

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.
LCU 14-12H – 703' FSL & 2,083' FWL, SE/4 SW/4,
Section 12, T11S, R20E, 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 fee vertical well. The location of the surface and target location as well as all points along the intended well bore path are within Cause No. 259-01 and are not within 460 feet of the unit boundary or any uncommitted tracts. 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 with Alameda Surface Use Agreement;
- 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

RECEIVED

APR 19 2007

DIV. OF OIL, GAS & MINING

ORIGINAL

CONFIDENTIAL

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: Patented	6. SURFACE: 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 checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: Little Canyon Unit	
2. NAME OF OPERATOR: Dominion Exploration & Production, Inc.			9. WELL NAME and NUMBER: LCU 14-12H	
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 Bottoms Underwater
4. LOCATION OF WELL (FOOTAGES) 612252x 4413979y 39.869647 AT SURFACE: 703' FSL & 2,083' FWL, SE/4 SW/4, AT PROPOSED PRODUCING ZONE: -109.629041			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 12 11 20 S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 14.32 miles southeast of Ouray, Utah			12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 542'	16. NUMBER OF ACRES IN LEASE: 120	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 25'	19. PROPOSED DEPTH: 8,900	20. BOND DESCRIPTION: SITLA Blanket 76S 63050 361		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,043' GR	22. APPROXIMATE DATE WORK WILL START: 8/3/2007	23. ESTIMATED DURATION: 14 days		

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#	8,900	see Drilling Plan

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: 43-047-39222

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

APPROVAL:

Date: 06-26-07
By: [Signature]

RECEIVED

APR 19 2007

DIV. OF OIL, GAS & MINING

W 1/4 Cor. Sec. 1
Set Marked Stone,
Pile of Stones

T11S, R20E, S.L.B.&M.

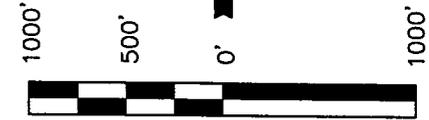
R 20
E E

DOMINION EXPLR. & PROD., INC.

Well location, LCU #14-12H, located as shown in the SE 1/4 SW 1/4 of Section 12, T11S, R20E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

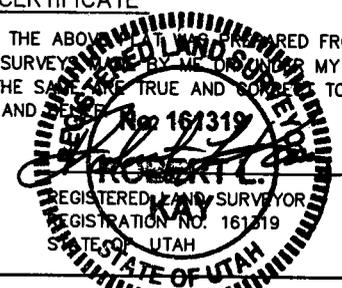
SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 20, T10S, R20E, S.L.B.&M., TAKEN FROM THE BIG PACK MTN. NW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5251 FEET.



SCALE

CERTIFICATE

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



REVISED: 09-08-06

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

SCALE 1" = 1000'	DATE SURVEYED: 06-23-06	DATE DRAWN: 06-29-06
PARTY P.J. T.A. P.M.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE DOMINION EXPLR. & PROD., INC.	

S 1/4 Sec. 3
Set Marked Stone, Pile of Stones

Section Corner
Re-Established Using
Double Proportion Method
(Not Set On Ground)

LEGEND:

- └ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED BY DOUBLE PROPORTION METHOD. (Not Set On Ground)

12

Marked Stone, Pile of Stones, Uintah County Alum. Cap

LCU #14-12H
Elev. Ungraded Ground = 5043'

Section Corner
Re-Established Using
Double Proportion Method
(Not Set On Ground)

Set Marked Stone,
Pile of Stones

N89°52'31"W - 5249.98' (Meas.)

BASIS OF BEARINGS

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

(NAD 83)
LATITUDE = 39°52'10.53" (39.869592)
LONGITUDE = 109°37'46.82" (109.629672)
(NAD 27)
LATITUDE = 39°52'10.65" (39.869625)
LONGITUDE = 109°37'44.34" (109.628983)

LINE TABLE

LINE	DIRECTION	LENGTH
L1	S89°32'56"W	2622.43'
L2	S00°00'59"E	2635.04'
L3	N89°51'19"W	7971.75'
L4	N00°32'47"E	2635.16'

E 1/4 Cor. Sec. 13
Set Marked Stone

N00°31'33"W - 5270.30' (Meas.)

N00°18'59"E - 2643.69' (Meas.)

N00°04'02"E - 2639.70' (Meas.)

L2

S 1/4 Cor. Sec. 11
Set Stone

L1

L4

L3

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: LCU 14-12H
703' FSL & 2083' FWL
Section 12-11S-20E
Uintah County, UT

1. GEOLOGIC SURFACE FORMATION Uintah

2. ESTIMATED DEPTHS OF IMPORTANT GEOLOGIC MARKERS

<u>Formation</u>	<u>Depth</u>
Wasatch Tongue	3,000'
Green River Tongue	3,325'
Wasatch	3,460'
Chapita Wells	4,335'
Uteland Buttes	5,435'
Mesaverde	6,190'

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

<u>Formation</u>	<u>Depth</u>	<u>Type</u>
Wasatch Tongue	3,000'	Oil
Green River Tongue	3,325'	Oil
Wasatch	3,460'	Gas
Chapita Wells	4,335'	Gas
Uteland Buttes	5,435'	Gas
Mesaverde	6,190'	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'	8,900'	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.

CONFIDENTIAL

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' – 8,900'	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

CONFIDENTIAL

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>Volume</u>	<u>Cement</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 8,900'±, 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>Volume</u>	<u>Cement</u> <u>Volume</u>
Lead	90	2,660'-3,460'	11.5 ppg	3.12 CFS	139 CF	277 CF
Tail	1080	3,460'-8,900'	13.0 ppg	1.75 CFS	943 CF	1885 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

CONFIDENTIAL

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: LCU 14-12H
703' FSL & 2083' FWL
Section 12-11S-20E
Uintah County, UT

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

Fee surface use is in place for this well, access and pipeline corridor. A small segment of the pipeline corridor crosses BLM surface along the Willow Creek County road and will be applied for with the LCU 15-12H federal APD (same fee pad but penetrates federal mineral). Tribal and SITLA surface is avoided entirely with this application.

A state onsite inspection is pending at this time.

1. Existing Roads:

- a. The proposed well site is located approximately 15.32 miles southeast 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 Little Canyon area. No upgrades to these state and county roads are proposed at this time. An encroachment permit is necessary to upgrade the existing approach from the Willow Creek 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.

2. Planned Access Roads:

- a. From the existing Uintah County maintained Willow Creek road an access upgrade is proposed trending west approximately 150' to the proposed well site. The access consists of upgrading existing disturbance and crosses an irrigation ditch. 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. Fee surface use to upgrade the access road to the proposed well is attached to this document.
- 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. One 24" culvert will be installed in the existing irrigation ditch with no low water crossings 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 2,900' east then northwest to the proposed LCU 11-12H / LCU 12-12H pipeline corridor then continue southwest then northwest to the existing LCU 9-11H pipeline corridor located west of Willow Creek.
- i. The pipeline will span Willow Creek with no disturbance to the stream proposed and therefore no application for stream alteration anticipated.
- j. 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 4,300' is associated with this well.
- k. 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 DOGM specification
- d. A pre-construction meeting with responsible company representative, contractors and the surface owner 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 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 surface landowner.

11. Surface and Mineral Ownership:

- a. Surface Ownership – Fee surface; owned by: Alameda Corp. 13.67%, O.S. Wyatt Jr. 86.33 James R. Eltzroth P.O. Box 270780, Corpus Christi TX, 78471. The landowner contact is Tom Jenkins who can be reached at 435-828-4158.
- b. Mineral Ownership – Fee surface; owned by: Alameda Corp. 13.67%, O.S. Wyatt Jr. 86.33 James R. Eltzroth P.O. Box 270780, Corpus Christi TX, 78471. The landowner contact is Tom Jenkins who can be reached at 435-828-4158.

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. **Willow Creek is being crossed with a spanned pipeline with no stream alteration anticipated at this time.**
 - b. **Additional greasewood vegetation in the area of the well site will be cleared during construction activities to restore useable agricultural area as additional mitigation to the landowner.**
 - c. **Fee surface use is in place for this well, access and pipeline corridor. A small segment of the pipeline corridor crosses BLM surface along the Willow Creek County road and will be applied for with the LCU 15-12H federal APD (same fee pad but penetrates federal mineral). Tribal and SITLA surface is avoided entirely with this application.**

13. Operator's Representative and Certification

<u>Title</u>	<u>Name</u>	<u>Office Phone</u>
Company Representative (Roosevelt)	Ken Secrest	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 Fee, 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

ACCESS ROAD EASEMENT AND RIGHT-OF WAY AGREEMENT

THIS ACCESS ROAD EASEMENT AND RIGHT-OF-WAY AGREEMENT (“**Agreement**”) is entered into this 3rd day of May, 2006, by and between Oscar S. Wyatt, Jr. whose mailing address is 8 Greenway Plaza, Suite 930, Houston, Texas 77046 and Alameda Corporation whose mailing address is 8 Greenway Plaza, Suite 930, Houston, TX 77046 (“**Grantors**”), and Dominion Exploration and Production, Inc. (“**Grantee**”), with offices at 14000 Quail Springs Parkway, #600 Oklahoma City, OK 73134-2600.

Recitals

A. Grantors are the fee simple owners of record title of the surface estate in the following described lands in Uintah County, Utah:

Township 11 South, Range 20 East, S.L.M.

Section 12: SE $\frac{1}{4}$ SW $\frac{1}{4}$

(containing 40.00 acres, more or less)

(“**Section 12 Lands**”); and

B. Grantee is in the business of exploring for, developing, producing, and processing natural gas, oil, and associated hydrocarbons; and,

C. Grantee has acquired rights to the oil and gas estate underlying the Section 12 Lands from the United States, owner of the mineral estate; and,

D. Grantee is the operator of the LCU 14-12H Well and the LCU 15-12H Well to be drilled from a single well-site in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of the Section 12 Lands (the “**Wells**”); and,

E. Grantee desires to construct, operate, and maintain an access road on the Section 12 Lands to be used both for access to the Wells and as a connector road to Grantee’s wells in adjoining sections; and,

F. With this Agreement, Grantee and the Grantors desire to establish terms for the access road easement and right-of-way.

NOW THEREFORE, for and in consideration of sum of \$250.00 and other good and valuable consideration, Grantors grant, convey, warrant and deliver to Grantee and its successors and assigns, an easement and right-of-way (“**Right-of-Way**”) for roadway purposes over and across the Section 12 Lands, depicted and described on the plat attached hereto as Exhibit A, and incorporated into this Agreement by reference. Said, Right-of-Way shall be thirty (30) feet wide, fifteen (15) feet on either side of the centerline, for a distance of 4.93 rods, and contain approximately 0.056 acres.

1. **Access.** Grantors acknowledge Grantee's right of access over and across the surface estate in the Section 12 Lands and such surface use as is reasonably necessary for access to the Wells and to any future wells.

2. **Compensation for Access Road.** Grantee will pay to Grantors at the time of the signing of this Agreement the sum of \$250.00 for the Right-of-Way which includes damages to the surface estate resulting from its construction and use. The foregoing compensation includes all sums to be paid for damages to the surface estate resulting from the exercise of rights herein granted and is deemed full payment for the Right-of-Way during its entire term.

3. **Term of Grant.** Rights granted by this Agreement shall continue so long as Grantee, its successors or assigns, are actively engaged in operations on the Section 12 Lands, or until written surrender of such rights by Grantee, its successors or assigns, whichever is the earlier. Grantee shall have the authority to surrender separately any part of the Section 12 Lands, in which event, the surrendered portion of the Section 12 Lands shall no longer be subject to this Agreement.

4. **Right of Occupancy.** Grantors hereby grant to Grantee the right of immediate occupancy of the Right-of-Way, to the extent not heretofore granted, as shall be reasonably necessary for these purposes under this Agreement.

5. **Assignment of Rights.** All rights and obligations under this Agreement shall run with the Section 12 Lands and shall inure to the benefit of and be binding upon the heirs, successors, or assigns of each party.

