

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE X WATER SANDS _____ LOCATION INSPECTED _____ SUB. REPORT/abd. _____
780810 LA'D eff 8-3-98:

DATE FILED NOVEMBER 9, 1995
 LAND: FEE & PATENTED _____ STATE LEASE NO. ML-21839 PUBLIC LEASE NO. _____ INDIAN _____
 DRILLING APPROVED: DECEMBER 1, 1995

SPUDDED IN: _____
 COMPLETED: 8-3-98 LA'D PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____
 GRAVITY A.P.I. _____

GOR: _____
 PRODUCING ZONES: _____

TOTAL DEPTH: _____
 WELL ELEVATION: _____

DATE ABANDONED: 8-3-98 LA'D
 FIELD: MONUMENT BUTTE

UNIT: _____
 COUNTY: DUCHESNE

WELL NO. MONUMENT BUTTE STATE 15-2 API NO. 43-013-31567

LOCATION 778 FNL FT. FROM (N) (S) LINE. 1996 FEL FT. FROM (E) (W) LINE. SW SE 1/4 - 1/4 SEC. 2

| TWP. | RGE. | SEC. | OPERATOR | TWP. | RGE. | SEC. | OPERATOR |
|-----------|------------|----------|-----------------------------|------|------|------|----------|
| <u>9S</u> | <u>16E</u> | <u>2</u> | <u>INLAND PRODUCTION CO</u> | | | | |



Miland Production Co.
Section 26 T15N R15E

11/9/95

11/9/95

MBS # 15-2 ONSITE VISIT

D. D. Rye



MBS # 15-2

ONSITE

NORTH looking SOUTH

11/9/95



MBS #15-2

EAST looking West
AT WELL STAKE.

11/9/88



MBS #15-2

SOUTH Cook North
11/9/95



MBS # 15-2

ANTELOPE EVIDENCE ON Lease.

11/9/95

↓ 1



MBS # 15-2

WEST COOK EAST



11/9/95

MBS #15-2

Pre drill CONDITION ON

11/9/95

RECEIVED
NOV 09 1995
DIV. OF OIL, GAS & MINING

5. Lease Designation and Serial Number:

ML-21839

6. If Indian, Allottee or Tribe Name:

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work: DRILL DEEPEN

7. Unit Agreement Name:

B. Type of Well: OIL GAS OTHER: SINGLE ZONE MULTIPLE ZONE

8. Farm or Lease Name:

Monument Butte State

2. Name of Operator:

Inland Production Company

9. Well Number:

#15-2

3. Address and Telephone Number:

P.O. Box 1446 Roosevelt, UT 84066 (801) 722-5103

10. Field and Pool, or Wildcat:

4. Location of Well (Footages)

SW/SE

11. Qtr/Qtr, Section, Township, Range, Meridian:

SW/SE

Sec. 2, T9S, R16E

At Surface:

At Proposed Producing Zone: 778' ⁵FNL & 1996' FEL

14. Distance in miles and direction from nearest town or post office:

15 ± Miles South of Myton, UT

12. County:

Duchesne

13. State:

UTAH

15. Distance to nearest property or lease line (feet):

778'

16. Number of acres in lease:

640.72'

17. Number of acres assigned to this well:

40

18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet):

1202'

19. Proposed Depth:

6500'

20. Rotary or cable tools:

Rotary

21. Elevations (show whether DF, RT, GR, etc.):

5527' GR

22. Approximate date work will start:

1st Quarter 1996

23. **PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|---------------------------|
| 12 1/4 | 8 5/8 | 24# | 300' | 200 sx Class G + 2% CaCl |
| 7 7/8 | 5 1/2 | 15.5# | TD | 480 sx Hilift followed by |
| | | | | 400 sx Class G |
| | | | | |
| | | | | |

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Name & Signature: Brad Mecham



Title: Operations Manager

Date: 11/1/95

(This space for State use only)

API Number Assigned:

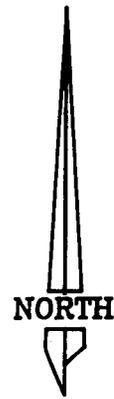
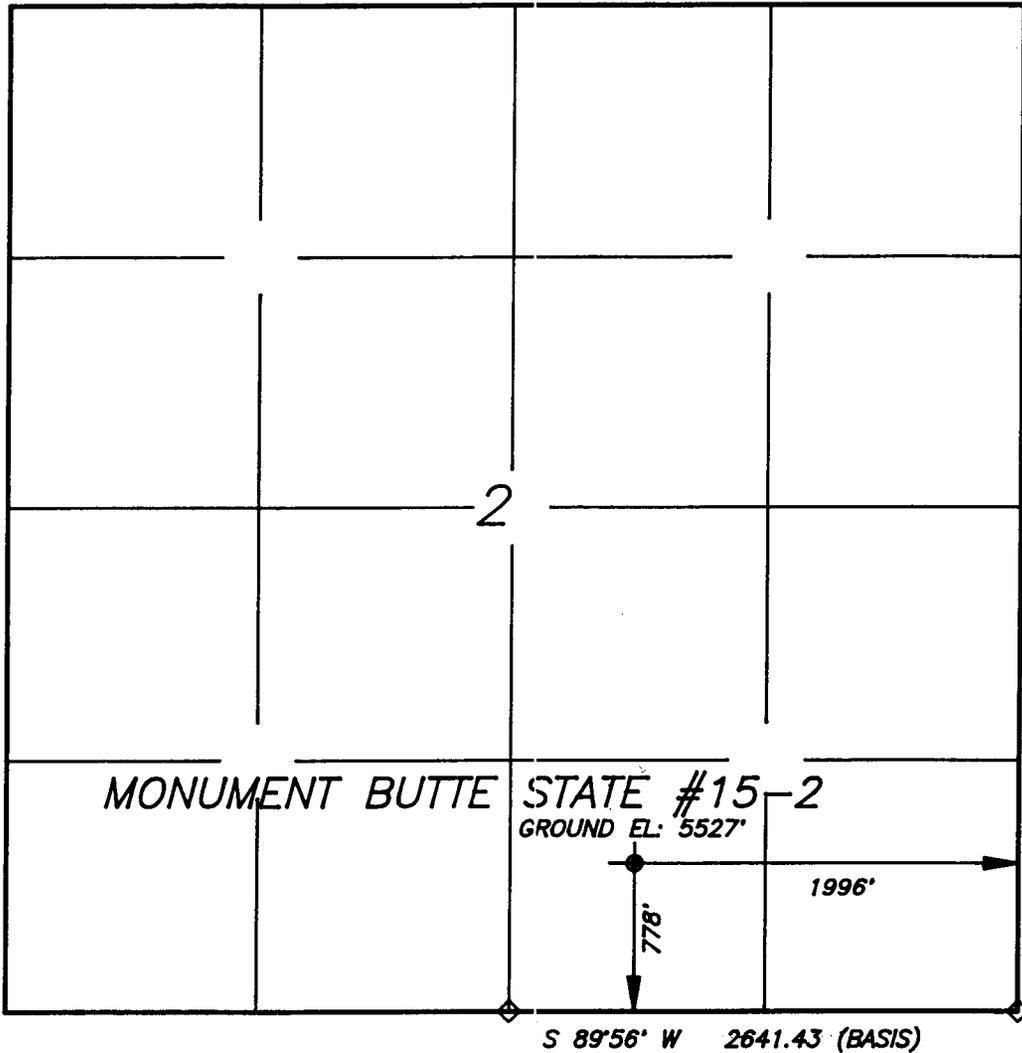
43-013-31567

Approval:

12/1/95
M. Matthews
Petroleum Engineer

INLAND PRODUCTION CO.
WELL LOCATION PLAT
MONUMENT BUTTE STATE #15-2

LOCATED IN THE SW1/4 OF THE SE1/4
 SECTION 2, T9S, R16E, S.L.B.&M.

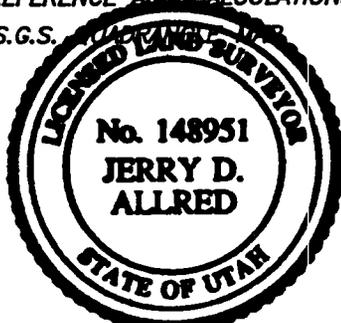


SCALE: 1" = 1000'

LEGEND AND NOTES

◇ ORIGINAL CORNER MONUMENTS FOUND AND USED BY THIS SURVEY.

THE GENERAL LAND OFFICE (G.L.O.) PLAT WAS USED FOR REFERENCE AND CALCULATIONS, AS WAS THE U.S.G.S. PLAT.



19 OCT 1995

84-121-032

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY PERFORMED BY ME, DURING WHICH THE SHOWN MONUMENTS WERE FOUND OR ESTABLISHED.

