

PacifiCorp

Energy West Mining Company

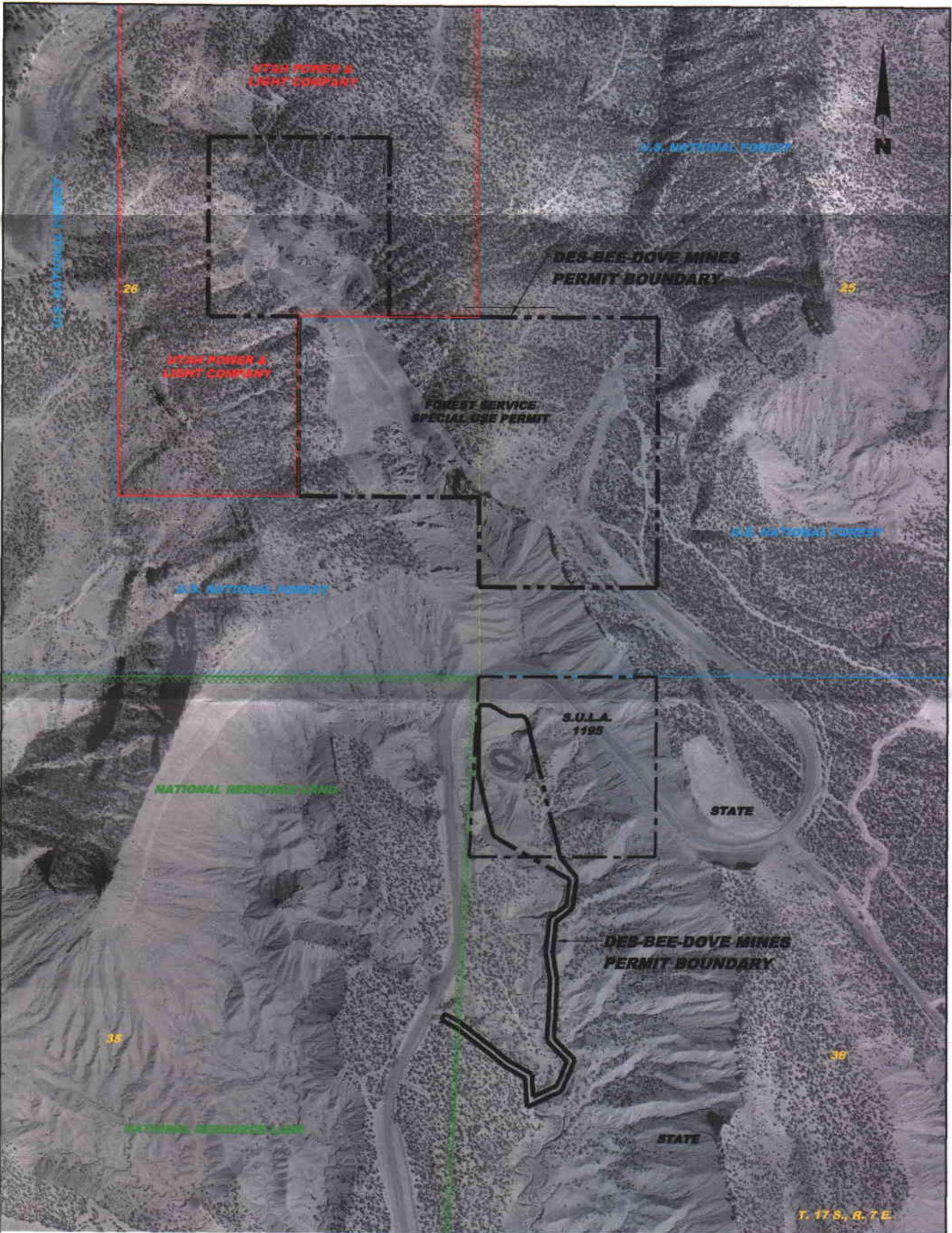
Des Bee Dove Mine

C/015/0017

Post Mining Land Use Change

Map - Affected Area within Mine Permit Boundary

FILE IN: Expandable 08112006
Refer to Record No. 0041
in C0150017, 2006, Incoming
for additional information



LEGEND

-  **DES-BEE-DOVE MINES PERMIT AREA**
-  **AREA OF POST MINING LAND USE CHANGE**
-  **U.S. NATIONAL FOREST**
-  **UTAH POWER & LIGHT COMPANY**
-  **NATIONAL RESOURCE LAND**

NOTE:
 AREA WITHIN DES-BEE-DOVE PERMIT INCLUDES A POST MINING LAND USE OF GRAZING, WILDLIFE HABITAT, RECREATION AND MINERAL DEVELOPMENT (INCLUDING OIL AND GAS DEVELOPMENT)

RECEIVED

AUG 17 2006

DIV. OF OIL, GAS & MINING



CAD FILE NAME/DISK#: POST MINING LAND USE.DWG

**ENERGY WEST
 MINING COMPANY**
 HUNTINGTON, UTAH 84528

**DES-BEE-DOVE MINES
 POST MINING LAND USE
 AERIAL PHOTOGRAPH**

DRAWN BY:	K. LARSEN	DRAWING #:
SCALE:	AS NOTED	SHEET	1 OF 1
DATE:	JULY 13, 2006	REV.

PacifiCorp

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Des Bee Dove Mine

C/015/0017

Post Mining Land Use Change

Legal Description of Proposed PMLU Change Area

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Des-Bee-Dove Mine

C/015/0017

Legal Description of the area proposed for Post Mining Land Use Change:

T17S, R7E, S.L.B.&M, Emery County, Utah

Sec 25:

NW¼ SW¼, N½ SW¼ SW¼.

Sec 26:

E½SW¼NE¼, W½SE¼NE¼, NE¼SE¼.

Sediment Pond

Beginning at a point 259.41 feet West and 123.74 feet North of the East 1/4 corner of section 35, T17S. R7E., SLM and intersecting the Des-Bee-Dove Emery County Road No. 412;

thence S 61° 43' E, 127.70 feet ;

thence S 51° 13' E, 459.78 feet;

thence S 60° 43' E, 163.50 feet;

thence S 3° 43' E, 213.14 feet;

thence N 64° 47' E, 278.44 feet;

thence N 22° 17' E, 249.11 feet;

thence N 44° 13' W, 217.52 feet;

thence N 2° 47' E, 431.98 feet;

thence N 10° 13' W, 194.24 feet;

thence N 6° 13' E, 231.03 feet;

thence N 51° 13' E, 154.75 feet;

thence N 7° 13' E, 230.82 feet;

thence N 39° 13' W, 188.61 feet;

thence N 13° 48' 40" W, 1030.83 feet;

thence N 40° 36' 49" W, 46.42 feet;

thence S 88° 27' 37" W, 100.39 feet;

thence N 61° 03' 40" W, 163.27 feet,

thence W, 79.30 feet,

thence S, 0°, 08' W, 517.82 feet,

thence S 13° 48' 40" E, 454.63 feet;

thence S 60° 37' 19" E, 640.87 feet;

thence S 7° 13' W, 189.18 feet;

thence S 51° 13' W, 155.25 feet;

thence S 6° 13' W, 258.97 feet;

thence S 10° 13' E, 195.76 feet;

thence S 2° 47' W, 448.02 feet;

thence S 44° 13' E, 206.48 feet;

thence S 22° 17' W, 196.89 feet;

thence S 64° 47' W, 185.56 feet;

thence N 3° 43' W, 166.86 feet;

thence N 60° 43' W, 186.50 feet;

thence N 51° 13' W, 460.22 feet;

thence N 61° 43' W, 132.30 feet;

thence S 28° 16' 51" W, 50.00 feet;

to point of beginning. Contains 13.88 acres, more or less.

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Energy West Mining Company

Des Bee Dove Mine

C/015/0017

Post Mining Land Use Change

Narrative Describing Approve Post Mining Land Use

Taken from Volume 2, Part 4, pages 4-42 thru 4-44 of the
Des Bee Dove Mining and Reclamation Plan

mining induced changes it is felt highly unlikely that mining will have any effect on the hydrologic regime of the area.

The Des-Bee-Dove, Wilberg junction road, sediment pond and sediment structure are located in an area that is free from groundwater or surface water. The impermeable strata of the Masuk Shale acts as an aquiclude to any water which migrates down through the overlying strata. Because of this, the strata in the area of the road is dry. The surface water that is periodically present occurs as runoff from rains generally from summer thunder storms. This runoff intersects several minor washes which have been culverted beneath the road to adequately handle the storm events. Therefore, it is not felt that this road will impact the hydrologic balance of the area. The road, sediment pond and sediment disposal area are of such a minor nature that no action is required to mitigate their impact to the hydrologic regime.

HYDROLOGIC BALANCE: WATER QUALITY STANDARDS AND EFFLUENT LIMITATIONS

Throughout the life of the mine and following its reclamation after mining is completed, measures will be taken to insure that the surface water which flows through and adjacent to the mine area meets the effluent limitation set forth in R645-301-751 of the Utah Mining Code.

RECLAMATION PLAN: POSTMINING USES (R645-301-412.100)

The disturbed area (portal area of the Des Bee Dove Mines) lies within a small, steep, dry wash. Reclamation work identified within this wash states that disturbances shall be placed back to approximate original contours. Regraded and compacted fills of the three small structures requiring reclamation in the wash after revegetation should provide equivalent cover and grazing that existed prior to mining.

INCORPORATED
EFFECTIVE
SEP 10 1998
98BR

Revised 4/8/98

Reclamation of the bathhouse structure incorporating terraces provides level area where revegetated cover would be increased as compared to the premining steep slopes. The tibble pad structure with an area of 4 acres is additional land now usable which, before mining, was eroded, steep cliffs, for the most part, void of vegetation. These features provide enhanced wildlife habitat.

