

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE WATER SANDS _____ LOCATION INSPE _____ SUB. REPORT/abd. _____

990421-LA'D off 4-12-99!

DATE FILED NOVEMBER 28, 1997

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. U-74826 INDIAN _____

DRILLING APPROVED: MARCH 11, 1998

SPUDDED IN: _____
 COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED: 4-12-99 LA'D

FIELD: UNDESIGNATED

UNIT: ASHLEY

COUNTY: DUCHESNE

WELL NO. ASHLEY UNIT 8-12

API NO. 43-013-32009

LOCATION 1987 FNL FT. FROM (N) (S) LINE, 706 FEL

FT. FROM (E) (W) LINE, SE NE

1/4 - 1/4 SEC. 12

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
9S	15E	12	INLAND PRODUCTION				

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL [X] DEEPEN []
1b. TYPE OF WELL OIL WELL [X] GAS WELL [] OTHER [] SINGLE ZONE [] MULTIPLE ZONE []
2. NAME OF OPERATOR Inland Production Company
3. ADDRESS OF OPERATOR P.O. Box 790233 Vernal, UT 84079 Phone: (801) 789-1866
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At Surface SE/NE At proposed Prod. Zone 1987' FNL & 706' FEL 606 215
12. County Duchesne 13. STATE UT
16. NO. OF ACRES IN LEASE 2189.98
17. NO. OF ACRES ASSIGNED TO THIS WELL 40
19. PROPOSED DEPTH 6500'
20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6004.9' GR
22. APPROX. DATE WORK WILL START* 4th Quarter 1997

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT/FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Content: Refer to Monument Butte Field SOP's Drilling Program/Casing Design

The Conditions of Approval For Application For Permit To Drill are attached.

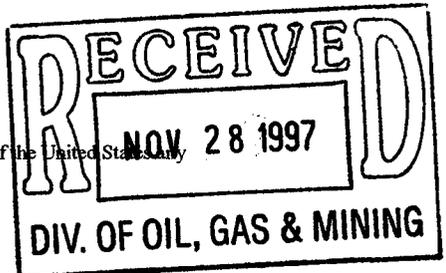
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.
24. SIGNED Cheryl Cameron TITLE Regulatory Compliance Specialist DATE 11/20/97

(This space for Federal or State office use)
PERMIT NO. 43-013-32009 APPROVAL DATE
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:
APPROVED BY John R. Baya TITLE Associate Director Utah DOGM DATE 3/11/98

*See Instructions On Reverse Side

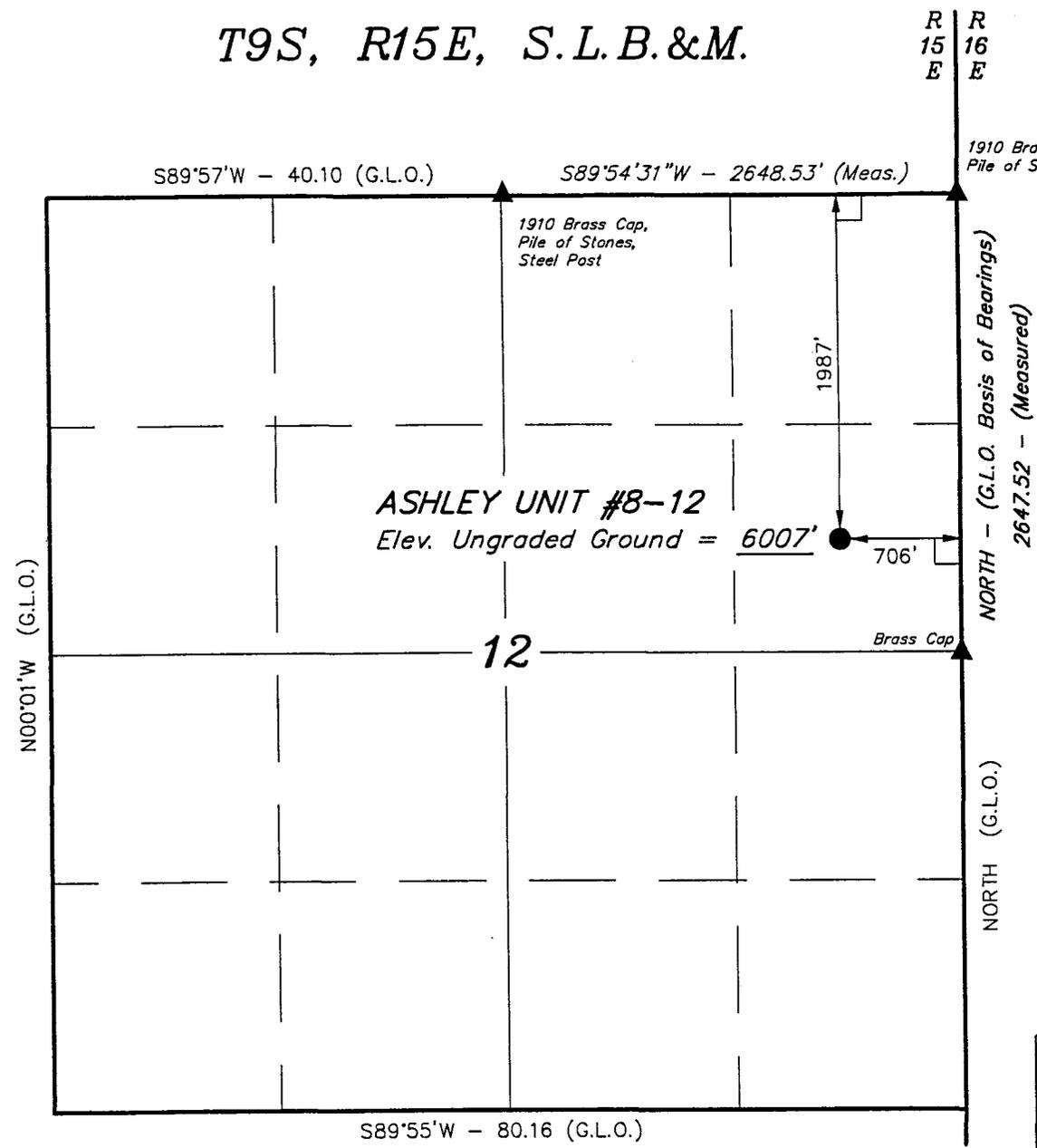
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



