

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS WATER SANDS LOCATION INSPECTED SUB. REPORT/abd.

000830 LA'D, eff 8-28-00!

DATE FILED JANUARY 12, 1998

LAND: FEE & PATENTED FEE STATE LEASE NO. PUBLIC LEASE NO. INDIAN

DRILLING APPROVED: JUNE 25, 1998

SPOUDED IN:
COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: 8-28-00 LA'D

FIELD: UNDESIGNATED

UNIT:

COUNTY: DUCHESNE

WELL NO. ROBERTS 5-19

API NO. 43-013-32029

LOCATION 1864 FNL FT. FROM (N) (S) LINE. 329 FWL FT. FROM (E) (W) LINE. SW NW 1/4 - 1/4 SEC. 19

| TWP. | RGE. | SEC. | OPERATOR | TWP. | RGE. | SEC. | OPERATOR |
|------|------|------|----------|------|------|------|-------------------|
| | | | | 4S | 1W | 19 | INLAND PRODUCTION |



Roberts 5-19 onsite

South look North

A handwritten signature or set of initials, possibly 'D R', followed by a long horizontal line extending to the right.



Roberts²⁴ 5-19

East Cook West

dy



Robert #5-19
onsite

West Look EAST

AK



Roberts # 5-19 onsite

North look South

DH

AUD

Robert + S #5-19
SW 1/4 NW 1/4

SEC. 19, T4S, R1W

2/4/98 onsite of Inland

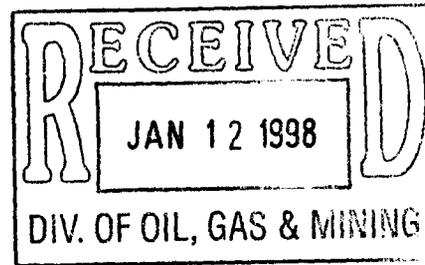
Roberts # 5-17

Inland Production

PERMITS

PLUS

Bobbie Schuman
Regulatory Specialist
1835 Yellowstone Avenue
Billings, MT 59102
(406) 652-4351



January 8, 1998

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210
Salt Lake City, UT 84114-5801

Gentlemen:

RE: Roberts #4-19
NW NW Section 19, T4S, R1W
Duchesne County, Utah
and
Roberts #5-19
SW NW Section 19, T4S, R1W
Duchesne County, Utah

Enclosed are the Applications for Permit to Drill (APD) the referenced wells. I am submitting these APDs as Agent to the operator, Inland Production Company, in the APD process.

Please send the approved APDs to me at the above address. I will take care of logging it in and sending it to the Operator.

When you have had a chance to review the APDs and wish to set up an onsite, please give me a call at (406) 652-4351. In the meantime, if you have any questions, please feel free to give me a call.

Sincerely,

A handwritten signature in cursive script that reads "Bobbie Schuman".

Bobbie Schuman
Regulatory Specialist

/hs
Enclosures

cc: Brad Meecham, Inland (Vernal, UT)
John Holst, Inland (Denver, CO)

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

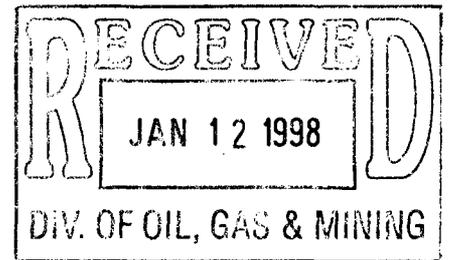
| | | |
|--|-------------------------------|--|
| APPLICATION FOR PERMIT TO DRILL OR DEEPEN | | 5. Lease Designation and Serial Number: Fee |
| 1A. Type of Work: DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> | | 6. If Indian, Allottee or Tribe Name: n/a |
| 8. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER: <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 7. Unit Agreement Name: n/a |
| 2. Name of Operator: Inland Production Company | | 8. Farm or Lease Name: Roberts |
| 3. Address and Telephone Number: P.O. Box 790233; P.O. Box 79033; Vernal, UT 48079 (801) 789-1866 | | 9. Well Number: #5-19 |
| 4. Location of Well (Footages) At Surface: SW NW Section 19, T4S, R1W 1863.5' FNL, 329.2' At Proposed Producing Zone: FWL | | 10. Field and Pool, or Wildcat: Myton Prospect/Doug.Crk |
| 14. Distance in miles and direction from nearest town or post office: Approximately 6.9 miles south of Myton, Utah | | 12. County: Duchesne 13. State: UTAH |
| 15. Distance to nearest property or lease line (feet): | 16. Number of acres in lease: | 17. Number of acres assigned to this well: |
| 18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): | 19. Proposed Depth: 6,500; | 20. Rotary or cable tools: Rotary |
| 21. Elevations (show whether DE, RT, GR, etc.): 5215.8' GL | | 22. Approximate date work will start: 1st quarter 1998 |

23. **PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|-----------------------|-----------------------|-----------------|---------------|--------------------|
| See attached EXHIBITS | | | | |
| | | | | |
| | | | | |
| | | | | |

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.

Operator proposes to drill this well in accordance with the attached EXHIBITS. A listing of EXHIBITS is also attached.



NOTE: Questions on this APD should be addressed to: Bobbie Schuman as Agent for Inland Production Company at (406) 652-4351.

24. Bobbie Schuman as Agent for Inland Production Company

Name & Signature: Bobbie Schuman Title: Regulatory Specialist Date: 1/8/98

(space for State use only)

API Number Assigned: 43-013-32029

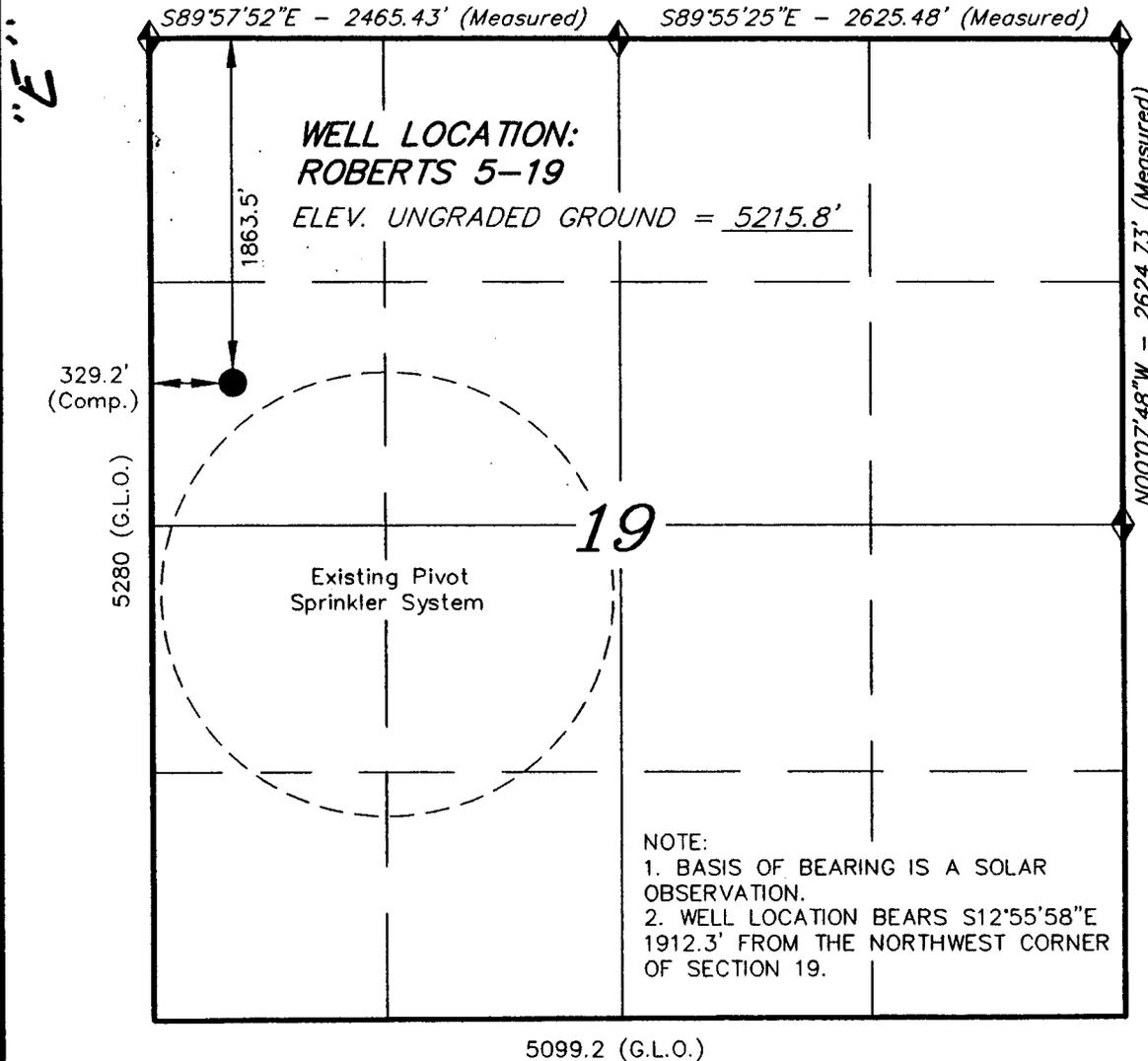
Approval:

Bobby Schuman
6/25/98

T4S, R1W, U.S.B.&M.