A key element of the reclamation plan for post mining land use, is reclamation of the access road, (reclamation from 96 + 00 [end of County right of way] to the mine site), to a cattle trail to allow continued use of the area by the present users, i.e., cattlemen, recreation, industry, wildlife, grazing and property owners.

A protective barrier will be placed across the dirt road to prohibit casual users of the area from proceeding further than the mine area. Cattlemen who use the upper access trail will be able to pass the barrier.

Land use after reclamation primarily would be the same as before mining, that is, industry, grazing, wildlife habitat; alternate land uses besides grazing and wildlife habitat would include recreation, such as hunting. The absence of water limits the potential of other uses.

The extended period of responsibility will continue for not less than 10 years. The applicant feels that in the ten years following mining (bond period), there is sufficient time to manage the vegetational establishment and growth to meet and achieve the requirements of the postmine land uses as set forth within Applicant's reclamation plan found herein.

The areas which are disturbed and are proposed for reclamation are either owned by the Applicant or

INCORPORATED
EFFECTIVE:
SEP 10 1998 98BR
UTAH DIVISION OIL, GAS AND MINING 443

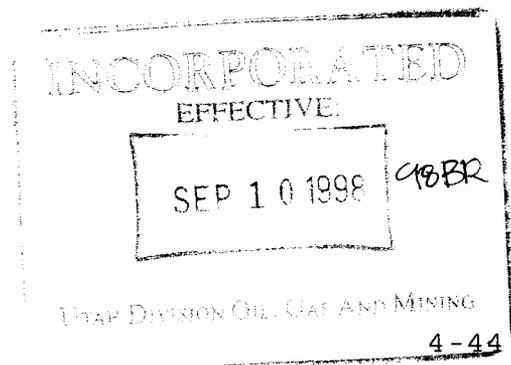
Revised 4/8/98

has obtained a right-of-way to utilize the surface from others. Where the Applicant is the legal surface owner, the proposed land use is stated herein. The other legal/equitable surface owners include the United States Forest Service, Bureau of Land Management and the State of Utah Division of Lands and Forestry. Each right-of-way obtained from these surface owners stipulates that upon abandonment that each site will be restored to their natural state insofar as practicable and subject to their satisfaction. Applicant states that proposed land use found herein is synonymous with the other legal/equitable surface owners.

The county road which provides access to the mine site will remain after reclamation. A trail will be established from the County road to access East Mountain for cattle grazing purposes. The cattle trail is comprised of natural rubble material and revegetation is impractical.

Revised 4/8/98

J:\PCCOMMON\PCCOMMON\ENVIRONM\PERMITS\DBDMINE\AMENDM\1998\CHAP4ORG.998



PacifiCorp

Energy West Mining Company

Des Bee Dove Mine

C/015/0017

Post Mining Land Use Change

Narrative Describing Proposed Post Mining Land Use

PacifiCorp

Energy West Mining Company

Des-Bee-Dove Mine

C/015/0017

The following is a narrative describing the proposed post mining land use change for the Des-Bee-Dove Mine permit area. This narrative will be replace the Reclamation Plan: Postmining Uses (R645-301-412.100) in Volume 2, Part 4, pages 4-42 through 4-44.

RECLAMATION PLAN: POSTMINING USES (R645-301-412.100)

The disturbed area (portal areas of the Des-Bee-Dove Mines) lies within a small, steep, dry wash. Reclamation work identified within this wash states that disturbances shall be placed back to approximate original contours. Final reclamation of the Des-Bee Dove Mine was completed in January 2006. All areas (including Little Dove/Beehive Pad, Deseret Pad, Bathhouse Pad, Tipple Pad, and Sediment Pond) have been reclaimed to their approximate original contour. A diverse seed mix for revegetation has been planted and should provide equivalent cover for grazing that existed prior to mining.

As part of final reclamation, a "cattle trail" was established to allow the cattlemen to herd their livestock through the mine permit area to access their grazing allotments. This "cattle trail" is also used by hikers, hunters, and the LDS Church (Castle Valley Pagant) to reenact the migration of settlers into the Castle Valley. This reenactment occurs annually every July .

The land use information of the permit area described in Volume 1, Part 2 (pages 2-220 through 2-222) allows for grazing, wildlife habitat, recreation, mineral development (including oil and gas development). Land uses after reclamation will remain the same as before mining activities began. The absence of water resources limits the potential of other alternative uses in this area.

The extended period of responsibility will continue for not less than ten (10) years. The applicant feels that in the ten (10) years following mining (bonding period), there is sufficient time to manage the vegetational establishment and growth to meet and achieve the requirements of the postmining land uses set forth within the applicant's reclamation plans found in Appendices XIV, XV, and XVI.

The areas which have been disturbed and reclaimed are either owned by the applicant or the applicant has obtained a special use permit to utilize the surface from others. Where the applicant is the legal surface owner, the proposed land use is stated herein. The other legal/equitable surface owner is the United States Forest Service, State Institutional Trust Lands Administration, and Bureau of Land Management. The special use permit stipulates that upon abandonment that each site will be restored to their natural state insofar as practical and subject to their satisfaction. Said lands have been restored to those standards.

PacifiCorp

Energy West Mining Company

Des Bee Dove Mine

C/015/0017

Post Mining Land Use Change

Land Owner/Local Government Consent Letters



United States
Department of
Agriculture

Forest
Service

Manti-La Sal
National Forest

Supervisor's Office
599 West Price River Drive
Price, UT 84501
Phone # (435) 637-2817
Fax # (435) 637-4940

File Code: 2820-4

Date: August 8, 2006

Dennis Oakley
Sr. Environmental Engineer
Energy West Mining Company
P.O. Box 310
Huntington, UT 84528

Dear Dennis:

My staff has reviewed your request for consent to a change in the post-mining land use for 20 acres of the Des-Bee-Dove Mine Permit Area. Based on our analysis of the reasonably foreseeable activities in the area, including the proposed gas well, and the current Forest Plan, changing the post-mining land uses by the Utah Division of Oil, Gas and Mining as required by the Surface Mining Control and Reclamation Act will be consistent with the Forest Plan.

The Des-Bee-Dove Mine surface disturbance is within a Minerals Management Area (MMA). The proposed XTO well site is also within this MMA. The MMA is completely surrounded by a General Winter Range (GWR) area. The reclamation at the Des-Bee-Dove Mine has been to return the area to forage production for wildlife and livestock. As you can see in the attached management prescriptions for MMA and GWR areas, the proposed grazing, wildlife habitat, recreation, and mineral development uses are consistent with the prescriptions. The XTO federal oil and gas lease already contains timing and threshold stipulations for operations within the GWR area.

Please contact Dale Harber, Forest Geologist, at (435) 636-3548 if you need any additional information.

Sincerely,

Acting for
EILEEN F. RICHMOND
Acting Forest Supervisor

Enclosure

CC: Pam Grubaugh-Littig, Utah Division of Oil, Gas and Mining



**MANAGEMENT PRESCRIPTION GWR
(EMPHASIS IS ON GENERAL BIG-GAME WINTER RANGE)**

Management emphasis is on providing general big-game winter range. These are areas wildlife traditionally use. Treatments of various types are applied to increase forage production and plant species composition. This may include chaining, cutting, prescribed burning, seeding, spraying, planting, and other treatments. Selected browse species are regenerated to maintain a variety of age classes.

Investments in compatible resource activities may occur. Livestock grazing is generally compatible and is managed to favor big-game habitat. Structural range improvements will be designed, where possible, to benefit wildlife. Range structures will be designed to minimize adverse wildlife impacts.

Permanent roads and special uses may be permitted. Short-term or temporary roads are obliterated and rehabilitated within one year after intended use. Motorized use is managed as appropriate to prevent unacceptable stress on big-game animals during the primary use season.

Specific cover opening ratios, opening width, and stand design are maintained in pinyon-juniper chaining areas.

19-III

(EMPHASIS IS ON GENERAL BIG-GAME WINTER RANGE)

MANAGEMENT UNIT DIRECTION GWR

MANAGEMENT REQUIREMENTS

MANAGEMENT ACTIVITIES	GENERAL DIRECTION	STANDARDS & GUIDELINES
VISUAL RESOURCE MANAGEMENT (A04)	01 Meet Forest Direction Visual Quality Objectives except where habitat improvement activities occur. Treated sites must be returned to the planned VQO within 10 years.	
DISPERSED RECREATION MANAGEMENT (A14 AND 15)	01 Manage recreational activities so they do not conflict with wildlife use of habitat.	<ul style="list-style-type: none"> a. Restrict snowmobile use to designated routes if conflicts with wintering animals occur. b. Restrict vehicular travel on non-roaded areas if conflicts with habitat needs develop.
WILDLIFE AND FISH RESOURCE MANAGEMENT (C01)	01 Provide big-game habitat needed to help achieve the big-game population objectives identified in interagency herd unit plans.	<ul style="list-style-type: none"> a. Maintain at least 30 percent of shrub plants in mature age, and at least 10 percent in young age classes. b. Maintain at least two shrub species on sites capable of growing two or more shrub species. c. Maintain habitat capability at a level at least 50 percent of potential for big game. d. Activities or uses which induce human activity within the area may be modified, rescheduled, or denied if the combination of accumulated impacts on vegetation, behavior, and/or mitigation reduce effective habitat use below 80 percent of base year 1980 capacity of this unit.
RANGE RESOURCE MANAGEMENT (D02)	01 Manage livestock grazing to complement big-game habitat.	<ul style="list-style-type: none"> a. Establish proper use criteria that should maintain or enhance habitat for wildlife. Limit livestock use to this level.
MINERALS MANAGEMENT GENERAL (G00)	01 Modify, delay, or deny mineral leasing, exploration, and/or surface occupancy, where applicable, if they cause unacceptable stress on big game or unmitigated damage to their habitat.	<ul style="list-style-type: none"> a. Prohibit activities during critical periods of big-game use. b. Approved activities must be short-term and prompt reclamation must be assured.