Jerry D. Allred
 JERRY D. ALLRED, REGISTERED LAND SURVEYOR,
 CERTIFICATE NO. 148951 (UTAH)

| | |
|--|---|
| | JERRY D. ALLRED & ASSOCIATES SURVEYING CONSULTANTS |
| | 121 NORTH CENTER STREET P.O. BOX 975 DUCHESNE, UTAH 84021 (801)-738-5352 |

RECEIVED
NOV 09 1995

5. Lease Designation and Serial Number:
ML-21839

6. If Indian, Allottee or Tribe Name:

APPLICATION FOR PERMIT TO DRILL OR DEEPEN GAS & MINING

1A. Type of Work: DRILL DEEPEN

B. Type of Well: OIL GAS OTHER: SINGLE ZONE MULTIPLE ZONE

7. Unit Agreement Name:

8. Farm or Lease Name:
Monument Butte State

2. Name of Operator:
Inland Production Company

9. Well Number:
#15-2

3. Address and Telephone Number:
P.O. Box 1446 Roosevelt, UT 84066 (301) 722-5103

10. Field and Pool, or Wildcat:

4. Location of Well (Footages) **SW/SE**

11. Ctr/Ctr, Section, Township, Range, Meridian:
SW/SE Sec. 2, T9S, R16E

At Surface:

At Proposed Producing Zone: **778' FNL & 1996' FEL**

14. Distance in miles and direction from nearest town or post office:
15 ± Miles South of Myton, UT

12. County: **Duchesne** 13. State: **UTAH**

15. Distance to nearest property or lease line (feet): **778'**

16. Number of acres in lease: **640.72'**

17. Number of acres assigned to this well: **40**

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19. Proposed Depth: **6500'**

20. Rotary or cable tools: **Rotary**

21. Elevations (show whether DF, RT, GR, etc.):
5527' GR

22. Approximate date work will start:
1st Quarter 1996

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|--------------|-----------------------|-----------------|---------------|---------------------------|
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24. Name & Signature: Brad Mecham *Brad Mecham* Title: Operations Manager Date: 11/1/95

(This space for State use only)

API Number Assigned: 43-013-31567

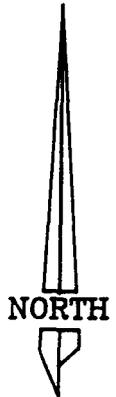
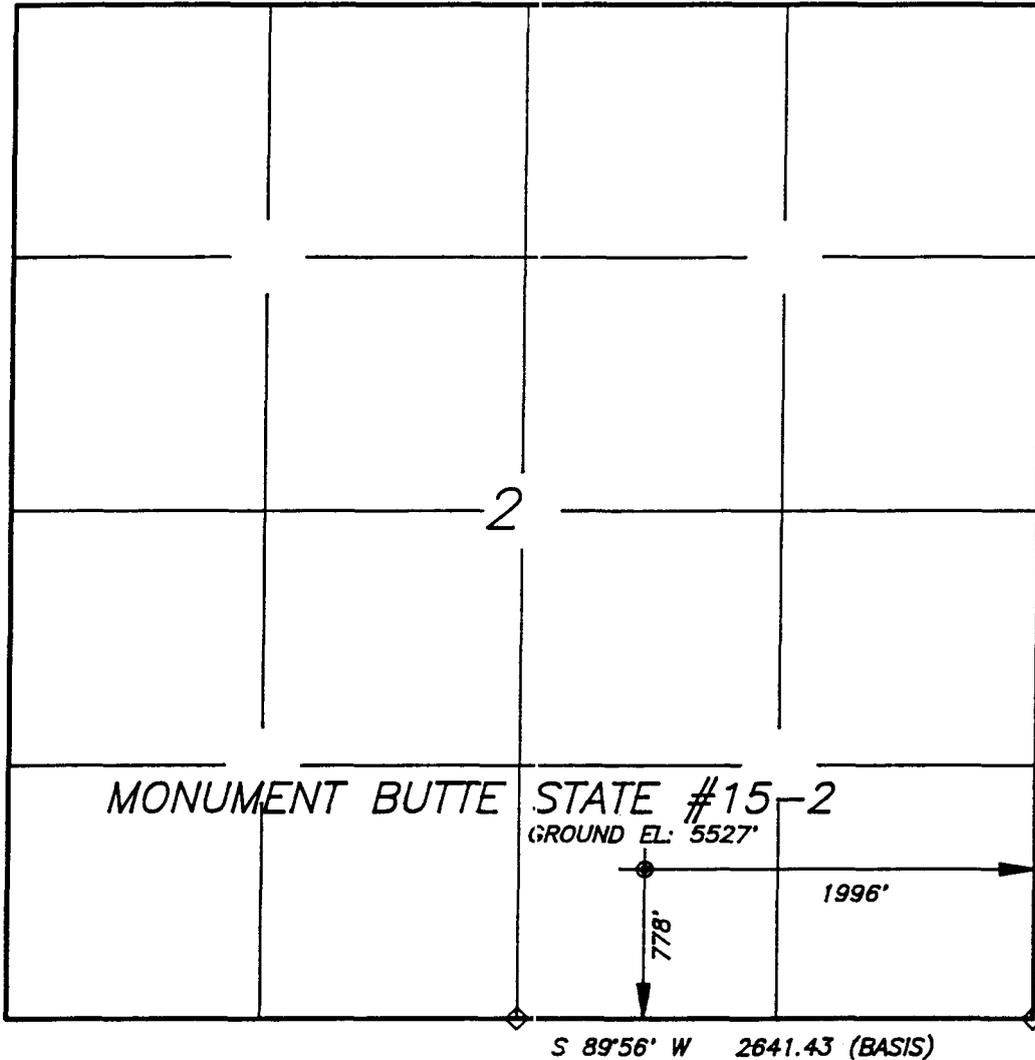
Approval: *12-1-95*
JM Matthew
Petroleum Engineer

INLAND PRODUCTION CO.

WELL LOCATION PLAT

MONUMENT BUTTE STATE #15-2

LOCATED IN THE SW1/4 OF THE SE1/4 SECTION 2 T15S R16E, S122M

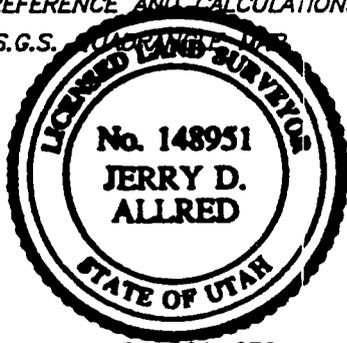


SCALE: 1" = 1000'

LEGEND AND NOTES

- ◇ ORIGINAL CORNER MONUMENTS FOUND AND USED BY THIS SURVEY.

THE GENERAL LAND OFFICE (G.L.O.) PLAT WAS USED FOR REFERENCE AND CALCULATIONS, AS WAS THE U.S.G.S.

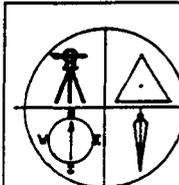


SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY PERFORMED BY ME, DURING WHICH THE SHOWN MONUMENTS WERE FOUND OR ESTABLISHED.

Jerry D. Allred

JERRY D. ALLRED, REGISTERED LAND SURVEYOR, CERTIFICATE NO. 148951 (UTAH)



JERRY D. ALLRED & ASSOCIATES
 SURVEYING CONSULTANTS
 121 NORTH CENTER STREET
 P.O. BOX 975
 DUCHESNE, UTAH 84021
 (801)-738-5352

19 OCT 1995

84-121-032

**MONUMENT BUTTE STATE #15-2
SW/SE SEC. 2, T8S, R16E
DUCHESENE COUNTY, UTAH
ML-21839**

HAZARDOUS MATERIAL DECLARATION

INLAND PRODUCTION COMPANY guarantees that during the drilling & completion of the above referenced well, we will not use, produce, store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Superfund Amendments and Reauthorization Act (SARA) of 1986.

INLAND PRODUCTION COMPANY guarantees that during the drilling and completion of the above referenced well, we will use, produce, store, transport or dispose less than the threshold planning quantity (T.P.Q.) of any extremely hazardous substances as defined in 40 CFR 355.

JOHNSON WATER DISTRICT
R.R. 3 BOX 3188
ROOSEVELT, UT 84066
TELEPHONE (801) 722-2620

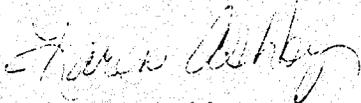
October 17, 1995

TO WHOM IT MAY CONCERN:

Inland Production Company has purchased a 3 inch water connection with Johnson Water District to supply Monument Butte oilfield.

Johnson Water District has given permission to Lomax Exploration Company to use water from our system for the purpose of drilling and completing the Monument Butte 10-2, and 15-2.
8-25.

Sincerely,



Karen Ashby,
Secretary

**INLAND PRODUCTION COMPANY
MONUMENT BUTTE STATE # 15-2
SW/SE SECTION 2, T9S, R16E
DUCHE'SNE COUNTY, UTAH**

TEN POINT WELL PROGRAM

1. GEOLOGIC SURFACE FORMATION:

Uinta formation of Upper Eocene Age

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

| | |
|-------------|------------|
| Uinta | 0' - 3030' |
| Green River | 3030' |
| Wasatch | 6500' |

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

Green River Formation 3030' - 6200' Oil

4. PROPOSED CASING PROGRAM

8 5/8", J-55, 24# w/ ST&C collars; set at 300' (New)

5 1/2", J-55, 15.5# w/ LT&C collars; set at TD (New)

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

The operators minimum specifications for pressure control equipment are as follows:

A 8" Double Ram Hydraulic unit with a closing unit will be utilized. Pressure test of BOPS's will be checked daily.