6. **Non-Exclusive Grant to Grantee.** Grantee acknowledges Grantors hold title to the respective surface estate. Grantee acknowledges that the road easement and right-of-way is a non-exclusive grant and that Grantor on behalf of itself and its employees, agents, contractors, officers and invitees retain the full right to use the road made the subject of this road easement. Grantee shall repair all damages to the road caused by Grantee's use of the road. Grantee also agrees to pay a reasonable prorate portion of the normal annual maintenance of the road. Grantors, their successors, assigns, invitees, and licensees shall not unreasonably interfere with Grantee's operations on the access roads nor with any of their attendant equipment and operations. Grantee agrees to construct the road contemplated herein in a good and workmanlike manner and in such a way as to not alter the natural drainage and shall keep the roadway clean and free of debris and trash.

7. **Indemnification.** Grantee and its agents, subcontractors and agents hereby agree to indemnify and hold Grantors, its employees, heirs, agents, lawyers and assigns harmless of, from and against all liabilities, claims, damages, losses, liens, fines, penalties, costs, causes of action, suits, judgments and expenses (including without limitation court costs, attorneys' fees and paralegal fees, fees and costs of expert witnesses and costs of investigation) of any nature, kind or description or any person or

entity (including but not limited to deaths of or injuries to employees of Grantee and its contractors, agents and employees or any other persons, including all third persons whatsoever), or damages to property, directly or indirectly, proximately or remotely, arising out of, caused by or resulting from, in whole or part from: (a) the present or future condition, state of repair or defect of Grantors' property and/or improvements thereto, whether latent or visible, known or unknown, (b) any act or omission (whether negligent or not) of Grantee or its employees, contractors or their employees or anyone that they control or exercise control over or any other person entering upon Grantors' property under or with the express or implied invitation of Grantee, (c) any breach, violation of this Agreement or (d) the use of or occupancy of the property even if and including if any such liabilities arise from or are attributable to, in whole or in part, to Grantors' negligence or strict liability. In case any action or proceeding is brought against Grantors by third parties resulting from Grantee's activities on the property, upon notice, Grantee agrees to defend Grantors in such action or proceeding.

8. **Notices and Payment.** Notices shall be in writing and shall be given by certified or registered mail to Dominion, Oscar S. Wyatt, Jr., and Alameda Corporation at the following addresses:

Dominion Exploration and Production, Inc.
14000 Quail Springs Parkway, # 600
Oklahoma City, OK 73134-2600
Attention: Mr. Russell R. Waters

Oscar S. Wyatt, Jr.
3355 West Alabama
Houston, TX 77098

Alameda Corporation
3355 West Alabama
Houston, TX 77098

or to such address as the party may designate to the other in writing not less than thirty days before that event which triggers notices. Notices shall be effective the third day after the date of mailing, postage prepaid.

9. **Ownership of the Access Road upon Termination.** The access road constructed by Grantee on the Section 12 Lands shall become the Grantors' property upon termination of this Agreement.

10. **Rehabilitation and Restoration.** The access road constructed by Grantee shall be restored as near as possible to its original condition and reseeded with native grasses upon abandonment of the Wells in accordance with acceptable industry practices and in compliance with all applicable laws and regulations in effect at the time of restoration. Provided however, that Grantors may at their option elect to have Grantee (or its successor) leave the access road, or any respective portion or segment thereof in an

unrestored or partially restored state, with the understanding that Grantors shall then assume responsibility for any restoration thereafter required by law.

11. **Governing Law.** The laws of the State of Utah shall control the rights of the parties under this contract.

12. **Modifications.** This Agreement may not be amended or modified, except by a written instrument to such effect signed by the parties.

13. **Confidentiality and Recording.** The financial terms of this Agreement shall remain confidential as between the parties. Grantee, at its option, may record in Uintah County or submit to regulatory agencies having jurisdiction over oil and gas operations, a memorandum of agreement containing essential elements of the Agreement to give constructive notice of its rights or to comply with regulatory requirements for evidence of an agreement with Grantors. However, in no event shall the financial terms be recorded or divulged to third parties, except as a legitimate purchaser or transferee.

14. **Waiver.** By signing this Agreement, neither party waives its statutory and common law rights to occupancy and enjoyment of their respective estates, except as expressly provided in this Agreement with regard to the Right-of-Way.

15. **Further Waiver.** Failure of either party hereto to enforce any provision of this Agreement at any time shall not be construed as a waiver of such provision or of any other provision of this Agreement.

16. **Severability.** If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect.

17. **Attorneys' Fees.** In the event that any party hereto brings any action to enforce or interpret the provisions of this Agreement, the prevailing party in such action, as determined by the court, shall be awarded from the non-prevailing party all of its costs and attorneys' fees incurred in connection with such action, including all costs and attorneys' fees associated with any appeals.

18. **Entire Agreement.** This Agreement, together with the attached Exhibit A, constitutes the entire agreement between the parties relating to the subject matter hereof, and supersedes any prior agreements and understandings between the parties.

19. **Counterparts.** This Agreement may be executed in counterparts. Each counterpart shall constitute an original and all counterparts together shall constitute one and the same document.

Rest of page left blank intentionally

Dated this 3rd day of May, 2006.

Dominion Exploration and Production, Inc.

By _____

Its _____

Alameda Corporation

By M. J. Arnold

Its PRESIDENT

DEM

Oscar S. Wyatt, Jr.

By Oscar S. Wyatt Jr

DEM

ACKNOWLEDGMENTS

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

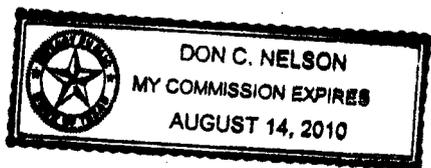
Before me on this ____ day of _____, 2006, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

STATE OF TEXAS)
 : ss.
COUNTY OF HARRIS)

Before me on this 22nd day of NOVEMBER, 2006, personally appeared OSCAR S. WYATT, JR., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.



Don C. Nelson
NOTARY PUBLIC
Residing at: HOUSTON, TX

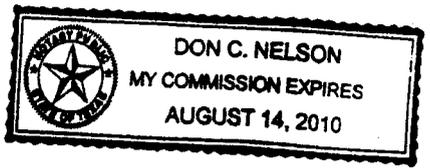
My Commission Expires:

STATE OF TEXAS)

: ss.

COUNTY OF HARRIS)

Before me on this 22nd day of NOVEMBER, 2006, personally appeared M. T. ARNOLD, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.



Don C. Nelson
NOTARY PUBLIC
Residing at: HOUSTON, TX

My Commission Expires:

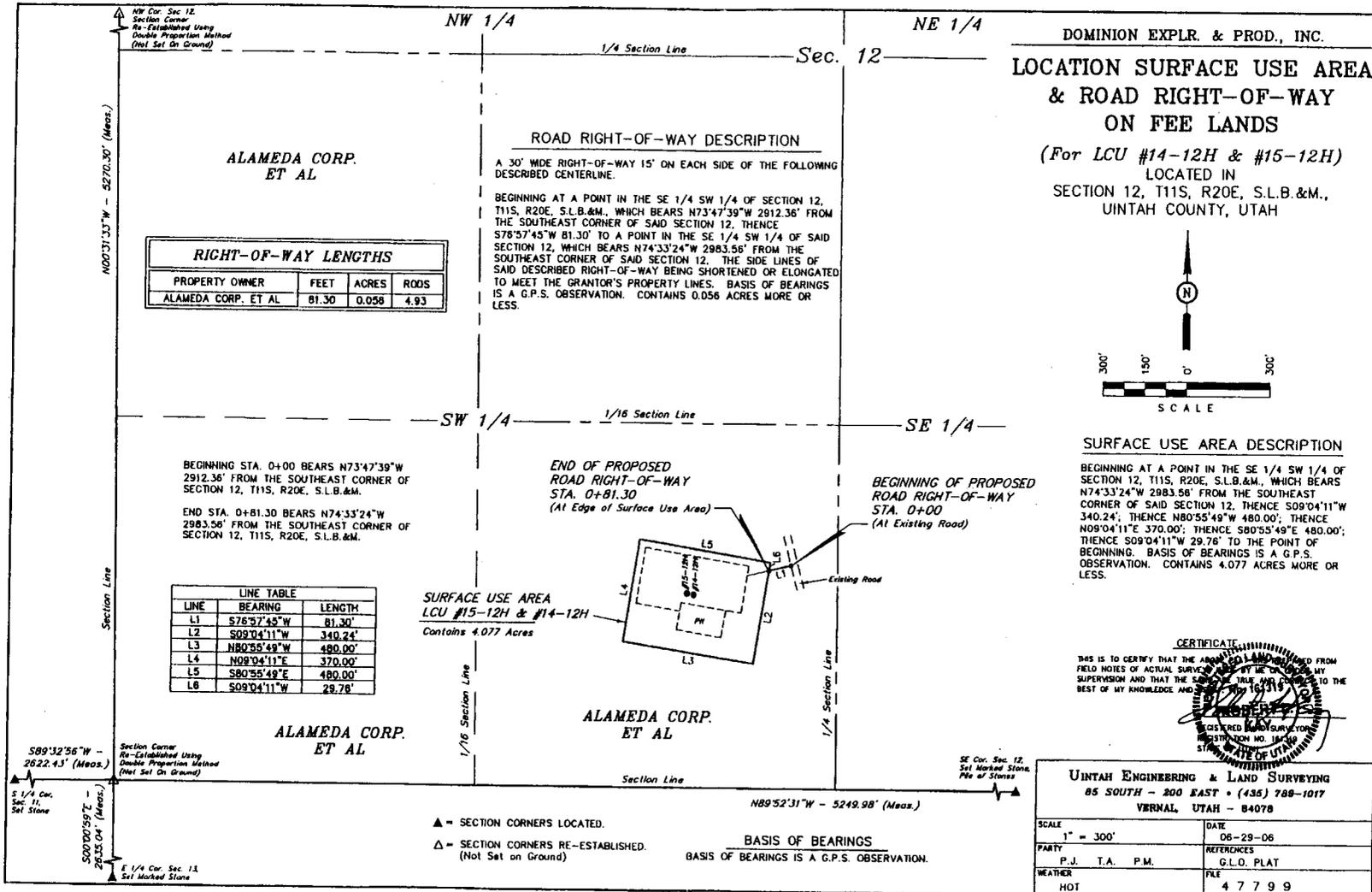


EXHIBIT "A"

AMENDMENT TO EASEMENT AND RIGHT-OF-WAY AGREEMENT

Whereas, on May 3, 2006, Oscar S. Wyatt, Jr. and Alameda Corporation (collectively "Grantors"), granted and conveyed to Dominion Exploration and Production, Inc. ("Grantee"), a Pipeline Easement and Right-of-Way Agreement (the "Easement") across lands in Uintah County, Utah, a copy of which is attached hereto as "Exhibit B."

Whereas, Grantee has slightly changed and modified the course, distance, and route of the Easement conveyed to Grantee, in order to avoid certain adjacent Indian tribal lands.

Whereas, the revised course, distance and route of the Easement has now been determined and agreed upon by the parties, and is set forth on "Exhibit A" to this Amendment.

NOW THEREFORE, for the same consideration, receipt whereof is hereby acknowledged, Grantors ratify, adopt, and confirm, the Easement, as amended, acknowledging that the Easement covers that course, distance, and route described in Exhibit "A," and convey and grant to Grantee an Easement over and across the lands described in the Easement along the course, distance, and route described in Exhibit "A" to this Amendment, as if the description of the course, distance, and route was originally set out in the Easement. Except as modified by this Amendment, all other terms and conditions shall remain in full force and effect.

Grantee joins Grantors in executing this Amendment as acknowledgment that the Easement is limited to the course, distance, and route described in Exhibit "A."

This Amendment is executed by Grantors and Grantee as of the date of acknowledgment of their signatures below, but shall be effective as of May 3, 2006.

Dated this 22nd day of January, 2006.

Oscar S. Wyatt, Jr.