III-62

MANAGEMENT
ACTIVITIES

GENERAL
DIRECTION

STANDARDS &
GUIDELINES

SPECIAL USE
MANAGEMENT NON-
RECREATION)
(J01)

01 As appropriate, permit special uses if they do not conflict with big-game wintering.

RIGHTS-OF-WAY
AND LAND
ADJUSTMENTS
(J02, 13, 15,
16, 17, AND 18)

01 Acquire private lands or obtain wildlife habitat easements needed for big-game winter range.

TRANSPORTATION
SYSTEM
MANAGEMENT
(101 AND 20)

01 Allow new roads to meet management needs. Obliterate and rehabilitate temporary roads within one season after planned use ends.

- a. New roads may be constructed when;
- (1) There is no acceptable alternative to build the road outside the unit, and the road is essential to achieve priority goals and objectives of contiguous management units, or to provide access to land administered by other government agencies or to contiguous private land.
 - (2) Winter road use will not significantly disturb wintering big-game animals.
 - (3) Roads cross the winter range in the minimum distance feasible to facilitate the needed use.

02 Close and/or restrict road use as appropriate to reduce stress on big-game animals.

**MANAGEMENT PRESCRIPTION MPA
(EMPHASIS IS ON LEASABLE MINERALS DEVELOPMENT)**

Management emphasis is on making land surface available for existing and potential major mineral developments. This prescription is applied where the land surface is or will be used for facilities needed for the extraction of leasable minerals over an extended period. The areas associated with known, potential, development sites are included in this unit. Additional areas may be added to this unit as mines or fields are located and developed. As the developments are removed and restoration is completed, these areas may be changed to other appropriate management units.

In units where mineral development is pending, renewable resource activities strive to be compatible with the management goals of adjacent management units. Long-term investments, such as timber planting, generally are not made. However, short-term investments, such as range and wildlife revegetation projects, may be made on these units.

08-III

(EMPHASIS IS ON LEASABLE MINERAL DEVELOPMENT)

MANAGEMENT UNIT DIRECTION MPA

MANAGEMENT REQUIREMENTS

MANAGEMENT
ACTIVITIES

GENERAL
DIRECTION

STANDARDS &
GUIDELINES

VISUAL RESOURCE
MANAGEMENT
(A04) 01 VQO is modification, except after dark the VQO may be maximum modification owing to artificial lighting.

DISPERSED
RECREATION
MANAGEMENT
(A14 AND 15) 01 Manage dispersed recreation opportunities:
(1) On potential MMA units consistent or compatible with prescriptions from adjacent management units;
(2) On existing MMA units to avoid conflicts with mineral activities and provide for public safety.

WILDLIFE
HABITAT
IMPROVEMENT AND
MAINTENANCE
(002, 04, 05
AND 06) 01 Manage to the extent possible potential or existing long-term impacts on potential or existing units consistent or compatible with wildlife and fish habitat prescriptions from adjacent management units.

RANGE RESOURCE
MANAGEMENT
(D02) 01 Manage the forage resource on potential units and existing units consistent or compatible with range prescriptions from adjacent management units. On existing units, manage forage with emphasis on establishment of vegetative cover and long range rehabilitation to support appropriate range prescriptions.

SILVICULTURAL
EXAMINATION
AND
PRESCRIPTION
(E03, 06,
AND 07) 01 On potential units manage forest cover types consistent or compatible with prescription from adjacent management units unless a specific use requires special forest cover management.
02 Maintain forest cover types on undisturbed sites with emphasis on long range establishment of stands compatible with adjacent management units. As appropriate, rehabilitate disturbed lands using forest cover types.
03 Utilize forest products through both commercial and noncommercial methods.

MANAGEMENT
ACTIVITIES

GENERAL
DIRECTION

STANDARDS &
GUIDELINES

MINERALS
MANAGEMENT
LEASABLES
(G02 TO 07)

- 01 Coordinate the various leasable mineral activities to minimize or eliminate conflicts.
- 02 Upon completion of the planned surface use, restore disturbed sites to their predisturbed conditions unless otherwise directed in the document authorizing the use.

SPECIAL USE
MANAGEMENT (NON-
RECREATION)
(J01)

- 01 Coordinate developments that may conflict with the intended purpose of existing or potential units to minimize or eliminate the conflict.
- 02 Issue special-use permits for off-lease facilities consistent with policy and guidelines.

TRANSPORTATION
SYSTEM
MANAGEMENT
(L01 AND 20)

- 01 Reduce or remove transportation facilities to a kind and standard compatible with the transportation section of the Forest Plan when mineral activity is complete and the unit is rehabilitated.



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Jon M. Huntsman, Jr.
Governor
Kevin S. Carter
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

August 7, 2006

Energy West Mining Company
c/o Mr. Dennis Oakley
P.O. Box 310
Huntington, Utah 84528

RE: Special Use Lease Agreement No. 1195

Dear Mr. Oakley:

This letter is in response to your letter dated July 14, 2006, concerning a revision to the Post Mining Land Use of the Des-Bee-Dove mine. As stated in your letter, the final approval for Phase III Bond Release and post mining land use changes was granted by the Division of Oil Gas and Mining on September 1, 1998. Energy West is requesting consent to change the post mining land use to allow for higher and better uses of the land that are consistent with and applicable to the adjacent land use policies and plans. This change request will be submitted to the Division of Oil Gas and Mining to change the current post mining land use permit from grazing and wildlife to grazing, wildlife habitat, recreation, and mineral development (including oil and gas development).

The Trust Lands Administration is the owner of Section 36, Township 17 South, Range 7 East, SLB&M. Special Use Lease Agreement No. 1195 is currently issued to PacifiCorp, c/o Interwest Mining Company for a mine sediment and surface water control pond located within the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 36. This lease site and the access road were reclaimed earlier this year.

The Trust Lands Administration currently has no concerns with the Post Mining revision as described above. This use goes along with the surrounding land use and should have no impact on future trust land use. Although, it should be noted, that any future use of the trust lands within Section 36 will require approval from our agency.

Sincerely,

Kurt M. Higgins
Trust Land Resource Specialist

**EMERY
COUNTY**

Board of Commissioners

Ira W. Hatch • Gary D. Kofford • Drew Sitterud

95 East Main Street • P.O. Box 629 • Castle Dale, Utah 84513

July 18, 2006

Energy West Mining Company
Attention: Dennis Oakley
P.O. Box 310
Huntington, Utah 84528

Dear Dennis:

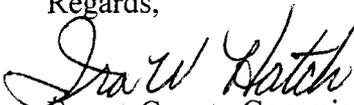
On Thursday, June 29th, Emery County's Public Lands Administrator Ray Petersen participated in a field inspection of the Des-Bee-Dove reclamation site. In attendance at the inspection were representatives of the Division of Oil, Gas and Mining (DOG M) as well as personnel representing Energy West Mining, the lease holder of the site.

The participants met at Energy West offices in Huntington where Dennis Oakley made a presentation showing the area involved and the orientation of the components of the reclamation effort. The group then mobilized to the parking area at the end of the County Road #416. The reclamation area was then accessed by foot, from the trailhead at the end of the county road to the location of what had been the upper portals of the mine complex.

There was general agreement among those on-site, that removal of approximately seventy five feet of fencing along the cattle trail would be advisable. Emery County supports this decision.

Mr. Petersen is satisfied that Emery County can support the Phase I bond release as a result of the reclamation that is in place. Emery County also consents to post mining land use change which would include grazing, wildlife habitat, recreation, and mineral development (including oil and gas development). Please accept this letter as indicated support for said release and post mining land use change.

Regards,


Emery County Commission

cc. Pam Grubaugh-Littig, Permit Supervisor
Coal Regulatory Program - Utah Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84116

PacifiCorp

Energy West Mining Company

Des Bee Dove Mine

C/015/0017

Post Mining Land Use Change

XTO Energy Inc. - Application for Permit to Drill
(APD)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

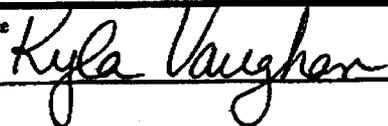
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-75666
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator XTO Energy Inc.		7. Unit or CA Agreement Name and No. N/A
3a. Address 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM		8. Lease Name and Well No. Utah Federal 17-7-25-14
3b. Phone No. (include area code) 505-324-1090		9. API Well No.
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface 1044' FSL x 836' FWL in Sec 25, T17S, R7E At proposed prod. zone SAME		10. Field and Pool, or Exploratory Petron Sandstone
14. Distance in miles and direction from nearest town or post office ³ Approx 6.7 miles northwest of Orangeville, Utah		11. Sec., T., R., M., or Bk. and Survey or Area Sec 25, T17S, R7E
15. Distance from proposed ² location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1045'	16. No. of Acres in lease 2560	17. Spacing Unit dedicated to this well 160 acres
18. Distance from proposed location ² to nearest well, drilling, completed, applied for, on this lease, ft. 2900'	19. Proposed Depth 4422'	20. BLM/BIA Bond No. on file UTB-000198
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7314' Ground Elevation	22. Approximate date work will start ⁴ winter 2006	23. Estimated duration 2 weeks

24. Attachments

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

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Kyla Vaughan	Date 01/12/06
Title Regulatory Compliance Tech		
Approved by (Signature)	Name (Printed/Typed)	Date
Title Office		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