(See Exhibit F)

6. TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:

It is proposed that the hole be drilled with water to the Green River Formation @ approximately 3030', and with mud there after. The mud system will be a water based gel-chemical, weighted to 10.0 ppg as necessary for gas control.

7. AUXILIARY SAFETY EQUIPMENT TO BE USED:

Auxiliary safety equipment will be a Kelly Cock, bit float, and a TIW valve with drill pipe threads.

MONUMENT BUTTE STATE # 15-2

8. TESTING, LOGGING AND CORING PROGRAMS:

No drill stem testing has been scheduled for this well. It is anticipated at this time that the logging will consist of a Dual Induction Laterolog, and a Compensated Neutron-Formation Density Log. Logs will run from TD to 3500'. The cement log will be run from PBTD to cement top. The use of mudloggers to be determined at a later date.

9. ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:

The anticipated bottom hole pressure is 1800 psi. It is not anticipated that abnormal temperatures will be encountered; nor that any other abnormal hazards such as H₂S will be encountered in this area.

10. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:

It is anticipated that the drilling operations will commence the 1st quarter of 1996 and take approximately 8 days to drill.

**INLAND PRODUCTION COMPANY
MONUMENT BUTTE STATE #15-2
SW/SE SEC. 2, T9S, R16E
DUCHESE COUNTY, UTAH**

THIRTEEN POINT WELL PROGRAM

1. EXISTING ROADS

See attached Topographic Map "A"

To reach Inland Production Company well location site Monument Butte State #15-2 located in the SW 1/4 SE 1/4 Section 2, T9S, R16E, S.L.B. & M. Duchesne County, Utah:

Proceed westerly out of Myton, Utah along Highway 40 - 1.5 miles \pm to the junction of this highway and Utah State Highway 53; proceed southeasterly along Utah State Highway 53 - 10.2 miles to its junction with an existing dirt road to the southwest; proceed southwesterly along this road 3.35 miles to its intersection with the beginning of the proposed access road, to be discussed in Item #2.

The highways mentioned in the foregoing paragraph are bituminous surfaced roads to the point where Highway 53 exists to the South, thereafter the roads are constructed with existing materials and gravel. The highways are maintained by Utah State road crews. All other roads are maintained by County Crews.

The aforementioned dirt oilfield service roads and other roads in the vicinity are constructed out of existing native materials that are prevalent to the existing area they are located in and range from clays to a sandy-clay shale material.

The roads required for access during the drilling, completion and production phase will be maintained at the standards required by the State or other controlling agencies. This maintenance will consist of some minor grader work for smoothing road surfaces and for snow removal.

2. PLANNED ACCESS ROAD

See Topographic Map "B".

The planned access road leaves the existing location described in Item #1 in the SW1/4 SE 1/4 Section 2, T9S, R16E, S.L.B. & M., and proceeds in a westerly direction to its junction with the beginning of the proposed location site.

The proposed access road will be an 18' crown road (9' either side of the centerline) with drainage ditches along either side of the proposed road whether it is determined necessary in

MONUMENT BUTTE STATE #15-2

order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum grade will be less than 8%.

There are no culverts required along this access road. There will be barrow ditches and turnouts as needed along this road.

There are no fences encountered along this proposed road. There are no new gates or cattle guards required.

All construction material for this access road will be borrowed material accumulated during construction of the access road.

3. LOCATION OF EXISTING WELLS

There is one (1) producing, one (1) shut in, and two (2) drilled, but not completed, Inland Production wells, seven (7) injection, ten (10) producing, Dalon wells, and two (2) unknown P&A wells, within a one (1) mile radius, of this proposed location. See exhibit "D".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

There are no existing facilities that will be used by this well.

It is anticipated that this well will be a producing oil well.

Upon construction of a tank battery the well pad will be surrounded by a dike of sufficient capacity to contain at minimum the entire contents of the largest tank within the facility battery.

Tank batteries will be placed on a per Sundry Notice if the well is completed as a producer.

5. LOCATION AND TYPE OF WATER SUPPLY

At the present time, it is anticipated that the water for this well will be trucked from our pre-approved Inland Production Company fresh water supply line located at the Monument Butte #5-35 location as indicated on Topographic Map - Exhibit "C".

In the event this water source is not used an alternate source will be used and all the necessary arrangements will be made with the proper authorities.

There will be no water well drilled at this site.

6. SOURCE OF CONSTRUCTION MATERIALS

See Location Layout Sheet - Exhibit "E".

All construction material for this location shall be borrowed material accumulated during construction of the location site and access road. (Pit lining material is referred to in Item #7.)

A mineral material application is not required for this location.

MONUMENT BUTTE STATE #15-2

7. **METHODS FOR HANDLING WASTE DISPOSAL**

See Location Layout Sheet - Exhibit "E".

A reserve pit will be constructed and lined with a plastic nylon reinforced liner so as not to leak, break, or allow discharge. It will be a minimum of 12 mil thickness with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit wall 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 on in the pit.

After first production, produced water will be confined to a pit or storage tank for a period not to exceed one hundred twenty (120) days. During the one hundred twenty (120) day period, in accordance with the Onshore Order #7, an application for approval of permanent disposal method and location, along with required water analysis, shall be submitted for the Authorized Officers approval.

A portable toilet will be provided for human waste.

A trash basket will be provided for garbage (trash) and hauled away to an approved disposal site at the completion of the drilling activities.

8. **ANCILLARY FACILITIES**

There are no ancillary facilities planned for at the present time and none foreseen in the near future.

9. **WELL SITE LAYOUT**

See attached Location Layout Sheet - Exhibit "E".

The reserve pit will be located on the north between stakes 4 & 5.

There will be no flare pit on this location.

The stockpiled topsoil (first six (6) inches) will be stored on the south corner near stake #8.

Access to the well pad will be from the southeast side between stakes 7 & 8.

Fencing Requirements

All pits will be fenced according to the following minimum standards:

- a) 39 inch net wire shall be used with at least one strand of barbed wire on top of the net.
- b) The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least forty-two (42) inches.

MONUMENT BUTTE STATE #15-2

- c) Corner posts shall be cemented and/or braced in such a manner to keep tight at all times.
- d) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than sixteen (16) feet.
- e) All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The reserve pit fencing will be on three (3) sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. PLANS FOR RESTORATION OF SURFACE

a) *Producing Location*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, material, trash and junk not required for production.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before back filling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be re contoured to the approximated natural contours. The reserve pit will be reclaimed within one hundred twenty (120) days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons, all cans, barrels, pipe, etc., removed.

When the drilling and completion phase ends, reclamation of unused disturbed areas on the well pad/access road no longer needed for operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer. The seed mixture will be per State specifications, and stated in the conditions of approval.

b) *Dry Hole Abandoned Location*

At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and the State will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP - State of Utah

12. OTHER ADDITIONAL INFORMATION

- a) Inland Production Company 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, Inland is to immediately stop work that might further disturb such materials, and contact the Authorized Officer.

MONUMENT BUTTE STATE #15-2

- b) **Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on State Lands after the conclusion of drilling operations or at any other time without State authorization. However, if State authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.**

The Cultural Resource Survey Archaeological Report will be sent, as soon as it becomes available.

Additional Surface Stipulations

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws and regulations. Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. Inland Production is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

A complete copy of the approved APD, if applicable, shall be on location during the construction of the location and drilling activities.

Inland Production Company or a contractor employed by Inland Production shall contact the State office at (801) 538-5340, 48 hours prior to construction activities.

The State office shall be notified upon site completion prior to moving on the drilling rig.