By

Oscar S. Wyatt, Jr.

DEM

Alameda Corporation

By

M. J. Arnold

DEM

Its

PRESIDENT

Dominion Exploration and Production, Inc.

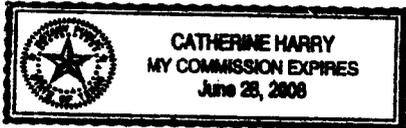
By _____

Its _____

Attached to and forming part of an Amendment to Easement and Right-of-Way Agreement Dated January 22, 2006, among Oscar S. Wyatt, Jr., Alameda Corporation, and Dominion Exploration and Production, Inc.

STATE OF TEXAS)
 : ss.
COUNTY OF HARRIS)

On this 20 day of March, 2007, before me, the undersigned officer, personally appeared M.T. Arnold, who acknowledged himself to be the President of Alameda Corporation, and that he, being authorized to so do, executed the foregoing instrument for the purposes therein contained.

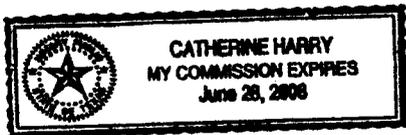


C Harry
NOTARY PUBLIC
Residing at: _____

My Commission Expires:
June 28, 2008.

STATE OF TEXAS)
 : ss.
COUNTY OF HARRIS)

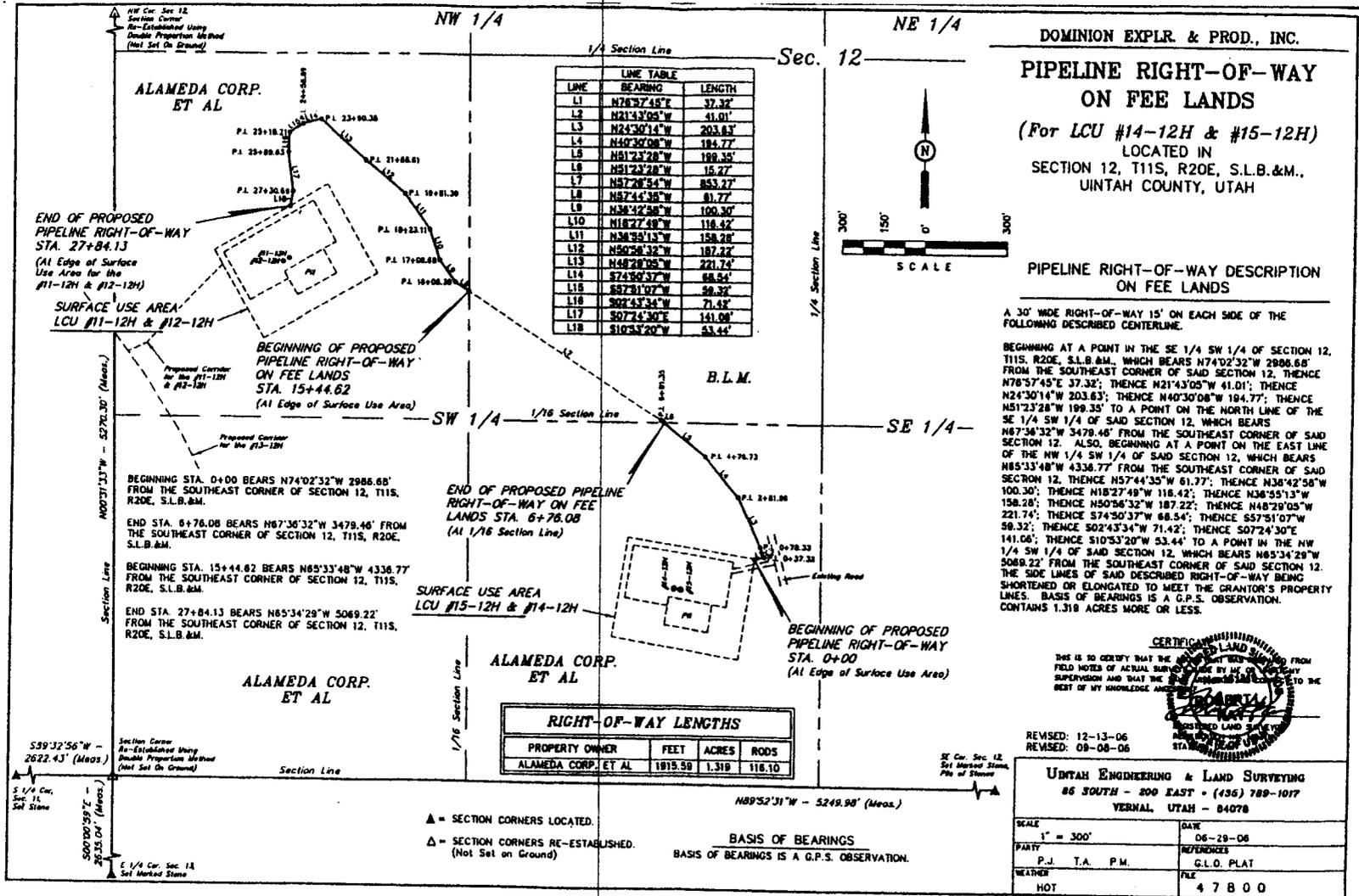
Before me on this 20 day of March, 2007, personally appeared Oscar S. Wyatt Jr., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.



C Harry
NOTARY PUBLIC
Residing at: _____

My Commission Expires:
June 28, 2008

00016556.1



CERTIFICATE OF LAND SURVEYING
 THIS IS TO CERTIFY THAT THE SURVEY WAS MADE FROM FIELD NOTES OF ACTUAL SURVEYING BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ACCURATELY REPRESENTS TO THE BEST OF MY KNOWLEDGE AND BELIEF THE TRUE AND CORRECT STATE OF THE LAND SURVEYED.

REVISOR: 12-13-06
 REVISOR: 09-08-06

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

SCALE	DATE
1" = 300'	06-29-06
PARTY	REFERENCES
P.J. T.A. P.M.	G.L.D. PLAT
WEATHER	FILE
HOT	4 7 8 0 0

00016556.1

EXHIBIT "B"

PIPELINE EASEMENT AND RIGHT-OF WAY AGREEMENT

THIS PIPELINE EASEMENT AND RIGHT-OF-WAY AGREEMENT ("Agreement") is entered into this 3rd day of May, 2006, by and between OSCAR S. WYATT, JR. whose mailing address is 8 Greenway Plaza, Suite 930, Houston, Texas 77046 and ALAMEDA CORPORATION whose mailing address is 8 Greenway Plaza, Suite 930, Houston, TX 77046 ("Grantors"), and DOMINION EXPLORATION AND PRODUCTION, INC. ("Dominion") ("Grantee"), with offices at 14000 Quail Springs Parkway, #600 Oklahoma City, OK 73134-2600.

Recitals

A. Grantors are the fee simple owners of record title of the surface estate in the following described lands in Uintah County, Utah:

Township 11 South, Range 20 East, S.L.M.

Section 12: NW $\frac{1}{4}$ SW $\frac{1}{4}$

(containing 40.00 acres, more or less)

("Section 12 Lands"); and

B. Grantee is in the business of exploring for, developing, producing, and processing natural gas, oil, and associated hydrocarbons; and,

C. Grantee has acquired rights to the oil and gas estate underlying the Section 12 Lands from the United States, owner of the mineral estate; and,

D. Grantee is the operator of the LCU 14-12H Well and the LCU 15-12H Well to be drilled from a single well-site in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of the Section 12 Lands (the "Wells"); and,

E. Grantee desires to construct, operate, and maintain a natural gas (gathering system) pipeline to the Wells; and,

F. With this Agreement, Grantee and the Grantors desire to establish terms for the pipeline easement and right-of-way.

NOW THEREFORE, for and in consideration of sum of \$1,700.00 and other good and valuable consideration, Grantors grant to Grantee and its successors and assigns, a right-of-way and easement ("Easement") to construct, maintain, operate, inspect, repair, alter, replace and remove pipelines and appurtenant facilities for the transportation of oil, gas, or other hydrocarbons across, under, or over the Section 12 Lands, depicted and described on the plat attached hereto as Exhibit A, and incorporated into this Agreement by reference. Said Easement shall be thirty (30) feet wide, fifteen

{00015617.1}

{00016556.1}

(15) feet on either side of the centerline, for a distance of 113.30 rods, and contain approximately 1.288 acres.

1. **Access.** Grantors acknowledge Grantee's non-exclusive right of access on and over the surface estate in the Section 12 Lands and such surface use as is reasonably necessary to produce and transport oil, gas, and associated hydrocarbons, as defined by Utah law. Should Grantee's activities damage any of Grantor's roads or fences, Grantee shall promptly repair or compensate Grantor to repair such damages.

2. **Compensation for Pipeline Right-of-Way and Easement.** Grantee will pay to Grantors at the time of the signing of this Agreement the sum of \$1,700.00 for the Easement which includes damages to the surface estate resulting from its construction and use. The foregoing compensation includes all sums to be paid for damages to the surface estate resulting from the exercise of rights herein granted.

3. **Term of Grant.** Rights granted by this Agreement shall continue so long as Grantee, its successors or assigns, are actively engaged in operations on the Section 12 Lands, or until written surrender of such rights by Grantee, its successors or assigns, whichever is the earlier. Grantee shall have the authority to surrender separately any part of the Section 12 Lands, in which event, the surrendered portion of the Section 12 Lands shall no longer be subject to this Agreement.

4. **Right of Occupancy.** Grantee shall have all rights and benefits necessary or convenient for the full enjoyment and use of the rights granted, including the right of ingress and egress over and across the Section 12 Lands to and from the Easement, and the right from time to time to cut trees, undergrowth, and other obstructions that may injure, endanger, or interfere with the Grantee's use of the Easement. Grantee agrees to conduct all of its operations in a good and workmanlike manner and after completion of construction, shall remove all debris, trash, equipment and surplus materials from the right-of-way. Should any of the pipeline be buried, Grantee shall inspect the right-of-way twice a year to insure that there are no wash outs or depressions in the pipeline ditch and if such exist Grantee shall take such actions as necessary to fill in the depressions and restore the surface to the original condition as much as reasonably possible.

5. **Assignment of Rights.** All rights and obligations under this Agreement shall run with the Section 12 Lands and shall inure to the benefit of and be binding upon the heirs, successors, or assigns of each party.

6. **Indemnification.** Grantee and its agents, subcontractors and agents hereby agree to indemnify and hold Grantors, its employees, heirs, agents, lawyers and assigns harmless of, from and against all liabilities, claims, damages, losses, liens, fines, penalties, costs, causes of action, suits, judgments and expenses (including without limitation court costs, attorneys' fees and paralegal fees, fees and costs of expert witnesses and costs of investigation) of any nature, kind or description or any person or entity (including but not limited to deaths of or injuries to employees of Grantee and its contractors, agents and employees or any other persons, including all third persons

whatsoever), or damages to property, directly or indirectly, proximately or remotely, arising out of, caused by or resulting from, in whole or part from: (a) the present or future condition, state of repair or defect of Grantors' property and/or improvements thereto, whether latent or visible, known or unknown, (b) any act or omission (whether negligent or not) of Grantee or its employees, contractors or their employees or anyone that they control or exercise control over or any other person entering upon Grantors' property under or with the express or implied invitation of Grantee, (c) any breach, violation of this Agreement or (d) the use of or occupancy of the property even if and including if any such liabilities arise from or are attributable to, in whole or in part, to Grantors' negligence or strict liability. In case any action or proceeding is brought against Grantors by third parties resulting from Grantee's activities on the property, upon notice, Grantee agrees to defend Grantors in such action or proceeding.

7. **Notices and Payment.** Notices shall be in writing and shall be given by certified or registered mail to Dominion, Oscar S. Wyatt, Jr., and Alameda Corporation at the following addresses:

Dominion Exploration and Production, Inc.
14000 Quail Springs Parkway, # 600
Oklahoma City, OK 73134-2600
Attention: Mr. Russell R. Waters

Oscar S. Wyatt, Jr.
3355 West Alabama
Houston, TX 77098

Alameda Corporation
3355 West Alabama
Houston, TX 77098

or to such address as the party may designate to the other in writing not less than thirty days before that event which triggers notices. Notices shall be effective the third day after the date of mailing, postage prepaid.