INLAND PRODUCTION CO.

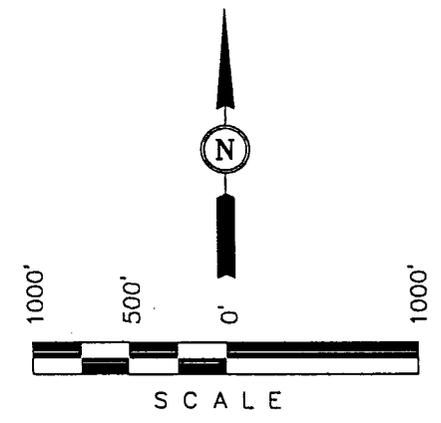
T9S, R15E, S.L.B.&M.

Well location, ASHLEY UNIT #8-12, located as shown in the SE 1/4 NE 1/4 of Section 12, T9S, R15E, S.L.B.&M. Duchesne County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 1, T9S, R15E, S.L.B.&M. TAKEN FROM THE MYTON SW QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5905 FEET.



CERTIFICATE

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

Robert L. Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 61319
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 11-2-97	DATE DRAWN: 11-18-97
PARTY L.D.T. B.C. D.K. D.H. D.COX	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE INLAND PRODUCTION CO.	

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

**INLAND PRODUCTION COMPANY
ASHLEY UNIT #8-12
SE/NE SECTION 12, T9S, R15E
DUCHESNE COUNTY, UTAH**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. GEOLOGIC SURFACE FORMATION:

Uinta formation of Upper Eocene Age

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Uinta and Green River

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

Oil/Gas – Green River Formation

4. PROPOSED CASING PROGRAM

Please refer to the Monument Butte Field Standard Operation Procedure (SOP).

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Please refer to the Monument Butte Field SOP. See Exhibit "F".

6. TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:

Please refer to the Monument Butte Field SOP.

7. AUXILIARY SAFETY EQUIPMENT TO BE USED:

Please refer to the Monument Butte Field SOP.

8. TESTING, LOGGING AND CORING PROGRAMS:

Please refer to the Monument Butte Field SOP.

9. ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:

The anticipated maximum 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:

Please refer to the Monument Butte Field SOP.

**INLAND PRODUCTION COMPANY
ASHLEY UNIT #8-12
SE/NE SECTION 12, T9S, R15E
DUCHESNE COUNTY, UTAH**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. EXISTING ROADS

See attached Topographic Map "A"

To reach Inland Production Company well location site Ashley Unit #8 -12 located in the SE 1/4 NE 1/4 Section 12, T9S, R15E, S.L.B. 7 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 southerly along Utah State Highway 53 - 1.6 miles to its junction with an existing paved road to the southwest; proceed southwesterly along this road 4.9 miles to the junction of an existing dirt road to the southwest; proceed southwesterly along this road 2.4 miles to the junction of an existing dirt road to the southwest; proceed southwesterly 1.0 miles to its junction with an existing dirt road to the southeast; proceed southeasterly 3.0 miles to the beginning of the proposed access road. See Exhibit "A".

2. PLANNED ACCESS ROAD

See Topographic Map "B" for the location of the proposed access road.

3. LOCATION OF EXISTING WELLS

Refer to Exhibit "D".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

Please refer to the Monument Butte Field Standard Operating Procedure (SOP).

5. LOCATION AND TYPE OF WATER SUPPLY

Please refer to the Monument Butte Field SOP. See Exhibit "C".

6. SOURCE OF CONSTRUCTION MATERIALS

Please refer to the Monument Butte Field SOP.

7. METHODS FOR HANDLING WASTE DISPOSAL

Please refer to the Monument Butte Field SOP. See Exhibit "E".

8. ANCILLARY FACILITIES

Please refer to the Monument Butte Field SOP.

9. WELL SITE LAYOUT

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s). Refer to Exhibits "E" and "E-1".

10. PLANS FOR RESTORATION OF SURFACE

Please refer to the Monument Butte Field SOP.