INLAND PRODUCTION COMPANY

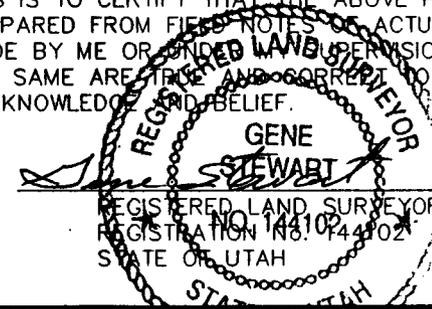
WELL LOCATION, ROBERTS 5-19,
 LOCATED AS SHOWN IN THE SW 1/4
 NW 1/4 OF SECTION 19, T4S, R1W,
 U.S.B.&M. DUCHESNE COUNTY, UTAH.



NOTE:
 1. BASIS OF BEARING IS A SOLAR
 OBSERVATION.
 2. WELL LOCATION BEARS $S12^{\circ}55'58''E$
 $1912.3'$ FROM THE NORTHWEST CORNER
 OF SECTION 19.



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



TRI STATE LAND SURVEYING & CONSULTING
 38 WEST 100 NORTH - VERNAL, UTAH 84078
 (801) 781-2501

◆ = SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (MYTON SE)

| | |
|-------------------|--------------------|
| SCALE: 1" = 1000' | SURVEYED BY: DS BG |
| DATE: 12/18/97 | WEATHER: |
| NOTES: | FILE # 5-19 |

CONFIDENTIAL

Operator requests that information on this Application for Permit to Drill (APD) be held tight for the maximum period allowed by both Federal and State regulations.

OPERATOR: Inland Production Company
475-17th Street
Denver, CO 80202
(303) 292-0900
APD CONTACT: Bobbie Schuman
(406) 652-4351

EXHIBITS

- A PROPOSED DRILLING PROGRAM
- B PROPOSED SURFACE USE PROGRAM
- C EXISTING & PLANNED ACCESS ROADS (MAPS A & B)
- D BOPE SCHEMATIC
- E SURVEY PLAT
- F LAYOUT/CUT & FILL DIAGRAM
- G. DRILLING RIG LAYOUT

1/8/98/rs

PROPOSED DRILLING PROGRAM

INLAND PRODUCTION COMPANY
Roberts #5-19
SW NW Section 19, T4S , R1W
Duchesne County, Utah

1. **ESTIMATED IMPORTANT GEOLOGICAL MARKERS:**

| | |
|-------------------------|---------|
| Uinta Formation | Surface |
| Green River Formation | 2,044' |
| Garden Gulch Formation | 4,445' |
| Douglas Creek Formation | 5,466' |

2. **ESTIMATED DEPTHS OF ANTICIPATED OIL, GAS OR WATER:**

Green River Formation 2,044' to 6,500'

NOTE: This includes the Garden Gulch and Douglas Creek members.

3. **OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:**

- a. EXHIBIT "H" is a schematic of the BOP equipment and choke manifold. A 2M system will be used. The BOPE will be installed after setting 8-5/8" casing at 260'. The operator's minimum specifications for pressure control equipment are as follows: An 8" Series 900 annular bag type BOP and an 8" double ram hydraulic unit with a closing unit will be utilized. The blind rams and pipe rams will be tested to 1500 psi. Pipe rams will be operationally checked each 24-hour period and blind rams each time pipe is pulled out of the hole.
- b. The BOPE will be tested to 1500 psi when initially installed, whenever any seal subject to test pressure is broken, and following related repairs. The pipe and blind rams will be activated at least weekly and on every trip the pipe and blind rams will be activated.
- c. An accumulator of sufficient capacity to open the hydraulically-controlled choke valve lines (if so equipped), close all rams, and retain a minimum of 200 psi above precharge on the closing manifold without the use of the closing unit pumps will be installed during the drilling of this well.
- d. An upper kelly cock will be used during the drilling of this well.
- e. Visual mud monitoring equipment will be used to detect volume changes indicating loss or gain in circulating fluid volume.

§. 6 to §. 8 PPG per Bobbie S.
6-24-98.
RJK.

- f. Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control.

4. PROPOSED CASING AND CEMENTING PROGRAM:

- a. Surface casing will be set in the Uinta formation to approximately 300' and cemented to surface.
- b. All potentially productive hydrocarbon zones will be isolated.
- c. Proposed casing program:

8-5/8", J-55, 24, with ST&C collars; set at 300'. Surface pipe: Premium Plus cement with 2% CaCl_2 and 1/4# flocele/sk. Weight: 14.8 PPG, Yield: 1.37 Cu Ft/sk. Water required: 6.4 gal/sk.

5-1/2", J-55, 15.5# with LT&C collars, set at TD. Long string: Lead: Hibond 65 Modified. Weight: 11.0 PPG, Yield: 3.00 Cu Ft/sk. Water required: 18.08 gal/sk. Tail: Premium Plus Thixotropic. Weight: 14.2 PPG, Yield: 1.59 Cu Ft/sk. Water required: 7.88 gal/sk.
- d. All casing strings will be pressure tested to 0.22 psi/ft. of casing string length or 1500 psi whichever is greater (not to exceed 70% of yield).
- e. The actual cement volumes will be calculated off of the open hole logs, plus 15% excess.
- f. It is anticipated that all casing will be new.

5. HAZARDOUS PRESSURES, TEMPERATURES, FLUIDS/GASSES EXPECTED:

- a. Expected bottom hole temperature is 125 degrees F. Expected bottom hole pressure is 1500 psi.
- b. No abnormal pressures or temperatures have been noted or reported in wells drilled to the Green River formation in this area.
- c. No dangerous levels of hydrogen sulfide, hazardous fluids, or gasses have been found, reported, or known to exist at the depth to be drilled in this well, in this area.

6. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

- a. The drilling operations for this well will begin in the first quarter of 1998.
- b. These drilling operations should be completed within 12-15 days after spudding the well depending on weather and hole conditions.

- c. If the well is productive, a sundry notice and plat showing exact installed facilities will be submitted.
- d. If this well is non-productive, a sundry notice will be filed with the State within 30 days following completion of the well for abandonment.

SURFACE USE PROGRAM
INLAND PRODUCTION COMPANY
Roberts #5-19
SW NW Section 19, T4S, R1W
Duchesne County, Utah

1. EXISTING ROADS:

- a. From Myton, Utah, take Highway #40 west out of town 1.6 miles to the Sand Wash road. Go south (left) and proceed 6.9 miles to a sign indicating location. Turn left and proceed approximately 0.5 miles to the proposed location.
- b. No existing roadway will be upgraded for drilling operations. See EXHIBIT "C".
- c. All existing roads used by these drilling operations will be maintained in the same or better condition as were existing prior to entry.
- d. See EXHIBIT "C" Maps A and B for access route.

2. PLANNED ACCESS ROADS: See EXHIBIT "C" Maps A & B

- a. Approximately 0.5 miles of new access is required.
- b. All travel will be confined to location and access routes.
- c. If a right-of-way is needed for access, please consider this Application for Permit to Drill as the application for right-of-way.

3. LOCATION OF EXISTING WELLS:

See EXHIBIT "C" Maps A and B.

4. PROPOSED PRODUCTION FACILITIES DIAGRAM:

- a. Upon completion, a sundry notice and plat showing exact production facilities will be submitted.
- c. A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

- d. All permanent (onsite for six months or longer) above-ground structures constructed or installed (including pumping units) will be painted Desert Brown. All production facilities will be painted within six (6) months of installation. Facilities required to comply with Occupational Health and Safety Act rules and regulations will be excluded from this painting requirement.
- e. If culverts or fence cuts are needed, that will be determined at the onsite.

5. LOCATION AND TYPE OF WATER SUPPLY:

Inland Production Company has purchased a 3" water connection with Johnson Water District to supply the Monument Butte, Travis, and Gilsonite oil fields. Johnson Water District has given permission to Inland Production Company to use water from this system for the purpose of drilling and completing this well. Alternately water will be trucked from Inland Production Company's water supply line located at the Gilsonite State #7-32 (SW NE Section 32, T8S, R17E) or the Monument Butte Federal #5-35 (SW NW Section 35, T8S, R15E), or the Travis Federal #15-28 (SW SE Section 28, T8S, R16E).