8. **Governing Law.** The laws of the State of Utah shall control the rights of the parties under this contract.

9. **Modifications.** This Agreement may not be amended or modified, except by a written instrument to such effect signed by the parties.

10. **Confidentiality and Recording.** The financial terms of this Agreement shall remain confidential as between the parties. Grantee, at its option, may record in Uintah County or submit to regulatory agencies having jurisdiction over oil and gas operations, a memorandum of agreement containing essential elements of the Agreement to give constructive notice of its rights or to comply with regulatory requirements for evidence of an agreement with Grantors. However, in no event shall the financial terms be recorded or divulged to third parties, except as a legitimate purchaser or transferee.

11. **Waiver.** By signing this Agreement, neither party waives its statutory and common law rights to occupancy and enjoyment of their respective estates, except as expressly provided in this Agreement with regard to the Easement.

12. **Further Waiver.** Failure of either party hereto to enforce any provision of this Agreement at any time shall not be construed as a waiver of such provision or of any other provision of this Agreement.

13. **Severability.** If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect.

14. **Attorneys' Fees.** In the event that any party hereto brings any action to enforce or interpret the provisions of this Agreement, the prevailing party in such action, as determined by the court, shall be awarded from the non-prevailing party all of its costs and attorneys' fees incurred in connection with such action, including all costs and attorneys' fees associated with any appeals.

15. **Entire Agreement.** This Agreement, together with the attached Exhibit A, constitutes the entire agreement between the parties relating to the subject matter hereof, and supersedes any prior agreements and understandings between the parties.

16. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one original.

Dated this 3rd day of May, 2006.

Dominion Exploration and Production, Inc.

By _____

Its _____

Alameda Corporation

By _____

Its _____

Oscar S. Wyatt, Jr.

By _____

ACKNOWLEDGMENTS

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

Before me on this ____ day of _____, 2006, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

STATE OF TEXAS)
 : ss.
COUNTY OF HARRIS)

Before me on this ____ day of _____, 2006, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

STATE OF TEXAS)
 : ss.
COUNTY OF HARRIS)

Before me on this ____ day of _____, 2006, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

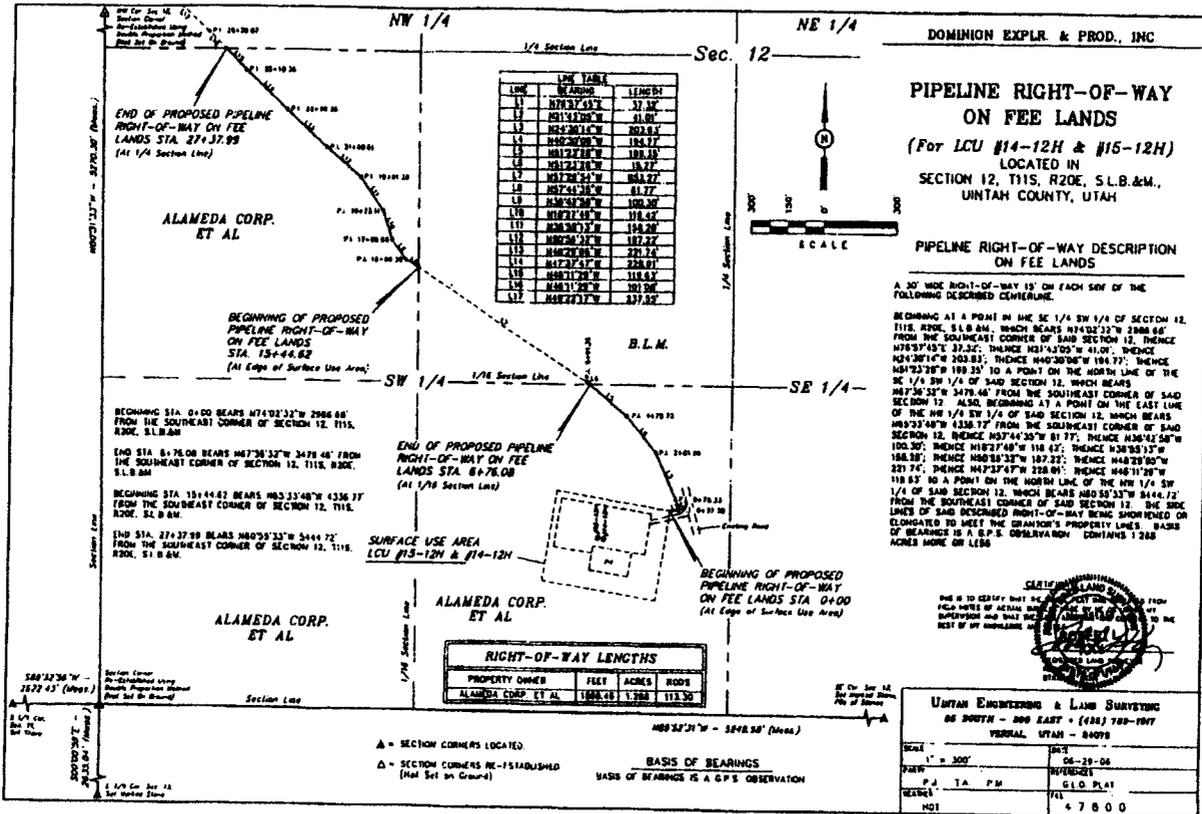


EXHIBIT "A"

DOMINION EXPLR. & PROD., INC.
LCU #14-12H & #15-12H
SECTION 12, T11S, R20E, 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 SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 6.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE WEST; FOLLOW ROAD FLAGS IN A WESTERLY DIRECTION APPROXIMATELY 150' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 49.1 MILES.

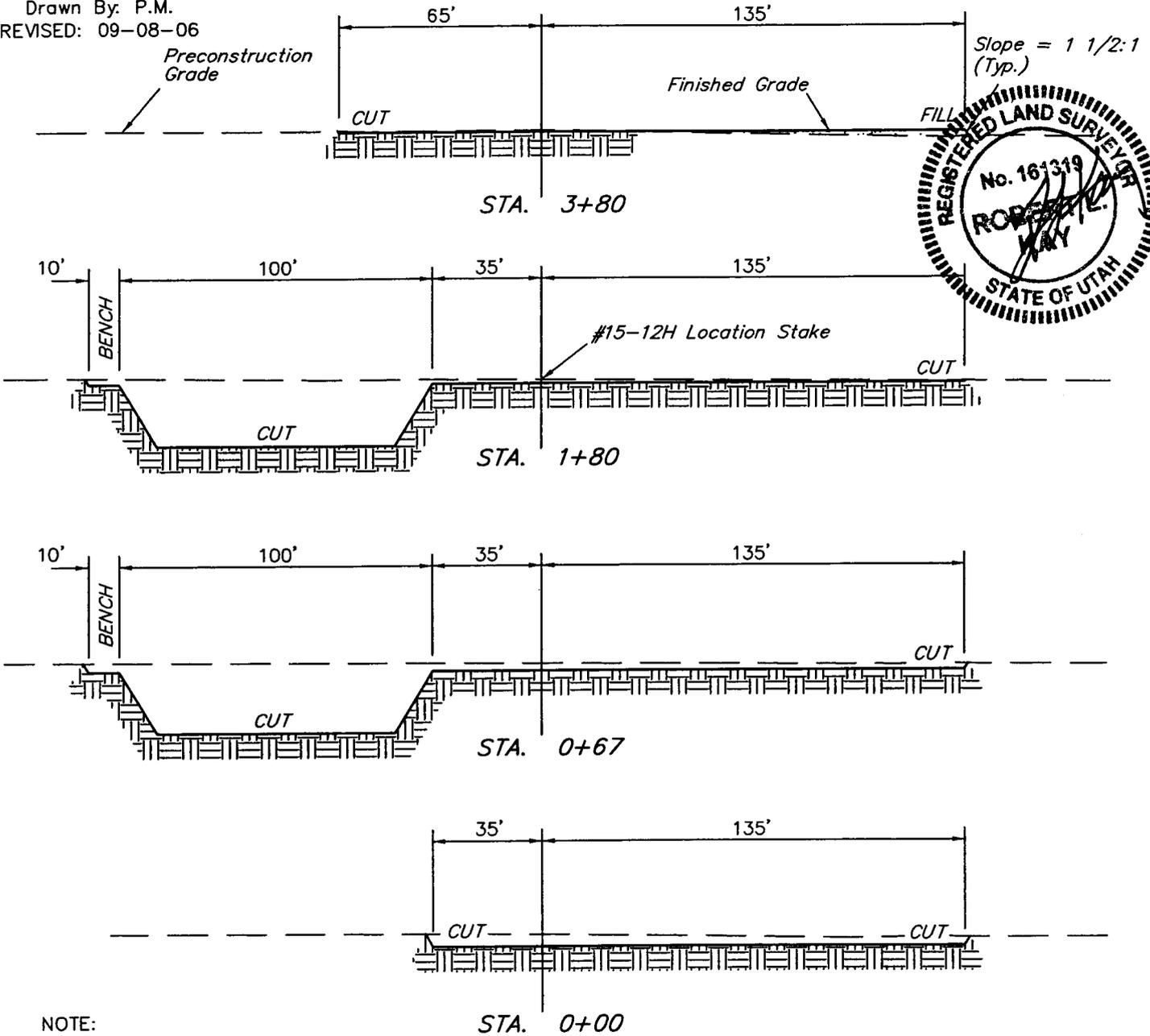
DOMINION EXPLR. & PROD., INC.

TYPICAL CROSS SECTIONS FOR

LCU #14-12H & #15-12H
SECTION 12, T11S, R20E, S.L.B.&M.
SE 1/4 SW 1/4

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

DATE: 06-29-06
Drawn By: P.M.
REVISED: 09-08-06



NOTE:

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

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 3,490 Cu. Yds.
Remaining Location	= 3,700 Cu. Yds.
TOTAL CUT	= 7,190 CU.YDS.
FILL	= 1,810 CU.YDS.

EXCESS MATERIAL	= 5,380 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 5,380 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

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

DOMINION EXPLR. & PROD., INC.

LCU #14-12H & #15-12H

LOCATED IN UINTAH COUNTY, UTAH
SECTION 12, T11S, R20E, S.L.B.&M.