MONUMENT BUTTE STATE #15-2

13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Representative

Name: Brad Mecham
Address: P.O. Box 1446 Roosevelt, Utah 84066
Telephone: (801) 722-5103

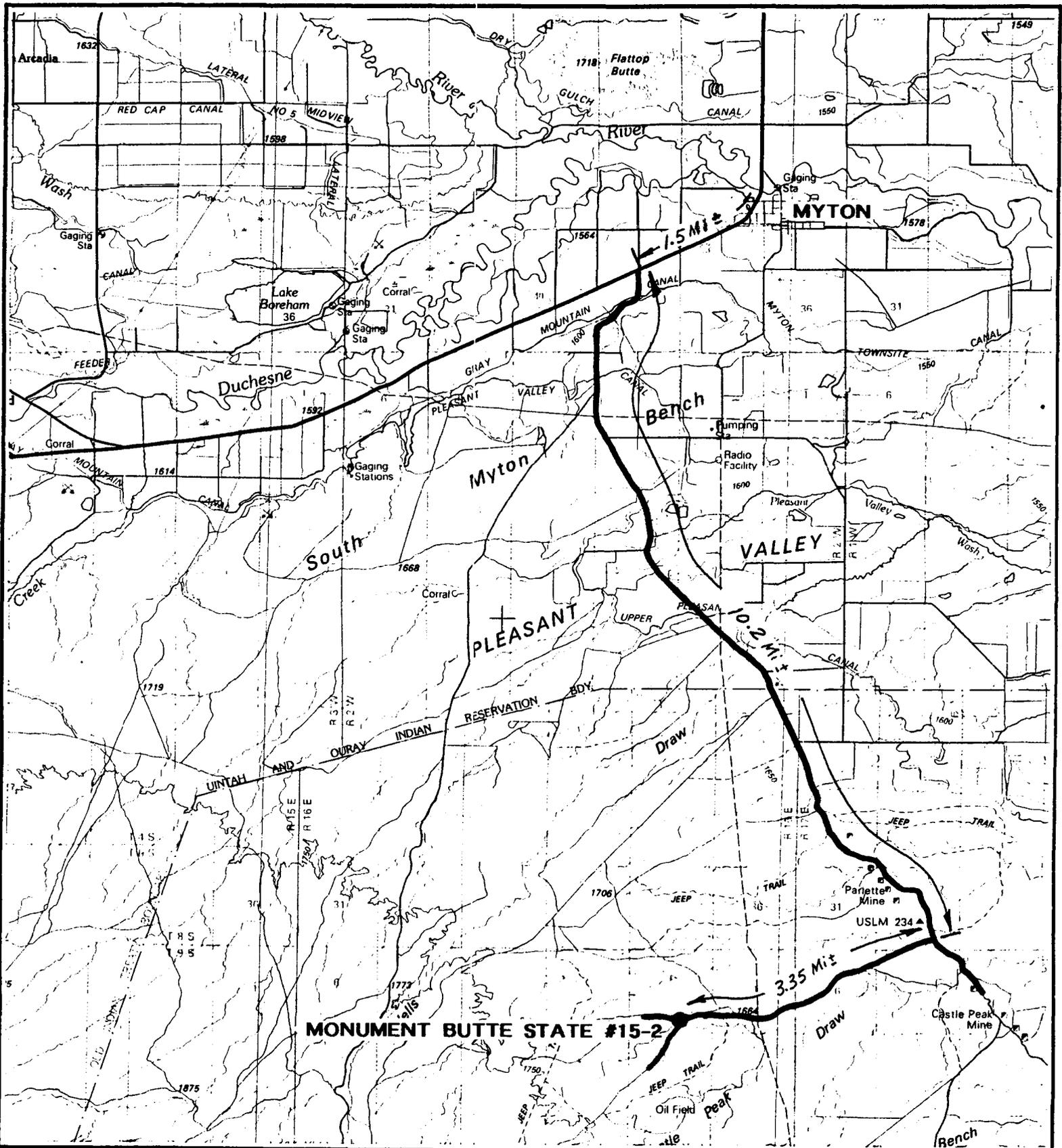
Certification

Please be advised that INLAND PRODUCTION COMPANY is considered to be the operator of Well #15-2 SW/SE Section 2, Township 9S, Range 16E: Lease #ML-21839; Duchesne County, Utah: and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4488944.

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 plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Inland Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

11-6-95
Date

Brad Mecham
Brad Mecham
Operations Manager



TOPOGRAPHIC
MAP "A"

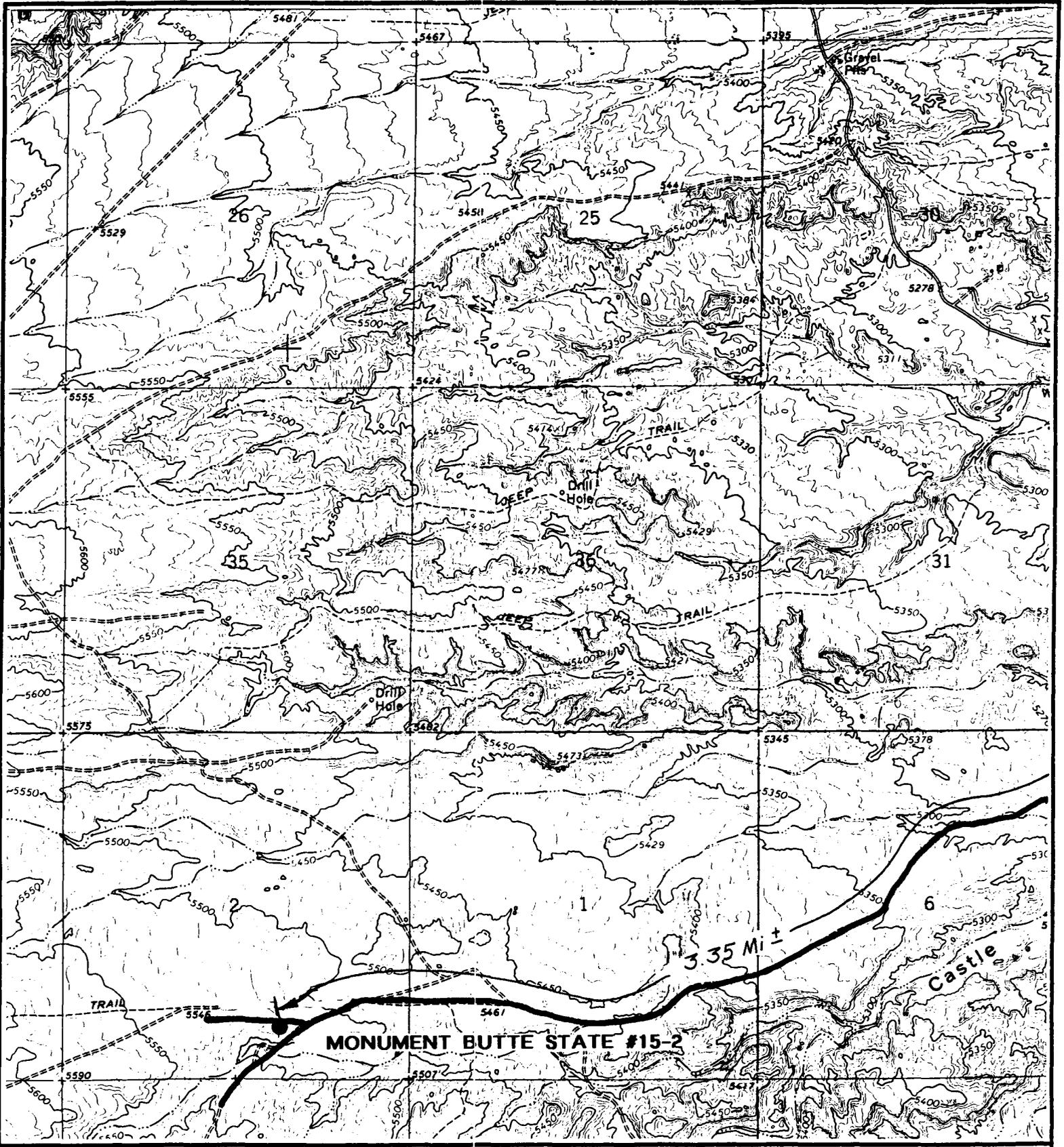


INLAND PRODUCTION COMPANY

**MONUMENT BUTTE STATE #15-2
SECTION 2, T9S, R16E, S.L.B.&M.**

19 Oct '95

84-121-032



TOPOGRAPHIC
 MAP "B"
 SCALE: 1" = 2000'