6. CONSTRUCTION ROAD/LOCATION MATERIALS:

- a. Any construction materials which are required will be native materials from the location and/or access site.
- b. All construction materials for this location site and access road shall be borrowed material accumulated during the construction of the site and road. No additional construction material from other sources is anticipated at this time. If additional construction material is needed, it will be from an approved source.
- c. Reasonable precautions will be taken to protect all lands.

7. METHODS FOR HANDLING WASTE MATERIALS AND DISPOSAL:

- a. A reserve pit will be constructed from native soil and clay materials. A water processing unit will be employed to continuously recycle the drilling fluid as it is used, returning the fluid component to the drilling rig's steel tanks. The reserve pit will primarily receive the processed drilling cuttings (wet sand, shale and rock) which are removed from the wellbore. Any drilling fluids which do accumulate in the pit as a result of shale shaker carryover, cleaning of the sand trap, etc. will be promptly reclaimed by the water recycling unit and then returned to the steel rig tanks. All drilling fluids will be fresh-water -based containing DAP (Di-Ammonium Phosphate, commonly known as fertilizer), typically containing Total Dissolved Solids of less than 3000 PPM. No

potassium chloride, chromates, trash, debris, no any other substance deemed hazardous will be placed in this pit. Therefore, it is proposed that no synthetic liner be utilized in the reserve pit.

- b. Fluids produced during the completion operation will be collected in steel tanks and hauled to approved commercial disposal, as necessary.
- c. A portable toilet will be provided for human waste.
- d. A trash basket will be provided for garbage (trash) and hauled away to an approved disposal site at the completion of the drilling activities.
- f. Sewage will be disposed of according to county and state requirements. Waste and chemicals will not be disposed of on location.
- g. Cuttings will be deposited in the reserve pit.
- h. Immediately upon first production, all produced water will be confined in storage tanks. Inland requests temporary approval to transfer the produced water to Inland's nearby waterflood for re-injection into the waterflood reservoirs via existing approved injection wells. Within 90 days of first production a water analysis will be submitted to the State, along with an application for approval of this as a permanent disposal method.

8. ANCILLARY FACILITIES:

None anticipated.

9. LOCATION SITE LAYOUT:

- a. The proposed location site and survey plat is shown as EXHIBIT "E".
- b. The drill pad layout, showing elevations, orientation, and access to the pad is shown as EXHIBIT "F".
- c. The drilling rig facilities layout is shown on EXHIBIT "G". No permanent living facilities are planned. There will be two or three trailers on location during drilling operations.
- e. The reserve pit will be located on the east side of the location.
- f. If needed, flare pit will be located downwind of the prevailing wind directions a minimum of 100' from the wellhead and 30' from the reserve pit fence.

- g. Stockpiled topsoil (first 6 inches) will be stored on the west side between Corners 2, 3, and 4.
- h. Access to the wellpad will be from the east at Corner 2.
- i. All pits will be fenced according to the following minimum standards:
 - a. 39-inch net wire will be used with at least one strand of barbed wire on top of the net wire unless pipe or some type of reinforcement rod is attached to the top of the entire fence.
 - b. The net wire shall be no more than 2 inches above the ground. If barbed wire it shall be 3 inches above the net wire. Total height of fence will be at least 42 inches.
 - c. Corner posts will be cemented and/or braced in such a manner to keep the fence tight at all times. Standard steel, wood, or pipe posts will be used between the cornerbraces. Maximum distance between any two posts will be no greater than 16'.
 - d. All wire will be stretched before it is attached to the corner posts.

The reserve pit will be fenced on three sides during drilling operations and on the fourth side when the rig moves off locations. Pits will be fenced and maintained until clean-up.

10. PLANS FOR RECLAMATION OF LOCATION SITE:

The State will be notified of any reclamation operations.

Producing location:

- a. Immediately upon well completion, the location and surrounding areas will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.
- b. Immediately upon well completion, any hydrocarbons in the pit will be removed.
- c. If a plastic nylon reinforced liner is required, it will be torn and perforated before backfilling of the reserve pit.
- d. The reserve pit and that portion of the location not needed for production facilities or operations will be recontoured in accordance with the agreement with the private surface owner. The reserve pit will be reclaimed in accordance with agreement with the private surface owner. Before any dirt work takes

place, the reserve pit will have all fluids and hydrocarbons removed.

Dry hole/abandoned location:

At such time as the well is plugged and abandoned, operator will submit a subsequent report of abandonment.

11. SURFACE OWNERSHIP:

Noland Larson
Roosevelt, UT 84066
(801) 722-3180

12. OTHER INFORMATION:

- a. Operator will have on site a copy of the Surface Use Program and a copy of the supplemental conditions.
- b. Drilling operations will be conducted in accordance with the State conditions of approval when received.
- c. All surface disturbance and reclamation will be done in accordance with the agreement with the private surface owner.
- d. An agreement has been made with the private surface owner.
- e. An archeological survey has been ordered. A copy of the report will be submitted as soon as it has been completed.

13. **Lessee's or Operator's Representative:**

FOR QUESTIONS ABOUT THE APD:

Bobbie Schuman
Acting as Agent for Inland Production Company in the APD process
1835 Yellowstone Avenue
Billings, MT 59102
(406) 652-4351
FAX: (406) 252-6499 (request that Bobbie be called at 652-4351)

FOR QUESTIONS ABOUT OPERATIONS:

Brad Meecham, District Manager
P.O. Box 1446
Roosevelt, UT 84066
(801) 722-5103

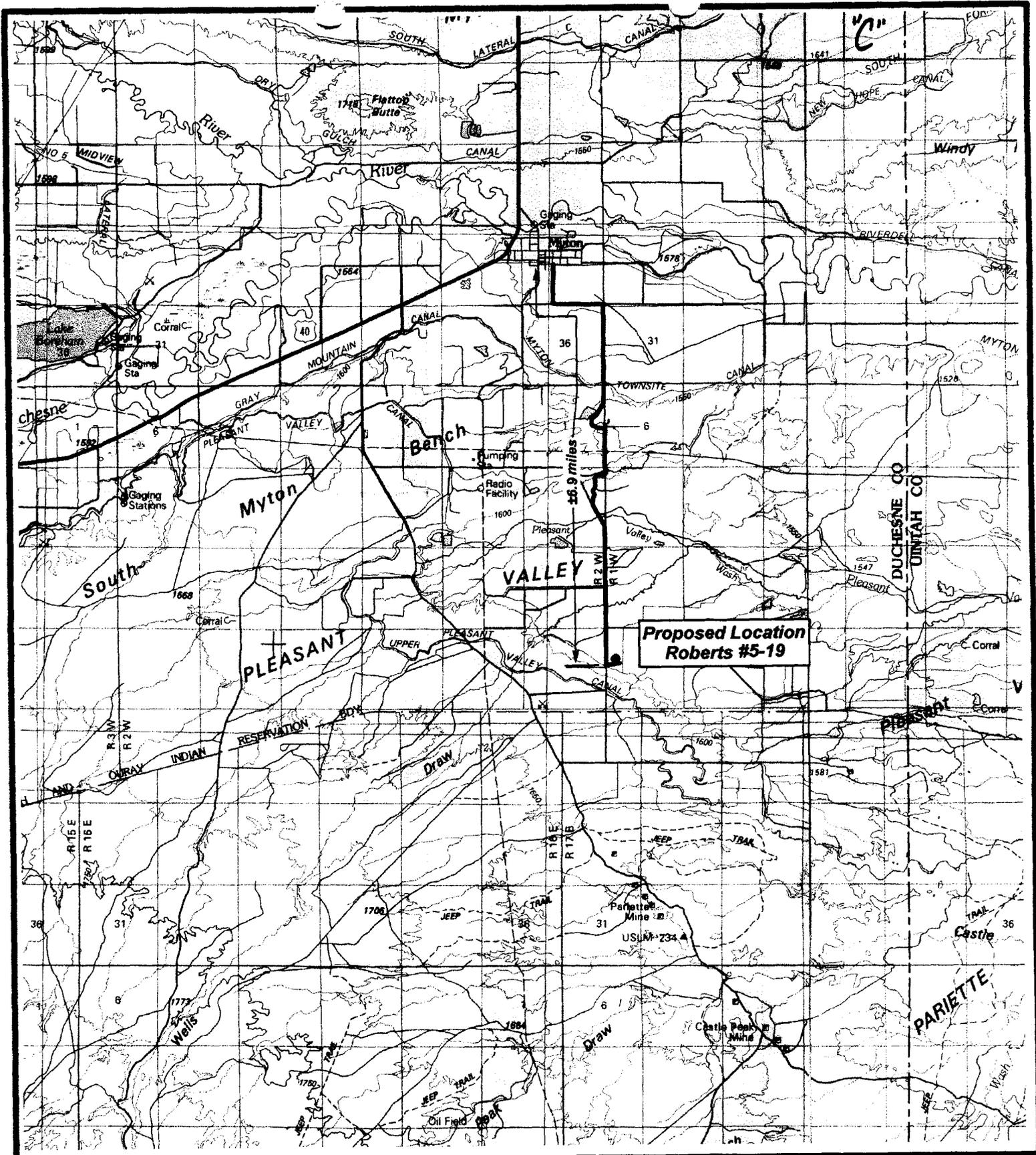
14. CERTIFICATION:

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 presently exist; that any statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein 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.