11. SURFACE OWNERSHIP - Bureau Of Land Management

12. OTHER ADDITIONAL INFORMATION

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

13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Representative

Name: Cheryl Cameron
Address: P.O. Box 790233 Vernal, Utah 84079
Telephone: (435) 789-1866

Certification

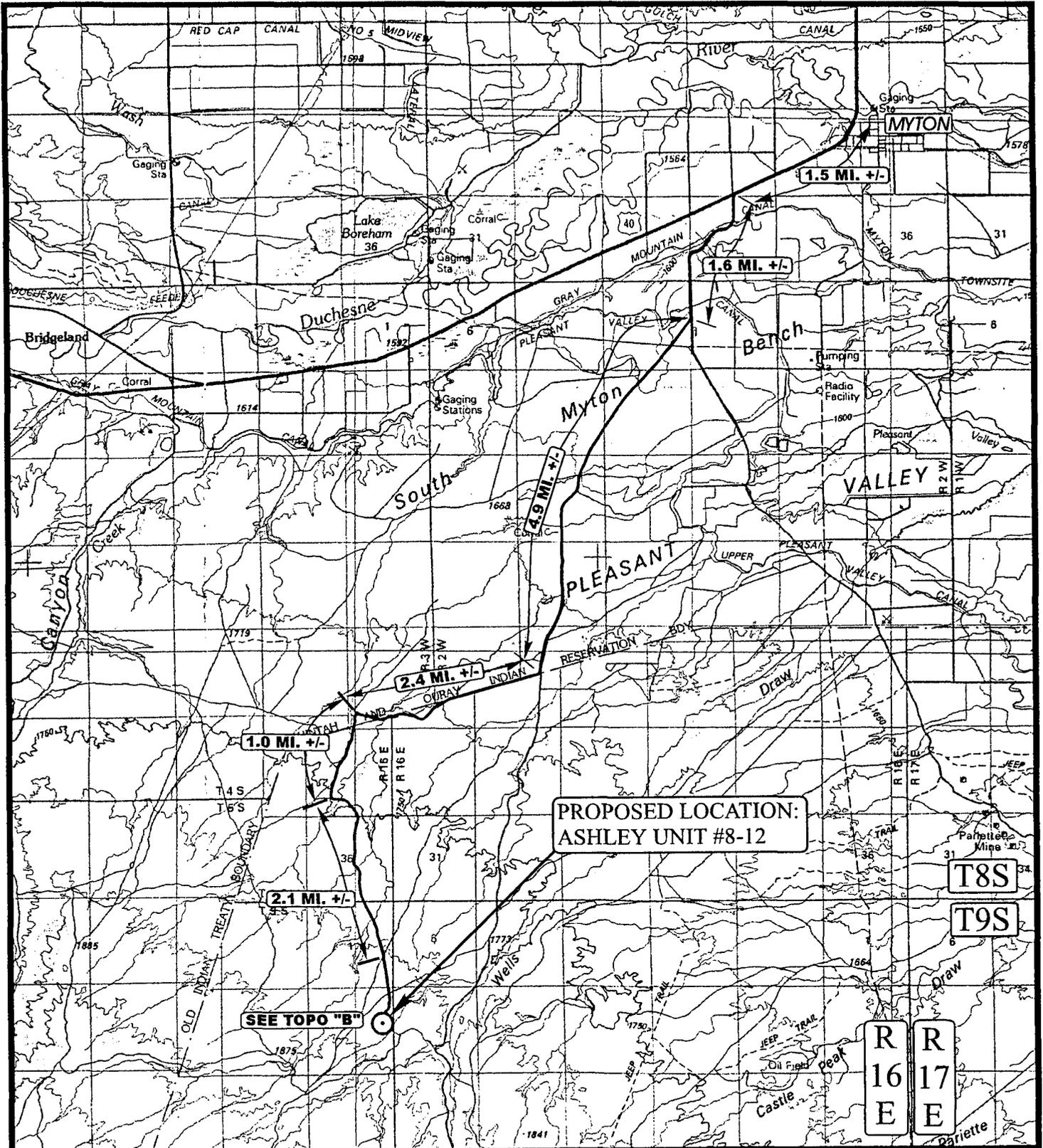
Please be advised that INLAND PRODUCTION COMPANY is considered to be the operator of well #8 -12 SE/NE Section 12, Township 9S, Range 15E: Lease U-74826, Duchesne County, Utah: and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4488944.

I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite 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.

11/20/97
Date



Cheryl Cameron
Regulatory Compliance Specialist



LEGEND:

⊙ PROPOSED LOCATION

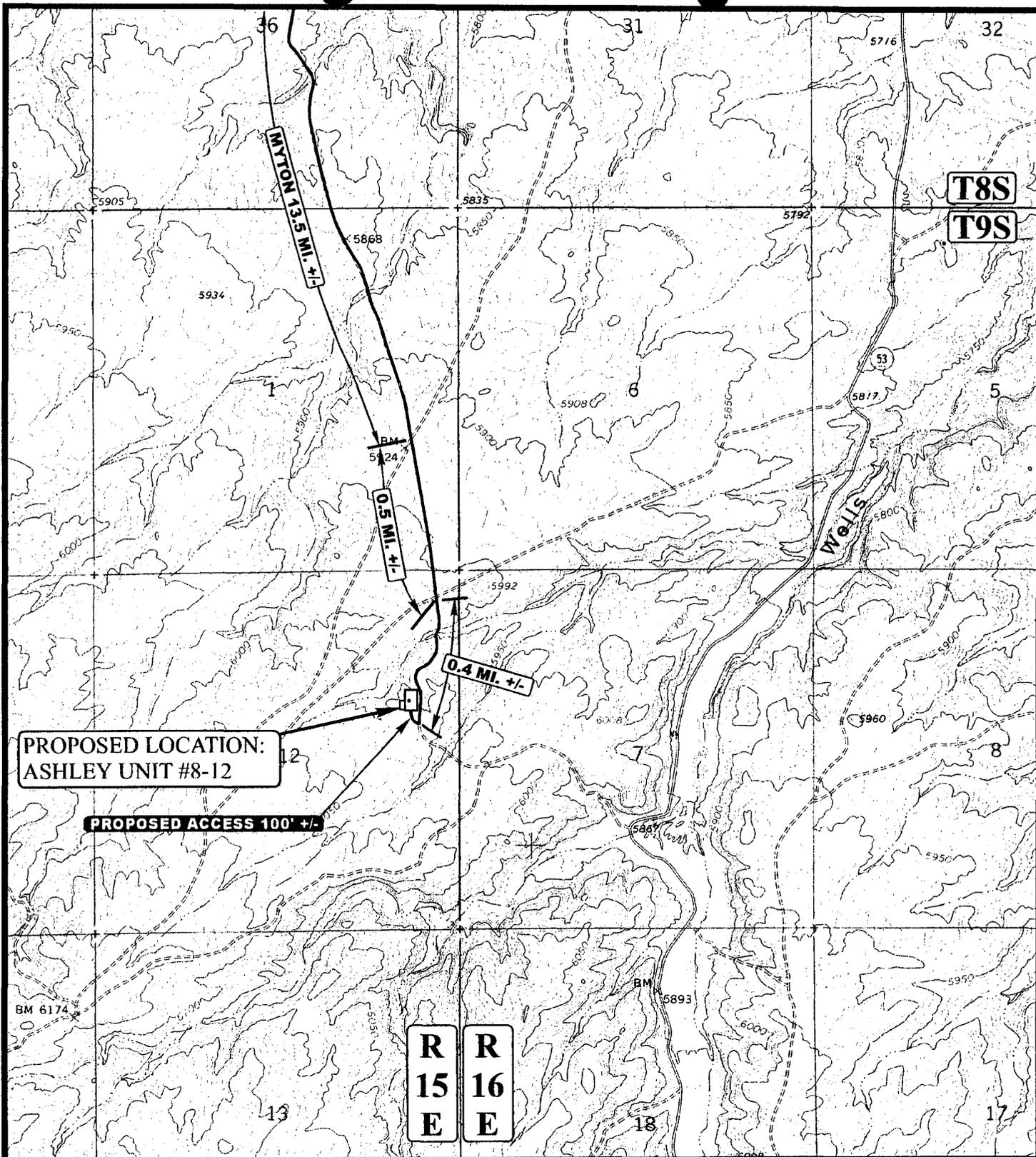
INLAND PRODUCITON CO.

ASHLEY UNIT #8-12
SECTION 12, T9S, R15E, S.L.B.&M.
1987' FNL 706' FEL

UeLs Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(801) 789-1017 * FAX (801) 789-1813
Email: uels@easlink.com

TOPOGRAPHIC MAP
11 18 97
MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: C.G. REVISED: 00-00-00





**PROPOSED LOCATION:
ASHLEY UNIT #8-12**

PROPOSED ACCESS 100' +/-

R 15 E
R 16 E

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



INLAND PRODUCTION CO.

ASHLEY UNIT #8-12
SECTION 12, T9S, R15E, S.L.B.&M.
1987' FNL 706' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(801) 789-1017 * FAX (801) 789-1813
Email: uels@easilink.com