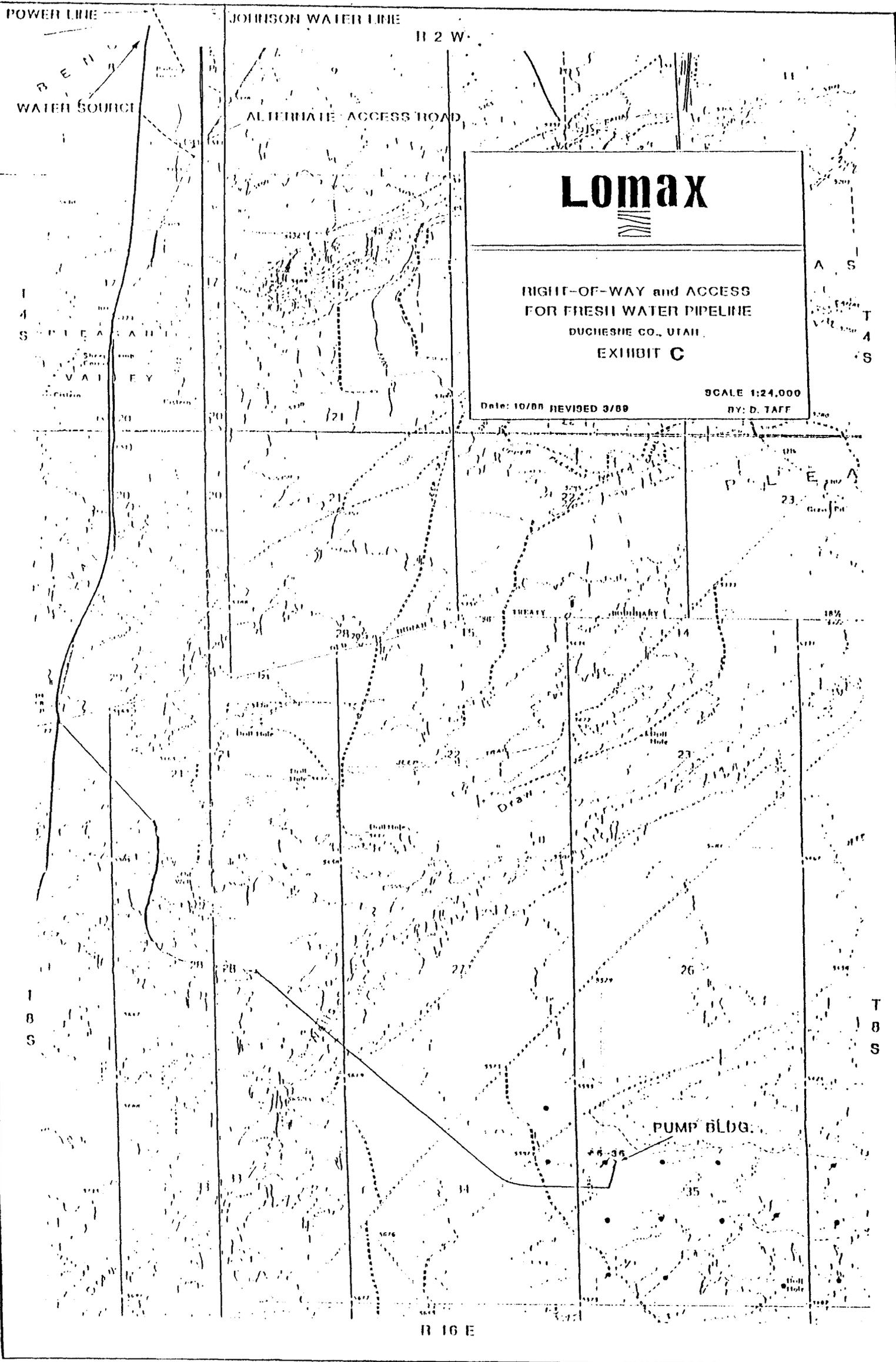


INLAND PRODUCTION COMPANY

**MONUMENT BUTTE STATE #15-2
 SECTION 2, T9S, R16E, S.L.B.&M.**

19 Oct '95

84-121-032



POWER LINE

JOHNSON WATER LINE

R 16 W

WATER SOURCE

ALTERNATE ACCESS ROAD

Lomax

RIGHT-OF-WAY and ACCESS
FOR FRESH WATER PIPELINE
DUCHESNE CO., UTAH
EXHIBIT C

SCALE 1:24,000

Date: 10/08 REVISED 3/88

BY: D. TAFF

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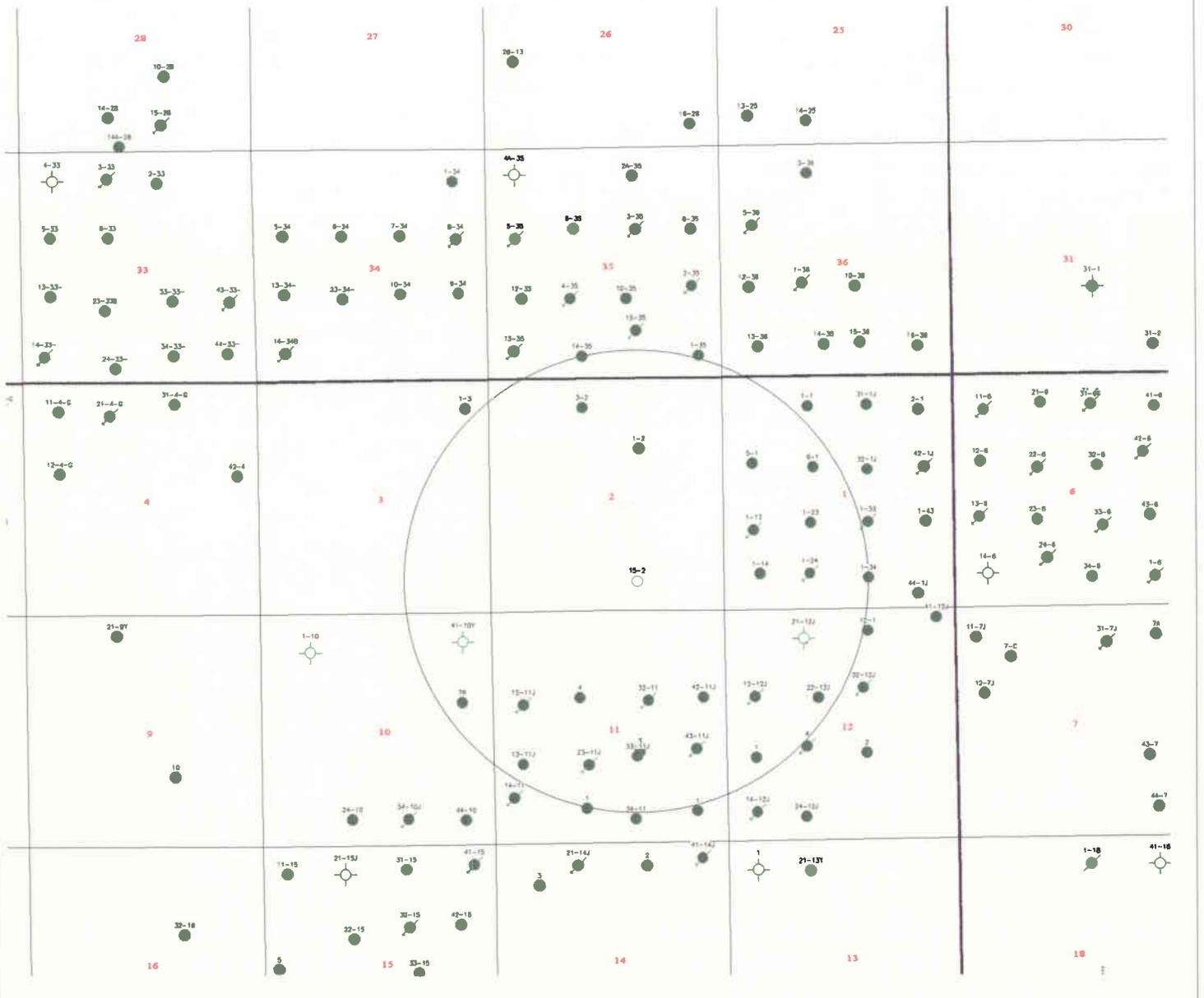
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**Inland**
RESOURCES INC.

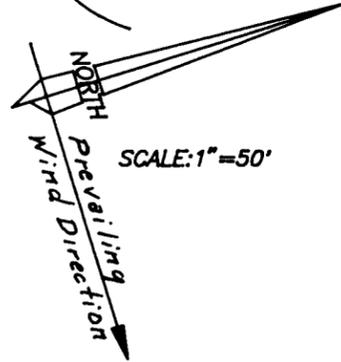
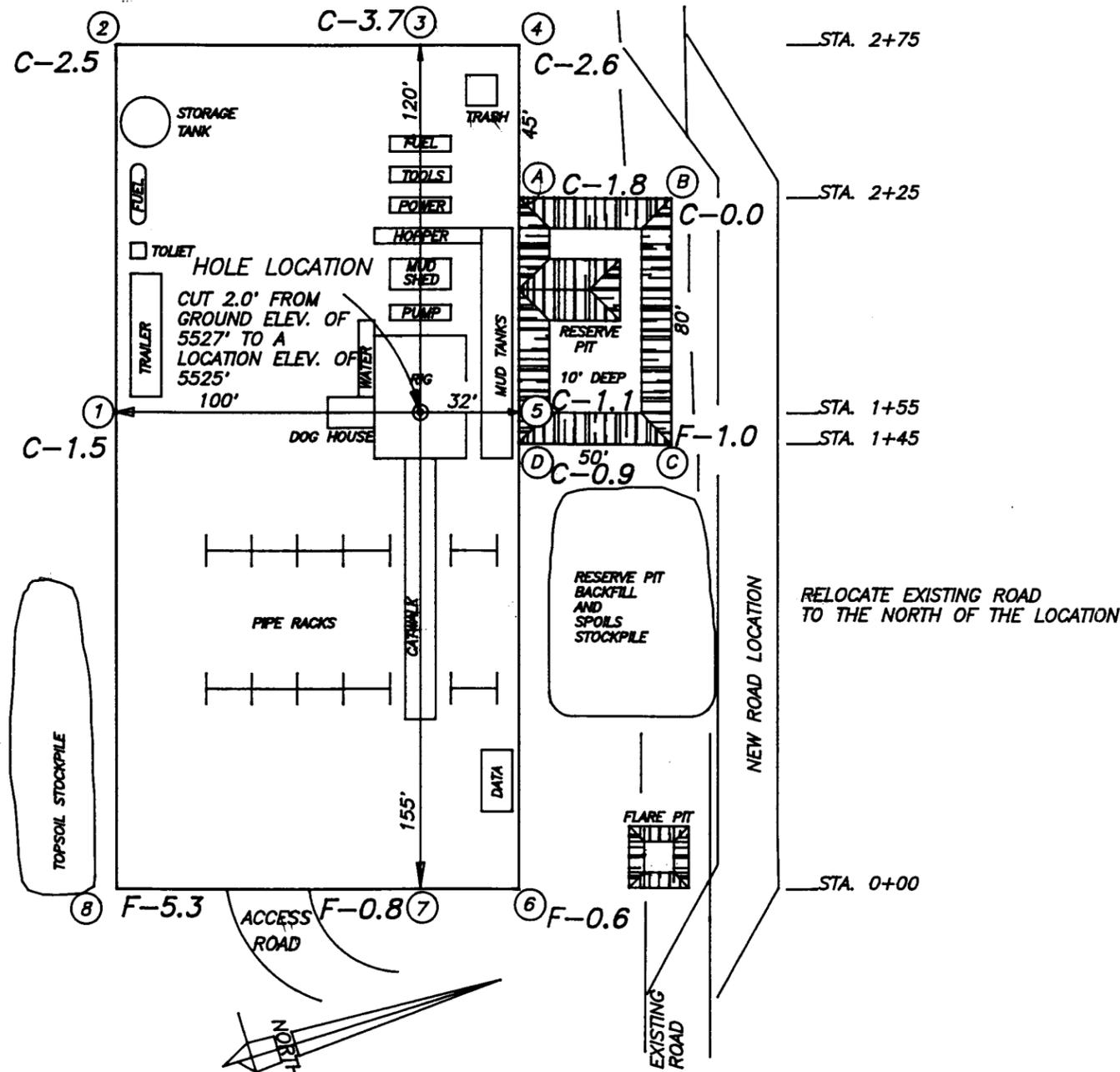
475 17th Street Suite 1500
Denver, Colorado 80202
Phone: (303)-292-0900

