

April 16, 2007

Mrs. Diana Mason
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill—Dominion Exploration & Production, Inc.
Kings Canyon 16-32E – 942' FSL & 415' FEL, SE/4 SE/4,
Section 32, T10S, R19E, SLB&M, Uintah County, Utah

Dear Mrs. Mason:

On behalf of Dominion Exploration & Production, Inc. (Dominion), Buys & Associates, Inc. respectfully submits the enclosed original and one copy of the Application for Permit to Drill (APD) for the above referenced State administered vertical well. A request for exception to spacing (R649-3-2) is hereby requested based on topography since the well is located within 460' of the drilling unit boundary. Dominion Exploration & Production, Inc. is the only owner and operator within 460' of the proposed well and all points along the intended well bore path. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats, layouts and photos of the proposed well site;

Exhibit "B" - Proposed location maps with access and pipeline corridors;

Exhibit "C" - Production site layout;

Exhibit "D" - Drilling Plan;

Exhibit "E" - Surface Use Plan;

Exhibit "F" - Typical BOP and Choke Manifold diagram.

Please accept this letter as Dominion's, written request for confidential treatment of all information contained in and pertaining to this application.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Barbara Lester of Dominion at 405-749-5237 if you have any questions or need additional information.

Sincerely,

Don Hamilton

Don Hamilton
Agent for Dominion

cc: Fluid Mineral Group, BLM—Vernal Field Office
Barbara Lester, Dominion
Ken Secrest, Dominion

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APR 19 2007

DIV. OF OIL, GAS & MINING

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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: ML-047059	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: Undesignated	
2. NAME OF OPERATOR: Dominion Exploration & Production, Inc.		9. WELL NAME and NUMBER: KC 16-32E	
3. ADDRESS OF OPERATOR: 14000 Quail Sp Pkwy CITY Oklahoma City STATE OK ZIP 73134		PHONE NUMBER: (405) 749-5237	10. FIELD AND POOL, OR WILDCAT: Natural Buttes
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 942' FSL & 415' FEL, SE/4 SE/4, AT PROPOSED PRODUCING ZONE: 39.898791 - 109.797029		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 32 10 19 S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 14.56 miles southwest of Ouray, Utah		12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 415'	16. NUMBER OF ACRES IN LEASE: 560	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1,300'	19. PROPOSED DEPTH: 9,900	20. BOND DESCRIPTION: SITLA Blanket 76S 63050 361	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,371' GR	22. APPROXIMATE DATE WORK WILL START: 8/3/2007	23. ESTIMATED DURATION: 14 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"	8-5/8" J-55 ST 32#	2,000	see Drilling Plan
7-7/8"	5-1/2" Mav 80 L 17#	9,900	see Drilling Plan

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Don Hamilton TITLE Agent for Dominion Exploration & Production, Inc.
SIGNATURE Don Hamilton DATE 4/16/2007

(This space for State use only)

API NUMBER ASSIGNED: 43-04739219

Approved by the
Utah Division of
Oil, Gas and Mining

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DIV. OF OIL, GAS & MINING

(11/2001)

Date: 06-28-07
By: [Signature]

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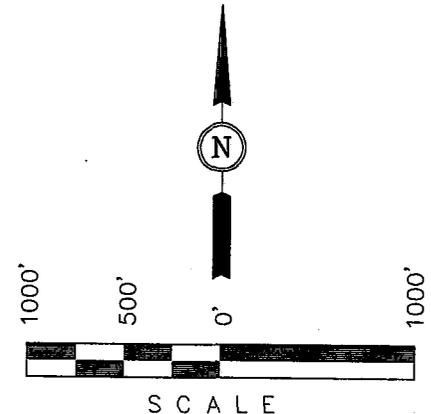
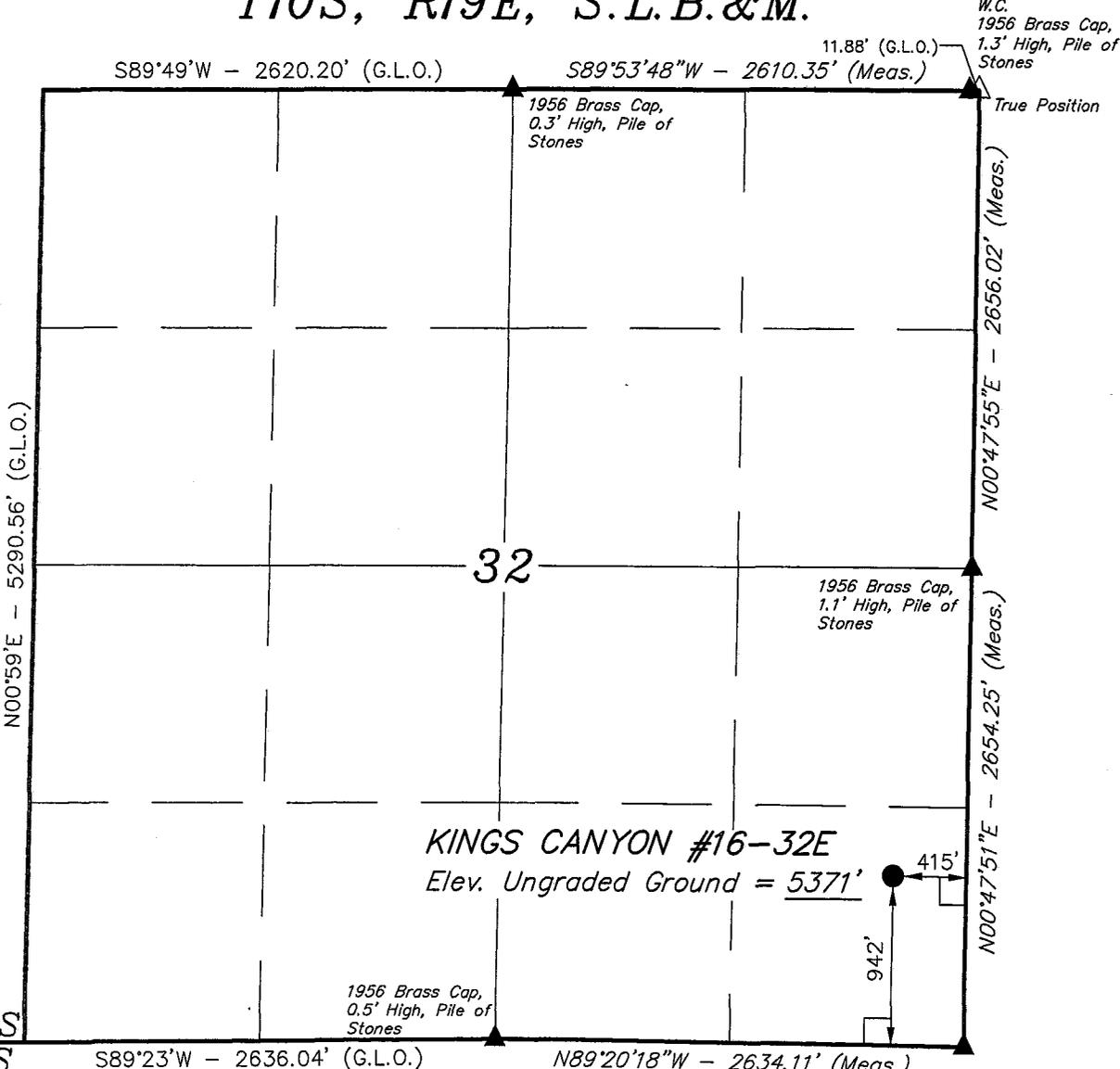
T10S, R19E, S.L.B.&M.

DOMINION EXPLR. & PROD., INC.

Well location, KINGS CANYON #16-32E, located as shown in the SE 1/4 SE 1/4 of Section 32, T10S, R19E, S.L.B.&M. Uintah County Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 20, T10S, R20E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN. NW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5251 FEET.



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.
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161315
 STATE OF UTAH

T10S
T11S

S89°23'W - 2636.04' (G.L.O.)
 N89°20'18"W - 2634.11' (Meas.)
 1956 Brass Cap, 0.4' High, Pile of Stones, Set Stone

BASIS OF BEARINGS

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

(NAD 83)
 LATITUDE = 39°53'55.77" (39.898825)
 LONGITUDE = 109°47'51.74" (109.797706)
 (NAD 27)
 LATITUDE = 39°53'55.90" (39.898861)
 LONGITUDE = 109°47'49.23" (109.797008)

LEGEND:

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

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

SCALE 1" = 1000'	DATE SURVEYED: 03-09-06	DATE DRAWN: 03-15-06
PARTY D.R. A.H. C.H.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE DOMINION EXPLR. & PROD., INC	

DRILLING PLAN

APPROVAL OF OPERATIONS

Attachment for Permit to Drill

Name of Operator: Dominion Exploration & Production
Address: 14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134
Well Location: KC 16-32E
942' FSL & 415' FEL
Section 32-10S-19E
Uintah County, UT

1. GEOLOGIC SURFACE FORMATION Uintah

2. ESTIMATED DEPTHS OF IMPORTANT GEOLOGIC MARKERS

<u>Formation</u>	<u>Depth</u>
Wasatch Tongue	3,865'
Green River Tongue	4,205'
Wasatch	4,345'
Chapita Wells	5,235'
Uteland Buttes	6,585'
Mesaverde	7,495'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS

<u>Formation</u>	<u>Depth</u>	<u>Type</u>
Wasatch Tongue	3,865'	Oil
Green River Tongue	4,205'	Oil
Wasatch	4,345'	Gas
Chapita Wells	5,235'	Gas
Uteland Buttes	6,585'	Gas
Mesaverde	7,495'	Gas

4. PROPOSED CASING PROGRAM

All casing used to drill this well will be new casing.

<u>Type</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Conn.</u>	<u>Top</u>	<u>Bottom</u>	<u>Hole</u>
Surface	8-5/8"	32.0 ppf	J-55	STC	0'	2,000'	12-1/4"
Production	5-1/2"	17.0 ppf	MAV-80	LTC	0'	9,900'	7-7/8"

Note: The drilled depth of the surface hole and the setting depth of the surface casing may vary from 1,700' to 2,000'. Should a lost circulation zone be encountered while drilling, casing will be set approximately 300' below the lost circulation zone. If no lost circulation zone is encountered, casing to be set at 2,000'±.

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

Surface hole: No BOPE will be utilized. Air foam mist, rotating head and diverter system will be utilized.

Production hole: Prior to drilling out the surface casing shoe, 3,000 psi or greater BOP equipment will be installed. The pipe rams will be operated at least once per day from surface to total depth. The blind rams will be tested once per day from surface to total depth if operations permit.