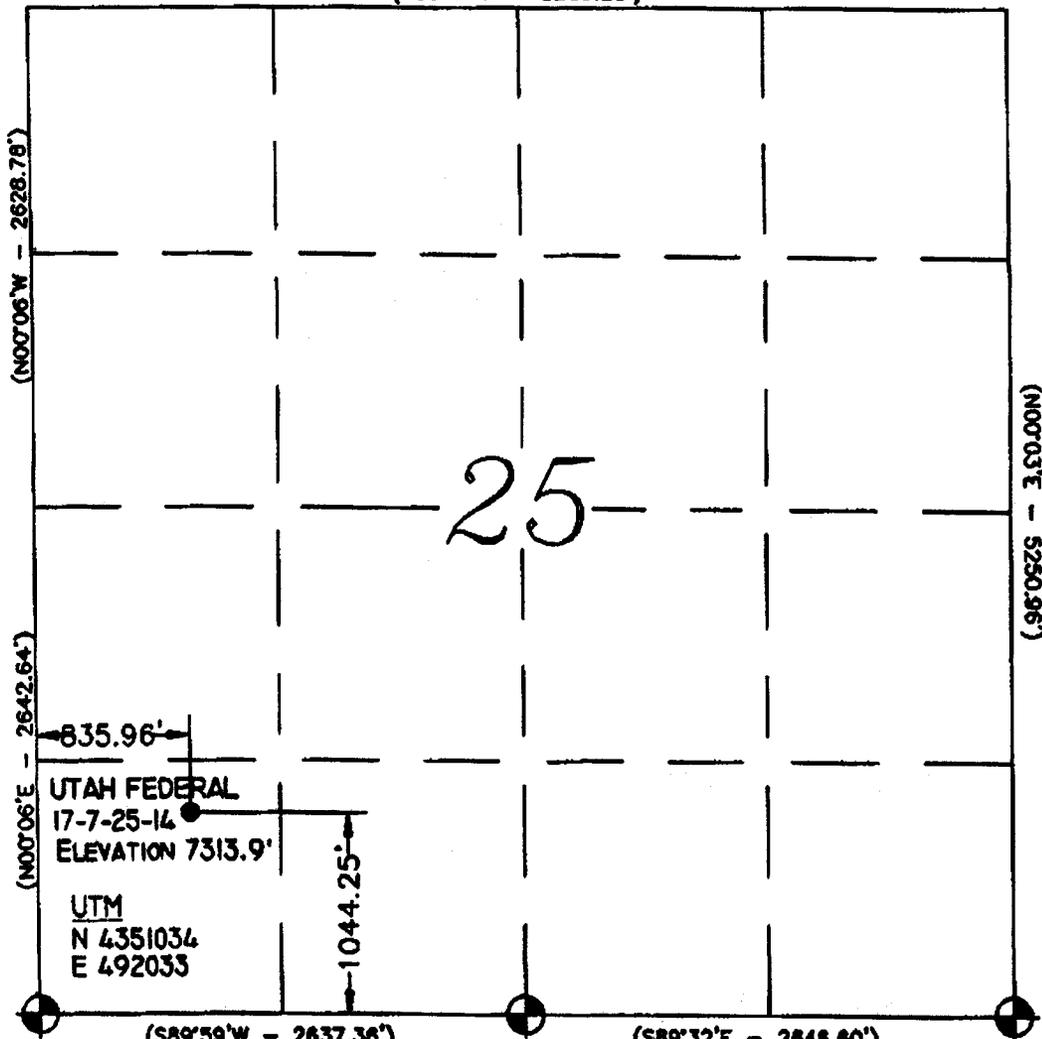
*(Instructions on page 2)

CC: MOAB BLM
PRICE BLM
Lloyd USFS

Range 7 East

(N89°44'W - 5285.28')

Township 17 South



Legend

- Drill Hole Location
- ⊕ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner (From Reference Points)
- () GLO
- GPS Measured

NOTE:

UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG
39°18'37.947"N
111°05'32.674"W

Location:

The well location was determined using a Trimble 4700 GPS survey grade unit.

Basis of Bearing:

The Basis of Bearing is GPS Measured.

GLO Bearing:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:

Basis of Elevation of 6761' being at the Northeast Section corner of Section 1, Township 18 South, Range 7 East, Salt Lake Base & Meridian, as shown on the Red Point Quadrangle 7.5 Minute Series Map.

Description of Location:

Proposed Drill Hole located in the SW 1/4, SW 1/4 of Section 25; being 1044.25' North and 835.96' East from the Southwest Corner of Section 25, T17S, R7E, Salt Lake Base and Meridian.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



NE SECTION 1
T18S, R7E, S.L.B.&M.
Elev. 6761'

GRAPHIC SCALE

0 500' 1000'
(IN FEET)
1 inch = 1000 ft.



TALON RESOURCES, INC.

100 North 100 West P.O. Box 1200
Huntington, Utah 84308
Phone (435)897-0810 Fax (435)897-0811
E-Mail talon@str.net



UTAH FEDERAL #17-7-25-14
Section 25, T17S, R7E, S.L.B.&M.
Emery County, Utah

Drawn By N. BUTKOVICH	Checked By L.W.J.
Drawing No. A-1	Date 7/18/05
	Scale 1" = 1000'
Sheet 1 of 4	Job No. 1826

Bureau of Land Management Application for Permit to Drill Surface Use Plan

Company: XTO Energy Inc.
Well No. Utah Federal 17-7-25-14
Location: Sec. 25, T17S, R07E
Federal Lease No. UTU - 75666

THIRTEEN POINT SURFACE USE PLAN

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

1. Existing Roads:
 - a. Proposed route to location: See Exhibit "A".
 - b. Location of proposed well in relation to town or other reference point: The well location is approximately 6.7 miles northwest of Orangeville, UT. From Orangeville go North on Hwy 29 to Hwy 57. Turn North on Hwy 57 and proceed two miles. Turn NE on existing paved road and follow road up dugway to intersection. Turn NW to location.
 - c. Contact the County Road Department for use of county roads. The use of Emery County roads will require an encroachment permit from the Emery County Road Department. No permit will be required.
 - d. Plans for improvement and/or maintenance of existing roads: None
 - e. Other:
2. Planned Access Roads:
 - a. Location (centerline): Starting from a point along an existing road in the NE/NW of Sec 36, T17S, R08E.
 - b. Length of new access to be constructed: Approximately 3,565' of new access will be constructed. See Exhibit "B"
 - c. Length of existing roads to be upgraded: None
 - d. Maximum total disturbed width: Typically 60' (max), which includes new gas and water pipelines.
 - e. Maximum travel surface width: 25' or less
 - f. Maximum grades: Maximum grades will not exceed 10% after construction.
 - g. Turnouts: No turnouts are planned at this time.
 - h. Surface materials: Only native materials will be used if additional construction is required. If necessary, gravel or rock may be purchased and used to improve road conditions and travel.

- i. **Drainage (crowning, ditching, culverts, etc): Roads will be re-crowned and bar ditches, if necessary, will be located along either side. 18-24" dia (or as required) culverts will be installed as necessary.**
- j. **Cattleguards: No cattle guards are planned at this time. Cattle guards will be specified in the stipulations if necessary.**
- k. **Length of new and/or existing roads which lie outside the lease or unit boundary for which a BLM/state/fee right-of-way is required: None**
- l. **Other: _____**

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed must be approved by BLM in advance.

If a right-of-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.

If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligations determined by the BLM.

If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Field Office Manager will be notified so that temporary drainage control can be installed along the access road.

- 3. Location of Existing Wells -on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: **See Exhibit "C"**
- 4. Location of Production Facilities:
 - a **On-site facilities: Typical on-site facilities will consist of a wellhead, gas and water flow lines, artificial lifting system (if necessary), wellhead compression (if necessary), gas/water separator (2 phase), gas measurement and water measurement equipment, and a heated enclosure/building for weather and environmental protection. All production and measurement shall conform to the provisions of 43 CFR § 3162.7 and Onshore Oil and Gas Order No. 4, if applicable. Other on-site equipment and system may include methanol and/or chemical injection and winter weather protection.**

All permanent (in place for six months or longer) structures constructed or installed on the well site location will be painted a flat, nonreflective color to match the standard environmental colors, as specified by the COA's in the APD. All facilities will be painted within six months of installation. Facilities required by comply with the Occupational Safety and Health Act (OSHA) may be excluded.

- b. **Off-site facilities:** Off-site facilities are typically located at the CDP station and usually include central compression, gas processing, separation, tanks, pits, electronics, gas measurement and a produced water disposal (SWD) well.
- c. **Pipelines:** The well will be produced into a gas pipeline and water pipeline (sizes to be determined) and transported to existing pipelines. See Exhibit "B" for the proposed pipeline route.
- d. **Powerlines:** The powerline will be buried and will follow the same ROW as the water and gas pipelines.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map): **Water will be purchased from a commercial water source and trucked via third party to the location over approved access roads.**

Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6. Source of Construction Material:

Pad construction material will be obtained from (if the source is Federally owned, show location on a map): **All construction material will be purchased from private landowners or from a commercial gravel/materials pit.**

The use of materials under BLM jurisdiction will conform to 43 CFR § 3610.2-3, if applicable.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc. **The reserve pit will typically be lined with a synthetic material, ±12 mils in thickness. The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. 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. The amount of time the pit may remain open will typically be specified by the COA's in the APD. Once dry, the pit liner will be cut and removed at the mud line and the pit will be covered and buried in place.**

Trash must 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.

Sewage form trailers and chemical portable toilets will be removed on a regular

basis by a third party contractor and disposed of at an authorized sanitary waste facility.