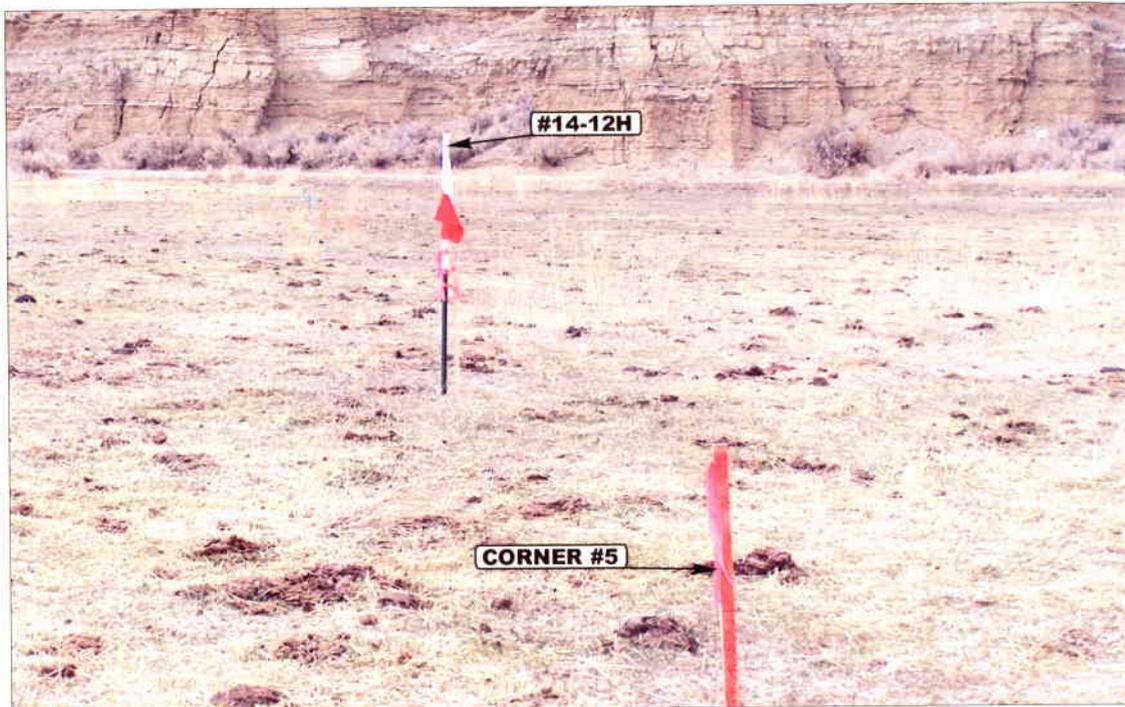


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

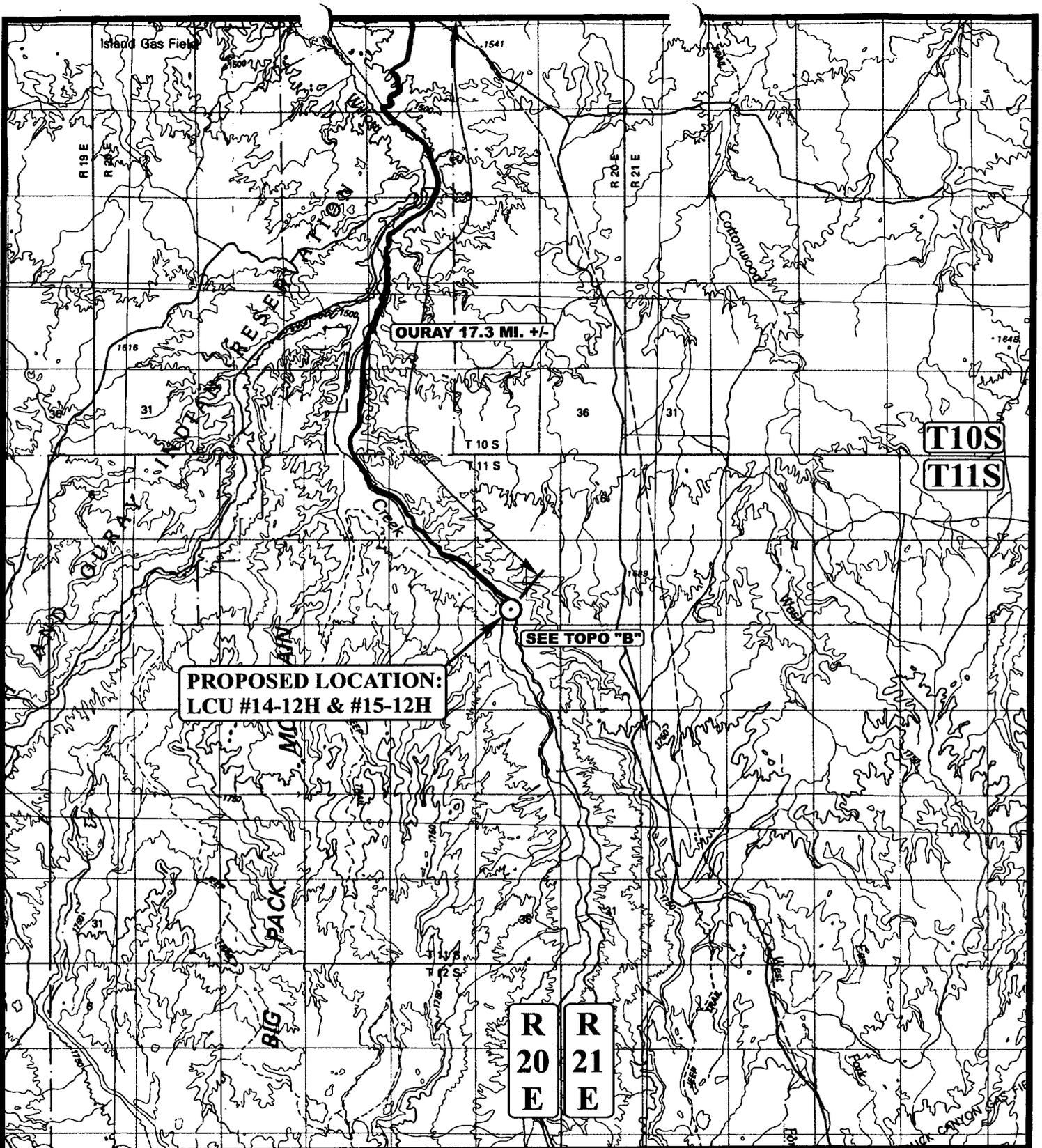
CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS			06	26	06	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: B.B.	DRAWN BY: C.P.	REVISED: 00-00-00				



**PROPOSED LOCATION:
LCU #14-12H & #15-12H**

OURAY 17.3 MI. +/-

SEE TOPO "B"

T10S

T11S

**R
20
E**

**R
21
E**

LEGEND:

○ PROPOSED LOCATION



DOMINION EXPLR. & PROD., INC.

**LCU #14-12H & #15-12H
SECTION 12, T11S, R20E, S.L.B.&M.
SE 1/4 SW 1/4**



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

**TOPOGRAPHIC
MAP**

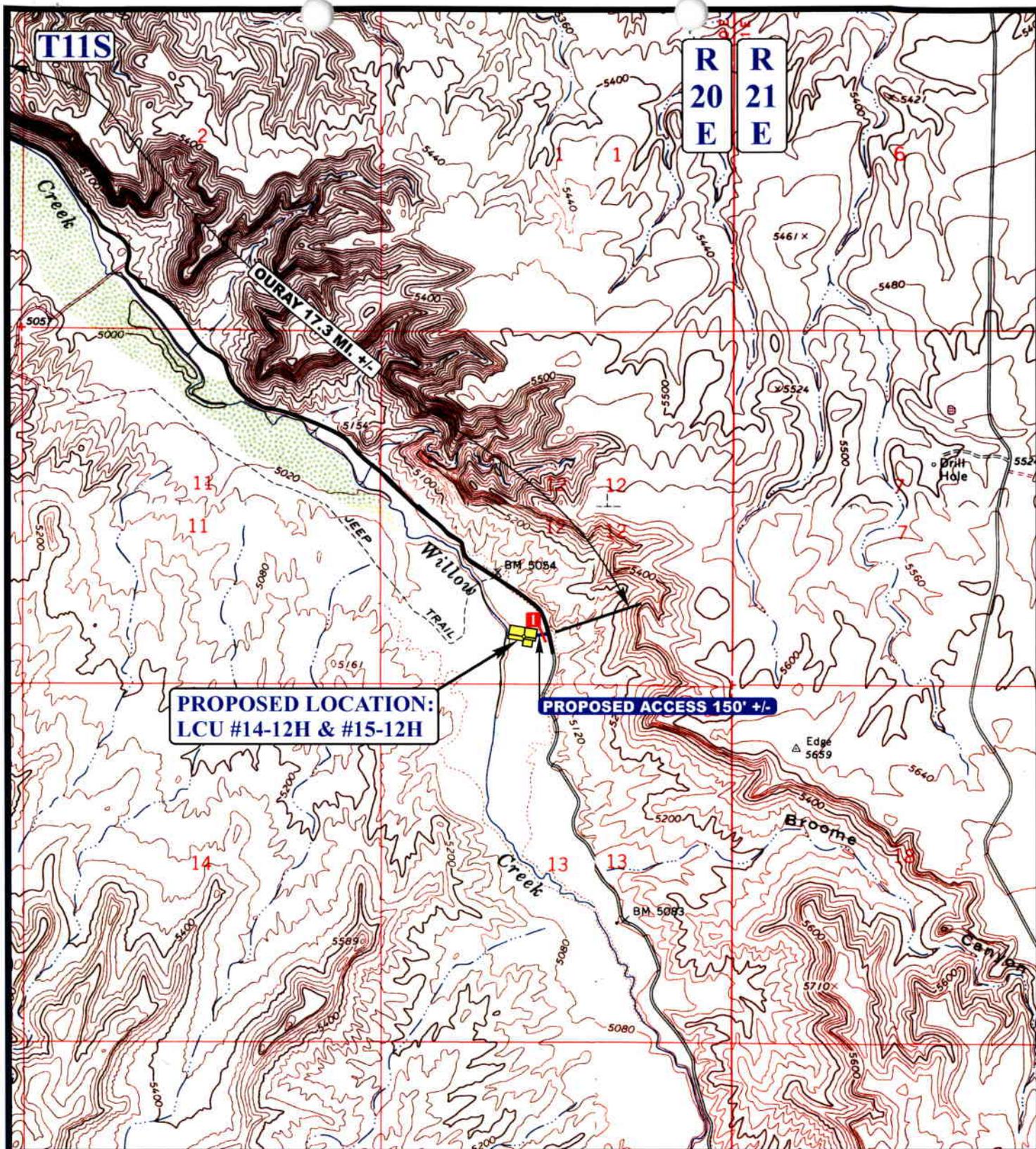
06 26 06
MONTH DAY YEAR

SCALE: 1:100,000

DRAWN BY: C.P.

REVISED: 12-11-06





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- 24" CMP REQUIRED

DOMINION EXPLR. & PROD., INC.

LCU #14-12H & #15-12H
 SECTION 12, T11S, R20E, S.L.B.&M.
 SE 1/4 SW 1/4



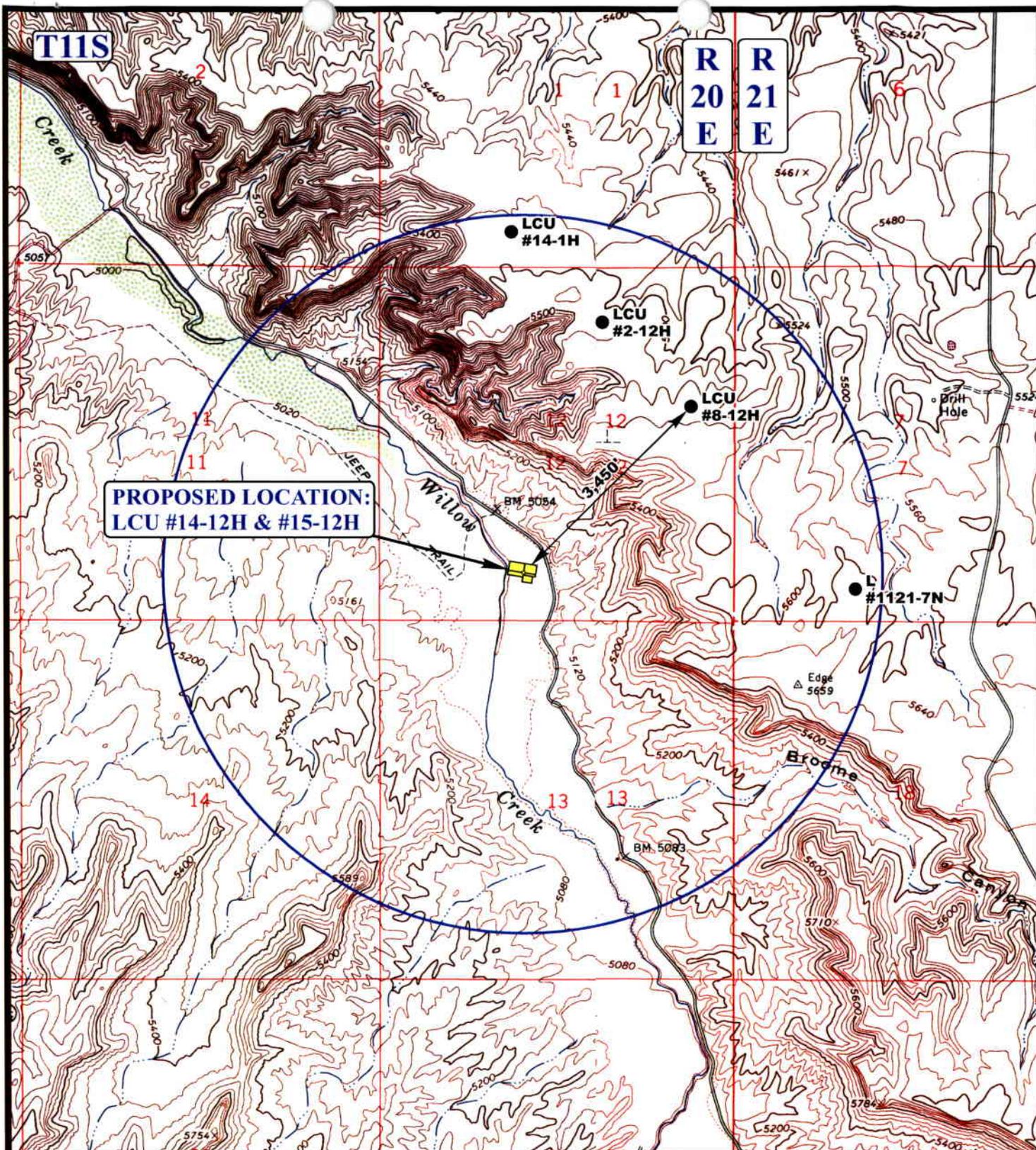
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
 MAP**

06 26 06
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 12-11-06





LEGEND:

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



DOMINION EXPLR. & PROD., INC.