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DRILLING PLAN

APPROVAL OF OPERATIONS

A diagram of the planned BOP equipment for normal drilling operations in this area is attached. As denoted there will be two valves and one check valve on the kill line, two valves on the choke line, and two adjustable chokes on the manifold system. The BOP "stack" will consist of two BOP rams (1 pipe, 1 blind) and one annular type preventer, all rated to a minimum of 3,000 psi working pressure.

The BOP equipment will be pressure tested prior to drilling out surface casing shoe and anytime a new casing string is set. All test pressures will be maintained for fifteen (15) minutes without any significant pressure decrease. Clear water will be circulated into the BOP stack and lines prior to pressure testing. The following test pressures will be used as a minimum for various equipment items.

1.	Annular BOP	1,500 psi
2.	Ram type BOP	3,000 psi
3.	Kill line valves	3,000 psi
4.	Choke line valves and choke manifold valves	3,000 psi
5.	Chokes	3,000 psi
6.	Casing, casinghead & weld	1,500 psi
7.	Upper kelly cock and safety valve	3,000 psi
8.	Dart valve	3,000 psi

6. **MUD SYSTEMS**

- An air or an air/mist system may be used to drill to drill the surface hole until water influx becomes too great.
- KCL mud system will be used to drill well.
- The mud system will be monitored manually/visually.

<u>Depths</u>	<u>Mud Weight (ppg)</u>	<u>Mud System</u>
0' – 2,000'	8.4	Air foam mist, rotating head and diverter
2,000' – 9,900'	8.6	Fresh water/2% KCL/KCL mud system

7. **BLOOIE LINE**

- An automatic igniter will not be installed on blooie line. The blooie will have a constant ignition source.
- A "target tee" connection will be installed on blooie line for 90° change of directions for abrasion resistance.
- "Target tee" connections will be a minimum of 50' from wellhead.
- The blooie line discharge will be a minimum of 80' from the wellhead.

8. **AUXILIARY EQUIPMENT TO BE USED**

- a. Kelly cock.
- b. Full opening valve with drill pipe connection will be kept on floor. Valve will be used when the kelly is not in string.

9. **TESTING, LOGGING, AND CORING PROGRAMS TO BE FOLLOWED**

- A drillstem test in the Wasatch Tongue is possible.
- One electric line wire-log will be run from total depth to surface casing.
- The gamma ray will be left on to record from total depth to surface casing.
- Other log curves (resistivities, porosity, and caliper) will record from total depth to surface casing.
- A dipmeter, percussion cores, or rotary cores may be run over selected intervals.

10. **ANTICIPATED ABNORMAL PRESSURES OR TEMPERATURES EXPECTED**

- Expected BHP 1,500–2,000 psi (lower than normal pressure gradient).
- No abnormal temperature or pressures are anticipated.
- The formations to be penetrated do not contain known H2S gas.

11. **WATER SUPPLY**

- No water pipelines will be laid for this well.
- No water well will be drilled for this well.
- Drilling water for this will be hauled on the road(s) shown in Attachment No. 3.
- Water will be hauled from: Water Permit # 43-10447 Section 9, Township 8 South, Range 20 East

DRILLING PLAN

APPROVAL OF OPERATIONS

12. CEMENT SYSTEMS

a. Surface Cement:

- Drill 12-1/4" hole to 2,000'±, run and cement 8-5/8" to surface (depth to vary based on depth of lost circulation zone).
- Pump 20 bbls lightly weighted water spacer followed by 5 bbls fresh water. Displace with any available water.
- Casing to be run with: a) guide shoe b) insert float c) three (3) centralizers, one on each of first 3 joints d) stop ring for plug one joint off bottom e) bottom three joints thread locked f) pump job with bottom plug only. Casing to be centralized with a total of 8 centralizers.
- Cement the casing annulus to surface. Top out jobs to be performed if needed. Depending to depth of top of cement in the annulus, a 1" tubing string may or may not be utilized.

<u>Type</u>	<u>Sacks</u>	<u>Interval</u>	<u>Density</u>	<u>Yield</u>	<u>Hole</u>	<u>Cement</u>
					<u>Volume</u>	<u>Volume</u>
Lead	219	0'-1,500'	11.0 ppg	3.82 CFS	619 CF	836 CF
Tail	236	1,500'-2,000'	15.6 ppg	1.18 CFS	206 CF	279 CF
Top Out	100	0'-200'	15.6 ppg	1.18 CFS	87 CF	118 CF

Surface design volumes based on 35% excess of gauge hole.

Lead Mix: Halliburton Premium Plus V blend. Blend includes Class "G" cement, gel, salt, gilsonite.
Slurry yield: 3.82 cf/sack Slurry weight: 11.00 #/gal.
Water requirement: 22.95 gal/sack

Tail Mix: Class "G" Cement, 1/4 lb/sk Cellophane Flakes + 2% bwoc Calcium Chloride + 44.3% fresh water.
Slurry yield: 1.18 cf/sack Slurry weight: 15.60 #/gal.
Water requirement: 5.2 gal/sack

Top Out: Class "G" Cement, 1/4 lb/sk Cellophane Flakes + 2% bwoc Calcium Chloride + 44.3% fresh water.
Slurry yield: 1.18 cf/sack Slurry weight: 15.60 #/gal.
Water requirement: 5.2 gal/sack

c. Production Casing Cement:

- Drill 7-7/8" hole to 9,900'±, run and cement 5 1/2".
- Pump 20 bbl Mud Clean II unweighted spacer, followed by 20 Bbls fresh H2O spacer.
- Displace with 2% KCL.
- Production casing to be centralized with 30 centralizers.

<u>Type</u>	<u>Sacks</u>	<u>Interval</u>	<u>Density</u>	<u>Yield</u>	<u>Hole</u>	<u>Cement</u>
					<u>Volume</u>	<u>Volume</u>
Lead	90	3,545'-4,345'	11.5 ppg	3.12 CFS	139 CF	277 CF
Tail	1100	4,345'-9,900'	13.0 ppg	1.75 CFS	962 CF	1925 CF

Production design volumes are estimates based on 35% excess of gauge hole. Actual volumes will be calculated from caliper log to bring lead cement to 800' above top of Wasatch + 15% excess, and tail cement to top of Wasatch + 15% excess.

Lead Mix: Halliburton Prem Plus V blend. Blend includes Class "G" cement, gel, salt, gilsonite, EX-1 and HR-7.
Slurry yield: 3.12 cf/sack Slurry weight: 11.60 #/gal.
Water requirement: 17.71 gal/sack
Compressives @ 130°F: 157 psi after 24 hours

Tail Mix: Halliburton HLC blend (Prem Plus V/JB flyash). Blend includes Class "G" cement, KCl, EX-1, Halad 322, & HR-5.
Slurry yield: 1.75 cf/sack Slurry weight: 13.00 #/gal.
Water requirement: 9.09 gal/sack
Compressives @ 165°F: 905 psi after 24 hours

13. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS

Starting Date: August 3, 2007
Duration: 14 Days

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SURFACE USE PLAN
CONDITIONS OF APPROVAL

Attachment for Permit to Drill

Name of Operator: Dominion Exploration & Production
Address: 14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134
Well Location: KC 16-32E
942' FSL & 415' FEL
Section 32-10S-19E
Uintah County, UT

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

An off-lease federal right-of-way is necessary prior to any construction outside of Section 32. The federal right-of-way was submitted on June 30, 2006 and is pending approval at the time of this submission.

A state onsite inspection is pending at this time.

1. Existing Roads:

- a. The proposed well site is located approximately 14.56 miles southwest of Ouray, UT.
- b. Directions to the proposed well site have been attached at the end of Exhibit B.
- c. The use of roads under State and County Road Department maintenance are necessary to access the Kings Canyon area. Permission to upgrade the existing county road into the area has been previously received. An encroachment permit is necessary to construct the proposed approach from the Kings Canyon County Road.
- d. All existing roads will be maintained and kept in good repair during all phases of operation.
- e. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- f. Since no improvements are anticipated to the State, County, Tribal or BLM access roads no topsoil striping will occur.
- g. **An off-lease federal right-of-way is needed for the off-lease portion (Section 33) of the access and pipeline corridor since both are located outside the existing state lease boundary.**

2. Planned Access Roads:

- a. From the proposed KC 11-32E access road an access is proposed trending west approximately 400' to the proposed well site. The access consists of entirely new disturbance and crosses no significant drainages. A road design plan is not anticipated at this time.
- b. The proposed access road will consist of a 24' travel surface within a 30' disturbed area.
- c. SITLA approval to construct and utilize the proposed access road is requested with this application. Federal surface use is being requested through a separate federal right-of-way application.
- d. A maximum grade of 10% will be maintained throughout the project with no cuts and fills required to access the well.
- e. No turnouts are proposed.
- f. No culverts and several low water crossings are anticipated. Adequate drainage structures will be incorporated into the road.
- g. No surfacing material will come from SITLA, Federal or Indian lands.
- h. No gates or cattle guards are anticipated at this time.
- i. Surface disturbance and vehicular travel will be limited to the approved location access road.
- j. All access roads and surface disturbing activities will conform to the standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).
- k. The operator will be responsible for all maintenance of the access road including drainage structures.

3. Location of Existing Wells:

- a. Exhibit B has a map reflecting these wells within a one mile radius of the proposed well.

4. Location of Production Facilities:

- a. All permanent structures will be painted a flat, non-reflective Calsbad Canyon / Desert Tan to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.
- b. Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- c. A gas meter run will be constructed and located on lease within 500 feet of the wellhead. Meter runs will be housed and/or fenced. All gas production and measurement shall comply with the provisions of 43 CFR 3162. 7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

- d. A tank battery will be constructed on this location; it will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- e. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- f. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.
- g. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.
- h. A gas pipeline is associated with this application and is being applied for at this time. The proposed gas pipeline corridor will leave the east side of the well site and traverse 403' east to the existing 8" KC 1-32E pipeline corridor located west of the existing County Road.
- i. The new gas pipeline will be a 10" or less steel surface line within a 20' wide utility corridor. The use of the proposed well site and access roads will facilitate the staging of the pipeline construction. A new pipeline length of approximately 403' is associated with this well.
- j. Dominion intends on installing the pipeline on the surface by welding many joints into long lengths, dragging the long lengths into position and then completing a final welding pass to join the long lengths together. Dominion intends on connecting the pipeline together utilizing conventional welding technology.

5. Location and Type of Water Supply:

- a. The location and type of water supply has been addressed as number 11 within the previous drilling plan information.