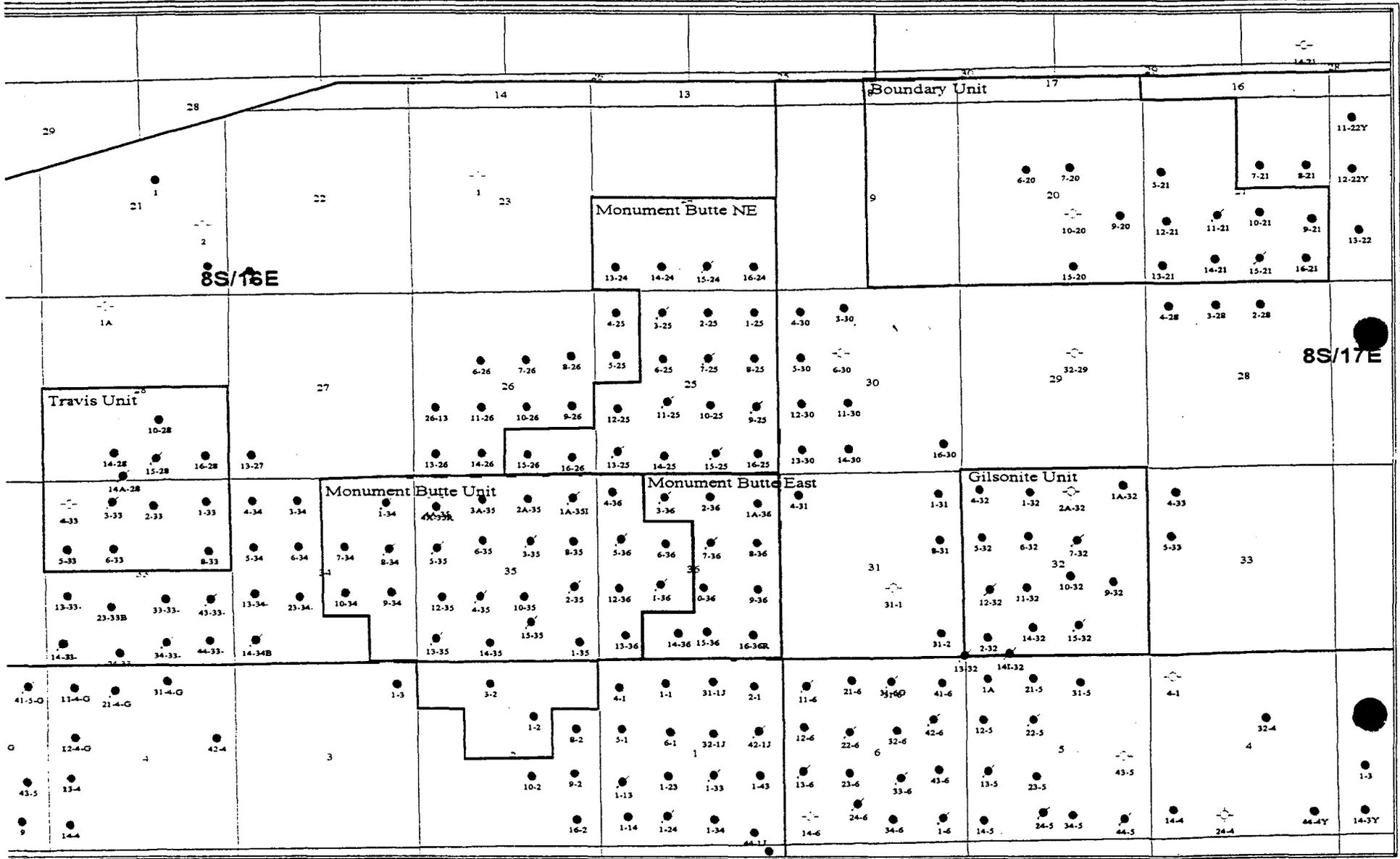
**TOPOGRAPHIC
MAP**

11	18	97
MONTH	DAY	YEAR

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



EXHIBIT "C"



Inland
ENGINEERS INC.

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

Regional Area

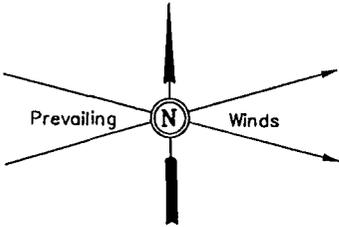
Duchesne County, Utah

Date: 4/18/97 JA.

INLAND PRODUCTION CO.

LOCATION LAYOUT FOR

ASHLEY UNIT #8-12
SECTION 12, T9S, R15E, S.L.B.&M.
1987' FNL 706' FEL



SCALE: 1" = 50'
Date: 11-18-97
Drawn By: D.COX

C-1.5'
El. 6006.4'

C-0.3'
El. 6005.2'

F-6.3'
El. 5998.6'

Sta. 2+90

APPROX. TOP OF CUT SLOPE

CLEARWATER UNIT AREA

Round Corners As Needed

APPROX. TOE OF FILL SLOPE

NOTE: PIT CAPACITY WITH 2' OF FREEBOARD = 2,030 Bbls.

El. 6007.5'
C-10.6'
(Btm. Pit)

El. 6007.5'
C-2.6'

C-2.2'
El. 6007.1'

Sta. 1+45

Reserve Pit Backfill & Spoils Stockpile

10' WIDE BENCH

40'

RESERVE PIT (8' Deep)

90'

50'

14.5'

DOG HOUSE

RIG

14.5'

MUD TANKS

5'

10'

PUMP

MUD SHED

HOPPER

65'

POWER

TOOLS

FUEL

TRASH

5'

10'

TRAILER

TOILET

FUEL

STORAGE TANK

100'

Sta. 0+73

El. 6001.3'
F-3.6'

Existing Road

Sta. 0+00

El. 6007.7'
C-2.8'

C-1.8'
El. 6006.7'

El. 6004.2'
F-0.7'

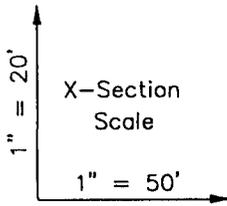
Proposed Access Road

Elev. Ungraded Ground at Location Stake = 6007.1'
Elev. Graded Ground at Location Stake = 6004.9'