Any and all chemicals used during the drilling and completion of the well will be kept to a minimum and stored within the boundaries of the well pad. The third party chemical contractor will be responsible for containment and clean-up and removal of all spilled chemicals on location.

8. Ancillary Facilities: No ancillary facilities will be required during the drilling or completion of the well.
9. Well Site Layout -depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1"=50'. See Exhibit "D & E".

All equipment and vehicles that will be used to drill and complete this well will remain within the boundaries of the approved wellpad. Any equipment and or vehicles park or stored off of the location will be considered trespassing on federal lands and will NOT be tolerated.

Materials obtained from the construction of location, like topsoil and vegetation will be stock piled as indicated and permitted by the approved APD. The stock piles themselves may be outside the approved boundaries of the wellpad.

10. Plans for Restoration of the Surface:

The top 6 inches of topsoil material will be removed from the location and stockpiled separately on: Adjacent Land or as specified by the approved APD.

Topsoil along the access road will be reserved in place adjacent to the road.

Within 30-45 days after completion of well, all equipment that is not necessary for production shall be removed.

The reserve pit and that portion of the location not needed for production will be reclaimed 90-120 days after completion of the well.

Before any dirt work to restore the location takes place, the reserve pit must be ready for burial.

All road surfacing will be removed prior to the rehabilitation of roads.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be re-contoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled between September and November, or at a time specified by the BLM and or state. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used: As specified in the conditions of approval.

If necessary, an abandonment marker will be one of the following, as specified by BLM:

- 1) at least four feet above ground level,
- 2) at restored ground level, or
- 3) below ground level.

In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

Additional requirements: None

11. **Surface and Mineral Ownership:** The surface is owned by the USDA Forest Service under the management of the Manti-La Sal National Forest: 599 Price River Drive, Price, Utah, 84501, 435-637-2817.

The minerals are owned by the Federal Government and are managed by the Bureau of Land Management: 82 East Dogwood Avenue, Moab, Utah, 84532, 435-259-2106.

12. **Other Information:**

- a. **Archeological Concerns:** A BLM approved contractor will submit the appropriate reports to the agency as required. Special stipulations will be included in the COA's of the approved APD.

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the BLM Field Office. Within five (5) working days, the BLM will inform the operator as to:

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

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

- a time frame for the BLM to complete an expedited review under 36 CFR § 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the BLM are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the BLM will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The BLM will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the BLM that the required mitigation has been completed, the operator will then be allowed to resume construction.

- b. **Threatened and Endangered Species Concerns:** A BLM approved contractor will submit the appropriate reports to the agency as required. Special stipulation will be included in the COA's of the approved APD.

1. See Exhibit "F" for Plant Survey Report.

- c. **Wildlife Seasonal Restrictions: Current wildlife restrictions and closure dates are specified in the BLM's Environmental Impact Statement.**
- d. **The Drilling Program is attached. See Exhibit "G".**

13. Lessee's or Operator's Representative and Certification

Representative:

Permitting & Compliance:

Kyla Vaughan
Regulatory Compliance
XTO Energy Inc.
2700 Farmington Avenue, Bldg K, Suite 1
Farmington NM 87401
505-324-1090

Drilling & Completions:

Gary Hancock
Drilling Engineer
XTO Energy Inc.
2700 Farmington Avenue, Bldg K, Suite 1
Farmington NM 87401
505-324-1090

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 exist; 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 XTO Energy 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 by XTO Energy Inc. This statement is subject to the provisions of 18 U.S.C. § 1001 for the filing of a false statement.

Kyla Vaughan
Signature

1/13/06
Date

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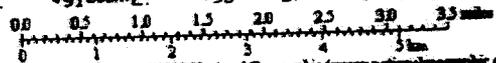
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XTO ENERGY

UTAH FEDERAL 177-25519

TALON RESOURCES
150 North 100 West PO BOX 1120
Hatch, UT 84302
(435) 637-5120

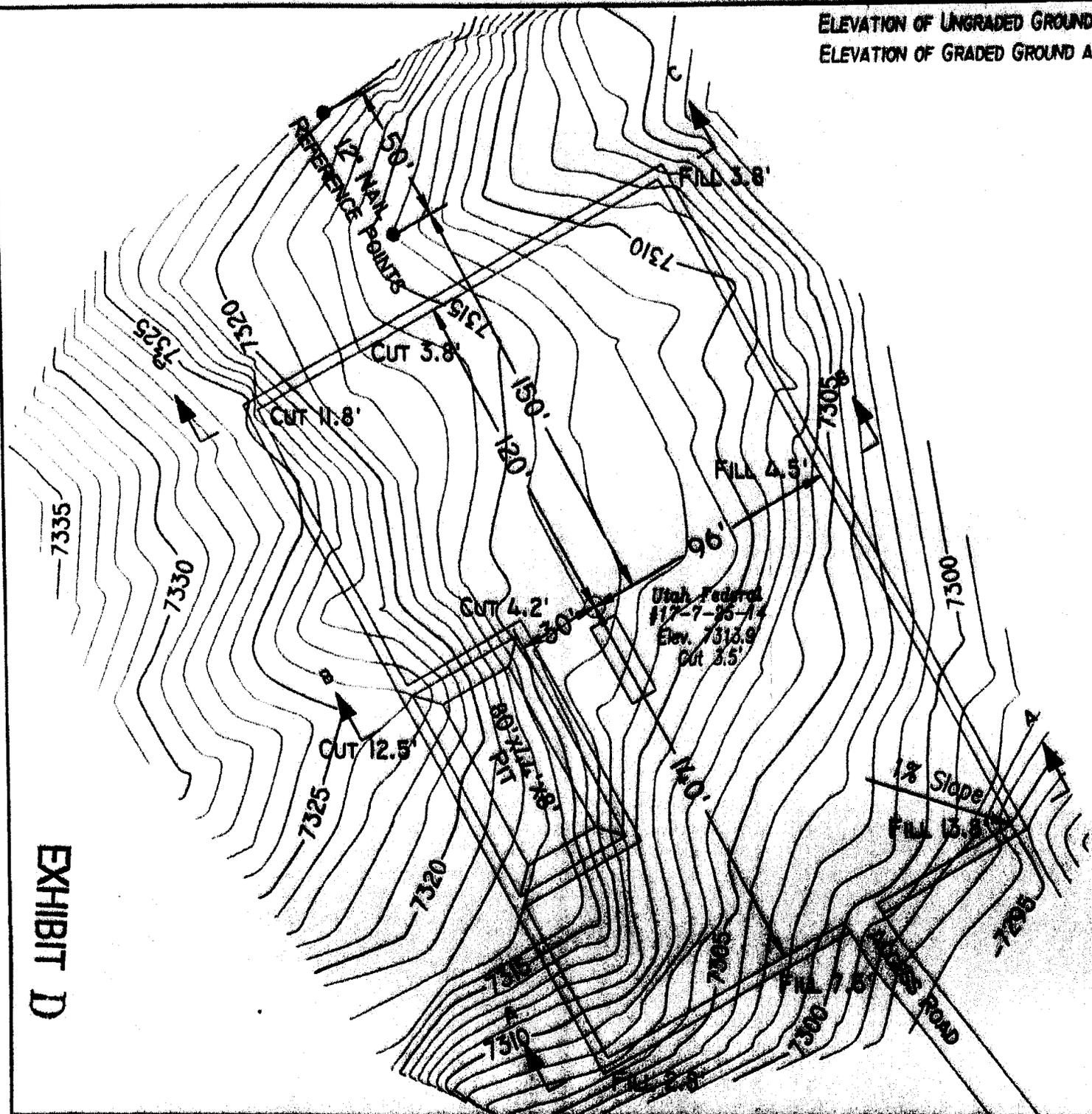
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IN 126°

EXHIBIT A

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 7313.9'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7310.4'