6. Source of Construction Material:

- a. The use of materials will conform to 43 CFR 3610.2-3.
- b. No construction materials will be removed from SITLA, Federal or Tribal lands.
- c. If any gravel is used, it will be obtained from a state approved gravel pit.

7. Methods of Handling Waste Disposal:

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities.
- b. Drill cuttings will be contained and buried on site.
- c. The reserve pit will be located outboard of the location and along the south side of the pad.
- d. The reserve pit will be constructed so as not to leak, break, or allow any discharge.

- e. The reserve pit will be lined with 16 mil minimum thickness plastic nylon reinforced liner material. The liner will overlay a felt liner pad. The pit 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. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- f. The reserve pit has been located in cut material. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. After the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the 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, testing, or completion of the well.
- h. Trash will be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to the approved Uintah County Landfill near Vernal, Utah.
- i. Produced fluids from the well other than water 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.
- j. After initial clean-up, a 400 bbl tank will be installed to contain produced waste water. This water will be transported from the tank to an approved Dominion disposal well for disposal.
- k. Produced water from the production well will be disposed of at the RBU 13-11F or RBU 16-19F disposal wells in accordance with Onshore Order #7.
- l. 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.
- m. Sanitary facilities will be on site at all times during operations. Sewage will be placed in a portable chemical toilet and the toilet replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

8. Ancillary Facilities:

- a. Garbage Containers and Portable Toilets are the only ancillary facilities proposed in this application.

9. Well Site Layout: (See Exhibit B)

- a. The well will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the east.
- c. The pad and road designs are consistent with SITLA specification

- d. A pre-construction meeting with responsible company representative, contractors and the SITLA will be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road will be construction-staked prior to this meeting.
- e. The pad has been staked at its maximum size as reflected on the location layout; however it will be constructed smaller if possible, depending upon rig availability. Should the layout change, this application will be amended and approved utilizing a sundry notice.
- f. All surface disturbing activities, will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- g. All cut and fill slopes will be such that stability can be maintained for the life of the activity.
- h. Diversion ditches will be constructed as shown around the well site to prevent surface waters from entering the well site area.
- i. The site surface will be graded to drain away from the pit to avoid pit spillage during large storm events.
- j. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a windrow on the uphill side of the location to prevent any possible contamination. All topsoil will be stockpiled for reclamation in such a way as to prevent soil loss and contamination.
- k. Pits will remain fenced until site cleanup.
- l. The blooie line will be located at least 100 feet from the well head.
- m. Water injection may be implemented if necessary to minimize the amount of fugitive dust.

10. Plans for Restoration of the Surface:

- a. Site reclamation for a producing well will be accomplished for portions of the site not required for the continued operation of the well.
- b. The Operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the SITLA or the appropriate County Extension Office.
- c. Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1. Once the reserve pit is dry, the plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit. The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.
- d. The cut and fill slopes and all other disturbed areas not needed for the production operation will be top soiled and re-vegetated. The stockpiled topsoil will be evenly distributed over the disturbed area.
- e. Prior to reseeding the site, all disturbed areas, including the access road, will be scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the SITLA and the BLM.

11. Surface and Mineral Ownership:

- a. Surface Ownership – State of Utah – under the management of the SITLA -State Office, 675 East 500 South, Suite 500, Salt Lake, City, Utah 84102-2818; 801-538-5100.
- b. Mineral Ownership – State of Utah – under the management of the SITLA -State Office, 675 East 500 South, Suite 500, Salt Lake, City, Utah 84102-2818; 801-538-5100.

12. Other Information:

- a. AIA Archaeological has conducted a Class III archeological survey. A copy of the report has been submitted under separate cover to the appropriate agencies by AIA Archaeological.
- b. Alden Hamblin has conducted a paleontological survey. A copy of the report has been submitted under separate cover to the appropriate agencies by Alden Hamblin.
- c. Additional information:
 - a. No drainage crossings that require additional State or Federal approval are being crossed.
 - b. No raptor habitat is known to exist within 1 mile of the proposed wellsite.
 - c. **An off-lease federal right-of-way is necessary prior to any construction outside of state section 32.**

13. Operator’s Representative and Certification

Title	Name	Office Phone
Company Representative (Roosevelt)	Ken Secret	1-435-722-4521
Company Representative (Oklahoma)	Barbara Lester	1-405-749-5237
Agent for Dominion	Don Hamilton	1-435-719-2018

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Dominion Exploration & Production, Inc. and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under Dominion’s State and BLM bond. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Signature: Don Hamilton Date: 4-16-07

DOMINION EXPLR. & PROD., INC.
KINGS CANYON #16-32E
SECTION 32, T10S, R19E, S.L.B.&M.

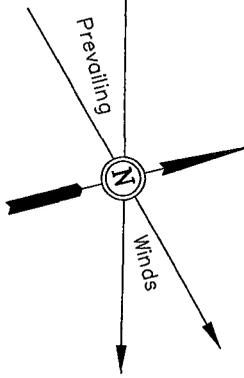
PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.1 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 2.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 5.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE WEST; FOLLOW ROAD FLAGS IN A WESTERLY DIRECTION APPROXIMATELY 400' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 60.8 MILES.

DOMINION EXPLR. & PROD., INC.

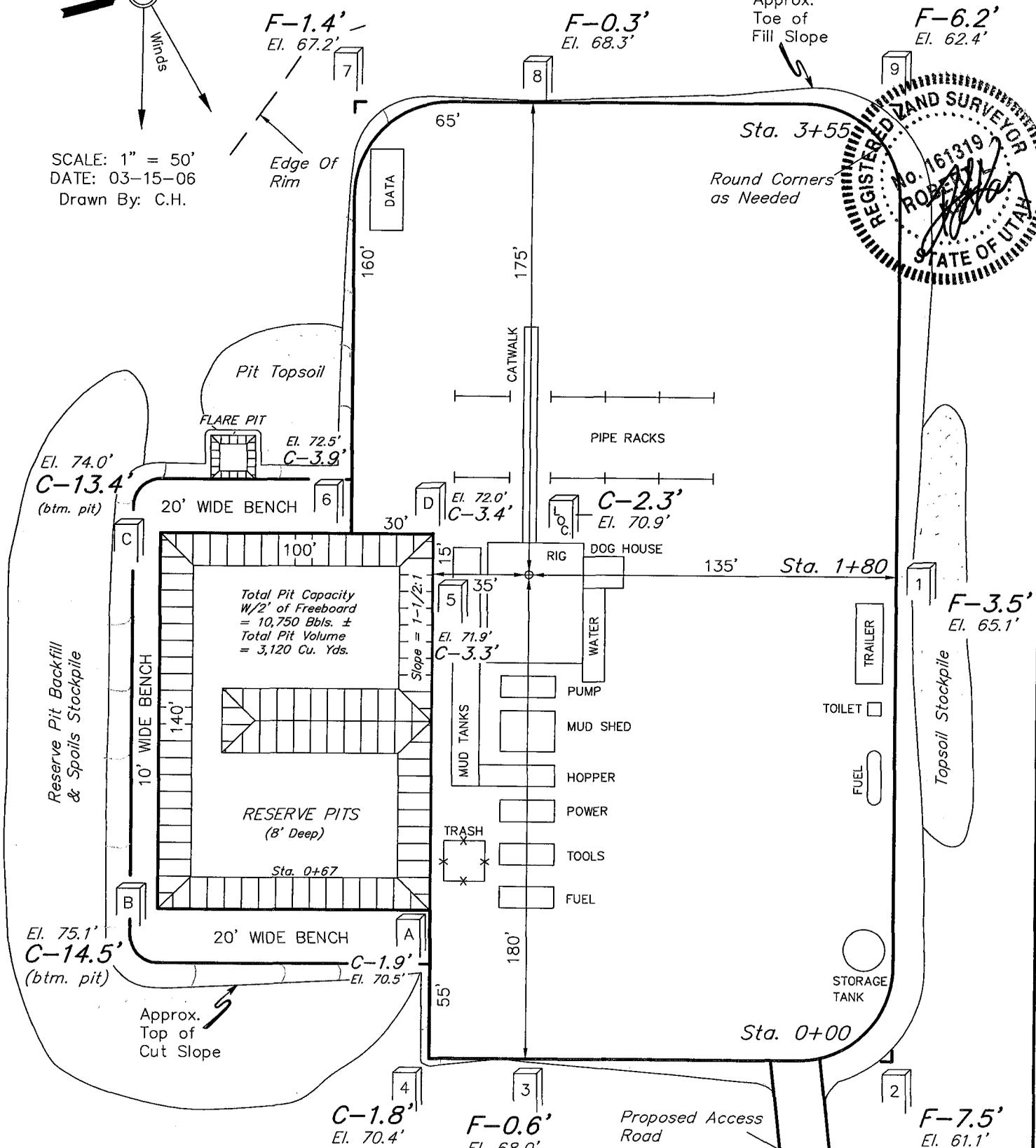
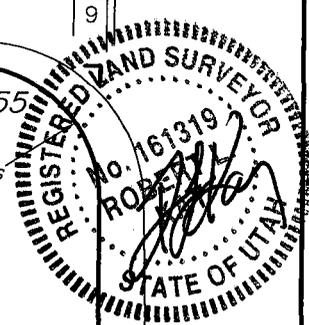
LOCATION LAYOUT FOR

KINGS CANYON #16-32F
SECTION 32, T10S, R19E, S.L.B.&M.
942' FSL 415' FEL



SCALE: 1" = 50'
DATE: 03-15-06
Drawn By: C.H.

Approx. Toe of Fill Slope



Elev. Ungraded Ground at Location Stake = 5370.9'
Elev. Graded Ground at Location Stake = 5368.6'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

DOMINION EXPLR. & PROD., INC.