Monument Butte #15-2
One - Mile - Radius Exhibit D.
Duchesne County, Utah

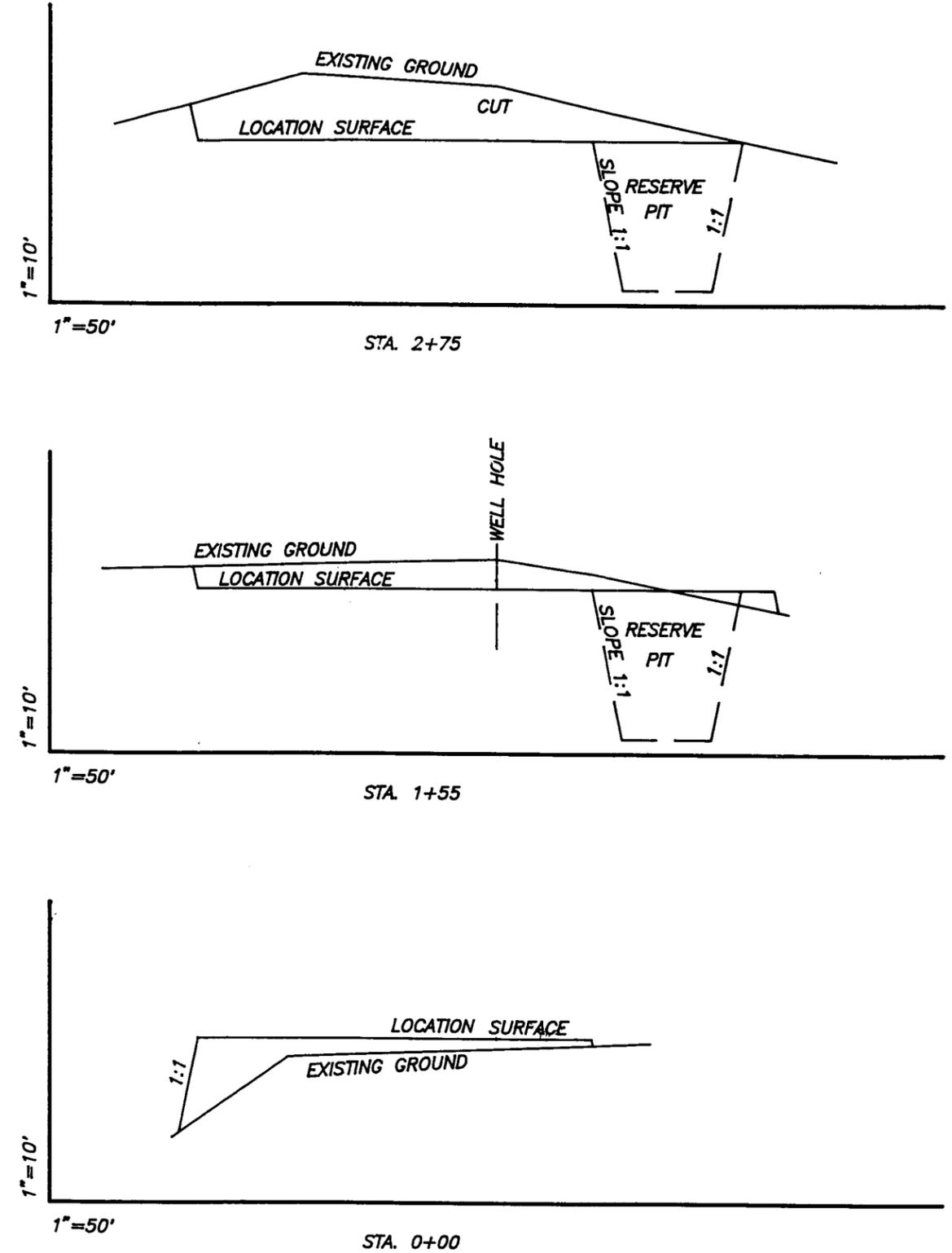
D.G.

INLAND PRODUCTION CO. WELL LAYOUT PLAT MONUMENT BUTTE STATE #15-2

LOCATED IN THE SW1/4 OF THE SE1/4 OF SECTION 2,
TOWNSHIP 9 SOUTH, RANGE 16 EAST, S.L.B.&M.



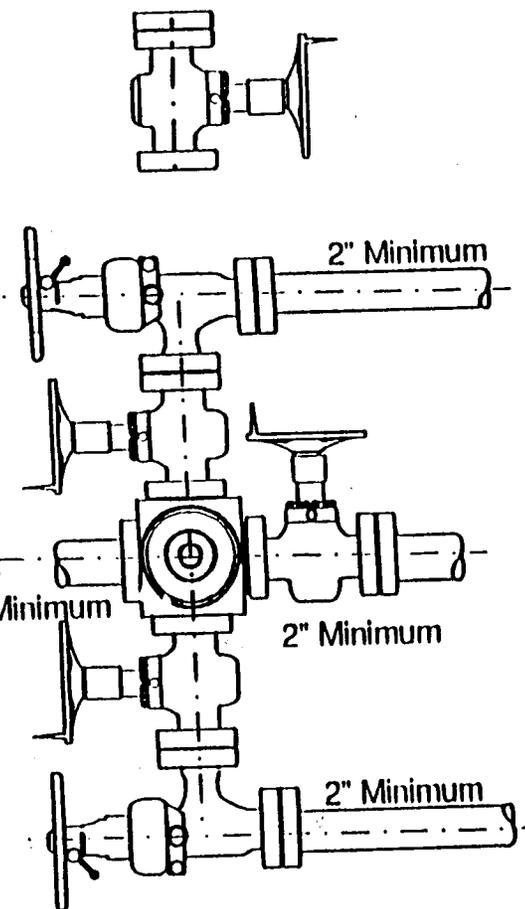
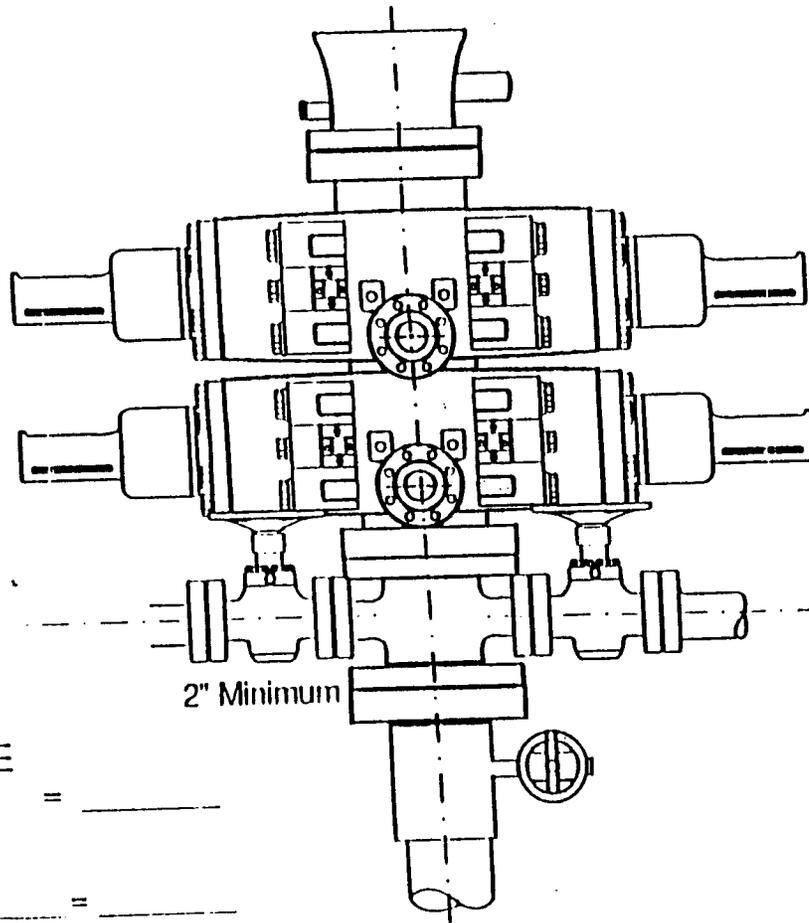
APPROXIMATE QUANTITIES
 CUT: 3400 CU. YDS. (INCLUDES PIT)
 FILL: 700 CU. YDS.