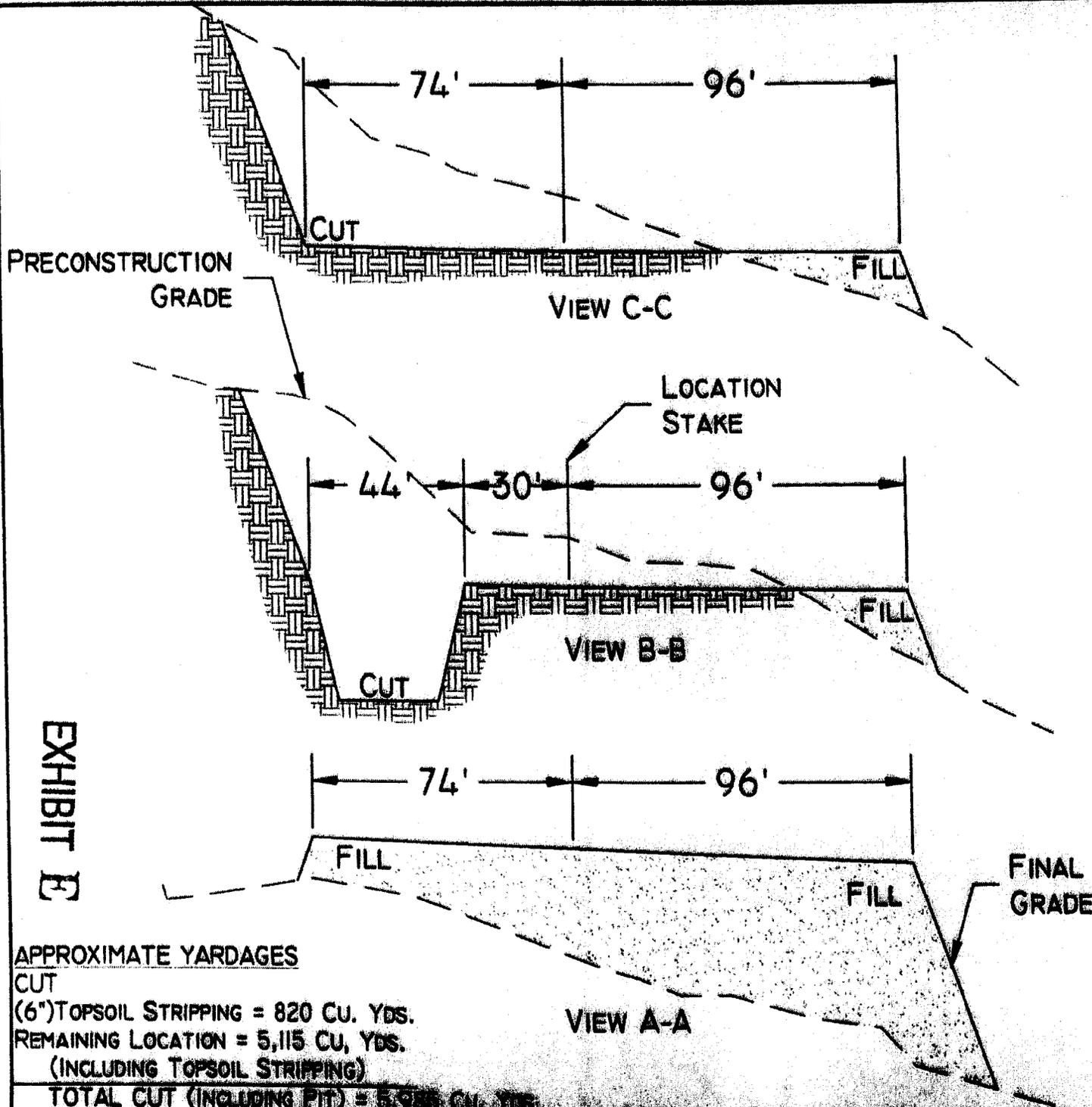


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XTO ENERGY
 LOCATION LOGOUT
 Section 24, T10S, R7E, S41E, Utah
 Utah Federal 117-7-25-14

Drawn by N. BERTOVICH	Checked by L.W.J.
Drawn on A-2	Date 7/15/05
	Scale 1" = 50'
Sheet 2 of 4	Date 10/26

EXHIBIT D



1" = 10'
 X-Section Scale
 1" = 40'

SLOPE = 1 1/2 : 1
 (EXCEPT PIT)
 PIT SLOPE = 1 : 1

EXHIBIT E

APPROXIMATE YARDAGES

CUT
 (6") TOPSOIL STRIPPING = 820 CU. YDS.
 REMAINING LOCATION = 5,115 CU. YDS.
 (INCLUDING TOPSOIL STRIPPING)
 TOTAL CUT (INCLUDING PIT) = 5,935 CU. YDS.
 TOTAL FILL = 4,515 CU. YDS.



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TYPICAL CROSS SECTION
 Section 23, T17S, R7E, S.L.B.&M.
 Utah Federal #17-7-25-14

Drawn By N. BUTKOVICH	Checked By L.W.J.
Drawing No. C-1	Date 7/15/05
	Scale 1" = 40'

Plant Survey Report

Species: Winkler pincushion-cactus, *Pediocactus winkleri*, federally listed threatened
Wright fishhook cactus, *Sclerocactus wrightiae*, federally listed endangered
Creutzfeldt-flower, *Crypthantha creutzfeldtii*, BLM special status species

Location: XTO Energy Wells 18-7-9-11, 17-7-25-14, 17-7-35-42, and 18-7-11-23

Date(s): August 13, 2005

Observer(s): Amanda Christensen – SWCA Environmental Consultants, Inc.

Habitat Assessment

The proposed well is located approximately 5 miles east of Orangeville, Utah on lands administered by the BLM Price Field Office, the USDA Forest Service, and the State of Utah (See attached map). The project area has been historically impacted by mineral extraction activities, natural and controlled burns, fire suppression activities, transportation corridors, agricultural and ranching activities, livestock grazing, and erosion.

The vegetative community at the proposed project site is sagebrush-salt desert shrub. Plant species commonly associated with this vegetative community include Shadscale (*Atriplex confertifolia*), Indian ricegrass (*Oryzopsis hymenoides*), Galleta grass (*Hilaria jamesii*), Needle-and-Thread grass (*Stipa comata*), Black Sagebrush (*Artemisia nova*), Big Sagebrush (*Artemisia tridentata*), Greasewood (*Sarcobatus vermiculatus*), Blue Grama (*Bouteloua gracilis*) and Rabbitbrush (*Chrysothamnus sp.*). Introduced species including Halogeton (*Halogeton glomeratus*), Russian thistle (*Salsola iberica*), and cheatgrass (*Bromus tectorum*) can also be found in the project area. The proposed project area is habitat for horn larks, raptors and other desert species. The sagebrush-salt desert shrub vegetation type found in the project area provides forage and browsing opportunities year-round.

Species Description

Winkler pincushion-cactus, *Pediocactus winkleri*, is a federally listed threatened plant that occurs in Emery County and Wayne County, Utah. Its flowers are born near the tip of the stem, are peach to pink in color, and bloom late March to May. Winkler pincushion-cactus is found in fine textured soils derived from the Dakota Formation and the Brushy Basin Member of the Morrison Formation. It occurs on benches, hill tops, and gentle slopes on barren, open sites in salt desert shrub communities, at elevations ranging from 1490 to 2010 meters (UDWR 2005).

Wright fishhook cactus, *Sclerocactus wrightiae*, is a federally listed endangered plant that occurs in Emery County, Sevier County, and Wayne County, Utah. A member of the cactus family, this species is a perennial herb with a solitary, hemispheric, ribbed, 6 to 12 cm tall stem that produces nearly-white to pink flowers from late April through May. Wright fishhook cactus is found in soils that range from clays to sandy silts to fine sands, typically in areas with well developed biological soil crusts. Wright fishhook cactus grows in salt desert shrub and widely scattered pinyon-juniper communities, at elevations ranging from 1305 to 1963 meters (UDWR 2005).

Creutzfeldt-flower, *Crypthantha creutzfeldtii*, is a BLM special status species that occurs in Carbon and Emery Counties, Utah. This species grows in silty clay soils of the Blue Gate Member of the Mancos Shale and Quaternary Alluvium Formations at elevations ranging

EXHIBIT F

between 5,250 and 6,500 feet and flowers from April to June. Plants grow on a gravelly surface, sometimes between scattered piñon and juniper trees (UDWR 2005).

Conclusion: Habitat for Winkler pincushion-cactus, Wright fishhook cactus, and Creutzfeldt-flower is present within the proposed project area.

Presence/Absence Survey

Methods: A qualified botanist conducted a survey for the presence/absence of Winkler pincushion-cactus, Wright fishhook cactus, and Creutzfeldt-flower at four proposed well locations, access roads, and pipelines. Each proposed well location, access road and pipeline was walked at 5-foot intervals to detect the presence/absence of these species.

Weather: Clear, overcast to Partly Cloudy, Temp. = 56/90 degrees F, Winds 0-10 mph.

Conclusions: Individuals of Winkler pincushion-cactus, Wright fishhook cactus, and Creutzfeldt-flower are not located within the proposed project boundary and buffer zone.

Recommendations: Construction of the proposed well site and associated access road would not likely adversely affect Winkler pincushion-cactus, Wright fishhook cactus, and Creutzfeldt-flower individuals.

Shawn Childs
Project Manager/Biologist
SWCA Environmental Consultants
August 25, 2005

References

UDWR, 2005. Utah Sensitive Species List. February 8, 2005, Version available online at <http://www.wildlife.utah.gov/>. Viewed on 25 August 2005.



EXHIBIT F

XTO ENERGY INC.

Utah Federal 17-7-25-14

APD Data

January 11, 2006

Location: 1044' FSL x 836' FWL Sec 25, T17S, R7E

County: Emery

State: Utah

GREATEST PROJECTED TD: 4422'
APPROX GR ELEV: 7310'

OBJECTIVE: Ferron
Est KB ELEV: 7322' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 300'	300' to 4380'
HOLE SIZE	12.25"	7.875"
MUD TYPE	Air Drill	LSND / Gel Chemical
WEIGHT	NA	8.40 - 8.60
VISCOSITY	NA	45-60
WATER LOSS	NC	8-10

Remarks:

Air drill to TD unless excessive water flow is encountered then switch to mud. If mud is required, use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

The blooie line will be approximately 100' in length and will extend in a straight line from below the rotating head as indicated in the BOP schematic. An automatic spark-type igniter will be fixed to the end of the blooie line and set to provide a continuous spark to ignite and burn any produced hydrocarbons and or gases.

De-dusting if necessary will be accomplished with a small pump, waterline, and spray nipple positioned near the end of the blooie line to provide a continuous spray of water. It is not planned to have any standby fluid on location; however, if it is necessary to fill the hole with fluid, produced Ferron coal water is readily available and can be trucked to location as needed.

Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.

Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.

2. CASING PROGRAM:

Surface Casing: 8.625" casing to be set at $\pm 300'$ in a 12-1/4" air drilled hole.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-300'	300'	24.0#	J-55	ST&C	1370	2950	244	8.097	7.972	10.210	21.99	33.89

EXHIBIT G

Production Casing: 5.5" casing to be set at TD ($\pm 4380'$) in 7-7/8" hole.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-4422'	4422'	17.0#	J-55	LT&C	4910	5320	247	4.892	4.767	2.51	2.72	3.32

3. WELLHEAD:

- A. Casing Head: Larkin Fig 92 (or equivalent), 10" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 10-3/4" 8rnd thread on top.
- B. Tubing Head: Larkin Fig 612 (or equivalent), 5,000 psig WP (5,000 psig test), 5-1/2" SOW (or 8rnd female thread) on bottom, 7-1/16" 5,000# flange on top w/2 - 3" LPOs.