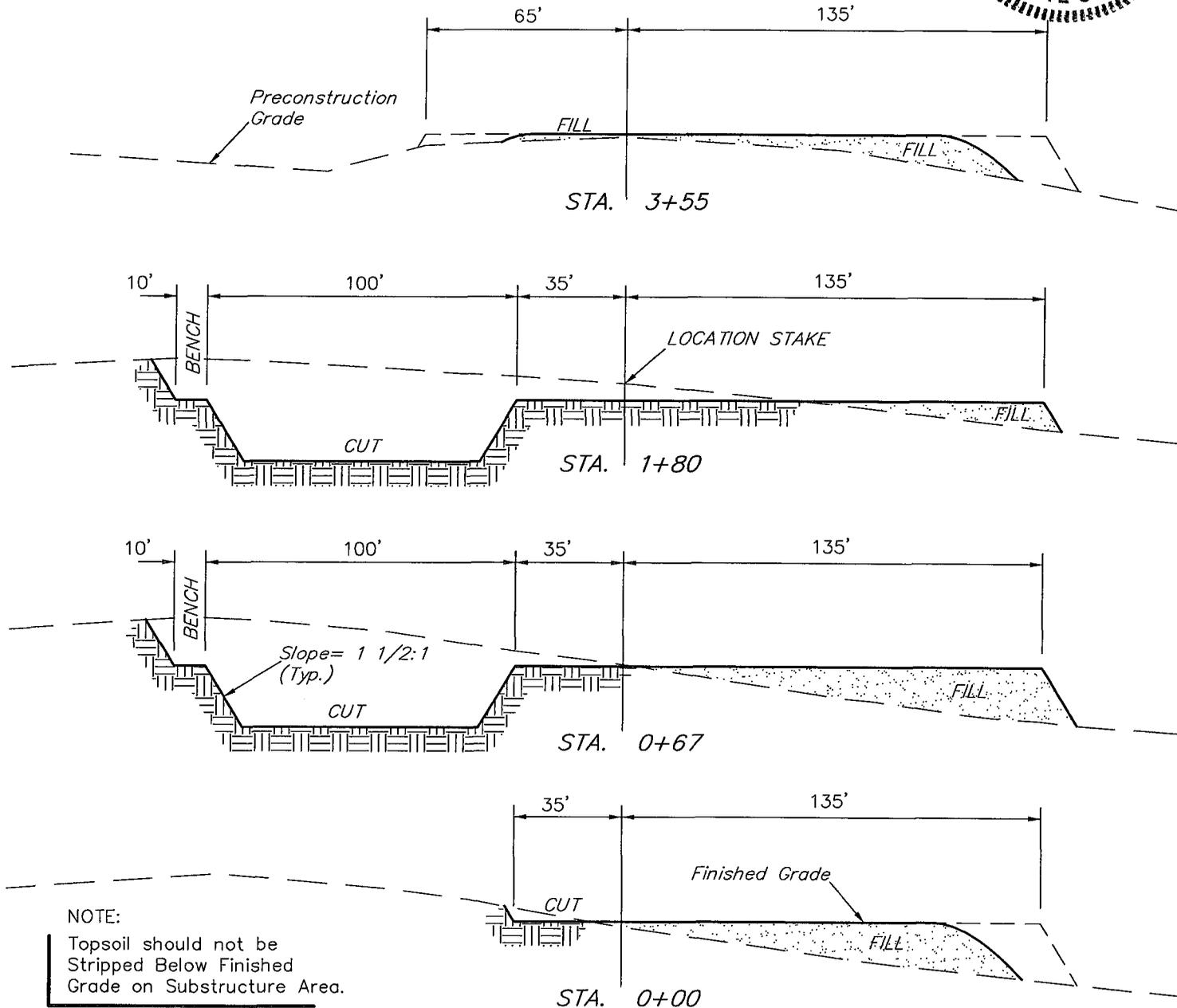
TYPICAL CROSS SECTIONS FOR

KINGS CANYON #16-32F
SECTION 32, T10S, R19E, S.L.B.&M.
942' FSL 415' FEL



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

DATE: 03-15-06
Drawn By: C.H.



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 = 1,760 Cu. Yds.

Remaining Location = 7,440 Cu. Yds.

TOTAL CUT = 9,200 CU.YDS.

FILL = 5,880 CU.YDS.

EXCESS MATERIAL = 3,320 Cu. Yds.

Topsoil & Pit Backfill = 3,320 Cu. Yds.
(1/2 Pit Vol.)

EXCESS UNBALANCE = 0 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

DOMINION EXPLR. & PROD., INC.

KINGS CANYON #16-32E

LOCATED IN UINTAH COUNTY, UTAH
SECTION 32, T10S, R19E, S.L.B.&M.

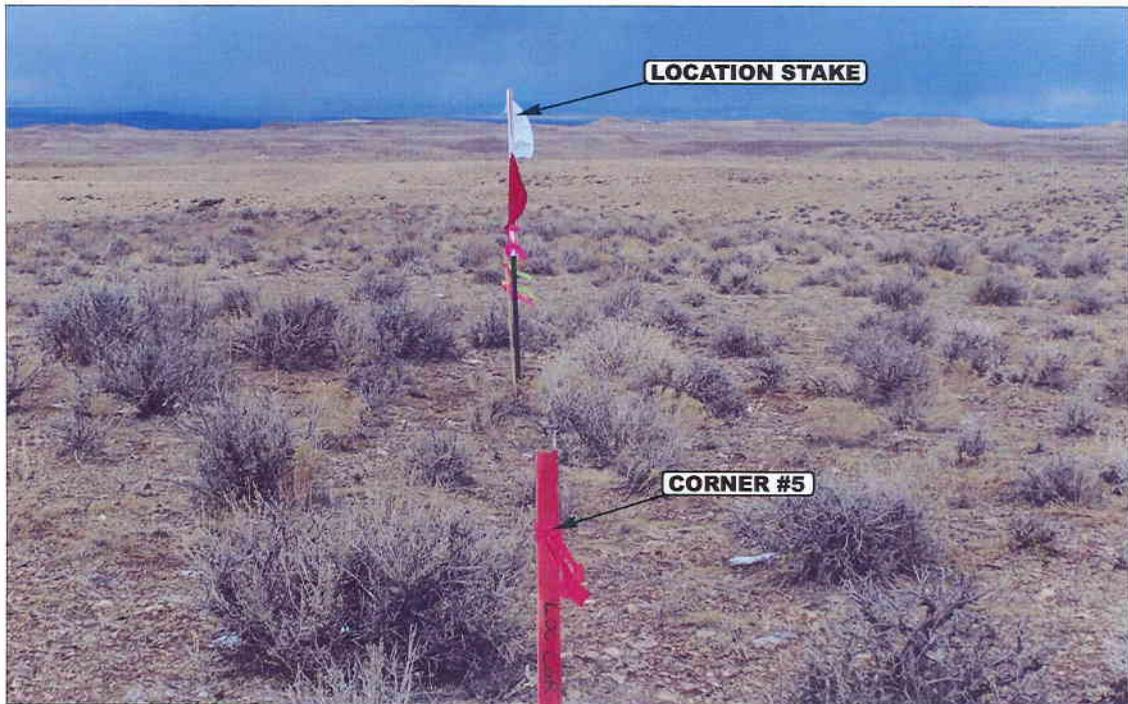


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

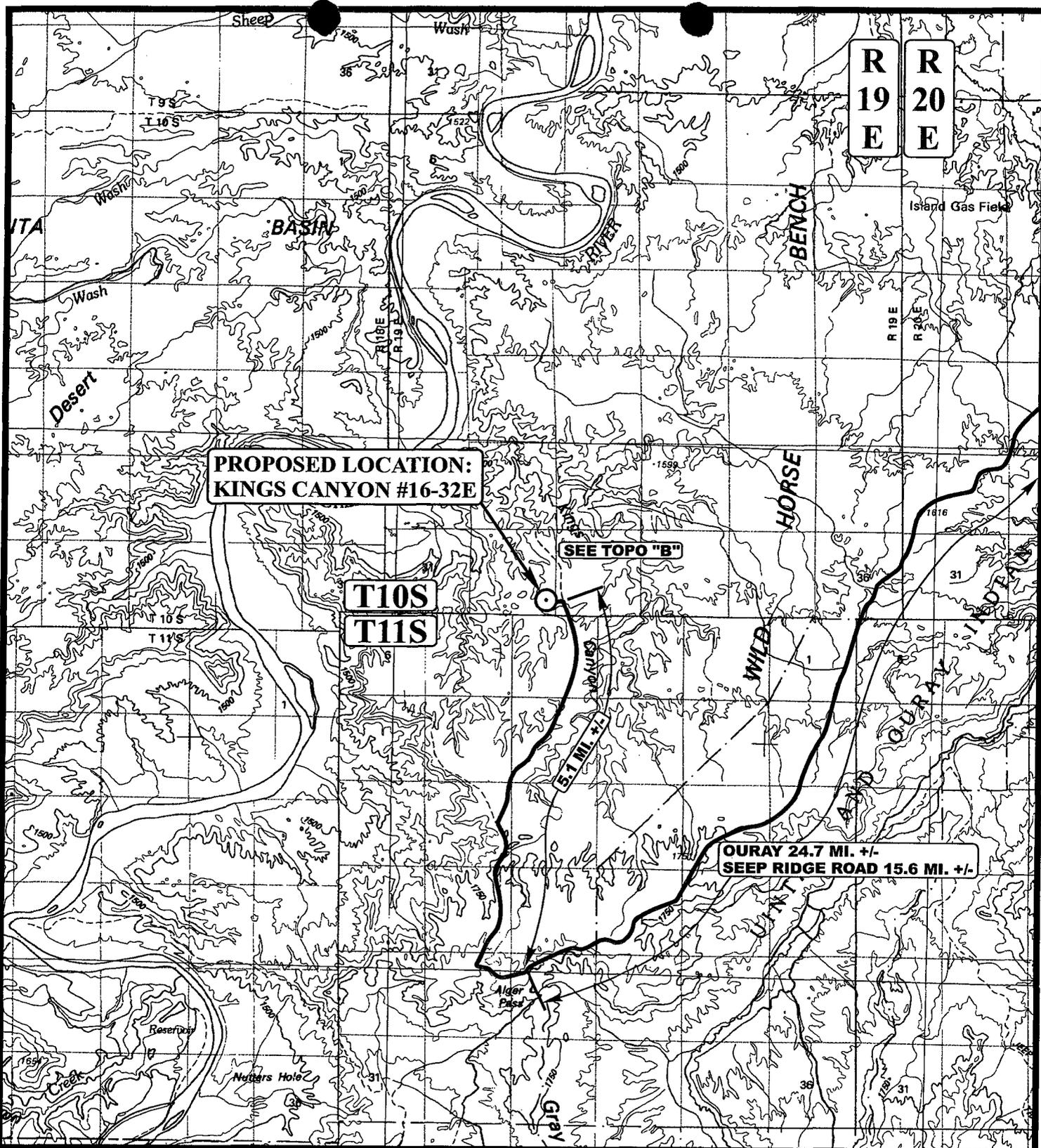
03 20 06
MONTH DAY YEAR

PHOTO

TAKEN BY: D.R.

DRAWN BY: C.P.

REVISED: 00-00-00



LEGEND:

⊙ PROPOSED LOCATION



DOMINION EXPLR. & PROD., INC.