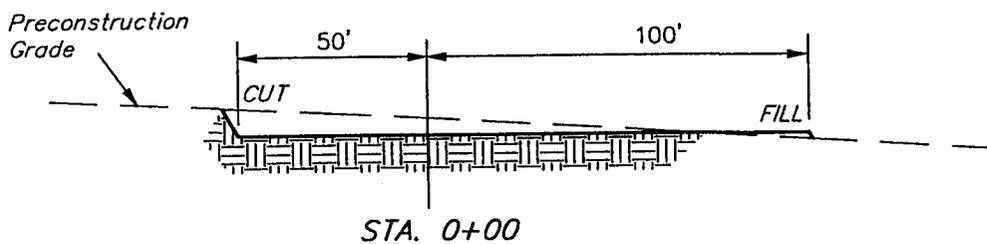
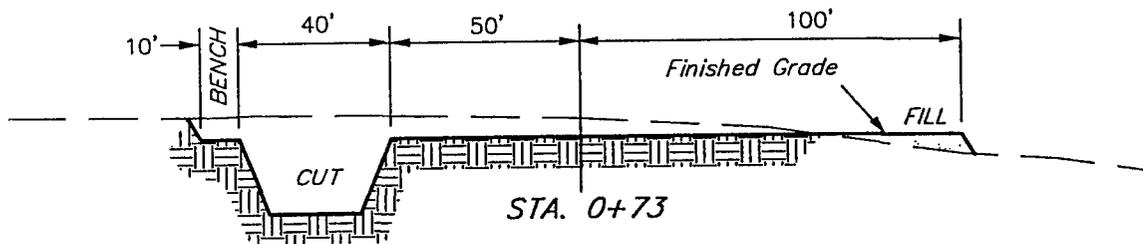
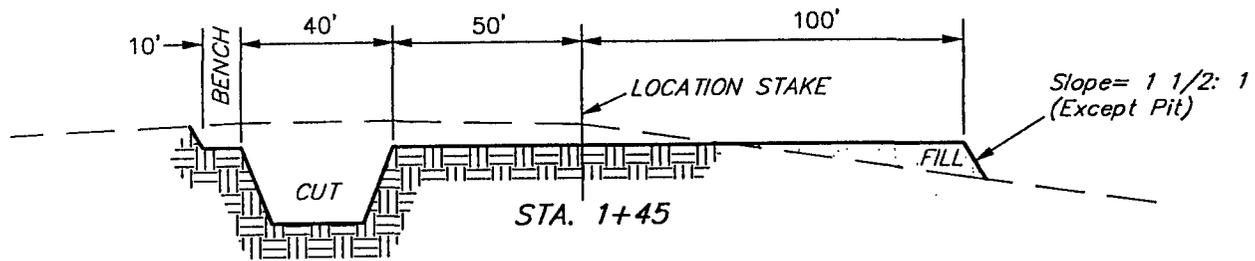
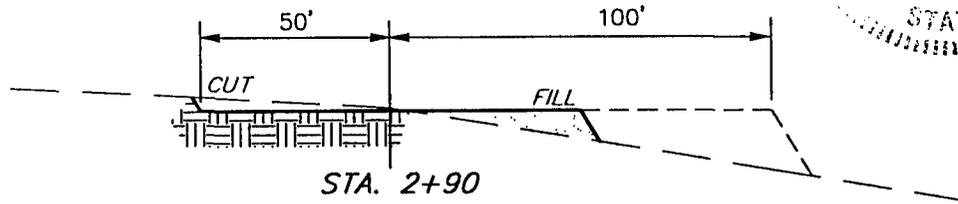
INLAND PRODUCTION CO.

TYPICAL CROSS SECTIONS FOR

ASHLEY UNIT #8-12
SECTION 12, T9S, R15E, S.L.B.&M.
1987' FNL 706' FEL



Date: 11-18-97
 Drawn By: D.COX



APPROXIMATE YARDAGES

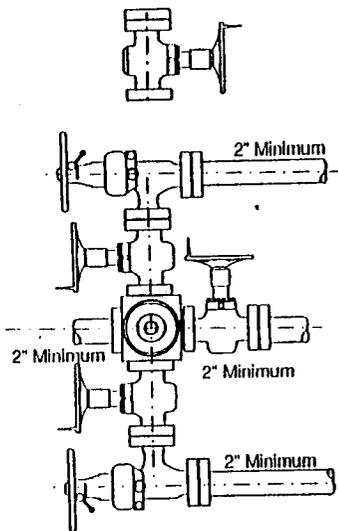
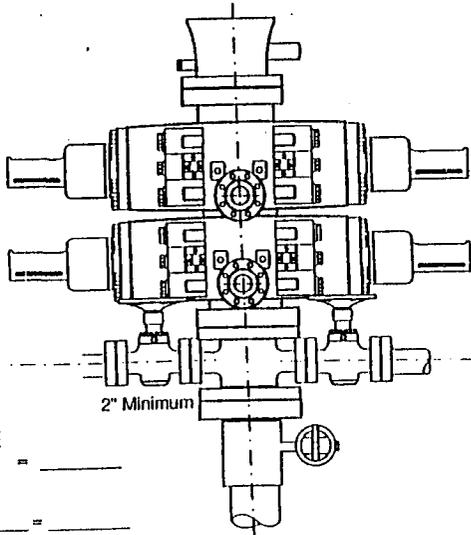
CUT	
(6") Topsoil Stripping	= 870 Cu. Yds.
Remaining Location	= 2,240 Cu. Yds.
TOTAL CUT	= 3,110 CU.YDS.
FILL	= 1,810 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 1,200 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,200 Cu. Yds.
EXCESS MATERIAL After Reserve Pit is Backfilled & Topsoil is Re-distributed	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
 85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

2-M SYSTEM

RAM TYPE B.O.P.
 Make:
 Size:
 Model:



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)

Well No.: Ashley 8-12

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Inland Production Company

Well Name & Number: Ashley 8-12

API Number:

Lease Number: UTU-74826

Location: SENE Sec. 12, T9S, R15E

GENERAL

Access from SE. Topsoil will be stored on N side of location.

CULTURAL RESOURCES

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

PALEONTOLOGICAL RESOURCES

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

SOILS, WATERSHEDS, AND FLOODPLAINS

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

WILDLIFE AND FISHERIES

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

SAGE GROUSE: No new construction or surface disturbing activities will be allowed between March 1 and June 30 due to the locations proximity (2 mile radius) to Sage Grouse strutting grounds.