January 8, 1998
Date

Bobbie Schuman
Bobbie Schuman
Regulatory Specialist
(Signing as Agent for Inland
Production Company in this APD
process)

1/8/98/rs

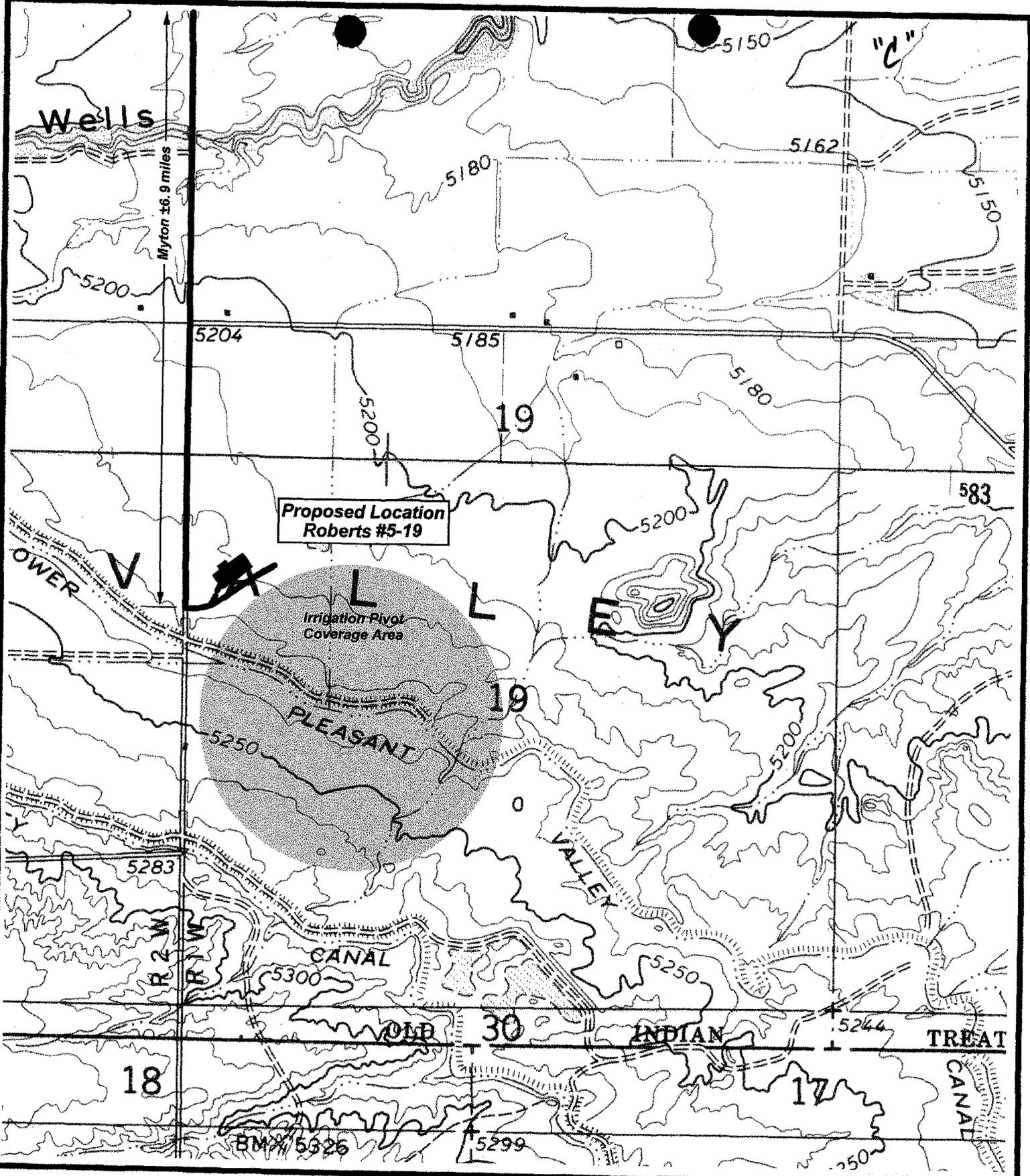


INLAND PRODUCTION CO.

ROBERTS #5-19
SEC. 19, T4S, R1W, U.S.M.
TOPO "A"



Tri-State
Land Surveying Inc.
 (801) 781-2501
 38 WEST 100 NORTH VERNAL, UTAH 84078



INLAND PRODUCTION CO.

**ROBERTS #5-19
SEC. 19, T4S, R1W, U.S.M.
TOPO "B"**

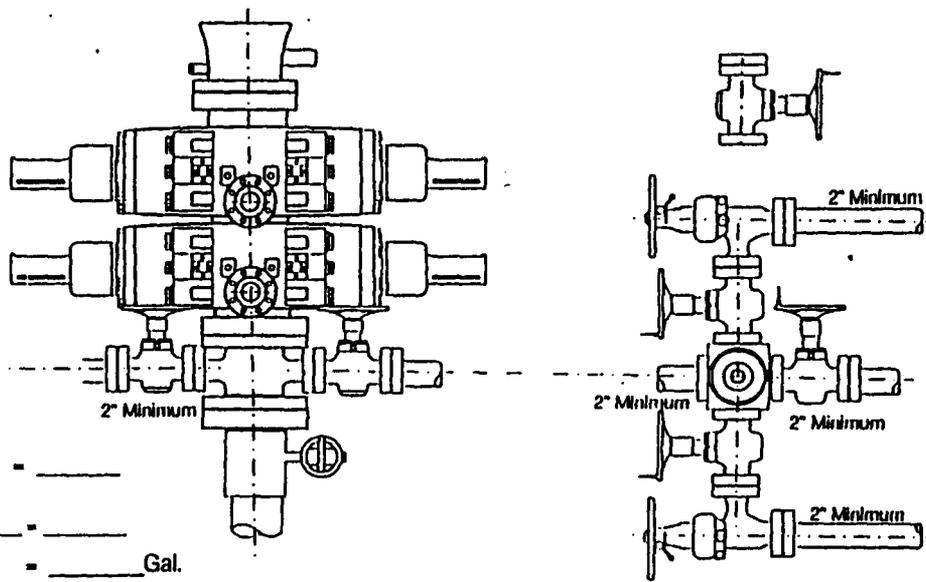


SCALE 1" = 1000'

*Tri-State
Land Surveying Inc.*
(801) 781-2501
38 WEST 100 NORTH VERNAL, UTAH 84078