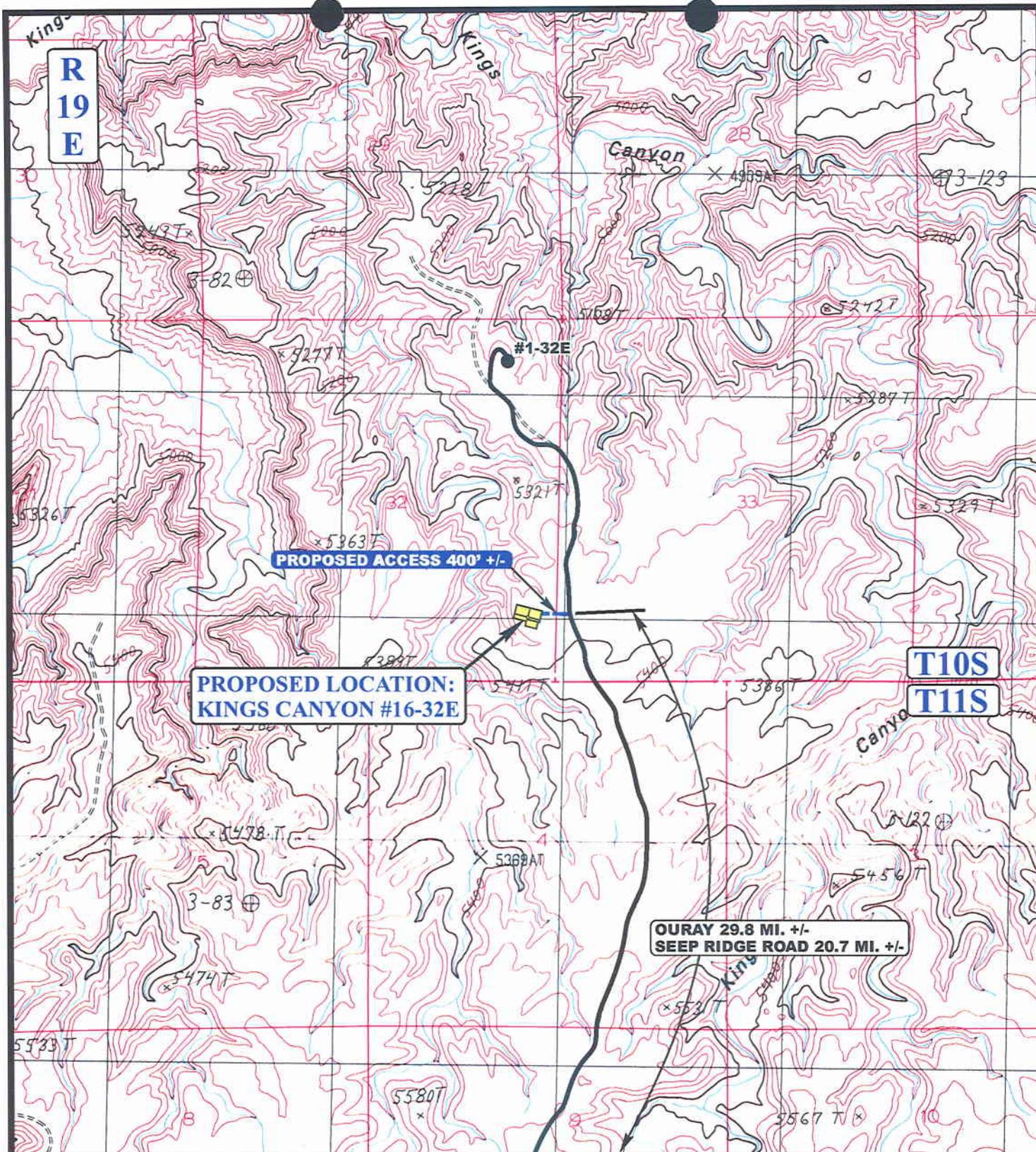
KINGS CANYON #16-32E
SECTION 32, T10S, R19E, S.L.B.&M.
942' FSL 415' FEL



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

TOPOGRAPHIC	03	20	06
MAP	MONTH	DAY	YEAR
SCALE: 1:100,000	DRAWN BY: C.P.		REVISED: 00-00-00





LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



DOMINION EXPLR. & PROD., INC.

KINGS CANYON #16-32E
SECTION 32, T10S, R19E, S.L.B.&M.
942' FSL 415' FEL



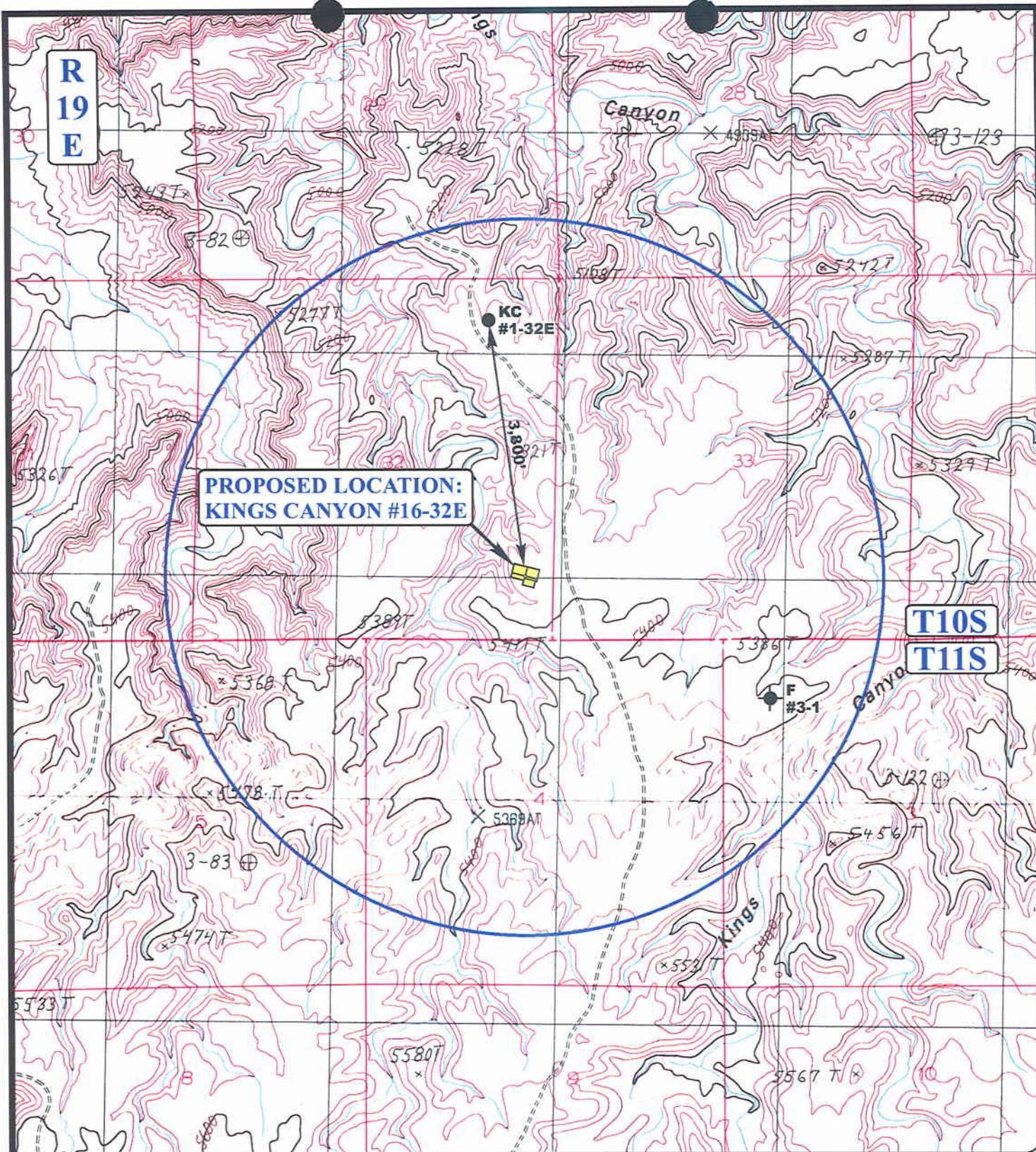
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

03 20 06
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





**PROPOSED LOCATION:
KINGS CANYON #16-32E**

KC #1-32E
3,800'

**T10S
T11S**

LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- ⊖ SHUT IN WELLS
- ⊕ WATER WELLS
- ⊙ ABANDONED WELLS
- ⊖ TEMPORARILY ABANDONED



DOMINION EXPLR. & PROD., INC.

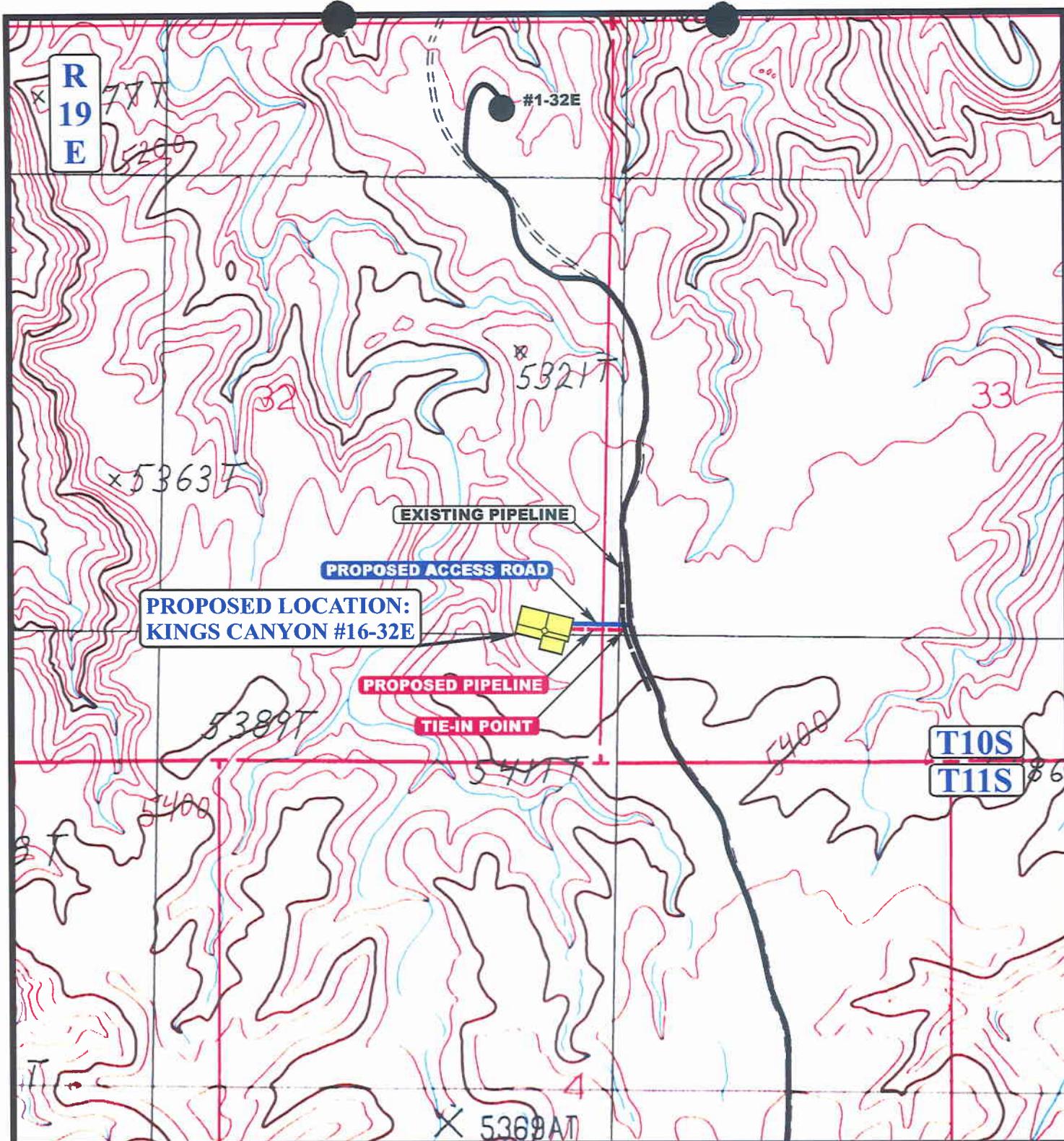
KINGS CANYON #16-32E
SECTION 32, T10S, R19E, S.L.B.&M.
942' FSL 415' FEL