| | |
|--|---|
| | JERRY D. ALLRED AND ASSOCIATES Surveying and Engineering Consultants |
| | 121 NORTH CENTER STREET P.O. BOX 975 DUCHESNE, UTAH 84021 (801) 738-5352 |

2-M SYSTEM

W TYPE B.O.P.
 size:
 del:



GAL TO CLOSE
 Annular BOP = _____
 Ramtype BOP
 _____ Rams x _____ = _____
 _____ Gal.
 _____ x 2 = _____ Total Gal.

Rounding off to the next higher
 increment of 10 gal. would require
 _____ Gal. (total fluid & nitro volume)



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

December 1, 1995

Inland Production Company
P.O. Box 1446
Roosevelt, Utah 84066

Re: Monument Butte State #15-2 Well, 778' FNL, 1996' FEL, SW SE, Sec. 2,
T. 9 S., R. 16 E., Duchesne 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 43-013-31567.

Sincerely,

A handwritten signature in black ink, appearing to read "R. J. Firth".

R. J. Firth
Associate Director

lwp

Enclosures

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



Operator: Inland Production Company
Well Name & Number: Monument Butte State #15-2
API Number: 43-013-31567
Lease: ML-21839
Location: SW SE Sec. 2 T. 9 S. R. 16 E.

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 following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5340.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews or Mike Hebertson at (801)538-5340.

3. Reporting Requirements

All required reports, forms and submittals shall 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.



Inland Production Co.

To: State of Utah
Company:
Fax number: +1 (801) 359-3940
Business phone:

From: Cheryl Cameron
Fax number: +1 (801) 789-1877
Business phone: 801-789-1866
Home phone:

Date & Time: 12/3/96 12:17:50 PM
Pages: 2
Re: Monument Butte State #15-2



November 29, 1996

State of Utah
Division of Oil, Gas & Mining
P.O. Box 145801
1594 West North Temple Suite 1210
Salt Lake City Utah 84114-5801

**ATTENTION: Mike Hebertson &
Frank Matthews**

**Monument Butte State #15-2
SW/SE Sec. 2, T9S, R16E
Duchesne County, Utah
API # 43-013-31567**

Gentlemen,

Enclosed is the original & two copies of the Sundry Notice and Reports on Wells, for the above referenced location, requesting and APD extension.

Please contact me in the Vernal Branch office (801) 789-1866 (P.O. Box 790233, Vernal, UT, 84079), if you have any questions, or need additional information.

Sincerely,

Cheryl Cameron
Regulatory Compliance Specialist

/cc
Enclosures

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

8. Lease Designation and Serial No.
ML-21839

9. If Indian, Allocated or Tribe Name

7. If unit or CA, Agreement Designation

8. Well Name and No.
Mon. Butte State 15-2

9. API Well No.
43-013-31567

10. Field and Pool, or Exploratory Area
Monument Butte

11. County or Parish, State
Duchesne, UT

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas well Other

2. Name of Operator
Inland Production Company

3. Address and Telephone No.
P.O. Box 790233 Vernal, Utah 84079 (801) 789-1866

4. Location of Well (Footage, Sec. T., R., M., or Survey Description)
**SW/SE 778' FNL & 1996' FEL
Sec. 2, T9S, R16E**

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing repair |
| | <input type="checkbox"/> Altering Casing |
| | <input checked="" type="checkbox"/> Other <u>Request for Extension</u> |
| | <input type="checkbox"/> Change of Plans |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report on Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directly owned, give subsurface locations and measured and true vertical depths for all reamers and zones pertinent to this work)

Inland Production Company still plans to drill the Monument Butte State #15-2, and requests an extension of time on the APD approval.

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

Signed Cheryl Cameron Title Regulatory Compliance Specialist Date 11/29/96

(This space for Federal or State officials use)

Approved by [Signature] Title Structural Engineer Date 12/3/96

Conditions of approval, if any:

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

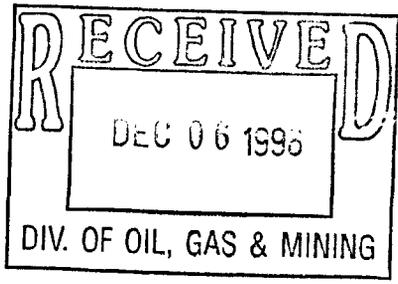
SUBMIT IN TRIPLICATE

| | |
|---|--|
| <p>1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas well <input type="checkbox"/> Other</p> | <p>5. Lease Designation and Serial No. ML-21839</p> |
| <p>2. Name of Operator Inland Production Company</p> | <p>8. Well Name and No. Mon. Butte State 15-2</p> |
| <p>3. Address and Telephone No. P.O. Box 790233 Vernal, Utah 84079 (801) 789-1866</p> | <p>9. API Well No. 43-013-31567</p> |
| <p>4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SW/SE 778' FNL & 1996' FEL Sec. 2, T9S, R16E</p> | <p>10. Field and Pool, or Exploratory Area Monument Butte</p> |
| | <p>11. County or Parish, State Duchesne, UT</p> |

| 12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | |
|---|---|---|
| TYPE OF SUBMISSION | TYPE OF ACTION | |
| <input checked="" type="checkbox"/> Notice of Intent <input type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <u>Request for Extension</u> | <input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water <small>(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)</small> |

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Inland Production Company still plans to drill the Monument Butte State #15-2, and requests an extension of time on the APD approval.
Extended to 12/1/97
DTs



14. I hereby certify that the foregoing is true and correct
 Signed Cheryl Cameron Title Regulatory Compliance Specialist Date 11/29/96
Cheryl Cameron

(This space of Federal or State office use.)
 Approved by Tom Matthews Title Petroleum Engineer Date 12/9/96
 Conditions of approval, if any:

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



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

Michael O. Leavitt
Governor
Lowell P. Braxton
Division Director



August 3, 1998

Brad Mecham
Inland Production Company
P.O. Box 1446
Roosevelt, Utah 84066

Re: Monument Butte State 15-2 Well, Sec. 2, T. 9S, R. 16E, Duchesne County, Utah,
API No. 43-013-31567

Dear Mr. Mecham:

The Application for Permit to Drill for the subject well was approved by the Division of Oil, Gas and Mining on December 1, 1995. Approval to drill was later extended to December 1, 1997, per Inland's request. No drilling activity at this location has been reported to the division. Due to the excessive time delay in commencing drilling operations, approval to drill the well is hereby rescinded, effective immediately.

Please note that a new Application for Permit to Drill 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 of Oil, Gas and Mining immediately.

Sincerely,

Don Staley
Administrative Manager
Oil and Gas

cc: J.R. Baza
L.E. Cordova
Well File



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
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Lowell P. Braxton
Division Director

DOGm
-LA-
DATE

August 3, 1998

Brad Mecham
Inland Production Company
P.O. Box 1446
Roosevelt, Utah 84066

Re: Monument Butte State 15-2 Well, Sec. 2, T. 9S, R. 16E, Duchesne County, Utah,
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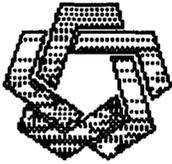
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Sincerely,


Don Staley
Administrative Manager
Oil and Gas

cc: J.R. Baza
L.E. Cordova
Well File



**State of Utah
Division of Oil, Gas & Mining (OGM)**

***ON-SITE PREDRILL EVALUATION AND REVIEW
FOR
APPLICATION FOR PERMIT TO DRILL (APD)***

OPERATOR

INLAND PRODUCTION COMPANY

WELL NO.

MONUMENT BUTTE STATE 15-2

LEASE NO.

ML-21839

API No.

43 - 013 - 31567

LEASE TYPE

State

Fee

PROPOSED LOCATION

| | | | |
|---------------------------------------|--------------|-------------------------------|---------------|
| $\frac{1}{4} / \frac{1}{4}$ SW SE | SECTION 2 | TOWNSHIP 9 S | RANGE 16 E |
| COUNTY DUCHESNE | | FIELD MONUMENT BUTTE (105) | |
| SURFACE 778 FSL 1996 FEL | | | |
| BOTTOM HOLE SAME AS ABOVE | | | |
| GPS COORDINATES 578149 E 4434054 N | | | |

SURFACE OWNER

STATE LANDS

SURFACE AGREEMENT

Yes No

CONFIDENTIAL

Yes No

LOCATING AND SITING

UAC R649-2-3. Unit

UAC R649-3-2. General

UAC R649-3-3. Exception

UCA 40-6-6. Drilling Unit -- Cause No.

