

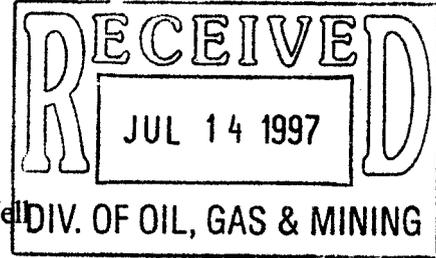


Texaco Exploration and Production Inc

3300 N Butler  
Farmington NM 87401

July 10, 1997

Mr. Chuck Semborski  
Geology and Environmental Supervisor  
Energy West Mining Co.  
PO Box 310  
Huntington, Utah 84528



RE: DES-BEE-DOVE HAUL ROAD - State of Utah 2-49 Well

Dear Mr. Semborski:

Texaco Exploration and Production Inc. has staked and constructed a well pad in the SE/4 of Sec2. T18S R7E. The well pad was staked and constructed with the understanding that the well pad would remain outside the marked boundary of your DES-BEE-DOVE HAUL ROAD. Texaco misunderstood the meaning of the signs in place along the haul road which read, "PERIMETER - Do Not Disturb." Texaco's intentions were to place the entire well pad outside of the permitted area.

*ACT 10/5/07 #2  
Copy PAUL, Joe, Aaron,  
Lowell,  
Mary  
Ann*

After staking the location and completing the onsite review with DOGM, Texaco proceeded with the construction of the location as it was staked. Following the construction of the location it was immediately brought to Texaco's attention that the new well pad was within the permitted boundary. This was to Texaco's surprise, as we had made the effort to stay outside of the marked perimeter, knowing this was the edge of the permitted area for you mining operations. With further review and surveying it was shown that the new disturbance was actually located within the permitted boundary. The attached survey shows the actual disturbed area within the permitted boundary.

After completion of the well Texaco plans to provide reclamation efforts for the disturbed areas within the permitted boundary. Texaco will recontour and seed the area with previously defined seed mix.

Thank you for your assistance and cooperation in this matter. If you have any further questions or comments please contact Mr. Ron Wirth at (801) 748-5395.

Sincerely,

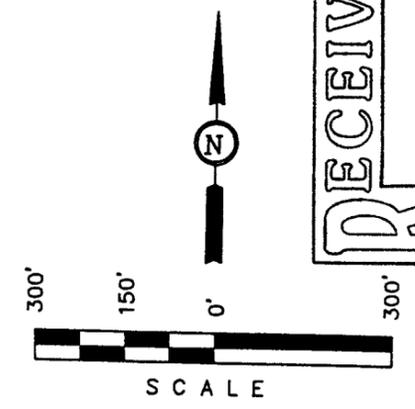
Robert F. Schaffitzel  
Production Engineer  
Farmington Operating Unit

Attachment

cc: Paul Baker - DOGM

TEXACO EXPLR. & PROD., INC.  
**DAMAGE AREA INSIDE  
 RIGHT-OF-WAY**  
 (For STATE OF UTAH "U" #2-49)  
 LOCATED IN  
 SECTION 2, T18S, R7E, S.L.B.&M.  
 EMERY COUNTY, UTAH