THREATENED, ENDANGERED, AND OTHER SENSITIVE SPECIES

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

MOUNTAIN PLOVER: If new construction or surface disturbing activities are scheduled to occur between March 15 and August 15, detailed surveys of the area within 0.5 mile of the proposed location and within 300 feet of proposed access routes must be conducted to detect the presence of mountain plovers. All surveys must be completed prior to initiating new construction or surface disturbing activities (see Survey Protocol COAs EA Number 1996-61).

FERRUGINOUS HAWK: Due to terrain features decreasing the effective buffer distance to active nests, the proposed well may be constructed outside of the nesting period, which occurs from March 1 through July 31. In the event that this well becomes a producing well, it must be equipped with a multi-cylinder engine or hospital muffler to reduce noise levels.

OTHER

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/28/97

API NO. ASSIGNED: 43-013-32009

WELL NAME: unit ~~ASHLEY FEDERAL~~ 8-12
OPERATOR: INLAND PRODUCTION COMPANY (N5160)

PROPOSED LOCATION:
SENE 12 - T09S - R15E
SURFACE: 1987-FNL-0706-FEL
BOTTOM: ~~0~~1987-FNL-0706-FEL
DUCHESNE COUNTY
UNDESIGNATED FIELD (002)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: FED
LEASE NUMBER: U - 74826

PROPOSED PRODUCING FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

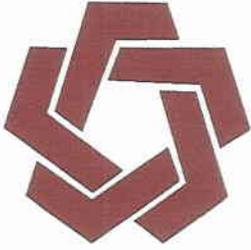
- Plat
- Bond: Federal State Fee
(Number 4488944)
- Potash (Y/N)
- Oil shale (Y/N)
- Water permit
(Number GILSONITE STATE 9-32)
- RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

- R649-2-3. Unit: ASHLEY UNIT
- R649-3-2. General.
- R649-3-3. Exception.
- Drilling Unit.
Board Cause no: _____
Date: _____

COMMENTS: _____

STIPULATIONS: _____



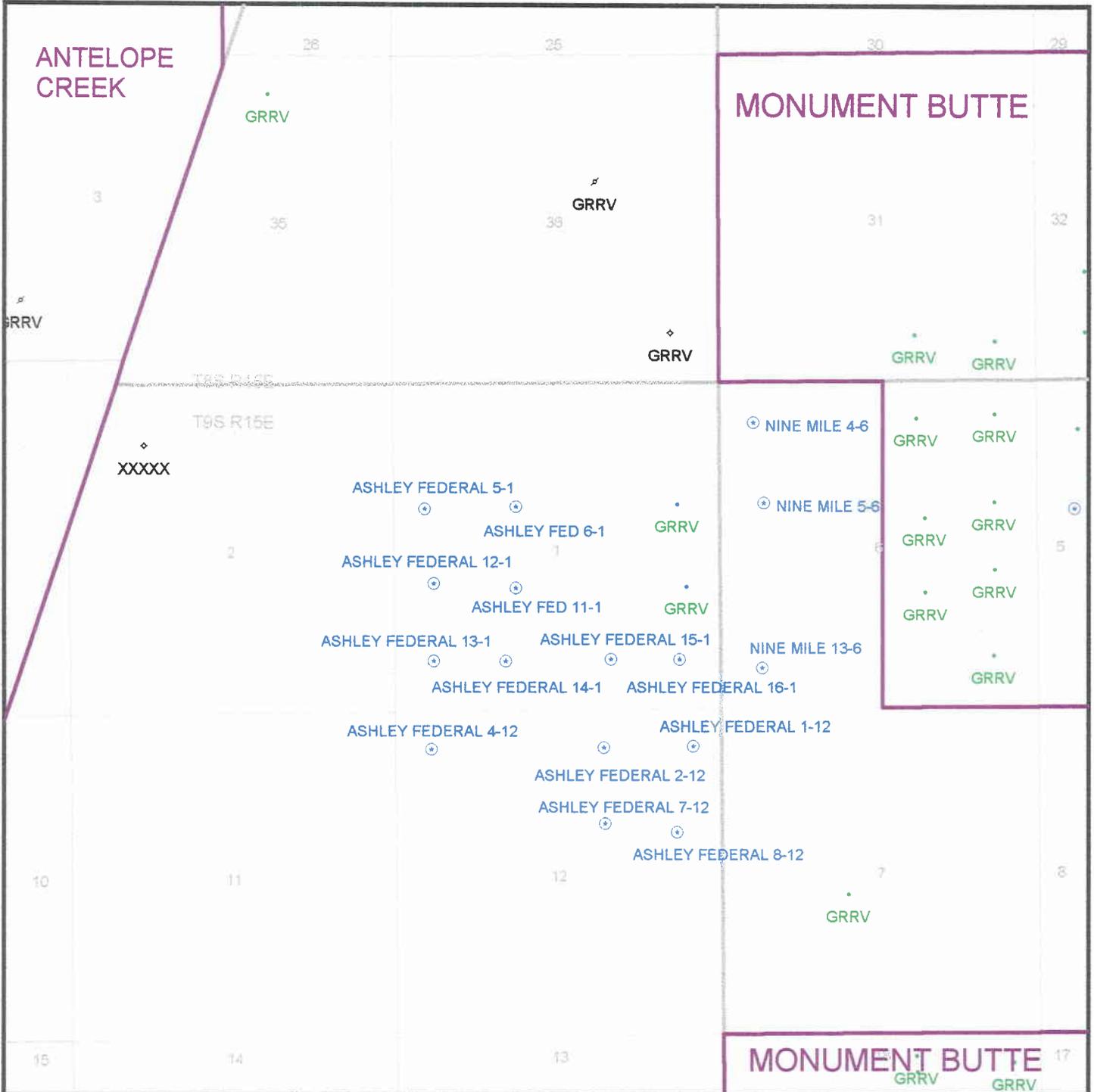
DIVISION OF OIL, GAS & MINING

OPERATOR: INLAND PRODUCTION (N5160)