DRILLING PROGRAM

The following information should be included in the Application for Permit to Drill submitted.

- 1 **Surface Formation and Estimated Tops/Geologic Markers**
- 2 **Estimated Depths and Names of Anticipated Water, Oil, Gas or other Mineral Bearing Formations**

(All fresh water sands encountered during drilling shall be recorded and reported to the Division on Form 7.)
- 3 **Well Control Equipment & Testing Procedures**
- 4 **Proposed Casing and Cementing Program**
- 5 **Mud Program, Circulating Medium, and Monitoring equipment**
- 6 **Coring, Testing, and Logging Program**
- 7 **Expected Bottom Hole Pressures and any anticipated Abnormal Pressures, Temperatures or Potential Hazards such as hydrogen sulfide, expectations and contingency plans for mitigating identified hazards**
- 8 **Any other information relative to the proposed operation.**

Onsite Participants:

BRAD MECHAM, (INLAND PRODUCTION COMPANY); DENNIS INGRAM, (DOGM)

Regional Setting/Topography:

Set on bench just north of Castle Peak Draw (overlooks same) in arid desert habitat on tablelands. Existing roads run on north and south, southeast of proposed site.

SURFACE USE PLAN:

Current Surface Use: Domestic livestock grazing and wildlife use.

Proposed Surface Disturbance: 275' x 182' or 1.147 acres for well site.

1. Existing Roads Immediately north and to east of proposed site.
2. Planned Access Roads - include length of new road, length of existing road to be upgraded, maximum disturbed and travel surface widths, maximum grades, turnouts, surface materials, drainage, cattleguards A 50 foot access road is requested from east exiting an existing roadway and leaves SW1/4 Sec1/4 Section 2, T9S, R16E, S.L.B.&M. and proceeds westerly into lease.
3. Location of existing wells within one-mile radius of proposed location, include water, injection, producing, drilling with present status of each well See the plat filed with the APD marked as Exhibit "D"
4. Location of Production Facilities and Pipelines All production facilities for this lease will be added to site following the drilling process.
5. Location and Type of Water Supply (include Division of Water Rights approval or identifying number) Water will be obtained from Injection well #7-32 where 3" Johnson Water Line exists. Permission was gained to utilize this water source for drilling and completing this well.
6. Source of Construction Material All construction material will be borrowed from this well site during construction and is native.
7. Waste Management Plan The waste management plan filed with the APD is Adequate for this location.
8. Ancillary Facilities None.
9. Well Site Layout See the plat filed with the APD.
10. Surface Restoration Plans As specified by the surface owner, or as found.

ENVIRONMENTAL PARAMETERS:

Affected Floodplain and/or Wetlands:

A 404 dredge and fill permit may be required if this site is in or adjacent to a wetland or other established drainage or floodplain. (Contact the Army Corps of Engineers if there are concerns of this nature) N/A

Flora/Fauna:

Briefly describe the flora found on the proposed site and the fauna evidenced or sighted on or near the proposed location. Vegetation cover consists of shadscale Community species: bladderpod, shadscale, sagebrush, prickly pear cactus, buckwheat and bunch grass. Antelope tracks and droppings litter proposed site. Site is also rabbit, coyote, small birds, raptor, reptile and insect habitat, with mountain plover potential.

SURFACE GEOLOGY

Soil Type and Characteristics: Very fine-grained, buff colored sand which contains a moderate amount of Pleistocene gravel and annular rock fragments.

Surface Formation & Characteristics: Uinta Formation of Upper Eocene Age.

Erosion/Sedimentation/Stability: Erosion potential on south side if flora is removed/minor sedimentation/no stability problems.

Paleontological Potential Observed: None.

RESERVE PIT

Characteristics: Pit is rectangular in shape and runs uphill from wellhead but downwind of prevailing winds. Dimensions are 50' x 80' long x 10' deep.

Lining (Site ranking form attached): 45 points.

OTHER OBSERVATIONS

Cultural Resources/Archaeology (if proposed location is on State land, has an archaeology clearance been obtained?): Yes.

Comments: Ground was 100 % open on pre-site visit. Proposed reserve pit extends 12 feet on the existing roadway to the north of site. Mecham requested to shorten the width of their reserve pit and make it longer so the road would not need a detour. This is desirable because vegetative cover is excellent in the immediate area.

Dennis L. Ingram
OGM Representative

11/20/95
Date and Time

STATEMENTS OF BASIS

OGM Review of Application for Permit to Drill (APD)

Company: INLAND PRODUCTION COMPANY

Well Name: MONUMENT BUTTE STATE 15-2

ENGINEERING/LOCATING and SITING:

The proposed location meets the location and siting requirements of R649-3-2. The application and proposed casing and drilling plan appear to be consistent with accepted industry standards of practice and sound engineering design. A casing design safety check is attached. Blow out prevention and monitoring/contingency plans are adequate.

Signature: F. R. Matthews

Date: 11/30/95

GEOLOGY/GROUND WATER:

Ground water may be encountered in the first 300 feet of drilling. The proposed casing and cement program will adequately protect any water encountered.

Signature: D. Jarvis

Date: 11-30-95

SURFACE:

The pre-site investigation of the surface has been performed by field personnel. All applicable surface management agencies (State Lands, Wildlife Resources, etc.) and land owners have been notified, and their concerns accommodated where reasonable and possible.

Signature: Dennis L. Ingram

Date: 11/21/95

STIPULATIONS for APD Approval:

1. A pit liner of 12 Mil thickness minimum shall be required.
2. Reserve pit construction alerted to prevent obstruction of existing roadway.
3. No other access roads are developed without approval by State Lands.

ATTACHMENTS:

1. Photographs of proposed site in pre-drill status.
2. Cultural and Paleontological Resources Survey

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

| Site-Specific Factors | Ranking Score | Final Ranking Score |
|---|-------------------------------------|----------------------------|
| <p>Distance to Groundwater (feet)</p> <p>>200 100 to 200 75 to 100 25 to 75 <25 or recharge area</p> | <p>0 5 10 15 20</p> | <p>5</p> |
| <p>Distance to Surf. Water (feet)</p> <p>>1000 300 to 1000 200 to 300 100 to 200 < 100</p> | <p>0 2 10 15 20</p> | <p>0</p> |
| <p>Distance to Nearest Municipal Well (feet)</p> <p>>5280 1320 to 5280 500 to 1320 <500</p> | <p>0 5 10 20</p> | <p>0</p> |
| <p>Distance to Other Wells (feet)</p> <p>>1320 300 to 1320 <300</p> | <p>0 10 20</p> | <p>0</p> |

| | | |
|--|-------------------------------------|-----------|
| <p>Native Soil Type</p> <p>Low permeability Mod. permeability High permeability</p> | <p>0 10 20</p> | <p>20</p> |
| <p>Fluid Type</p> <p>Air/mist Fresh Water TDS >5000 and <10000 TDS >10000 or Oil Base Mud</p> <p>Fluid containing significant levels of hazardous constituents</p> | <p>0 5 10 15 20</p> | <p>5</p> |
| <p>Drill Cuttings</p> <p>Normal Rock Salt or detrimental</p> | <p>0 10</p> | <p>0</p> |
| <p>Annual Precipitation (inches)</p> <p><10 10 to 20 >20</p> | <p>0 5 10</p> | <p>0</p> |
| <p>Affected Populations</p> <p><10 10 to 30 30 to 50 >50</p> | <p>0 6 8 10</p> | <p>0</p> |

| | | |
|--|-----------|------------------|
| Presence of Nearby Utility Conduits | | 15 |
| Not Present | 0 | |
| Unknown | 10 | |
| Present | 15 | |
| Final Score | | 45 points |

The summation of all of the above ranking scores will yield one value which shall be used to determine the appropriate type of containment, on a case-by-case basis. The sensitivity levels are as follows:

- Level I Sensitivity: For scores totaling ≥ 20
- Level II Sensitivity: For scores totaling 15 to 19
- Level III Sensitivity: For scores totaling < 15

Containment Requirements According to Sensitivity Level

- Level I: Requires total containment by synthetic liner, concrete structure or other type of total containment structure or material.
- Level II: Bentonite or other compatible lining is discretionary depending on the fluid to be contained and environmental sensitivity.
- Level III: No specific lining requirements.

OTHER GUIDELINES FOR PITS

1. Unlined pits shall not be constructed on areas of fill materials.
2. A pit shall not be constructed in a drainages or floodplain of flowing or intermittent streams.
3. Synthetic liners used for lining reserve pits, shall be of 12 mil thickness or greater and shall be compatible with the fluid to be contained. Synthetic liners used for lining Onsite pits with a longer expected life shall be a minimum of 30 mil thickness or as approved by the Division.
4. Synthetic liners shall be installed over smooth fill material which is free of pockets, loose rocks or other materials which could damage the liner.
5. Monitoring systems for pits or closed mud systems may be required for drilling in sensitive areas.