LCU #14-12H & #15-12H
SECTION 12, T11S, R20E, S.L.B.&M.
SE 1/4 SW 1/4



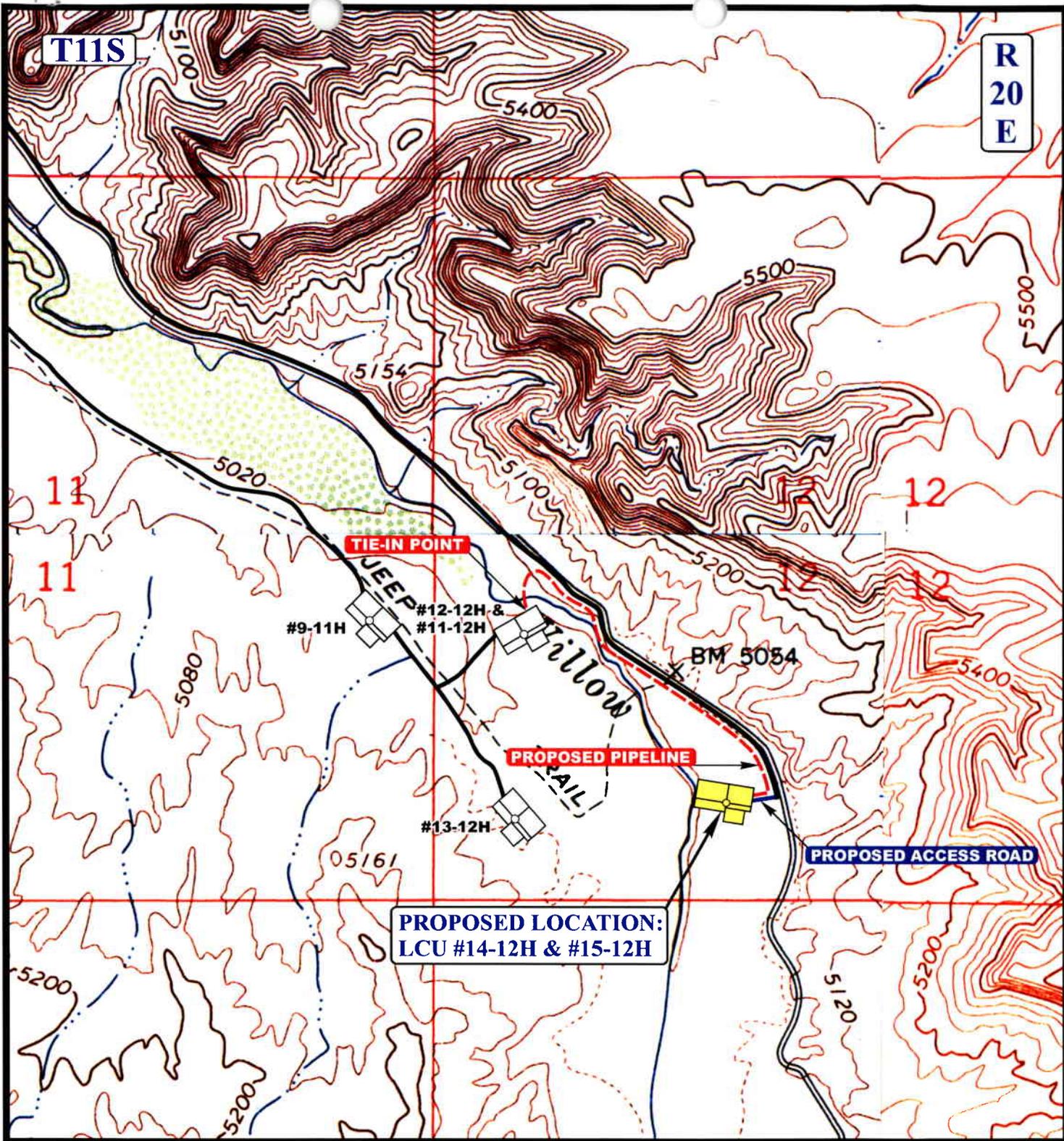
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

06 26 06
 MONTH DAY YEAR

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





APPROXIMATE TOTAL PIPELINE DISTANCE = 2,900' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- - - - - PROPOSED PIPELINE

DOMINION EXPLR. & PROD., INC.

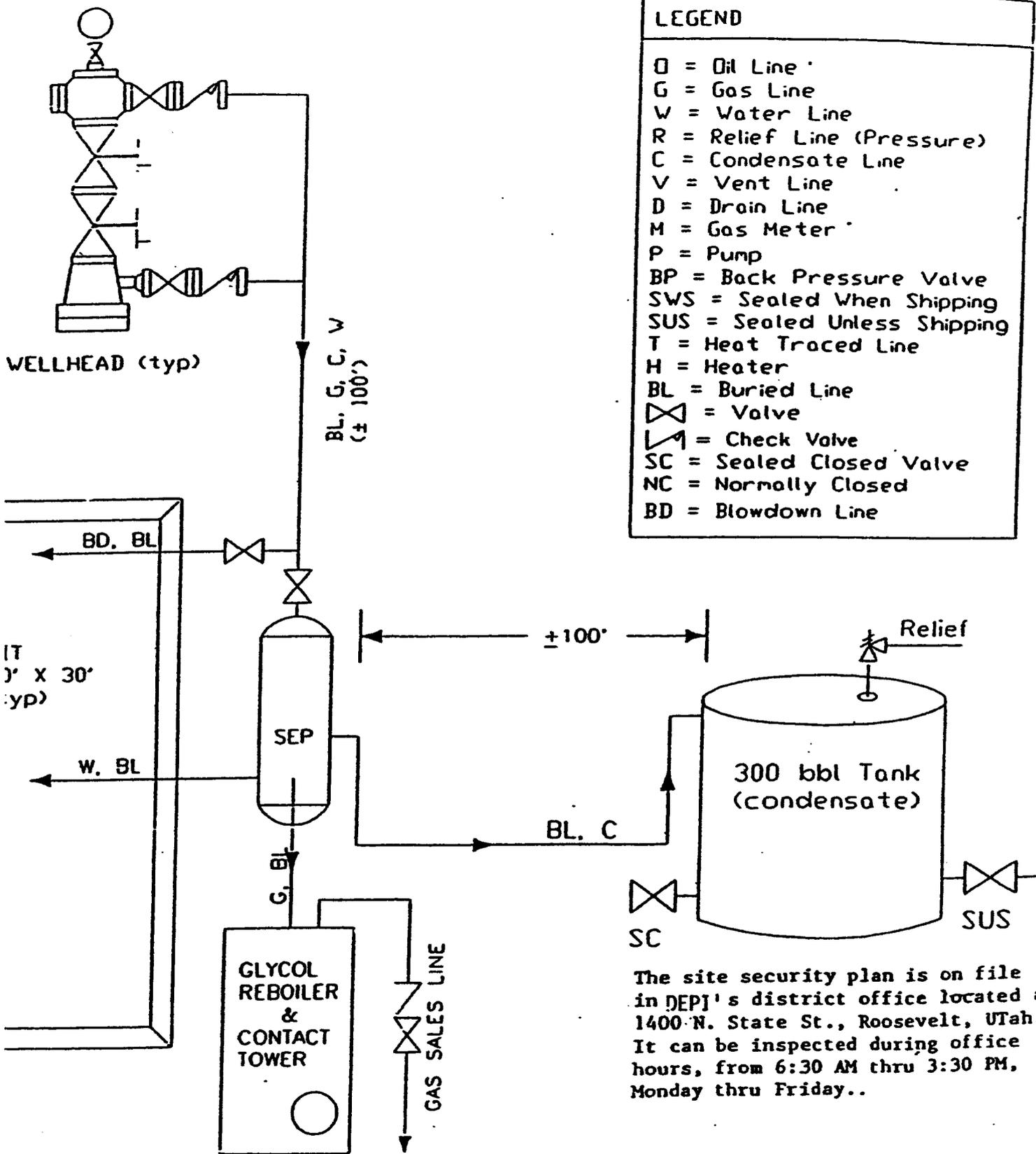
**LCU #14-12H & #15-12H
SECTION 12, T11S, R20E, S.L.B.&M.
SE 1/4 SW 1/4**