RECEIVED  
 JUL 14 1997  
 DIV. OF OIL, GAS & MINING



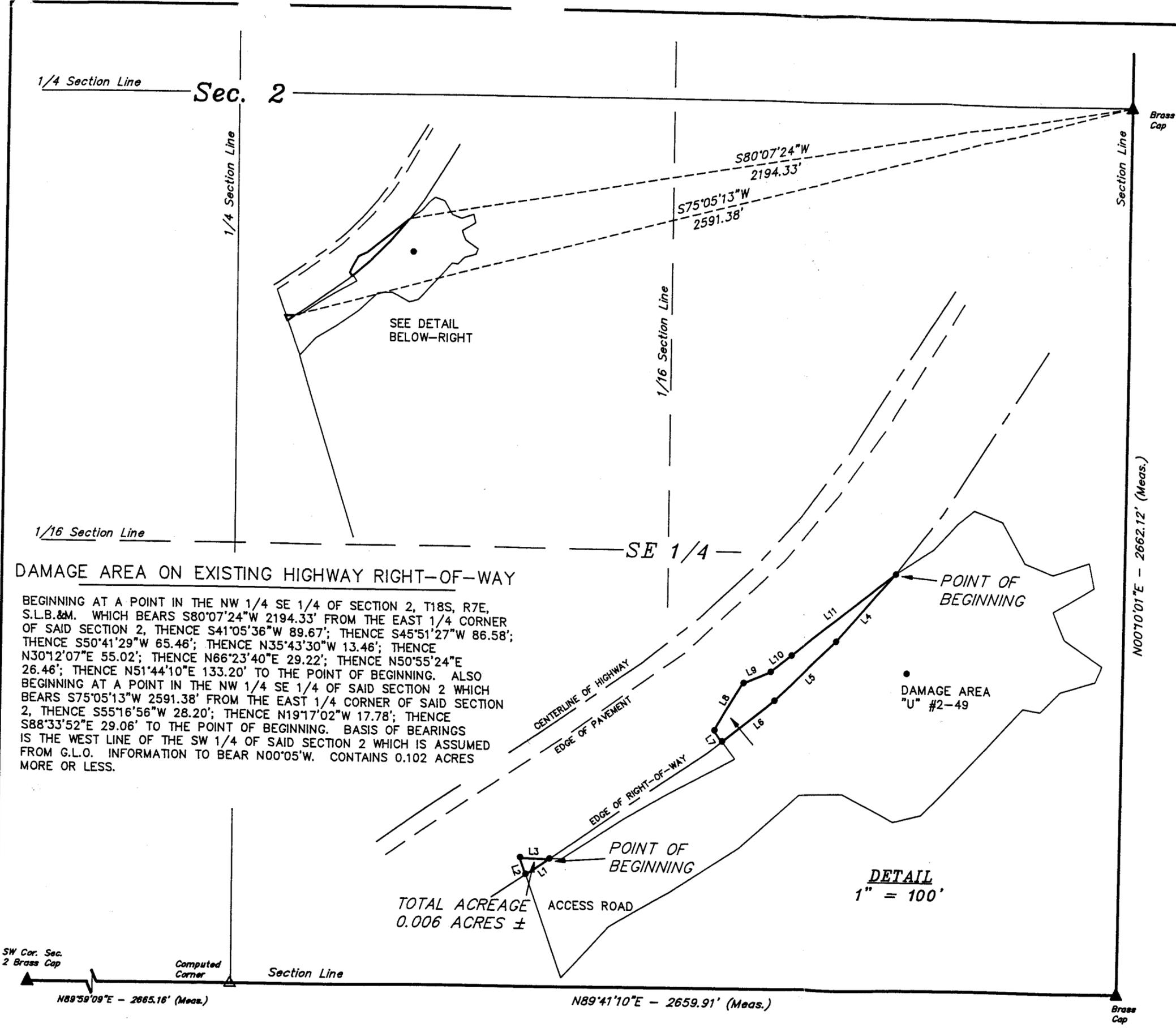
LINE	DIRECTION	DISTANCE
L1	S55°16'56"W	28.20'
L2	N19°17'02"W	17.78'
L3	S88°33'52"E	29.06'
L4	S41°05'36"W	89.67'
L5	S45°51'27"W	86.58'
L6	S50°41'29"W	65.46'
L7	N35°43'30"W	13.46'
L8	N30°12'07"E	55.02'
L9	N66°23'40"E	29.22'
L10	N50°55'24"E	26.46'
L11	N51°44'10"E	133.20'

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

*Richard S. Hay*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 181319  
 STATE OF UTAH

**UNTAH ENGINEERING & LAND SURVEYING**  
 85 SOUTH - 200 EAST • (801) 789-1017  
 VERNAL, UTAH - 84078

SCALE 1" = 300' OR AS SHOWN	DATE 6-19-97
PARTY B.B. D.R. C.B.T.	REFERENCES G.L.O. PLAT
WEATHER	FILE



**DAMAGE AREA ON EXISTING HIGHWAY RIGHT-OF-WAY**  
 BEGINNING AT A POINT IN THE NW 1/4 SE 1/4 OF SECTION 2, T18S, R7E, S.L.B.&M. WHICH BEARS S80°07'24"W 2194.33' FROM THE EAST 1/4 CORNER OF SAID SECTION 2, THENCE S41°05'36"W 89.67'; THENCE S45°51'27"W 86.58'; THENCE S50°41'29"W 65.46'; THENCE N35°43'30"W 13.46'; THENCE N30°12'07"E 55.02'; THENCE N66°23'40"E 29.22'; THENCE N50°55'24"E 26.46'; THENCE N51°44'10"E 133.20' TO THE POINT OF BEGINNING. ALSO BEGINNING AT A POINT IN THE NW 1/4 SE 1/4 OF SAID SECTION 2 WHICH BEARS S75°05'13"W 2591.38' FROM THE EAST 1/4 CORNER OF SAID SECTION 2, THENCE S55°16'56"W 28.20'; THENCE N19°17'02"W 17.78'; THENCE S88°33'52"E 29.06' TO THE POINT OF BEGINNING. BASIS OF BEARINGS IS THE WEST LINE OF THE SW 1/4 OF SAID SECTION 2 WHICH IS ASSUMED FROM G.L.O. INFORMATION TO BEAR N00°05'W. CONTAINS 0.102 ACRES MORE OR LESS.

△ = COMPUTED CORNER. (Not Set)    ▲ = SECTION CORNERS LOCATED.