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

2-M SYSTEM

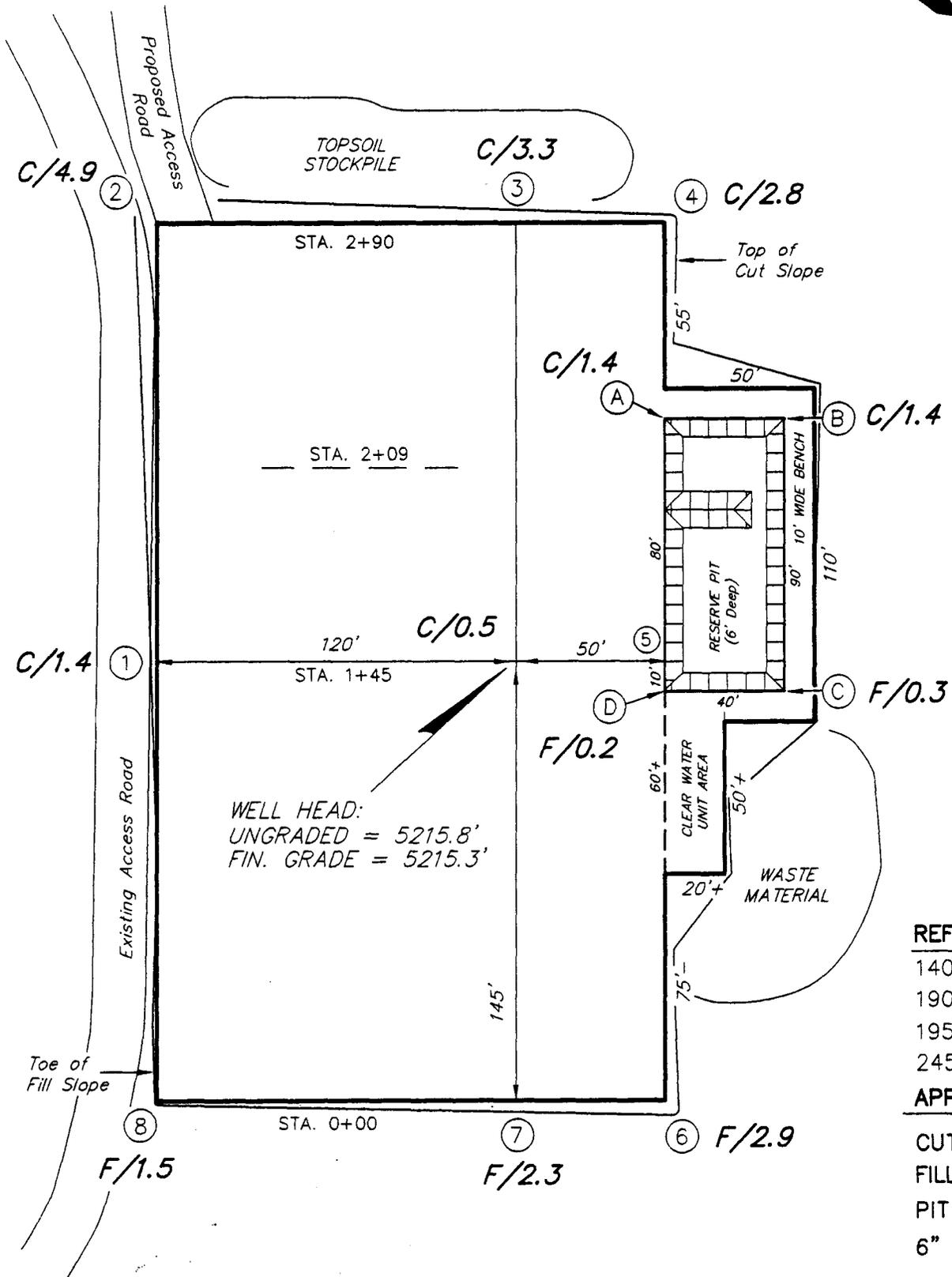
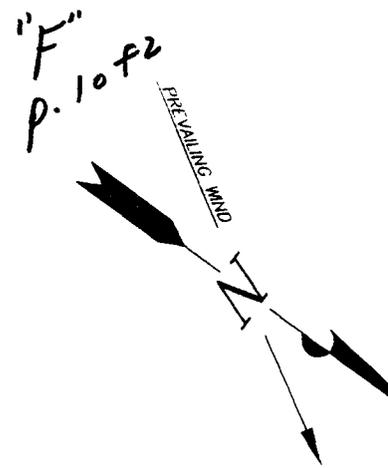


GAL TO CLOSE
 Annular BOP - _____
 Ramtype BOP
 ____ Rams x ____ - _____
 - _____ Gal.
 _____ x 2 - _____ Total Gal.

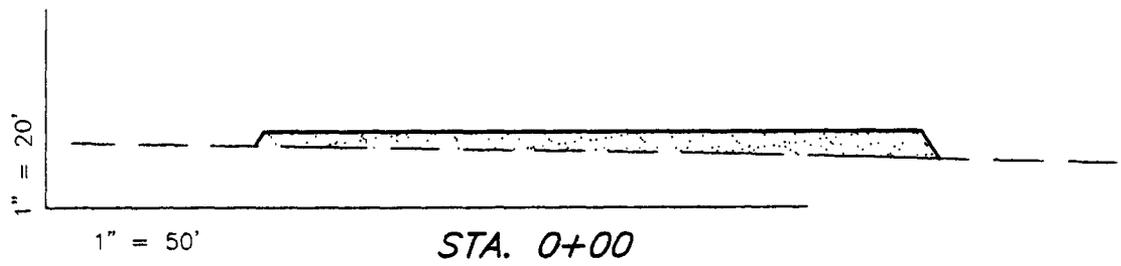
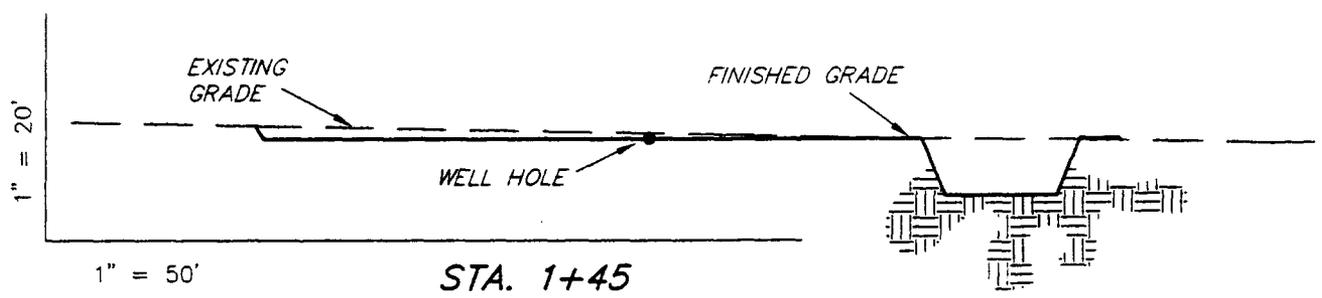
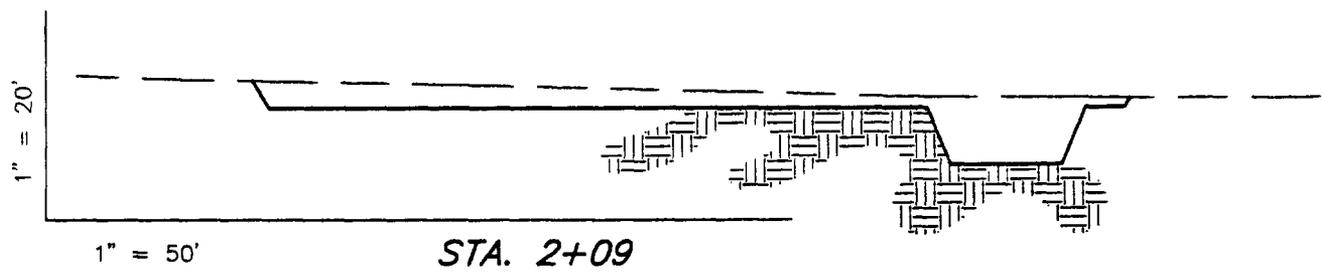
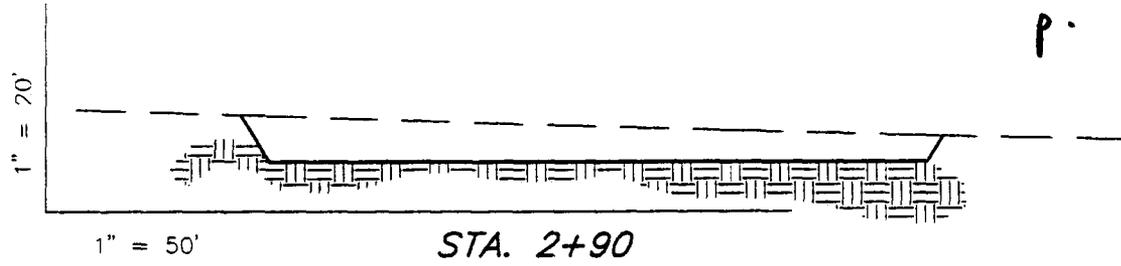
Rounding off to the next higher
 increment of 10 gal. would require
 _____ Gal. (total fluid & nitro volume)

INLAND PRODUCTION COMPANY

ROBERTS 5-19
SEC. 19, T4S, R1W, U.S.B.&M.



" F " 2092
P.



- 5214.7'
- 5215.0'
- 5219.7'
- 5222.0'

JAGES

- Yds.
- s.
- Yds.
- 1 Cu. Yds.