FIELD: UNDESIGNATED (002)

SEC. TWP. RNG.: SEC. 1 & 12, T9S, R15E

COUNTY: DUCHESNE UAC: R649-3-2



DATE PREPARED:
28-NOV-1997



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

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
Division Director

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)

March 11, 1998

Inland Production Company
P.O. Box 790233
Vernal, Utah 84079

Re: Ashley Unit 8-12 Well, 1987' FNL, 706' FEL, SE NE, Sec. 12,
T. 9 S., R. 15 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 43-013-32009.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza
Associate Director

lwp

Enclosures

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

Operator: Inland Production Company
Well Name & Number: Ashley Unit 8-12
API Number: 43-013-32009
Lease: U-74826
Location: SE NE Sec. 12 T. 9 S. R. 15 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 Jim Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact John R. Baza (801)538-5334.

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.

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL [X] DEEPEN []
1b. TYPE OF WELL OIL WELL [X] GAS WELL [] OTHER [] SINGLE ZONE [] MULTIPLE ZONE []

2. NAME OF OPERATOR Inland Production Company

3. ADDRESS OF OPERATOR P.O. Box 790233 Vernal, UT 84079 Phone: (801) 789-1866

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At Surface SE/NE At proposed Prod. Zone 1987' FNL & 706' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 13.5 Miles southwest of Myton, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 706'

16. NO. OF ACRES IN LEASE 2189.98

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.

19. PROPOSED DEPTH 6500'

20. ROTARY OR CABLE TOOLS Rotary

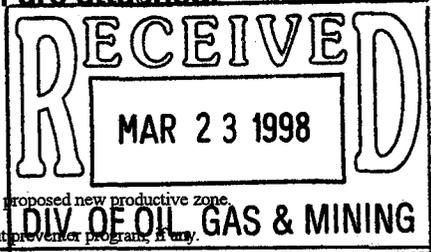
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6004.9' GR

22. APPROX. DATE WORK WILL START* 4th Quarter 1997

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT/FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Includes text: Refer to Monument Butte Field SOP's Drilling Program/Casing Design

5. LEASE DESIGNATION AND SERIAL NO. U-74826
6. IF INDIAN, ALLOTTEE OR TRIBE NAME 43-013-32009
7. UNIT AGREEMENT NAME Ashley
8. FARM OR LEASE NAME Ashley Unit
9. WELL NO. #8-12
10. FIELD AND POOL OR WILDCAT Ashley
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 12, T9S, R15E
12. County Duchesne
13. STATE UT

The Conditions of Approval For Application For Permit To Drill are attached



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 prevention program, if any.

24. SIGNED Cheryl Cameron TITLE Regulatory Compliance Specialist DATE 11/20/97

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE 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 APPROVED BY [Signature] TITLE Assistant Field Manager Mineral Resources DATE MAR 9 1998

NOTICE OF APPROVAL CONDITIONS OF APPROVAL ATTACHED *See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

DOG M 28444198 A

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Inland Production Company

Well Name & Number: Ashley Federal 8-12

API Number: 43-013-32015

Lease Number: U -74826

Location: SENE Sec. 12 T. 9S R. 15E

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application 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.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Casing Program and Auxiliary Equipment

As a minimum, the usable water resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water zone, identified at ± 819 ft.

SURFACE USE PROGRAM
Conditions of Approval (COAs)

Location Reclamation

The seed mixture to revegetate areas of the location not needed for production and operations as well as for final reclamation will be:

black sagebrush	<i>Artemesia arbuscula v. nova</i>	3 lbs/acre
shadscale	<i>Atriplex confertifolia</i>	3 lbs/acre
fourwing saltbush	<i>Atriplex canescens</i>	4 lbs/acre
western wheatgrass	<i>Agropyron smithii</i>	2 lbs/acre

Additionally at the time of reclaiming the reserve pit in addition to seeding the reserve pit area the remaining stockpiled top soil will also be seeded and the seed worked into the surface of the soil pile.

4/12/99



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office
170 South 500 East
Vernal, Utah 84078-2799
<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400
Fax: (435) 781-4410

IN REPLY REFER TO:
3162
UT08300

DOG M RECEIVED
APRIL 12, 1999

April 7, 1999

DOG M
- LA
date

Inland Production Company
Route 3 Box 3630
Myton, UT 84052

Re: Notification of Expiration
Well No. Ashley Federal 8-12
SENE, Section 12, T9S, R15E
Lease No. U-74826
Duchesne County, Utah

43-013-32009

Gentlemen:

The Application for Permit to Drill the above-referenced well was approved on March 9, 1998. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Margie Herrmann
Legal Instruments Examiner

cc: State Div. OG&M