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

TOPOGRAPHIC	06	26	06
MAP	MONTH	DAY	YEAR
SCALE: 1" = 1000'	DRAWN BY: C.P.		REVISED: 12-11-06





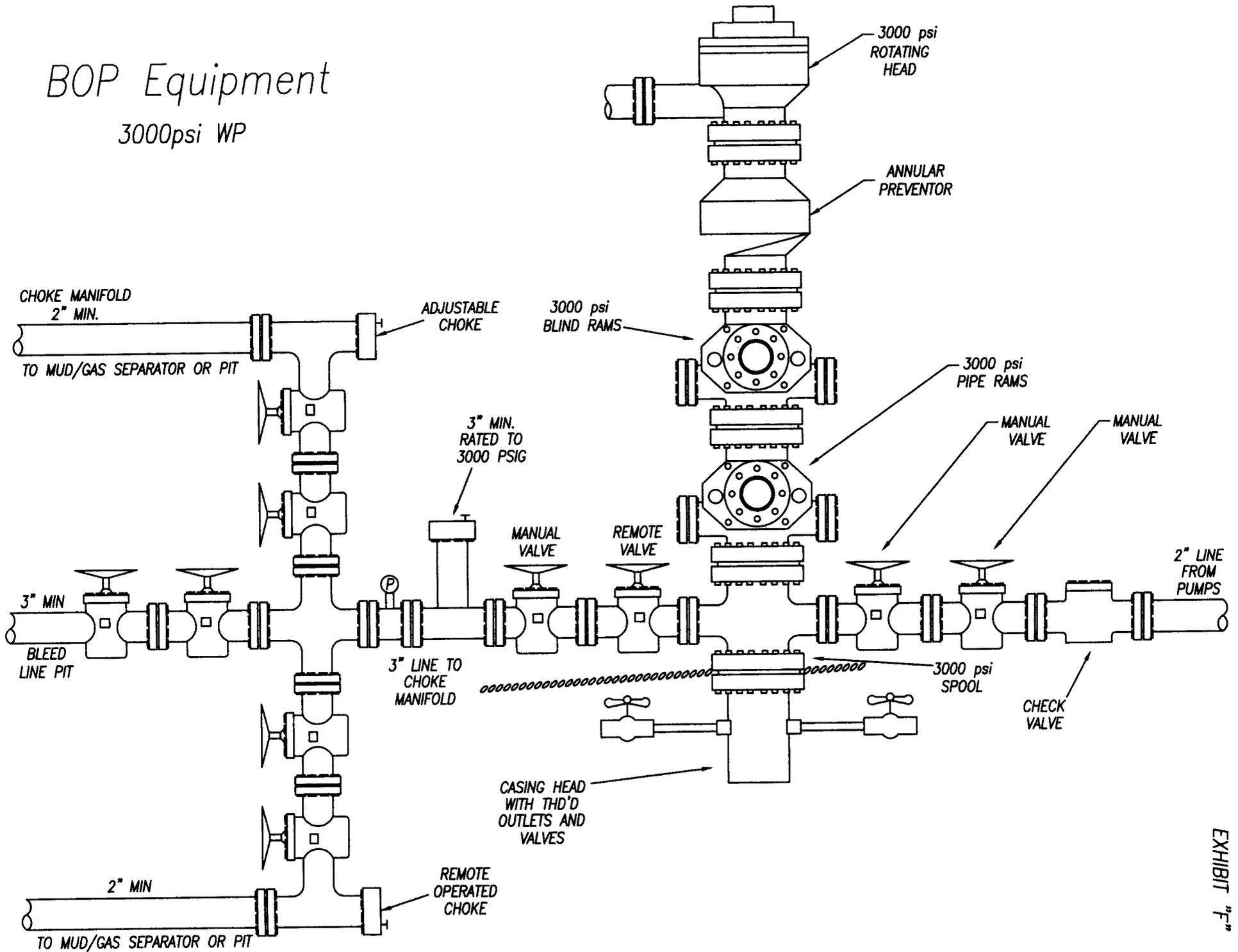
LEGEND

- O = Oil Line
- G = Gas Line
- W = Water Line
- R = Relief Line (Pressure)
- C = Condensate Line
- V = Vent Line
- D = Drain Line
- M = Gas Meter
- P = Pump
- BP = Back Pressure Valve
- SWS = Sealed When Shipping
- SUS = Sealed Unless Shipping
- T = Heat Traced Line
- H = Heater
- BL = Buried Line
- ⊗ = Valve
- ↗ = Check Valve
- SC = Sealed Closed Valve
- NC = Normally Closed
- BD = Blowdown Line

The site security plan is on file in DEPJ'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: 43-047-39222

WELL NAME: LCU 14-12H
 OPERATOR: DOMINION EXPL & PROD (N1095)
 CONTACT: DON HAMILTON

PHONE NUMBER: 405-749-5237

PROPOSED LOCATION:

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

SESW 12 110S 200E
 SURFACE: 0703 FSL 2083 FWL
 BOTTOM: 0703 FSL 2083 FWL
 COUNTY: UINTAH
 LATITUDE: 39.86965 LONGITUDE: -109.6290
 UTM SURF EASTINGS: 617252 NORTHINGS: 4413979
 FIELD NAME: UNDESIGNATED (2)

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

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: 259-01
Eff Date: 8-18-2006
Siting: 460' fr ubdr of uncomm. reef
- R649-3-11. Directional Drill

COMMENTS:

Needs Dept (05-03-07)

STIPULATIONS:

- 1- STATEMENT OF BASIS
- 2- Surface Csg Cont-Step

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
395	43-047-39222-00-00		GW	P	No
Operator	DOMINION EXPL & PROD INC		Surface Owner-APD		
Well Name	LCU 14-12H		Unit		
Field	UNDESIGNATED		Type of Work		
Location	SESW 12 11S 20E S 703 FSL 2083 FWL GPS Coord (UTM) 617252E 4413979N				

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 3,000 feet. A search of Division of Water Rights records shows 1 water well within a 10,000 foot radius of the proposed location. This well is over a mile from the proposed location. The well depth is not listed. The well is owned by the BLM. Use is listed as stock/wildlife watering. 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 proposed surface casing should adequately protect any near surface 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
APD Evaluator

5/15/2007
Date / Time

Surface Statement of Basis

The site is approximately 14 miles southwest of Ouray, Utah and in an oil field area known as Little Canyon Unit. Drainages are into Willow Creek. Access to the location is by Uintah County maintained roads to within 150 feet of the site. New construction will be required from this point.

The location is planned in the flat bottom of Willow Creek on an irrigated pasture. Willow Creek is approximately 300 feet to the west of the proposed pad. The flat has a very slight slope to the north. Flood irrigation water enters the pasture from the south and flows northerly. A diversion ditch is planned south of the pad diverting irrigation flows west and north around the pad. The access road crosses an irrigation ditch which parallels the Willow Creek County road. Dominion agreed to install a culvert in the irrigation ditch.

The surface and minerals are FEE both being owned by the Alameda Corporation. Tom Jenkins of the Alameda Corporation was contacted by phone but did not attend the pre-site evaluation. He had previously visited the site with Dominion and the BLM.

Two wells are planned from this pad. The other well is a directional well (LC #15-12H. The minerals for this well are Federal administered by the BLM.

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

Floyd Bartlett
Onsite Evaluator

5/3/2007
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.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

5/15/2007

Page 2

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator DOMINION EXPL & PROD INC
Well Name LCU 14-12H
API Number 43-047-39222-0 **APD No** 395 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 SESW **Sec** 12 **Tw** 11S **Rng** 20E 703 FSL 2083 FWL
GPS Coord (UTM) 617250 4413980 **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 site is approximately 14 miles southwest of Ouray, Utah and in an oil field area known as Little Canyon Unit. Drainages are into Willow Creek. Access to the location is by Uintah county maintained roads to within 150 feet of the site. New construction will be required from this point.

The location is planned in the flat bottom of Willow Creek on an irrigated pasture. Willow Creek is approximately 300 feet to the west of the proposed pad. The flat has a very slight slope to the north. Flood irrigation water enters the pasture from the south and flows northerly. A diversion ditch is planned south of the pad diverting irrigation flows west and north around the pad.

The surface and minerals are FEE both being owned by the Alameda Corporation.

Two wells are planned from this pad. The other well is a directional well (LC #15-12H). The minerals for this well are Federal administered by the BLM.

Surface Use Plan

Current Surface Use

Grazing
Agricultural
Wildlfe Habitat
Deer Winter Range

New Road

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

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Poor to fair stand of irrigated grass. Weeds are common.

Cattle, deer, elk, small mammals and birds.

Soil Type and Characteristics

Deep silty loam

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required Y

For irrigational flows.

Berm Required? N

Erosion Sedimentation Control Required? N

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

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet)	<25 or recharge area	20
Distance to Surface Water (feet)	200 to 300	10
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	<300	20
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 65 1 **Sensitivity Level**

Characteristics / Requirements

The reserve pit is planned in the south east corner of the location in a cut. It will be 100' x 165' x 8' deep. A liner is required.

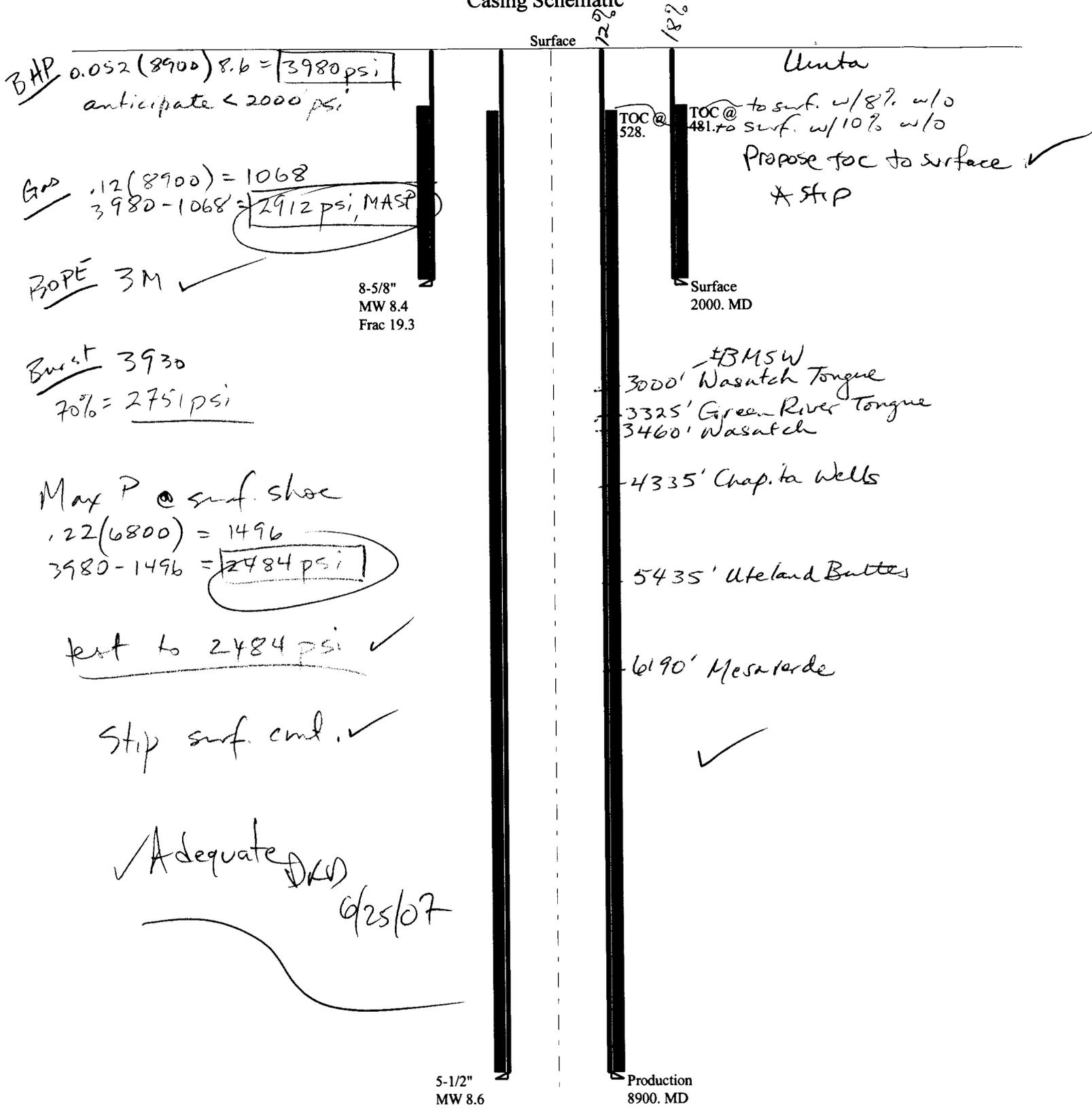
Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 16 **Pit Underlayment Required?**

Other Observations / Comments

Floyd Bartlett
Evaluator

5/3/2007
Date / Time

Casing Schematic



BHP $0.052(8900)8.6 = 3980 \text{ psi}$
anticipate $< 2000 \text{ psi}$

Gas $.12(8900) = 1068$
 $3980 - 1068 = 2912 \text{ psi, MASP}$

BOPE 3M ✓

Burst 3930
70% = 2751 psi

Max P @ surf. shoe
 $.22(6800) = 1496$
 $3980 - 1496 = 2484 \text{ psi}$

test to 2484 psi ✓

Stop surf. cml. ✓

✓ Adequate DKO
9/25/07

8-5/8"
MW 8.4
Frac 19.3

5-1/2"
MW 8.6

Surface 12%
18%

TOC @ 528.

TOC @ 481. to surf. w/ 10% w/o

Propose TOC to surface ✓
* Stop

Surface
2000. MD

- ± BMSW
- 3000' Wasatch Tongue
- 3325' Green River Tongue
- 3460' Wasatch
- 4335' Chap. ta Wells
- 5435' Uteland Buttes
- 6190' Mesaverde

Production
8900. MD

Uenta

2007-05 Dominion LCU 14-12H

Well name:	2007-05 Dominion LCU 14-12H	
Operator:	Dominion Exploration & Production, Inc.	
String type:	Surface	Project ID: 43-047-39222
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

Burst

Max anticipated surface pressure: 1,760 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 2,000 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)

Tension is based on buoyed weight.
 Neutral point: 1,750 ft

Non-directional string.