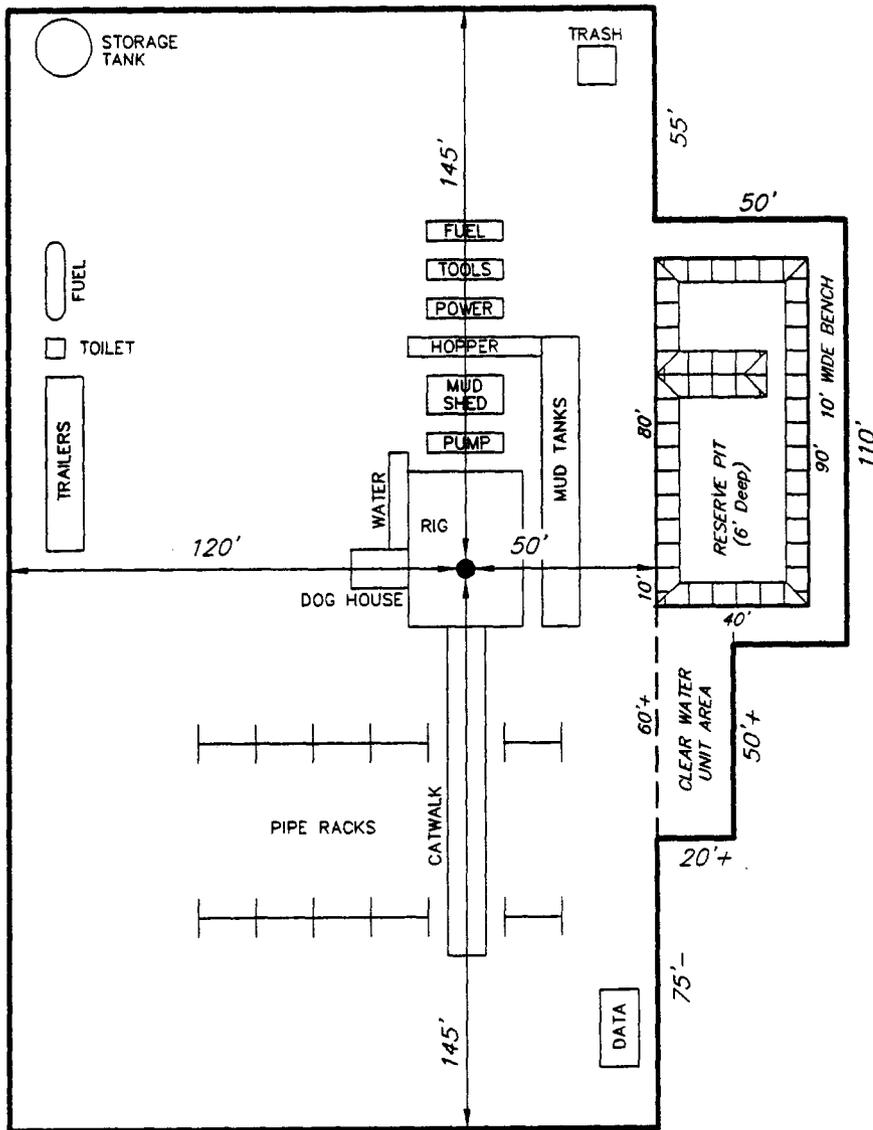
| | |
|--------------|----------|
| SURVEYED BY: | DS BG |
| DRAWN BY: | BRW |
| DATE: | 12/18/97 |
| SCALE: | 1" = 50' |
| FILE: | 5-19 |

Tri State
Land Surveying, Inc.
(801) 781-2501
38 WEST 100 NORTH VERNAL, UTAH 84078

TYPICAL RIG LAYOUT

"G"

ROBERTS 5-19



Tri State
Land Surveying, Inc.
(801) 781-2501
38 WEST 100 NORTH, VERNAL, UTAH 84078

SURFACE USE AGREEMENT

Arewitt #11-19 + #12-19
Roberts #4-19 + #5-19

THIS AGREEMENT, made and entered into by and between Nolan O. Larsen and Vicki Lynn Larsen, individually and as husband and wife, parties of the first part, hereinafter collectively referred to as "Owner", of POB 25 Myton UT 84052, and Inland Production Company, party of the second part, hereinafter referred to as "Inland", of 475 - 17th Street, Suite 1500, Denver, Colorado 80202

WITNESSETH:

WHEREAS, Owner is the owner in fee of all or a portion of the surface to the following described lands situated in Duchesne County, Utah, to-wit:

Township 4 South, Range 1 West U.S.M.

Sec 15: SW/4NW/4, NW/4SW/4
Sec 16: S/2SW/4, N/2SW/4SE/4, NW/4SE/4,
S/2N/2, NE/4SE/4
Sec 17: SE/4SE/4
Sec 19: Lots 1,2,3,4, E/2NW/4, NE/4SW/4,
N/2SE/4SW/4, SW/4SE/4SW/4
Sec 22: SW/4, W/2SE/4, S/2NW/4
Sec 30: Lot 3

Township 4 South, Range 2 West U.S.M.

Sec 11: SE/4NE/4
Sec 14: Lot 2
Sec 22: NW/4
Sec 24: N/2SE/4

WHEREAS, the parties desire to settle their dispute on all claims for use of the surface and damage to crops arising from the drilling, completion and production activities and operations, and agree as to the measure of settlement for operations conducted by Inland on surface owned or controlled by Owner, above described, subject to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

- 1 a). For wells located on crop land, within thirty (30) days after construction of any drillsite locations, and /or access roads upon the surface of crop land owned by Owner, Inland shall make a payment to Owner of One Thousand Five Hundred Dollars (\$1,500.00) per acre used by Inland for such drillsite locations and /or access roads. Such payment shall be for the use of the surface and damage to crops and shall cover the year in which such construction occurred. Crop land is defined as that which is now cultivated, seeded, harvested and the crop sold.
b). Following the year in which the well is drilled, on or before September 15 of each calendar year that Inland's operations continue, Inland shall pay to Owner a sum calculated at the rate of 8 tons per acre at \$80.00 per ton for that acreage used by Inland which is out of crop production as it pertains to the drillsite location at the wellhead and such land used as an access road.
- 2 For wells located on non-crop land, within thirty (30) days after construction of any drillsite locations and/or access roads upon the surface of non-crop land owned by Owner, Inland shall make a one-time payment to Owner calculated at the rate of One Thousand Dollars (\$1,000.00) per acre utilized by Inland in its operations.
- 3 a) For pipeline right-of-way construction in which a pipeline is laid through surface owned by Owner, Inland shall make a one-time payment of a sum calculated at a rate of Five Dollars (\$5.00) per running rod, provided, however, as to any part of said pipeline construction which takes place on crop land after commencement of seasonal cultivation but prior to harvest time, the rate shall be calculated at a rate of Ten Dollars (\$10.00) per running rod utilized by Inland in its operations. When requested by Owner, pipelines shall be buried below plow depth and surface areas impacted by the construction shall be rehabilitated, including the reseeding of crop land.
b). In the event related pipeline facilities such as a compressor site are constructed on crop land owned by Owner, Inland agrees to make a one-time payment to Owner of One Thousand Five Hundred

(\$1,500.00) per acre utilized by Inland in its operations. Should such related pipeline facilities be located on non-crop land, Inland shall make a one-time payment calculated at a rate of One Thousand Dollars (\$1,000.00) per acre utilized by Inland in its operations.

4. Owner agrees that upon receipt of the payments provided for in this Agreement for any future wells that may be drilled on surface owned by Owner, Inland shall be released and discharged from any and all claims, demands and losses arising out of such future operations for crop damage, acreage out of cultivation, interruption or interference with agricultural improvements and other claims.

5. For payments to be made and received under this Agreement, Owner agrees to protect, indemnify and save Inland and its employees, agents and contractors free and harmless from and against any and all claims, demands and losses, including costs and attorneys fees, accrued or accruing to Owner, its employees and/or tenants arising directly or indirectly in connection with operations by Inland, its employees, agents and contractors.

6. Following the completion of any well, Inland agrees to promptly clean up and maintain all areas of land continuing to be utilized in connection with oil and gas operations and to pay the cost of reclaiming and reseeding upon cessation of use.

7. This Agreement shall be binding upon and shall be for the benefit of the successors and assigns of Owner and Inland whether assigned, devised, bequeathed or otherwise transferred in whole or part by either of the parties hereto. The conditions herein contained shall be covenants running with the land.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 14th day of March, 1997.

SURFACE OWNERS:

X Nolan O. Larsen
(Nolan O. Larsen) SSN 529 68 4547

Vicki Lynn Larsen
(Vicki Lynn Larsen) SSN 529 76 3264

INLAND PRODUCTION COMPANY

Chris A Potter
Chris A Potter, Attorney-in-Fact

Surface Only
Prospect/Unit name
Lease NO. _____

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/12/98

API NO. ASSIGNED: 43-013-32029

WELL NAME: ROBERTS 5-19
 OPERATOR: INLAND PRODUCTION COMPANY (N5160)

PROPOSED LOCATION:
 SWNW 19 - T04S - R01W
 SURFACE: 1864-FNL-0329-FWL
 BOTTOM: 1864-FNL-0329-FWL
 DUCHESNE COUNTY
 UNDESIGNATED FIELD (002)

| | | |
|-------------------------------|----------|------|
| INSPECT LOCATION BY: 02/15/98 | | |
| TECH REVIEW | Initials | Date |
| Engineering | | |
| Geology | | |
| Surface | | |

LEASE TYPE: FEE
 LEASE NUMBER: ROBERTS

PROPOSED PRODUCING FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

Plat

Bond: Federal State Fee
 (Number RN-4471290)

Potash (Y/N)

Oil shale (Y/N)

Water permit
 (Number WILSONITE STATE 7-32)

RDCC Review (Y/N)
 (Date: _____)

LOCATION AND SITING:

R649-2-3. Unit: _____

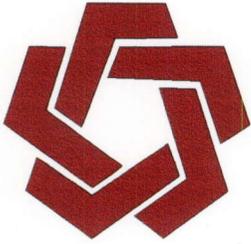
R649-3-2. General.

