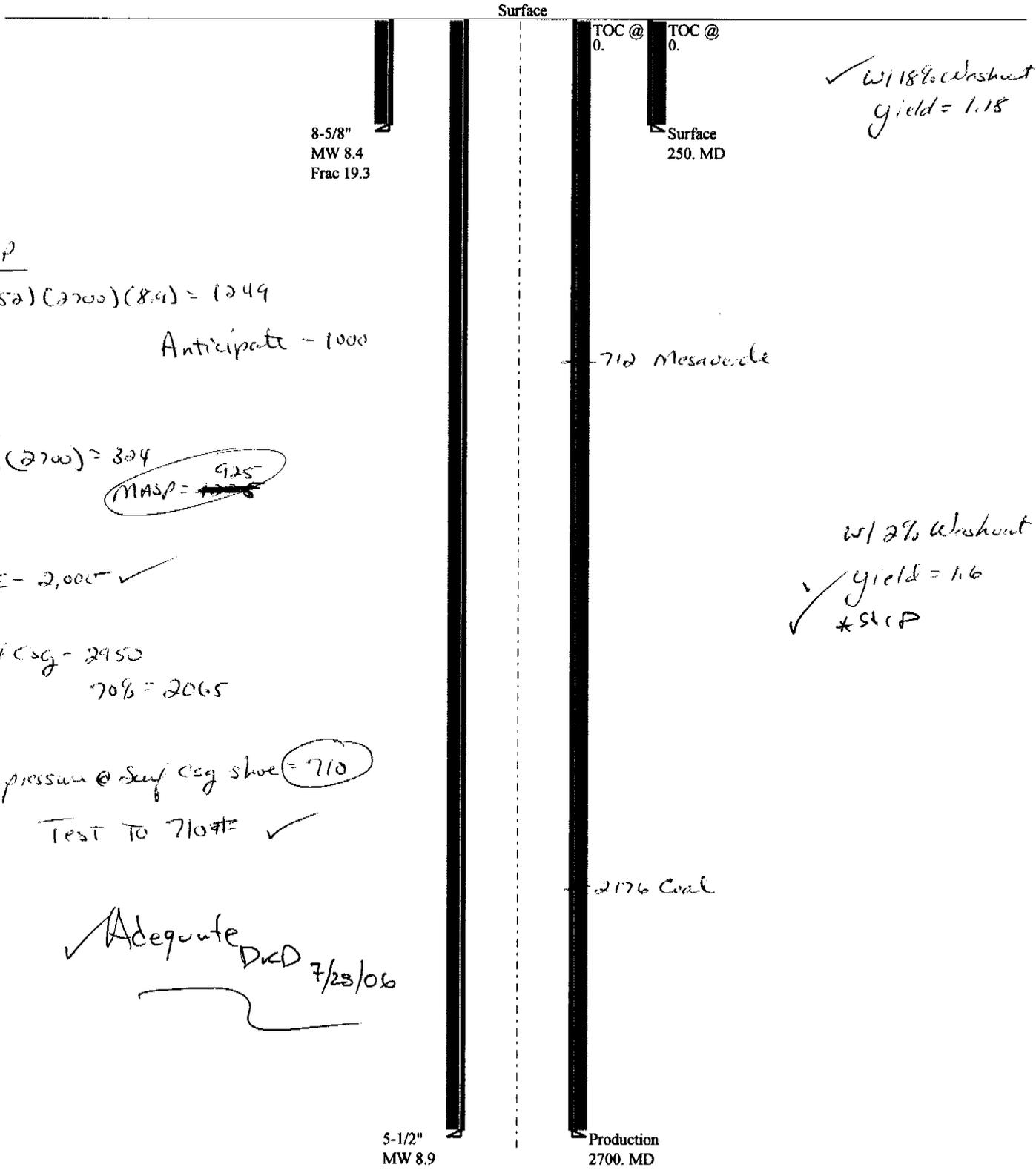
UTC0 FEE #43C-25-12-25  
 SECTION 25, T12S, R25E, S.L.B.&M.  
 2452' FSL 2089' FEL

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

**TOPOGRAPHIC** 05 24 06  
**MAP** MONTH DAY YEAR  
 SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00

**A**  
**TOPO**

07-06 Pioneer UTCO Fee 430 5-12-25  
 Casing Schematic



BHP  
 $(.052)(2700)(8.4) = 1249$   
 Anticipate - 1000

Gas  
 $(.12)(2700) = 324$   
 MASP = ~~925~~ 925

BOPE - 2,000 ✓

Surf csg - 2950  
 70% = 2065

Mat pressure @ Surf csg shoe = 710  
 Test to 710# ✓

✓ Adequate DxD 7/23/06

✓ w/ 18% washout  
 yield = 1.18

710 Mesaverde

w/ 2% washout  
 yield = 1.6  
 \*slip

2176 Coal

8-5/8"  
 MW 8.4  
 Frac 19.3

TOC @  
 0.  
 Surface  
 250. MD

5-1/2"  
 MW 8.9

Production  
 2700. MD

Well name:

07-06 Pioneer UTCO Fee 43C-25-12-25

Operator: Pioneer Natural Resources USA

String type: Surface

Project ID:

43-047-38338

Location: Uintah County

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 78 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 250 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 220 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 250 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on buoyed weight.  
Neutral point: 218 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 2,700 ft  
Next mud weight: 8.900 ppg  
Next setting BHP: 1,248 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 250 ft  
Injection pressure 250 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	250	8.625	24.00	J-55	ST&C	250	250	7.972	12

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	109	1370	12.558	250	2950	11.80	5	244	46.53 J

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

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

Date: July 11, 2006  
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 250 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

**07-06 Pioneer UTCO Fee 43C-25-12-25**

Operator: **Pioneer Natural Resources USA**

String type: Production

Project ID:

43-047-38338

Location: Uintah County

**Design parameters:**

**Collapse**

Mud weight: 8.900 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 113 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

**Burst:**

Design factor 1.00

Cement top: Surface

**Burst**

Max anticipated surface pressure: 313 psi  
Internal gradient: 0.346 psi/ft  
Calculated BHP 1,248 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.  
Neutral point: 2,335 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2700	5.5	17.00	J-55	LT&C	2700	2700	4.767	93
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1248	4910	3.934	1248	5320	4.26	40	247	6.22 J

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

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

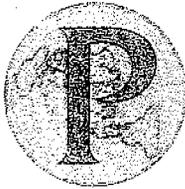
Date: July 11,2006  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 2700 ft, a mud weight of 8.9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*



June 8, 2006

CDX Gas LLC  
CDX Rockies, LLC  
5485 Beltline Road, Suite 190  
Dallas, Texas 75240-7656

**PIONEER**  
NAT. PAL. RESOURCES USA, INC.

RE: Exception to Location - UTCO Fee 43C-25-12-25  
Township 12 South, Range 25 East  
Section 25: Lot 8  
Uintah County, Utah

Ladies and Gentlemen:

Pioneer Natural Resources USA, Inc. is proposing to drill a well in Lot 8 of Section 25, T12S, R25E, Uintah County Utah. You are a joint working interest owner with Pioneer Natural Resources USA, Inc. in the Utah-Colorado Oil Corporation Oil and Gas Lease covering the following lands:

Township 12 South, Range 25 East  
Section 12: Lots 11, 14 and 15  
Section 13: Lots 1-7, 10, 16, Lot 8: N/2, Lot 9: NE/4, Lot 12: SE/4  
NW/4SW/4, SE/4SW/4, W/2NE/4SW/4, SE/4NE/4SW/4  
Section 23: E/2  
Section 24: W/2, Lots 14 and 15  
Section 25: Lots 3, 4, 8-11, W/2  
Uintah County, Utah

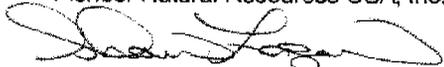
Utah Division of Oil, Gas and Mining rule R649-3-2 stipulates that in the absence of special orders, "each oil and gas well will be in the center of a 40 acre quarter-quarter section, or a substantially equivalent lot or tract or combination of lots or tracts as shown on the most recent governmental survey, with a tolerance of 200' in any direction from the center location, a "window" 400 square feet." In this case the well site is outside of the drilling window.

In accordance with R649-3-3, in order that Pioneer may continue its drilling program in the area, please acknowledge your consent to the exception location by signing, dating and returning two copies of this Exception to Location letter to Pioneer's office in the enclosed envelope at your earliest convenience.

Thank you for your consideration in this regard. If you have any questions please feel free to contact the undersigned at 303-675-2691.

Sincerely,

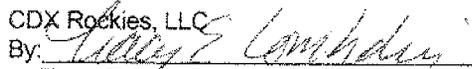
Pioneer Natural Resources USA, Inc.

  
Sharon Logan, Staff Landman

RECEIVED  
JUL 10 2006

EXCEPTION TO THE LOCATION FOR THE UTCO FEE 43C-25-12-25 IS GRANTED AND APPROVED THIS 8 DAY OF June, 2006. DIV. OF OIL, GAS & MINING

CDX Gas LLC  
BY:   
Tracy E. Lombardi  
Land/Engineering Technician

CDX Rockies, LLC  
By:   
Tracy E. Lombardi  
Land/Engineering Technician



**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*

October 19, 2006

Pioneer Natural Resource USA, Inc.  
1401 17th St., Ste. 1200  
Denver, CO 80202

Re: UTCO Fee 43C-25-12-25 Well, 2452' FSL, 2089' FEL, Lot 8, Sec. 25,  
T. 12 South, R. 25 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 43-047-38338.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor

Operator: Pioneer Natural Resource USA, Inc.  
Well Name & Number UTCO Fee 43C-25-12-25  
API Number: 43-047-38338  
Lease: Fee

Location: Lot 8                      Sec. 25                      T. 12 South                      R. 25 East

### Conditions of Approval

1. **General**

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

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

6. Cement volume for the 5 1/2" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to the surface.

6. 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

**CONFIDENTIAL**

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals		6. Lease Designation and Serial Number <b>Fee</b>
		7. Indian Allottee or Tribe Name <b>N/A</b>
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other (specify) <b>CBM</b>		8. Unit or Communitization Agreement <b>Displacement Point</b>
2. Name of Operator <b>Pioneer Natural Resources USA, Inc.</b>		9. Well Name and Number <b>UTCO Fee #43C-25-12-25</b>
3. Address of Operator <b>1401 - 17th Street, Suite 1200, Denver, CO 80202</b>	4. Telephone Number <b>303/298-8100</b>	10. API Well Number <b>43-047-38338</b>
5. Location of Well Footage : <b>2452' FSL and 2089' FEL</b> County : <b>Uintah</b> QQ, Sec. T., R., M. : <b>Lot 8 Section 25, T12S - R25E</b> State : <b>Utah</b>		11. Field and Pool, or Wildcat <b>Displacement Point/Mesaverde Coal</b>

12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																											
<p style="text-align: center;"><b>NOTICE OF INTENT</b> (Submit in Duplicate)</p> <table border="0"> <tr><td><input type="checkbox"/> Abandonment</td><td><input type="checkbox"/> New Construction</td></tr> <tr><td><input type="checkbox"/> Casing Repair</td><td><input type="checkbox"/> Pull or Alter Casing</td></tr> <tr><td><input type="checkbox"/> Change of Plans</td><td><input type="checkbox"/> Recompletion</td></tr> <tr><td><input type="checkbox"/> Conversion to Injection</td><td><input type="checkbox"/> Shoot or Acidize</td></tr> <tr><td><input type="checkbox"/> Fracture Treat</td><td><input type="checkbox"/> Vent or Flare</td></tr> <tr><td><input type="checkbox"/> Multiple Completion</td><td><input type="checkbox"/> Water Shut-Off</td></tr> <tr><td><input checked="" type="checkbox"/> Other <u>Request 1 year extension of APD</u></td><td></td></tr> </table> <p>Approximate Date Work Will Start _____</p>	<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other <u>Request 1 year extension of APD</u>		<p style="text-align: center;"><b>SUBSEQUENT REPORT</b> (Submit Original Form Only)</p> <table border="0"> <tr><td><input type="checkbox"/> Abandonment *</td><td><input type="checkbox"/> New Construction</td></tr> <tr><td><input type="checkbox"/> Casing Repair</td><td><input type="checkbox"/> Pull or Alter Casing</td></tr> <tr><td><input type="checkbox"/> Change of Plans</td><td><input type="checkbox"/> Shoot or Acidize</td></tr> <tr><td><input type="checkbox"/> Conversion to Injection</td><td><input type="checkbox"/> Vent or Flare</td></tr> <tr><td><input type="checkbox"/> Fracture Treat</td><td><input type="checkbox"/> Water Shut-Off</td></tr> <tr><td><input type="checkbox"/> Other _____</td><td></td></tr> </table> <p>Date of Work Completion _____</p> <p><small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form. * Must be accompanied by a cement verification report.</small></p>	<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____	
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<input type="checkbox"/> Other _____																											

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)  
**Pioneer Natural Resources USA, Inc. requests a 1 year extension of the subject APD.**

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 09-11-07  
By: [Signature]

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

Name & Signature Venessa Langmackel      Title Consultant for Pioneer Natural Resources USA, Inc.      Date 09/04/07

(State Use Only)

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**SEP 07 2007**

9-12-07  
Rm

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

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

**API:** 43-047-38338

**Well Name:** UTCO Fee #43C-25-12-25

**Location:** Lot 8 Section 25, T12S - R25E

**Company Permit Issued to:** Pioneer Natural Resources USA, Inc.

**Date Original Permit Issued:** 10/19/2006

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

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

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

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

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

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

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

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

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

  
\_\_\_\_\_  
Venessa Langmacher - Permitco Inc.

September 4, 2007  
\_\_\_\_\_  
Date

Title: Consultant for Pioneer Natural Resources USA, Inc.

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**SEP 07 2007**

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



JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

November 24, 2008

Pioneer Natural Resources USA, Inc.  
1407 17<sup>TH</sup> Street, Ste. 1200  
Denver, CO 80202

Re: APD Rescinded – UTCO Fee 43C-25-12-25, Sec.25, T. 12S, R. 25E,  
Uintah County, Utah API No. 43-047-38338

Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 19, 2006. On September 11, 2007, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 24, 2008.

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  
Brad Hill, Technical Service Manager