Re subsequent strings:
 Next setting depth: 8,900 ft
 Next mud weight: 8.600 ppg
 Next setting BHP: 3,976 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 (ft³)
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 & 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 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.

Well name:	2007-05 Dominion LCU 14-12H	
Operator:	Dominion Exploration & Production, Inc.	
String type:	Production	Project ID: 43-047-39222
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

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 200 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 528 ft

Burst

Max anticipated surface pressure: 2,018 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 3,976 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: 7,739 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	8900	5.5	17.00	Mav-80	LT&C	8900	8900	4.767	1161.7
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	3976	6290	1.582	3976	7740	1.95	131.6	272.9	2.07 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 8900 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 & Kernler 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.



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 26, 2007

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

Re: LCU 14-12H Well, 703' FSL, 2083' FWL, SE SW, Sec. 12, T. 11 South, R. 20 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 re-enter the plugged and abandoned referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39222.

Sincerely,

Gil Hunt
Associate Director

er
Enclosures

cc: Uintah County Assessor



Page Two
43-047-39222
June 26, 2007

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
5. Surface casing shall be cemented to surface.



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 26, 2007
*Amended September 5, 2007

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

Re: LCU 14-12H Well, 703' FSL, 2083' FWL, SE SW, Sec. 12, T. 11 South, R. 20 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.

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 43-047-39222.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor



Operator: Dominion Exploration & Production, Inc.

Well Name & Number LCU 14-12H

API Number: 43-047-39222

Lease: Patented

Location: SE SW **Sec.** 12 **T.** 11 South **R.** 20 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 action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

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

- Dan Jarvis at: (801) 538-5338 office (801) 942-0873 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

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

Page Two
43-047-39222
June 26, 2007

4. **Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)**
5. **Surface casing shall be cemented to 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 QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		8. WELL NAME and NUMBER: SEE ATTACHED
PHONE NUMBER: (817) 870-2800		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"/> 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"/> 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 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.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134

N1095

James D. Abercrombie

James D. Abercrombie
Sr. Vice President, General Manager - Western Business Unit

(405) 749-1300

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) <u>Edwin S. Ryan, Jr.</u>	TITLE <u>Sr. Vice President - Land Administration</u>
SIGNATURE <i>Edwin S. Ryan, Jr.</i>	DATE <u>7/31/2007</u>

(This space for State use only)

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

(5/2000)

(See Instructions on Reverse Side)

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

7

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?		✓
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?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
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?		✓
Is bonding still in place, which covers this proposed well? Bond No. <u>104312762</u>	✓	

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: Patented
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
			7. UNIT or CA AGREEMENT NAME: Little Canyon Unit
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			8. WELL NAME and NUMBER: LCU 14-12H
2. NAME OF OPERATOR: XTO Energy, Inc.		9. API NUMBER: 4304739222	
3. ADDRESS OF OPERATOR: P.O. Box 1360 CITY Roosevelt STATE UT ZIP 84066	PHONE NUMBER: (435) 722-4521	10. FIELD AND POOL, OR WILDCAT: Undesignated	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 703' FSL & 2,083' FWL			COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 12 11S 20E S			STATE: UTAH

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

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

Date: 05-14-08
 By: [Signature]

COPY SENT TO OPERATOR
 Date: 5-20-2008
 Initials: KS

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: 4304739222
Well Name: LCU 14-12H
Location: 703' FSL & 2,083' FWL, SE SW, Sec. 12, 11S-20E
Company Permit Issued to: XTO Energy, Inc.
Date Original Permit Issued: 6/26/2007

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		5. LEASE DESIGNATION AND SERIAL NUMBER: Patented
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
		7. UNIT or CA AGREEMENT NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: LCU 14-12H	
2. NAME OF OPERATOR: XTO Energy, Inc.	9. API NUMBER: 4304739222	
3. ADDRESS OF OPERATOR: P.O. Box 1360 CITY Roosevelt STATE UT ZIP 84066	PHONE NUMBER: (435) 722-4521	10. FIELD AND POOL, OR WILDCAT: undesignated
4. LOCATION OF WELL FOOTAGES AT SURFACE: 703' FSL & 2,083' FWL,		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 12 11S 20E S		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> 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 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>Pipeline relocation</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. has relocated the pipeline corridor for the associated well at the request of the surface landowner. Attached please find an updated Topo D to replace the Topo D previously submitted within Exhibit "B" of the APD package. The pipeline corridor is now 423' in length crossing entirely Alameda surface.

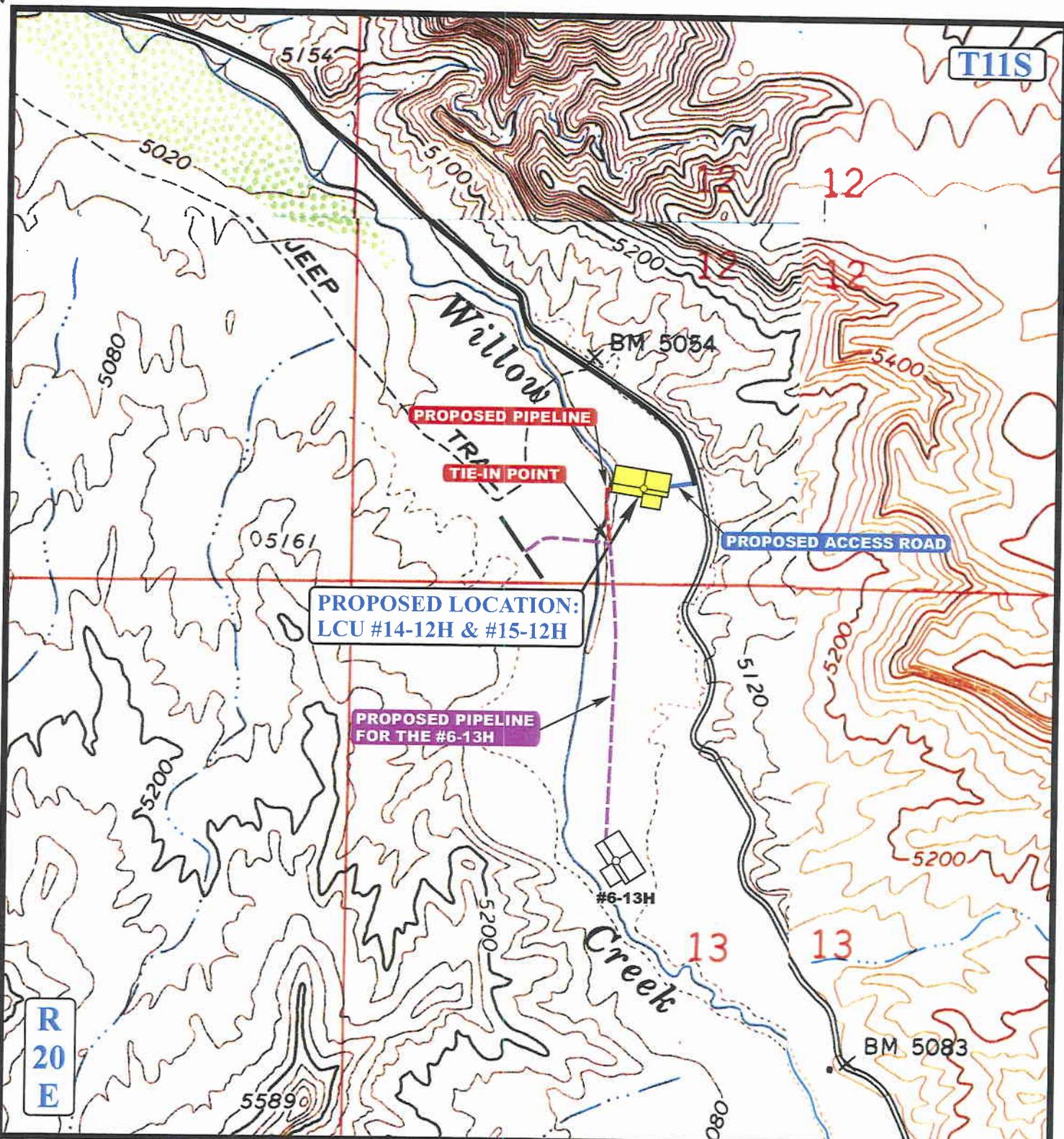
**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

FILE COPY

NAME (PLEASE PRINT) <u>Don Hamilton</u>	TITLE <u>Agent for XTO Energy, Inc.</u>
SIGNATURE _____	DATE <u>11/13/2008</u>

(This space for State use only)

**RECEIVED
NOV 17 2008**



APPROXIMATE TOTAL PIPELINE DISTANCE = 423' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- - - - - PROPOSED PIPELINE
- - - - - PROPOSED PIPELINE (SERVICING OTHER WELLS)



XTO ENERGY, INC.

LCU #14-12H & #15-12H
SECTION 12, T11S, R20E, S.L.B.&M.
SE 1/4 SW 1/4



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

TOPOGRAPHIC MAP 06 26 06
MONTH DAY YEAR
SCALE: 1" = 1000' DRAWN BY: C.P. REV: 09-05-08 Z.L.



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: Patented/Fee
2. NAME OF OPERATOR: XTO ENERGY INC.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 382 CR 3100 CITY AZTEC STATE NM ZIP 87410		PHONE NUMBER: (505) 333-3100	7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 703' FSL x 2083' FWL COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 12 10 S 20E S STATE: UTAH			8. WELL NAME and NUMBER: LCU 14-12H
			9. API NUMBER: 4304739222
			10. FIELD AND POOL, OR WILDCAT: Undesignated

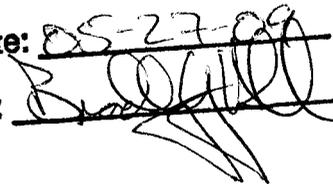
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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	

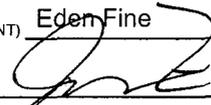
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO Energy Inc. herby 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: 

COPY SENT TO OPERATOR
Date: 6.3.2009
Initials: KS

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

(This space for State use only)

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



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

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

API: 4304739222
Well Name: LCU 14-12H
Location: 703' FSL x 2083' FWL 12-10S-20E
Company Permit Issued to: XTO Energy
Date Original Permit Issued: 6/26/2007

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME: LITTLE CANYON
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: LCU 14-12H
2. NAME OF OPERATOR: XTO ENERGY INC	9. API NUMBER: 43047392220000
3. ADDRESS OF OPERATOR: 382 Road 3100 , Aztec, NM, 87410	PHONE NUMBER: 505 333-3159 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0703 FSL 2083 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 12 Township: 11.0S Range: 20.0E Meridian: S	9. FIELD and POOL or WILDCAT: HILL CREEK
	COUNTY: UINTAH
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/26/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

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

Approved by the Utah Division of Oil, Gas and Mining

Date: June 30, 2010

By:

NAME (PLEASE PRINT) Eden Fine	PHONE NUMBER 505 333-3664	TITLE Permitting Clerk
SIGNATURE N/A		DATE 6/28/2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047392220000

API: 43047392220000

Well Name: LCU 14-12H

Location: 0703 FSL 2083 FWL QTR SESW SEC 12 TWNP 110S RNG 200E MER S

Company Permit Issued to: XTO ENERGY INC

Date Original Permit Issued: 6/26/2007

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

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

Signature: Eden Fine

Date: 6/28/2010

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

Date: June 30, 2010

By: 



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

June 28, 2011

XTO Energy Inc.
382 Road 3100
Aztec, NM 87410

Re: APD Rescinded – LCU 14-12H, Sec. 12 T. 11S, R. 20E
Uintah County, Utah API No. 43-047-39222

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 26, 2007. On May 14, 2008, May 27, 2009 and June 30, 2010, 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 June 28, 2011.

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