R649-3-3. Exception.

Drilling Unit.
 Board Cause no: _____
 Date: _____

COMMENTS: Surf. Owner Fee - Surf. Use Agreement eff. 3-14-97.
* Need add'l info. "Except. Loc." (rec'd 6-17-98)

STIPULATIONS: ① STATEMENT OF BASIS



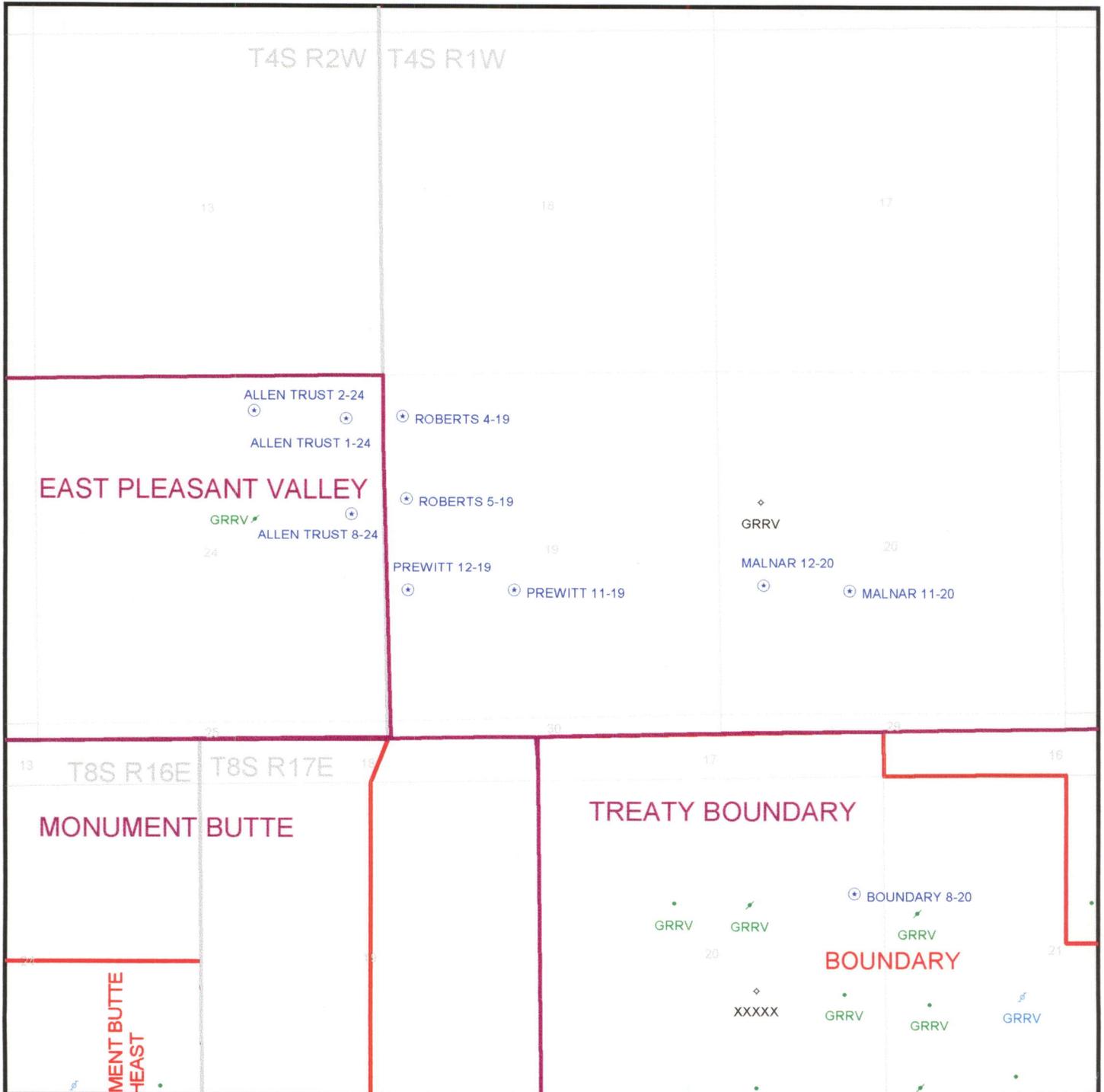
DIVISION OF OIL, GAS & MINING

OPERATOR: INLAND PRODUCTION (N5160)

FIELD: UNDESIGNATED (002)

SEC. TWP. RNG.: SEC. 19, T4S, R1W

COUNTY: DUCHESNE UAC: R649-3-3



DATE PREPARED:
15-JAN-1998 6-19-98
(ok per MH)

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

Operator Name: Inland Production Company
Name & Number: Roberts #5-19
API Number: 43-013-32029
Location: 1/4, 1/4 NW/NW Sec. 19 T. 4S R. 1W

Geology/Ground Water:

The base of moderately saline water is at a depth of approximately 2000 feet in this area. High quality ground water may be present very near the surface and in sands throughout the Uinta Formation. The area is an active area of alfalfa production and is irrigated in the summer. Active seeps have also been noted in the area. The proposed casing and cement program should adequately protect and isolate any water encountered.

Reviewer: D. Jarvis
Date: 3-3-98

Surface:

A presite investigation of the surface was done by the Roosevelt DOGM Field Office Staff on 2/4/98. The landowner of said property was notified regarding the onsite visit and attended said Meeting. This location has been moved northwest of Qtr/Qtr staking to accommodate the pivot track, which centers center of Qtr/Qtr (see attachment "E" on APD). A special spacing exception must be granted by DOGM before well is permitted. Production facilities, such as tanks, will be located off location to accommodate pivot track. Water well search with State Water Rights shows three water wells located north of proposed leases in northwest corner of section 19 and in northeast corner section 24, township 4 south, range 2 west; they also show seeps present another half mile north.

Reviewer: Dennis L. Ingram
Date: February 4, 1998

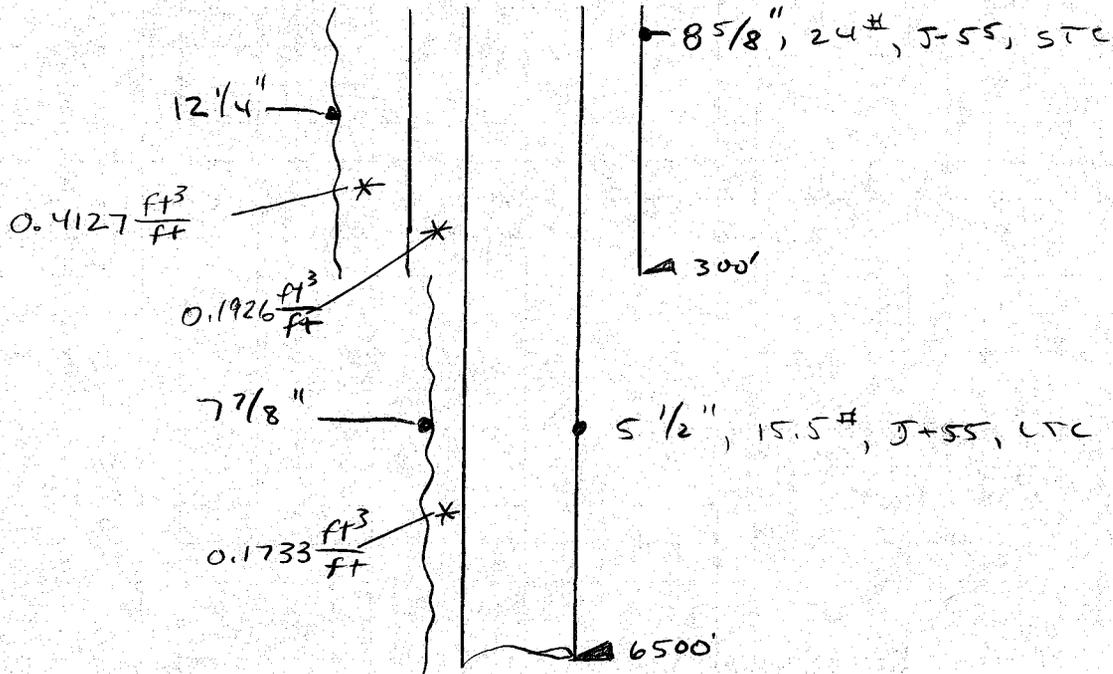
Engineering:

Casing, Mud, BOP and Cement programs are adequate based on information submitted.

Reviewer: Robert J. Krueger
Date: June 24, 1998

Conditions of Approval/Application for Permit to Drill:

1. A 12 mil liner shall be utilized to line reserve pit.
2. Cement shall be to surface in both the surface and the production casing strings.