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

- A. Surface: 8.625", 24.0#, J-55, ST&C casing to be set at $\pm 300'$ in 12-1/4" hole.

225 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 310 ft³, 150% excess of calculated annular volume to 300'.

- B. Production: 5.5", 17.0#, J-55, LT&C casing to be set at $\pm 4422'$ in 7.875" hole.

± 500 sx of Class G with additives (LCM, extenders, dispersant, thixotropic, fluid loss) mixed at 14.2 ppg, 1.62 ft³/sk.

Total estimated slurry volume for the 5-1/2" production casing is 1147 ft³.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 50%. It will be attempted to circulate cement to the surface.

5. LOGGING PROGRAM:

- A. Mud Logger: The mud logger will come on at 300' and will remain on the hole until TD. The mud will be logged in 10' intervals.
- B. Open Hole Logs as follows: Run Array Induction (if wet), compensated neutron, density, GR, caliper, SP (if wet) and Pe fr/TD to the bottom of the surface csg.

6. FORMATION TOPS:

EXHIBIT G

Est. KB Elevation: 7322'

<u>FORMATION</u>	<u>SUB-SEA</u>	<u>WELL DEPTH</u>
T/ Upper Ferron Sandstone	3370	3952
T/ Coal Zone	3335	3987
B / Coal Zone	3200	4122
T/ Lower Ferron Sandstone	3200	4122
TOTAL DEPTH		4422

**** Maximum anticipated BHP should be <2,000 psig (<0.30 psi/ft) ****

7. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
Gary Hancock	Drilling Engineer	505-486-1201	505-486-1201
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
Joshua Stark	Project Geologist	817-885-2800	817-427-2475
Barry Voigt	Reservoir Engineer	817-885-2462	817-540-2092

JWE
1/11/06

EXHIBIT G



State of Utah

Department of
Natural Resources

MICHAEL R. STYLER
Executive Director

Division of
Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

RECEIVED

GARY R. HERBERT
Lieutenant Governor

JUL 14 2006

REC'D / SAN JUAN

REGULATORY COMPLIANCE June 29, 2006

JUL 10 2006

XTO Energy, Inc.
2700 Farmington Ave, Bldg. K, Ste. 1
Farmington, NM 87401

Re: Utah Federal 17-7-25-14 Well, 1044' FSL, 836' FWL, SW SW, Sec. 25,
T. 17 South, R. 7 East, Emery County, Utah

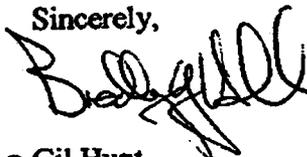
Gentlemen:

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

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30638.

Sincerely,


for Gil Hunt
Associate Director

pab
Enclosures

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

Operator: XTO Energy, Inc.
Well Name & Number Utah Federal 17-7-25-14
API Number: 43-015-30638
Lease: UTU-75666

Location: SW SW Sec. 25 T. 17 South R. 7 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

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

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: UTU-75666	6. SURFACE Federal
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	
8. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CO. AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: XTO Energy, Inc.				9. WELL NAME and NUMBER: Utah Federal 17-7-25-14	
3. ADDRESS OF OPERATOR: 2700 Farmington Ave. B CITY Farmington STATE NM ZIP 87401			PHONE NUMBER: (505) 324-1090	10. FIELD AND POOL, OR WILDCAT: Ferroc Sand / Buzzard Bench 132	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1044' FSL x 836' FWL in Sec 25, T17S, R7E AT PROPOSED PRODUCING ZONE: same				11. COUNTY, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 25 17S 7E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approx 6.7 miles northwest of Orangeville, Utah				12. COUNTY: Emery	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1045'	16. NUMBER OF ACRES IN LEASE 2560		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 acres		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2900'	19. PROPOSED DEPTH: 4,422		20. BOND DESCRIPTION: UTB-000138		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7314' Ground Elevation	22. APPROXIMATE DATE WORK WILL START: 11/8/2006		23. ESTIMATED DURATION: 2 weeks		

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12-1/4"	8-5/8"	J-55	24#	300	Type III	225 +/- sacks	1.39cuft/sx	14.6ppg
7-7/8"	5-1/2"	J-55	17#	4,380	Class G	500 +/- sacks	1.62cuft/sx	14.2 ppg

25. **ATTACHMENTS**

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

<input checked="" type="checkbox"/> WELL PLAN 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 6, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Kyle Vaughan TITLE Regulatory Compliance Tech
SIGNATURE Kyle Vaughan DATE 1/12/2008

(This space for State use only)

CC: SITLA

API NUMBER ASSIGNED: 43015-30258

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 1/12/08
By: [Signature]

RECEIVED
JAN 18 2008
DIV. OF OIL, GAS & MINING

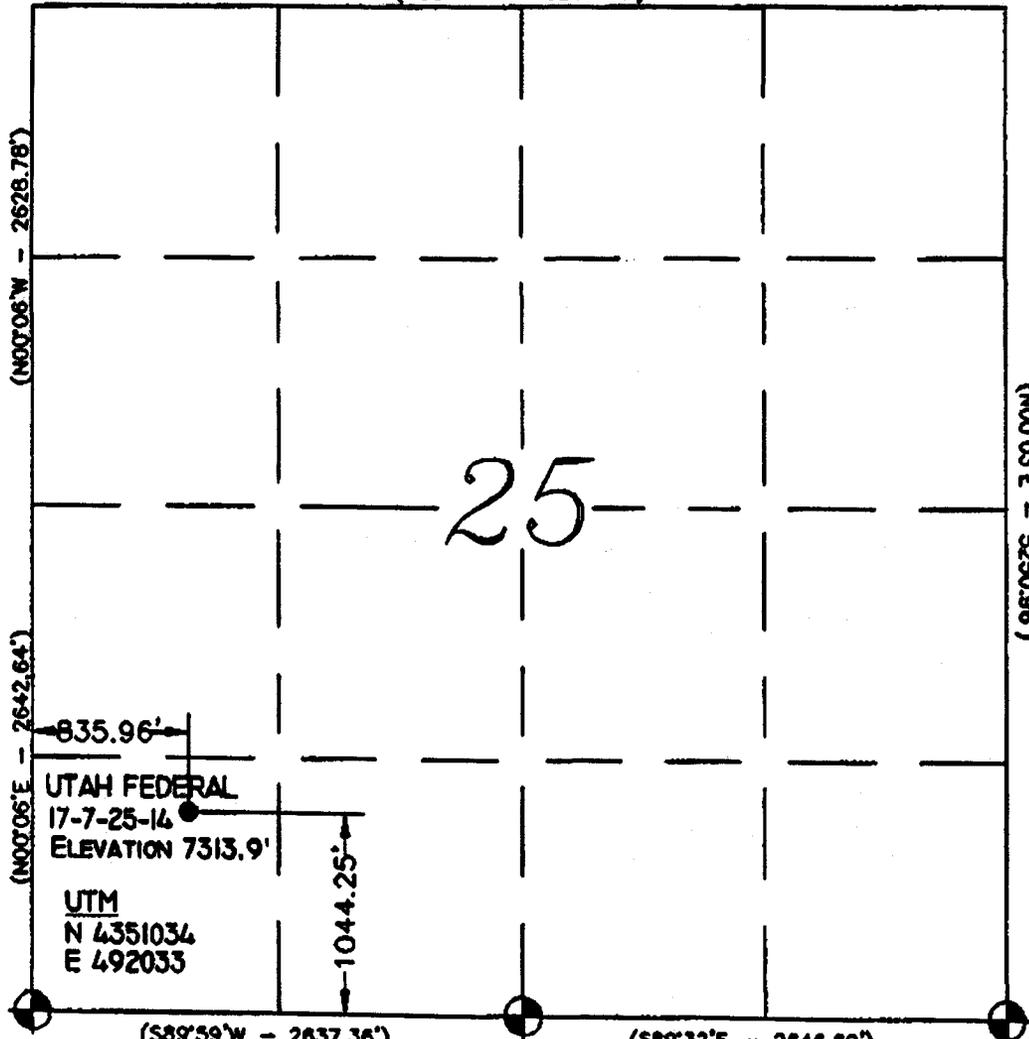
(11/2001)

Federal Approval of this
Action is Necessary

Range 7 East

(N89°44'W - 5285.28')

Township 17 South



(N89°06'W - 2628.78')

(N00°03'E - 5250.96')

25

835.96'
UTAH FEDERAL
17-7-25-14
ELEVATION 7313.9'
UTM
N 4351034
E 492033

1044.25'

(S89°59'W - 2637.36')
N89°59'17'E - 2641.25'

(S89°32'E - 2646.60')
S89°34'10"E - 2646.54'

Legend

- Drill Hole Location
- ⊕ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner (From Reference Points)
- () GLO
- GPS Measured

NOTE:
UTM AND LATITUDE / LONGITUDE COORDINATES
ARE DERIVED USING A GPS PATHFINDER AND ARE
SHOWN IN NAD 27 DATUM.

LAT / LONG
39°18'37.947"N
111°05'32.674"W

Location:
The well location was determined using a Trimble 4700 GPS survey grade unit.

Basis of Bearing:
The Basis of Bearing is GPS Measured.

GLO Bearing:
The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

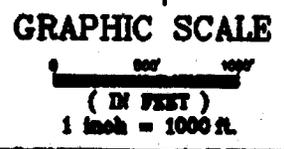
Basis of Elevation:
Basis of Elevation of 6761' being at the Northeast Section corner of Section 1, Township 18 South, Range 7 East, Salt Lake Base & Meridian, as shown on the Red Point Quadrangle 7.5 Minute Series Map.