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

TOPOGRAPHIC MAP
 03 20 06
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 403' +/-

LEGEND:

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



DOMINION EXPLR. & PROD., INC.

KINGS CANYON #16-32E
SECTION 32, T10S, R19E, S.L.B.&M.
942' FSL 415' FEL



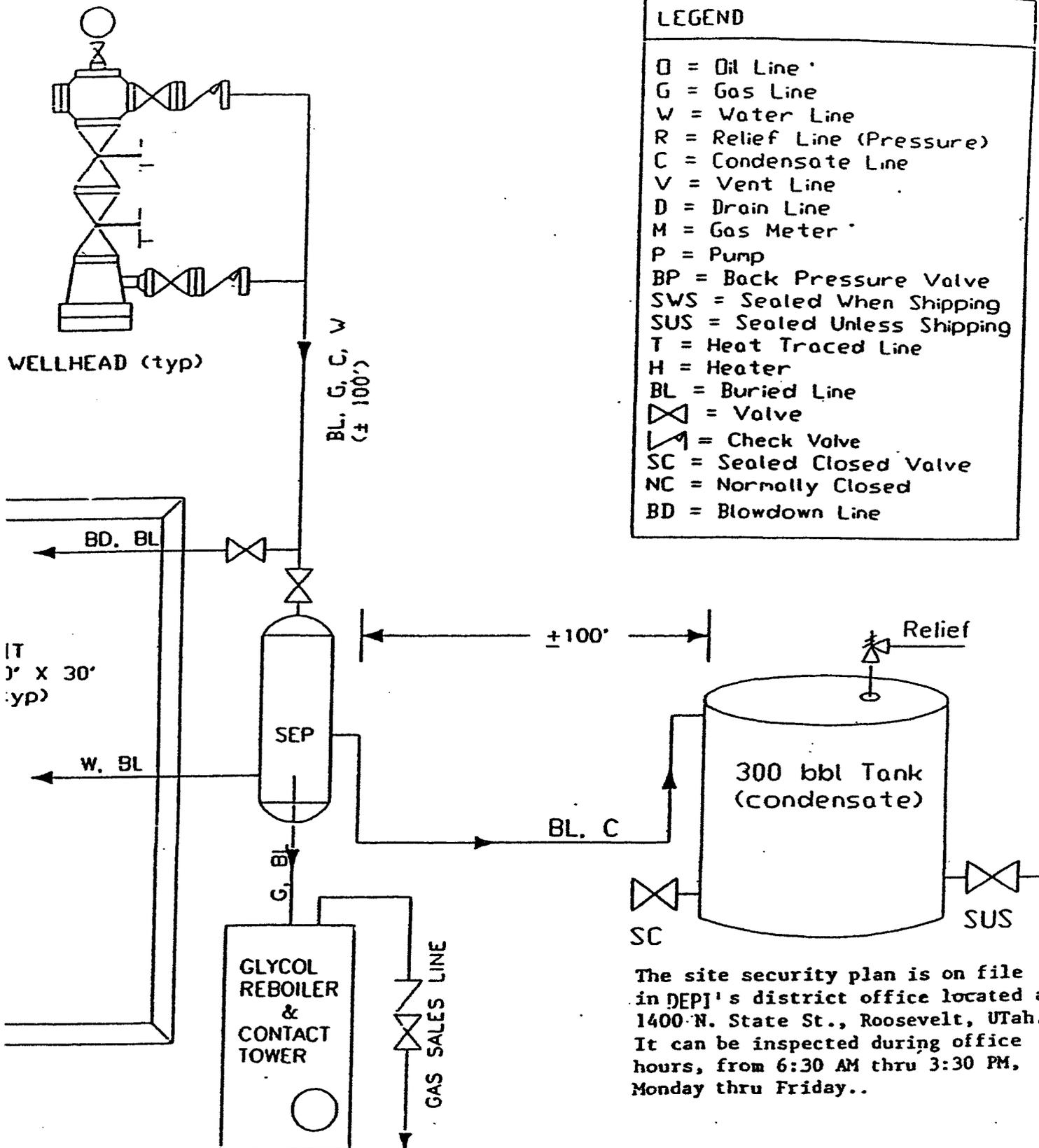
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

03 20 06
 MONTH DAY YEAR

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

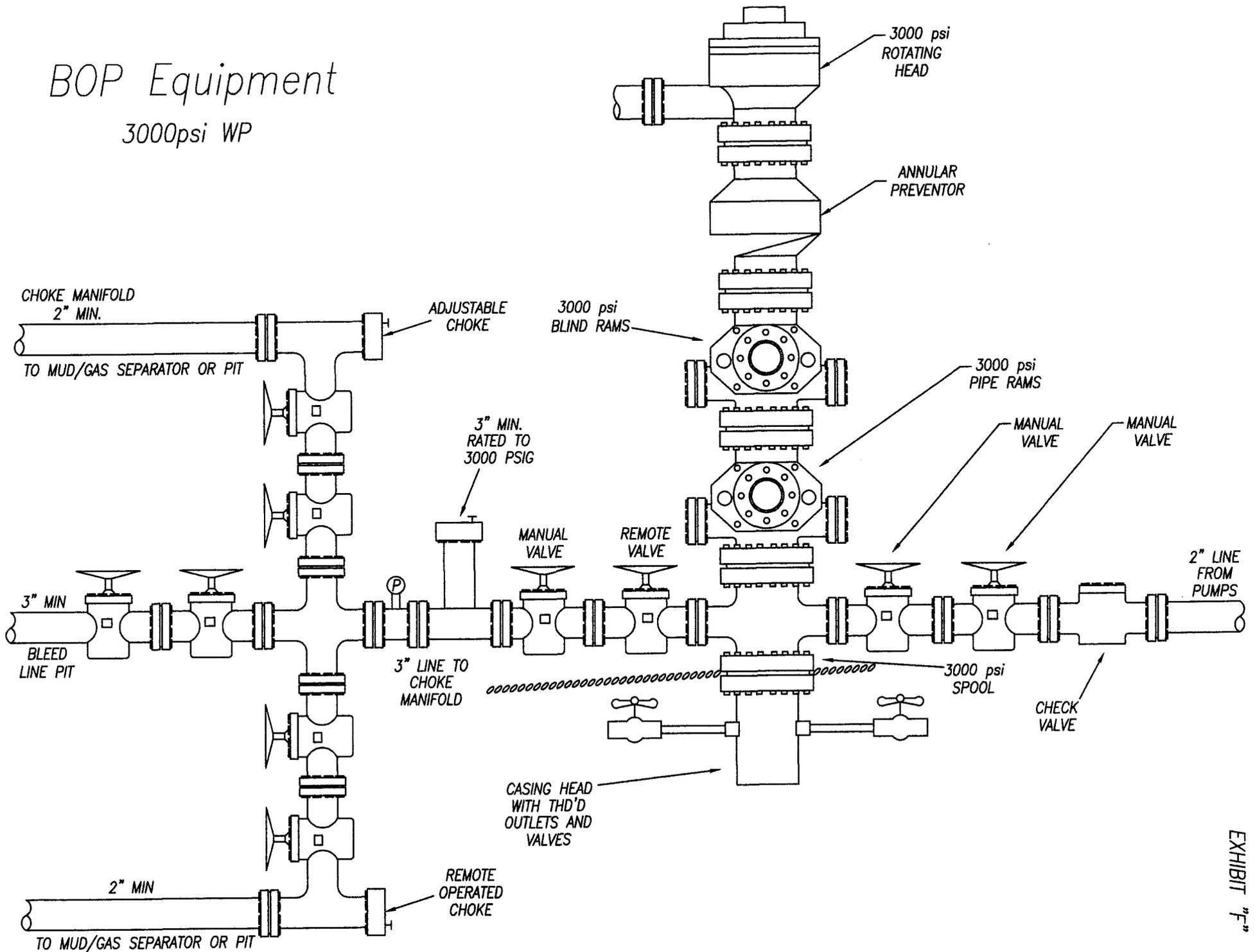




The site security plan is on file in DEPI's district office located at 1400 N. State St., Roosevelt, Utah. It can be inspected during office hours, from 6:30 AM thru 3:30 PM, Monday thru Friday..