Description of Location:
Proposed Drill Hole located in the SW 1/4, SW 1/4 of Section 25; being 1044.25' North and 835.96' East from the Southwest Corner of Section 25, T17S, R7E, Salt Lake Base and Meridian.

Surveyor's Certificate:
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



NE SECTION 1
T18S, R7E, S.L.B.&M.
Elev. 6761'





TALON RESOURCES, INC.
100 North 100 West P.O. Box 1200
Huntington, Utah 84002
Phone (435)927-0210 Fax (435)927-0211
E-Mail talon@talon.com

XTO ENERGY

UTAH FEDERAL #17-7-25-14
Section 25, T17S, R7E, S.L.B.&M.
Emery County, Utah

Drawn by: N. BUTKOVICH	Checked by: L.W.J.
Drawing No. A-1	Date: 7/18/05
	Scale: 1" = 1000'
Sheet 1 of 1	Job No. 1826

PacifiCorp

Energy West Mining Company

Des Bee Dove Mine

C/015/0017

Post Mining Land Use Change

**Redline/Strikeout Copies of Mining and Reclamation
Plan Text Changes with C1/C2 Forms**

PacifiCorp

Energy West Mining Company

Des-Bee-Dove Mine

C/015/0017

The following is a narrative describing the proposed post mining land use change for the Des-Bee-Dove Mine permit area. This narrative will replace the Reclamation Plan: Postmining Uses (R645-301-412.100) in Volume 2, Part 4, pages 4-42 through 4-44.

RECLAMATION PLAN: POSTMINING USES (R645-301-412.100)

The disturbed area (portal areas of the Des-Bee-Dove Mines) lies within a small, steep, dry wash. Reclamation work identified within this wash states that disturbances shall be placed back to approximate original contours. Final reclamation of the Des-Bee Dove Mine was completed in January 2006. All areas (including Little Dove/Beehive Pad, Deseret Pad, Bathhouse Pad, Tipple Pad, and Sediment Pond) have been reclaimed to their approximate original contour. A diverse seed mix for revegetation has been planted and should provide equivalent cover for grazing that existed prior to mining.

As part of final reclamation, a "cattle trail" was established to allow the cattlemen to herd their livestock through the mine permit area to access their grazing allotments. This "cattle trail" is also used by hikers, hunters, and the LDS Church (Castle Valley Pagant) to reenact the migration of settlers into the Castle Valley. This reenactment occurs annually every July .

The land use information of the permit area described in Volume 1, Part 2 (pages 2-220 through 2-222) allows for grazing, wildlife habitat, recreation, mineral development (including oil and gas development). Land uses after reclamation will remain the same as before mining activities began. The absence of water resources limits the potential of other alternative uses in this area.

The extended period of responsibility will continue for not less than ten (10) years. The applicant feels that in the ten (10) years following mining (bonding period), there is sufficient time to manage the vegetational establishment and growth to meet and achieve the requirements of the postmining land uses set forth within the applicant's reclamation plans found in Appendices XIV, XV, and XVI.

The areas which have been disturbed and reclaimed are either owned by the applicant or the applicant has obtained a special use permit to utilize the surface from others. Where the applicant is the legal surface owner, the proposed land use is stated herein. The other legal/equitable surface owner is the United States Forest Service, State Institutional Trust Lands Administration, and Bureau of Land Management. The special use permit stipulates that upon abandonment that each site will be restored to their natural state insofar as practical and subject to their satisfaction. Said lands have been restored to those standards.

The following is reprinted and amended from the approved Des-Bee-Dove Mining and Reclamation Plan, Volume 1, Part 2, Pages 2-220 thru 2-222:

LAND USE INFORMATION (R614-301-410)

Deseret-Beehive-Little Dove Mines are conglomerated into a single surface mining complex located in a dry wash contributory to Grimes Wash. Mining ~~has its beginning about 1940 in the canyon in the late 1800's and has had~~ grown incrementally through the years. ~~No information on production is available (See Page 3-1). Coal production peaked in 1982 at 1.2 million tons mined.~~ Land use prior to mining was grazing and wildlife (local land users). ~~Final reclamation of the mine was completed in January 2006.~~

The vegetation communities adjacent to the disturbed area are classified as pinyon-juniper along the steep eroded sandstone ledges. Lower elevations are dominated by desert saltbush in Chapeta soils and Mancos shales (see Soil Information).

Topography of the general area dictated its uses; i.e., the lower valleys provided year-round farming and ranching and the higher sediments of the Wasatch Plateau are utilized for summer grazing as it is today.

Currently, on the BLM lands ~~in adjacent to~~ the permit area, ~~the~~ livestock use is spring grazing with cattle on the benches (April 1 - June 10). The East Grimes and West Grimes allotments, divided east of Danish Bench, are stocked at 19.4 acres/AUM and 16 acres/AUM for a total of 317 and 263 AUM's respectively. These allotments are judged in fair condition with a downward trend (BLM letter, 1982).

Very little grazing by cattle occurs on the steep slopes above the benches because of the difficult access and scarcity of forage.

The grazing of the USFS lands is confined to East Mountain under an approved rest rotation system (USFS, 1979). Nine permittees graze 486 cattle from June 21 to September 10 for a total of 1,296 AUM's. The range condition is judged good with a static to upward trend. The stocking rate is 11 acres/AUM. All of the cattle use is restricted to the upper slopes and top of East Mountain.

Elk use East Mountain for summer range but winter on the western slopes in the Cottonwood Creek drainage. Mule deer also summer on the mountain and winter on the benches and slopes of the southern and eastern portion of East Mountain from the mouth of Cottonwood Creek around to Rilda Canyon in the Huntington Creek drainage. These ranges are rated as high priority winter range by Utah Division of Wildlife Resources. The US Forest Service has identified the following uses: big game winter range, mining and mineral development and general rangeland (incl. timber and forage). (LRMP 1986) Critical areas are sensitive areas within high priority areas required to sustain and perpetuate deer during crucial periods of their life cycle. Current herd management levels are one deer/20 acres of winter range (UDWR, 1982)(Map 2-18).

The total forage productivity of the pinyon-juniper range on the benches is 100-324 lbs./acre, dry weight. The pinyon-juniper range on the rockland soils of the steep slopes is lower, estimated at 25-100 lbs./acre, dry weight. The desert shrub range productivity is 100-285 lbs./acre, dry weight. See Vegetation section for productivity details.

The BLM also recognizes the sand and gravel resources on these benches and has designated specific areas for excavation and processing to aid in community expansion. The BLM visual resource management system rates the benches as Class IV and the cliff faces as Class III. Both of these classifications allow for modification of the land through man's activities. The USFS also rates the south end of East Mountain as modification or partial retention, a scenic value similar to BLM's Class IV and III respectively.

~~The Land Use Plan for the Wasatch Plateau designates no recreation development or timber sales on East Mountain but does specify the improvement of big game range and protection of watersheds. The south end of the mountain is not in a known oil or gas field and the reserve potential is judged as low. The entire Forest has been affected by the~~

intense interest in oil and gas exploration and development generated by recent discoveries. The Manti Division contains approximately 1,600 oil and gas leases. The estimated oil and gas resources below the Known Geologic Structures (KGS) or the rest of the Forest have not been released by private industry (LRMP, 1986). As the oil and gas industry expands, the need for well pad development increases. Oil and gas lease holders are entitled to full access to their lease areas as long as the work conducted on these areas is consistent with the surface use plan of operations.

REFERENCES

Bureau of Land Management June 1979. San Rafael Unit Resource Analysis and Management Framework Plan. Price, Utah.

Emery County Zoning Plat Books. Castle Dale, Utah. US Forest Service May 1979. Land Management Plan Ferron-Price Planning Unit. Manti-LaSal National Forest. Price, Utah.

Utah Division of Wildlife Resources May 1982. Utah Big Game Investigations and Management Recommendations 1981-1982. Publication #82.3.

Manti-LaSal National Forest Land and Resource Management Plan 1986.

See land use map in the map section (2-17).

A-1 Agricultural Zone, contains the primary farming areas of the county.

RA-1 Residential-Agricultural Zone, this is the area with the communities and the adjacent or intermixed agricultural lands.

M&G-1 Mining and Grazing Zone, all of the county lands outside of the communities, farming areas and forest service boundary.

I-1 Industrial Zone, specific areas near communities and highways reserved for industrial development.

Ce-1 Critical Environmental Zone, general designation for all private lands within the forest boundary.

Ce-2 Critical Environmental Zone, specific designation for certain land parcels especially those adjacent to recreation sites in the forest.

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: PacifiCorp

Mine: Des Bee Dove Mine

Permit Number: C/015/0017

Title: Post Mining Land Use Change for the Des-Bee-Dove Mine, PacifiCorp, Des-Bee-Dove Mine, C/015/0017, Emery County, Utah

Description, Include reason for application and timing required to implement:

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?

Explain: _____

- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

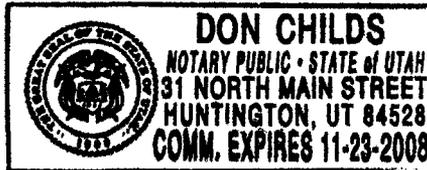
Charles A. Semborski
Print Name

Charles A. Semborski Geology/Permitting Supervisor 8-14-06
Sign Name, Position, Date

Subscribed and sworn to before me this 14th day of August, 2006

[Signature]
Notary Public

My commission Expires: November 23, 2008
Attest: State of UTAH) ss:
County of EMERY



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining
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Form DOGM- C1 (Revised March 12, 2002)