BOP Equipment

3000psi WP



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/19/2007

API NO. ASSIGNED: 43-047-39219

WELL NAME: KC 16-32E
 OPERATOR: DOMINION EXPL & PROD (N1095)
 CONTACT: DON HAMILTON

PHONE NUMBER: 405-749-5237

PROPOSED LOCATION:

SESE 32 100S 190E
 SURFACE: 0942 FSL 0415 FEL
 BOTTOM: 0942 FSL 0415 FEL
 COUNTY: UINTAH
 LATITUDE: 39.89879 LONGITUDE: -109.7970
 UTM SURF EASTINGS: 602841 NORTHINGS: 4417007
 FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKN	6/25/07
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-047059
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: MVRD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 76S63050600)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-10447)
- 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:

Need Update (05-04-07)

STIPULATIONS:

- 1- Spacing Strip
- 2- STATEMENT OF BASIS
- 3- Surface Csg Cont Strip

DESERT SPRINGS
FED 29-1

T10S R19E

NATURAL BUTTES FIELD

KINGS CYN
2-32E
BHL
2-32E

KINGS
CANYON
1-32E

KC 8-32E
+

KC 6-32E

32

KINGS CYN
11-32E

KINGS CYN
9-32E

KC 12-32E

KC 15-32E

KC 16-32E

BHL
13-32E

KC 14-32E
KC 13-32E

BHL
15-32E

KC 18-32E

T11S R19E

OPERATOR: DOMINION EXPL & PROD (N1095)

SEC: 32 T.10S R. 19E

FIELD: NATURAL BUTTES (630)

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



PREPARED BY: DIANA MASON
DATE: 3-MAY-2007

Application for Permit to Drill

Statement of Basis

5/15/2007

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
394	43-047-39219-00-00		GW	S	No
Operator	DOMINION EXPL & PROD INC		Surface Owner-APD		
Well Name	KC 16-32E		Unit		
Field	UNDESIGNATED		Type of Work		
Location	SESE 32 10S 19E S 942 FSL 415 FEL GPS Coord (UTM) 602841E 4417007N				

Geologic Statement of Basis

Dominion proposes to set 2,000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 4,500 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The production string cement should be brought up above the base of the moderately saline water to prevent it from mixing with fresher waters up hole.

Brad Hill

5/15/2007

APD Evaluator

Date / Time

Surface Statement of Basis

The general area is known as Wild Horse Bench and is located approximately 15 air miles southwest of Ouray, Utah. Wild Horse Bench is a large open flat area with somewhat steep and frequent side-draws draining to the west toward the Green River and the northeast toward Willow Creek. The Uintah and Ouray Indian Reservation is to the east and north. Drainages are ephemeral and no known springs, streams or seeps exist.

The Kings Canyon #16-32 location is on an extension of the ridge between Kings Canyon to the east and breaks into the canyon and the Green River to the west. The Green River is down drainage approximately 2-1/2 miles. This ridge extends to a swale on the east and a sharp break into a deep rugged canyon on the west. A rounded swale begins in the center of the location and extends north. It will be filled during construction. Location corners 7 thru 9 extend to near the edge of the sharp vertical breaks on the west. A road 400 feet in length will access the location from an existing road to the KC #1-32E Well. The bench has a fair native desert shrub-grass vegetation cover with open spaces protected by a brown rock pavement. Surface run-off is light

The pre-drill investigation did not reveal any significant issues or situations, which should prohibit access to or drilling and operating this well.

Both the surface and minerals are owned by SITLA. Mr. Ed Bonner and Jim Davis of SITLA were invited to the pre-site visit. Neither attended.

n.

Floyd Bartlett

5/4/2007

Onsite Evaluator

Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.

Application for Permit to Drill

Statement of Basis

5/15/2007

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
394	43-047-39219-00-00		GW	S	No
Operator	DOMINION EXPL & PROD INC		Surface Owner-APD		
Well Name	KC 16-32E		Unit		
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5/15/2007

APD Evaluator

Date / Time

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Floyd Bartlett

5/4/2007

Onsite Evaluator

Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator DOMINION EXPL & PROD INC
Well Name KC 16-32E
API Number 43-047-39219-0 **APD No** 394 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 SESE **Sec** 32 **Tw** 10S **Rng** 19E 942 FSL 415 FEL
GPS Coord (UTM) 602842 4417017 **Surface Owner**

Participants

Floyd Bartlett (DOGM), Don Hamilton (Buys and Associates-Consultant), Ken Secrist (Dominion), Ben Williams and Daniel Emmett (UDWR), Brandon Bowthorpe (U.E.L.S.), Bill McClure (LaRose Construction)

Regional/Local Setting & Topography

The general area is known as Wild Horse Bench and is located approximately 15 air miles southwest of Ouray, Utah. Wild Horse Bench is a large open flat area with somewhat steep and frequent side-draws draining to the west toward the Green River and the northeast toward Willow Creek. The Uintah and Ouray Indian Reservation is to the east and north. Drainages are ephemeral and no known springs, streams or seeps exist.

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Both the surface and minerals are owned by SITLA.

Surface Use Plan

Current Surface Use

Grazing
Recreational
Wildlfe Habitat

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0.09	Width 280	Length 355	Onsite
			UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Moderately vegetated with big sagebrush, broom snakeweed, curly mesquite, shadscale, and globe mallow.

Antelope, deer, elk, coyotes, rabbits and miscellaneous small mammals and birds.

Soil Type and Characteristics

Shallow rocky loamy sand.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? N **Paleo Potential Observed?** N **Cultural Survey Run?** Y **Cultural Resources?** N

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	300 to 1320	10
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

Final Score 25 1 **Sensitivity Level**

Characteristics / Requirements

100' x 140' x 8' deep located in an area of cut on the southeast side of the location. Sensitivity level 1. Liner and sub felt are both required.

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 16 **Pit Underlayment Required?** Y

Other Observations / Comments

ATV's were used to access the location.

Ben Williams representing the UDWR stated the area is classified as yearlong critical habitat for antelope but water not forage is the factor limiting the growth of the herd. It is also classified as limited value yearlong habitat for deer and elk. He did not recommend any restrictions for any of these species. He furnished Don Hamilton, Dominion Permit Agent copies of his evaluation and a recommended seed mix to be used when the site is re-vegetated.

Floyd Bartlett
Evaluator

5/4/2007
Date / Time

Casing Schematic

BHP $0.052(9900)8.6 = 4427 \text{ psi}$
anticipate $< 2000 \text{ psi}$

Gas $.12(9900) = 1188$
Gas/cas $4427 - 1188 = 3239 \text{ psi, MASP}$
BOPE 2249 psi

Burst 3930
70% 2751 psi

Max P @ Surf. shoe
 $.22(7900) = 1738$
 $4427 - 1738 = 2689 \text{ psi}$
test to 2689 psi

Stop surf. cont. ✓

✓ Adequate DRP $6/25/07$

8-5/8"
MW 8.4
Frac 19.3

5-1/2"
MW 8.6

12 7/8"
18 7/8"

Surface

Uintank

TOC @ 481. to surf w/ 8% w/o
propose TOC to surface ✓
K-STEP

TOC @ 1393.

Surface
2000. MD

- 3865' Wasatch Tongue
- 4205' Green River Tongue
- 4345' Wasatch
- 4500' ± BMSW
- 5235' Chapita Wells
- 6585' Upland Buttes
- 7495' Mesaverde

Production
9900. MD

Well name:

2007-05 Dominion KC 16-32EOperator: **Dominion Exploration & Production, Inc.**String type: **Surface**

Project ID:

43-047-39219

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: 103 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 481 ft

BurstMax anticipated surface
pressure: 1,760 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,000 psiNo backup mud specified.
Depth of change: 2,000 ft
Upper annular mud: 0.000 ppg**Tension:**8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.60 (B)Tension is based on buoyed weight.
Neutral point: 1,750 ft**Non-directional string.****Re subsequent strings:**Next setting depth: 9,900 ft
Next mud weight: 8.600 ppg
Next setting BHP: 4,423 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure: 2,000 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 (ft ³)
1	2000	8.625	32.00	J-55	ST&C	2000	2000	7.875	684.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	873	2530	2.899	2000	3930	1.97	56	372	6.64 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & MineralsPhone: 801-538-5357
FAX: 801-359-3940Date: May 23, 2007
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 2000 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:

2007-05 Dominion KC 16-32E

Operator: **Dominion Exploration & Production, Inc.**

String type: **Production**

Project ID:

43-047-39219

Location: **Uintah County**

Design parameters:

Collapse

Mud weight: 8.600 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: 214 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Burst:

Design factor 1.00

Cement top: 1,393 ft

Burst

Max anticipated surface pressure: 2,245 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 4,423 psi

No backup mud specified.
Depth of change: 2,000 ft
Upper annular mud: 0.000 ppg

Tension:

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

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 8,609 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	9900	5.5	17.00	Mav-80	LT&C	9900	9900	4.767	1292.2
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	4423	6290	1.422	4423	7740	1.75	146.4	272.9	1.86 B

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357
FAX: 801-359-3940

Date: May 23, 2007
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 9900 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

From: Ed Bonner
To: Mason, Diana
Date: 6/27/2007 11:46 AM
Subject: Well Clearance

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

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

Dominion Exploration & Production, Inc
KC 16-32E (API 43 047 39219)
KC 14-32E (API 43 047 39218)

EOG Resources, Inc
Chapita Wells Unit 697-32 (API 43 047 39197)
Chapita Wells Unit 698-32 (API 43 047 39216)
Chapita Wells Unit 699-32 (API 43 047 39199)

Kerr McGee Oil & Gas Onshore LP
Love 1121-16C (API 43 047 39143)
Love 1121-16E (API 43 047 39144)
Love 1121-16G (API 43 047 39145)
Love 1121-16I (API 43 047 39146)
Love 1121-16K (API 43 047 39147)
Love 1121-16M (API 43 047 39148)
Love 1121-16O (API 43 047 39149)
State 1021-28P (API 43 047 39096)
State 1021-28N (API 43 047 39097)
State 1021-28M (API 43 047 39098)
State 1021-28L (API 43 047 39099)
NBU 1021-28F (API 43 047 39100)
NBU 1021-28E (API 43 047 39101)
NBU 1021-28D (API 43 047 39102)
NBU 1021-28C (API 43 047 39103)
NBU 1021-28B (API 43 047 39104)
NBU 1021-28K (API 43 047 39105)
NBU 1021-28I (API 43 047 39106)
NBU 1022-24B (API 43 047 39389)

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



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

June 28, 2007

Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134

Re: KC 16-32E Well, 942' FSL, 415' FEL, SE SE, Sec. 32, T. 10 South, R. 19 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 43-047-39219.

Sincerely,

Gil Hunt
Associate Director

er
Enclosures

cc: Uintah County Assessor
SITLA

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
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.
7. Surface casing shall be cemented to the surface.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

- | |
|--------|
| 1. DJJ |
| 2. CDW |

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

7/1/2007

FROM: (Old Operator): N1095-Dominion Exploration & Production, Inc 14000 Quail Springs Parkway, Suite 600 Oklahoma City, OK 73134 Phone: 1 (405) 749-1300	TO: (New Operator): N2615-XTO Energy Inc 810 Houston St Fort Worth, TX 76102 Phone: 1 (817) 870-2800
--	--

CA No.

Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/6/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/6/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/6/2007
- 4a. Is the new operator registered in the State of Utah: _____ Business Number: 5655506-0143
- 4b. If **NO**, the operator was contacted on: _____
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: _____
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: _____
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: _____

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 9/27/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/27/2007
- Bond information entered in RBDMS on: 9/27/2007
- Fee/State wells attached to bond in RBDMS on: 9/27/2007
- Injection Projects to new operator in RBDMS on: 9/27/2007
- Receipt of Acceptance of Drilling Procedures for APD/New on: 9/27/2007

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000138
- Indian well(s) covered by Bond Number: n/a
- 3a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 104312762
- 3b. The **FORMER** operator has requested a release of liability from their bond on: 1/23/2008

The Division sent response by letter on:

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on:

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: XTO Energy Inc. <i>N2615</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 810 Houston Street CITY Fort Worth STATE TX ZIP 76102		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: SEE ATTACHED		8. WELL NAME and NUMBER: SEE ATTACHED
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		9. API NUMBER: SEE ATTACHED
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Natural Buttes
STATE: UTAH		

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

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

Effective July 1, 2007, XTO Energy Inc. has purchased the wells listed on the attachment from:

Dominion Exploration & Production, Inc. *N1095*
14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134

James D. Abercrombie
James D. Abercrombie *(405) 749-1300*
Sr. Vice President, General Manager - Western Business Unit

Please be advised that XTO Energy Inc. is considered to be the operator on the attached list and is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands. Bond coverage is provided by Nationwide BLM Bond #104312750 and Department of Natural Resources Bond #104312762.

NAME (PLEASE PRINT) Edwin S. Ryan, Jr. TITLE Sr. Vice President - Land Administration
SIGNATURE *Edwin S. Ryan, Jr.* DATE 7/31/2007

(This space for State use only)

APPROVED 91271107
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
AUG 06 2007
DIV. OF OIL, GAS & MINING

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

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	SEE ATTACHED LIST
API number:	
Location:	Qtr-Qtr: Section: Township Range
Company that filed original application:	DOMINION E&P
Date original permit was issued:	
Company that permit was issued to:	DOMINION E&P

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property as permitted, 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.	Yes	No
If located on private land, has the ownership changed?		<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?		<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>104312762</u>	<input checked="" type="checkbox"/>	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) HOLLY C. PERKINS Title REGULATORY COMPLIANCE TECH
 Signature *Holly C. Perkins* Date 08/27/2007
 Representing (company name) XTO ENERGY INC.

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

AUG 30 2007

N1095 DOMINION E and P, INC. to N2615 XTO ENERGY, INC.

api	well_name	qtr	qtr	sec	twp	rng	lease_num	entity	Lease	well	stat
4303930028	SKYLINE U 14-28	SESW		28	140S	060E	UTU-77262		Federal	GW	APD
4303930029	SKYLINE U 8-7	SENE		07	150S	060E	UTU-78415		Federal	GW	APD
4304737195	KC 6-33E	SENW		33	100S	190E	UTU-49522		Federal	OW	APD
4304737196	KC 9-33E	NESE		33	100S	190E	UTU-49522		Federal	OW	APD
4304737197	KC 11-33E	NESW		33	100S	190E	UTU-49522		Federal	OW	APD
4304738075	LCU 7-9H	NWSE		09	110S	200E	UTU-76265		Federal	GW	APD
4304738689	RBU 15-8E	NENE		17	100S	190E	U-013766		Federal	GW	APD
4304738783	KC 14-33E	SESW		33	100S	190E	UTU-49522		Federal	GW	APD
4304738868	LOVE 12-20G	NWSW		20	110S	210E	UTU-076040		Federal	GW	APD
4304738889	KC 9-31E	NESE		31	100S	190E	UTU-81719		Federal	GW	APD
4304738890	KC 13-31E	SWSW		31	100S	190E	UTU-81719		Federal	GW	APD
4304738891	KC 12-33E	NWSW		33	100S	190E	UTU-49522		Federal	GW	APD
4304738948	KC 14-31E	SESW		31	100S	190E	UTU-081719		Federal	GW	APD
4304738949	KC 3-33E	NENW		33	100S	190E	UTU-49522		Federal	GW	APD
4304739051	KC 15-31E	SWSE		31	100S	190E	UTU-81719		Federal	GW	APD
4304739068	KC 7-33E	SWNE		33	100S	190E	UTU-49522		Federal	GW	APD
4304739069	KC 13-33E	SWSW		33	100S	190E	UTU-49522		Federal	GW	APD
4304739070	KC 15-33E	SWSE		33	100S	190E	UTU-49522		Federal	GW	APD
4304739415	WHB 4-5H	NWNW		05	110S	200E	UTU-39223		Federal	GW	APD
4304739416	WHB 12-5H	NWSW		05	110S	200E	UTU-39223		Federal	GW	APD
4304739417	WHB 13-5H	SWSW		05	110S	200E	UTU-39223		Federal	GW	APD
4304739440	WHB 4-8H	NWNW		08	110S	200E	UTU-39223		Federal	GW	APD
4304739441	WHB 5-5H	NWNW		05	110S	200E	UTU-39223		Federal	GW	APD
4304738262	KINGS CYN 9-32E	NESE		32	100S	190E	ML-047059		State	GW	APD
4304738342	LCU 12-12H	NWSW		12	110S	200E	FEE		Fee	GW	APD
4304738378	KINGS CYN 11-32E	NESW		32	100S	190E	ML-047059		State	GW	APD
4304738690	KINGS CYN 11-36D	NESW		36	100S	180E	ML-47058		State	GW	NEW
4304738779	KC 5-36D	SWNW		36	100S	180E	ML-47058		State	GW	APD
4304738781	KC 6-32E	SENW		32	100S	190E	ML-47059		State	GW	APD
4304738782	KC 15-32E	NWSE		32	100S	190E	ML-047059		State	GW	APD
4304738786	AP 11-2J	NESW		02	110S	190E	ML-36213		State	GW	APD
4304738787	AP 13-2J	SWSW		02	110S	190E	ML-36213		State	GW	APD
4304738950	KC 13-32E	SESW		32	100S	190E	ML-047059		State	GW	APD
4304739218	KC 14-32E	SESW		32	100S	190E	ML-047059		State	GW	APD
4304739219	KC 16-32E	SESE		32	100S	190E	ML-047059		State	GW	APD
4304739222	LCU 14-12H	SESW		12	110S	200E	FEE		Fee	GW	APD
4304739315	AP 12-2J	NWSW		02	110S	190E	ML-36213		State	GW	NEW

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: ML-47059
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME: Undesignated
2. NAME OF OPERATOR: XTO Energy, Inc.			8. WELL NAME and NUMBER: KC 16-32E
3. ADDRESS OF OPERATOR: P.O. Box 1360 CITY Roosevelt STATE UT ZIP 84066		PHONE NUMBER: (435) 722-4521	9. API NUMBER: 4304739219
4. LOCATION OF WELL: FOOTAGES AT SURFACE: 942' FSL & 415' FEL			10. FIELD AND POOL, OR WILDCAT: Undesignated
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 32 10S 19E S			COUNTY: Uintah
			STATE: UTAH

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

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

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

XTO Energy, Inc. hereby requests a one year extension of the state permit for the referenced well.
This is the first extension that has been requested.

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR
Date: 5.20.2008
Initials: KS
Date: 05-14-08
By: [Signature]

NAME (PLEASE PRINT) <u>Kendell Johnson</u>	TITLE <u>Agent for XTO Energy, Inc.</u>
SIGNATURE <u>[Signature]</u>	DATE <u>5/9/2008</u>

(This space for State use only)

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

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

API: 4304739219
Well Name: KC 16-32E
Location: 942' FSL & 415' FEL, SE SE, Sec. 32, 10S-19E
Company Permit Issued to: XTO Energy, Inc.
Date Original Permit Issued: 6/28/2007

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

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

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

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

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

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

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

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

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

Kendell Johnson
Signature

5/9/2008

Date

Title: Kendell Johnson

Representing: XTO Energy, Inc.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL			5. LEASE DESIGNATION AND SERIAL NUMBER:
OIL WELL <input type="checkbox"/>	GAS WELL <input checked="" type="checkbox"/>	OTHER _____	ML-47059
2. NAME OF OPERATOR:			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
XTO ENERGY INC.			N/A
3. ADDRESS OF OPERATOR:		PHONE NUMBER:	7. UNIT or CA AGREEMENT NAME:
382 CR 3100	CITY: AZTEC STATE: NM ZIP: 87410	(505) 333-3100	Undesignated
4. LOCATION OF WELL			8. WELL NAME and NUMBER:
FOOTAGES AT SURFACE: 942' FSL x 415' FEL			KC 16-32E
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 32 10S 19E S			9. API NUMBER:
			4304739219
			10. FIELD AND POOL, OR WILDCAT:
			Undesignated
			COUNTY: Uintah
			STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
XTO Energy Inc. hereby requests a one year extension of the state permit for the referenced well.

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

Date: 05-27-09
By: [Signature]

COPY SENT TO OPERATOR
Date: 6.3.2009
Initials: KS

NAME (PLEASE PRINT) <u>Eden Fine</u>	TITLE <u>Regulatory Clerk</u>
SIGNATURE <u>[Signature]</u>	DATE <u>5/21/2009</u>

(This space for State use only)

RECEIVED
MAY 27 2009
DIV. OF OIL, GAS & MINING

RESPT

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

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

API: 4304739219
Well Name: KC 16-32E
Location: 942' FSL x 415' FEL SESW 32-10S-19E
Company Permit Issued to: XTO Energy
Date Original Permit Issued: 6/28/2007

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

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

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

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

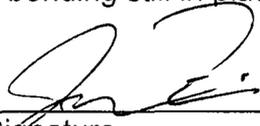
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

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

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

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



Signature

5/21/2009

Date

Title: Regulatory Clerk

Representing: XTO Energy Inc.

RECEIVED
MAY 27 2009
DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 8, 2010

XTO Energy Inc.
382 Road 3100
Aztec, NM 87410

Re: APD Rescinded – KC 16-32E, Sec. 32 T. 10S, R. 19E
Uintah County, Utah API No. 43-047-39219

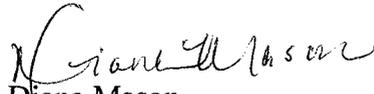
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on June 28, 2007. On May 14, 2008 and May 27, 2009, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 8, 2010.

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

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

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