Cement

$$\text{Surface: } (300 \text{ ft}) (0.4127 \text{ ft}^3/\text{ft}) = 123.8 \text{ ft}^3$$

$$\text{Given: } \frac{(120 \text{ SK})(1.37 \text{ ft}^3/\text{SK})}{123.8} = 1.32 \text{ OK} \checkmark$$

$$\text{Production: } (6500 - 300 \text{ ft}) (0.1733 \text{ ft}^3/\text{ft}) + (300 \text{ ft}) (0.1926 \text{ ft}^3/\text{ft}) = 1132 \text{ ft}^3$$

$$\text{Given: } \frac{(350 \text{ SK})(3.00 \text{ ft}^3/\text{SK}) + (330 \text{ SK})(1.59 \text{ ft}^3/\text{SK})}{1132} = 1.38 \text{ OK} \checkmark$$

$$\text{Casing: } (6500 \text{ ft}) (8.8) (0.052) = 2974 \text{ psi}$$

$$\text{Coll SF} = 4040 / 2974 = 1.36 \checkmark$$

$$\text{Burst SF} = 5320 / 2974 = 1.79 \checkmark$$

$$\text{J.S.} = 247,000 / 6500 (15.5) = 2.45 \checkmark$$

BOP rated to 2000 psi > max B.H.P. of 1500 psi OK

$$\text{Mud: } (8.6 \text{ ppq}) (6500) (0.052) = 2907 \text{ psi} \gg 1500 \text{ psi OK}$$

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Inland Production Company
WELL NAME & NUMBER: Roberts #5-19
API NUMBER: 43-013-32029
LEASE: FEE FIELD/UNIT: Myton Prospect
LOCATION: 1/4, 1/4 SW/NW Sec: 19 TWP: 4S RNG: 1W 1863.5 FNL 329.2 FWL
LEGAL WELL SITING: ___ F SEC. LINE; ___ F 1/4, 1/4 LINE; ___ F ANOTHER WELL.
GPS COORD (UTM): No Reading
SURFACE OWNER: Noland Larsen

PARTICIPANTS

Brad Mecham (Inland Resources); Nolan Larsen (Landowner);
Dennis L. Ingram (DOGM)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Located in rural farmland approximately 6.9 miles south of Myton,
Utah in Pleasant Valley, just 329 feet east of county road. Lease is
just north of Lower Pleasant Valley Canal in relatively flat,
cultivated lands which dips slightly north.

SURFACE USE PLAN

CURRENT SURFACE USE: farmland (alfalfa field)

PROPOSED SURFACE DISTURBANCE: Proposed access from west along county
For 0.5 miles, enters southwest across field. Location proposed as
140'x 290' plus reserve pit.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: See attached map
From GIS data base.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Piped off lease

SOURCE OF CONSTRUCTION MATERIAL: Native or borrowed material using cut and
fill methods.

ANCILLARY FACILITIES: None anticipated

WASTE MANAGEMENT PLAN:

See attached "B", items #7 on page 2 of APD under (A) through (H)

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: N/A

FLORA/FAUNA: Alfalfa crop. Deer, antelope, coyotes, fox, racoons,
Small birds and other mammals, birds of prey and insects.

SOIL TYPE AND CHARACTERISTICS: Light brown sandy loam

SURFACE FORMATION & CHARACTERISTICS: Uinta Formation

EROSION/SEDIMENTATION/STABILITY: No erosion, no stability problems anticipated.

PALEONTOLOGICAL POTENTIAL: None observed on onsite visit.

RESERVE PIT

CHARACTERISTICS: measuring 40'x 90'x 6' deep on northwest corner

LINER REQUIREMENTS (Site Ranking Form attached): 40 points, a synthetic liner will be required

SURFACE RESTORATION/RECLAMATION PLAN

Reclamation according to landowner and operator agreement.

SURFACE AGREEMENT: Yes, (to be submitted to DOGM for well files)

CULTURAL RESOURCES/ARCHAEOLOGY: Inland to submit signed landowner waiver

OTHER OBSERVATIONS/COMMENTS

Pivot track for sprinkler system located southeast of staking (track runs over center of Otr/Otr). Proposed well is outside the 200 foot window of tolerance allowed by rule R649-3-2.1. Ground was open with no snow cover; cattle were also grazing on property and had knocked down many of the pit corner stakes. Inland claims they probably won't drill this well until next winter because of loss of crop production to landowner and use of pivot sprinkler system.

ATTACHMENTS:

Photographs of surface before disturbance.

Dennis L Ingram
DOGM REPRESENTATIVE

2/4/98, 1:00 PM
DATE/TIME

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

| <u>Site-Specific Factors</u> | <u>Ranking</u> | <u>Site Ranking</u> |
|---|----------------|---------------------|
| Distance to Groundwater (feet) | | |
| >200 | 0 | |
| 100 to 200 | 5 | |
| 75 to 100 | 10 | |
| 25 to 75 | 15 | |
| <25 or recharge area | 20 | <u>15</u> |
| Distance to Surf. Water (feet) | | |
| >1000 | 0 | |
| 300 to 1000 | 2 | |
| 200 to 300 | 10 | |
| 100 to 200 | 15 | |
| < 100 | 20 | <u>0</u> |
| Distance to Nearest Municipal Well (feet) | | |
| >5280 | 0 | |
| 1320 to 5280 | 5 | |
| 500 to 1320 | 10 | |
| <500 | 15 | <u>0</u> |
| Distance to Other Wells (feet) | | |
| >1320 | 0 | |
| 300 to 1320 | 10 | |
| <300 | 20 | <u>10</u> |
| Native Soil Type | | |
| Low permeability | 0 | |
| Mod. permeability | 10 | |
| High permeability | 20 | <u>10</u> |
| Fluid Type | | |
| Air/mist | 0 | |
| Fresh Water | 5 | |
| TDS >5000 and <10000 | 15 | |
| TDS >10000 or Oil Base | 20 | |
| Mud Fluid containing high levels of hazardous constituents | | <u>5</u> |
| Drill Cuttings | | |
| Normal Rock | 0 | |
| Salt or detrimental | 10 | <u>0</u> |
| Annual Precipitation (inches) | | |
| <10 | 0 | |
| 10 to 20 | 5 | |
| >20 | 10 | <u>0</u> |
| Affected Populations | | |
| <10 | 0 | |
| 10 to 30 | 6 | |
| 30 to 50 | 8 | |
| >50 | 10 | <u>0</u> |
| Presence of Nearby Utility | | |
| Conduits | | |
| Not Present | 0 | |
| Unknown | 10 | |
| Present | 15 | <u>0</u> |
| Final Score (Level I Sensitivity) | | <u>40 points</u> |

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

5. Lease Designation and Serial Number:

Free

6. If Indian, Allottee or Tribe Name

n/a

7. Unit Agreement Name:

n/a

8. Well Name and Number:

Roberts #5-19

9. APN Well Number:

Not yet assigned

10. Field and Pool, or Wildcat:

Milton Prospect / Doug

County: *Duchesne*

State: *Utah*

1. Type of Well: OIL GAS OTHER:

2. Name of Operator: *Inland Production Company*

3. Address and Telephone Number: *P.O. Box 79033, Ternal UT 84079*

4. Location of Well Footages: *1863.5' FNL 329.2' FNL*

OO, Sec., T., R., M.: *SW NW Sec 19 - T45 - R1W*

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

NOTICE OF INTENT
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other _____
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandon *
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other *Additional Information*
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

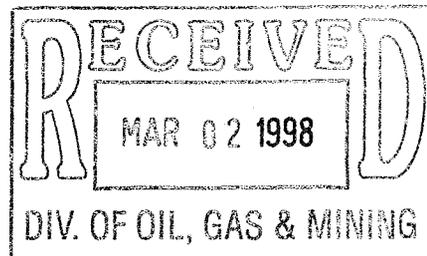
Attached is additional casing + cement detail which is to be part of the APD already submitted.

*Original: Utah DOGM (Dan Jarvis)
Copy: Brad Meecham (Inland, Ternal)
John Holdt (Inland, Denver)*

13. *As agent for Inland:*
Name & Signature: *Bobbie Schuman*

Title: *Regulatory Specialist* Date: *2-27-98*

(This space for State use only)



ATTACHMENT TO SUNDRY NOTICE

CEMENT DESIGN:

| <u>Function</u> | <u>Hole size</u> | <u>Csg. Dia.</u> | <u>Wt/ft.</u> | <u>Shoe depth</u> | <u>Sacks of Cement</u> |
|-----------------|------------------|------------------|---------------|-------------------|------------------------|
| Surface | 12-1/4" | 8-5/8" | 24# | 300' | 120 sx |
| Production | 7-7/8" | 5-1/2" | 15.5# | TD | 350 lead/330 tail |

SURFACE PIPE: 120 sx Premium Plus cement w/2% gel, 2% CaCl₂ ¼# sx flocele. Weight: 14.8 PPG, Yield: 1.37 Cu ft/sx, H₂O req: 6.4 gal/sx

WAITING ON CEMENT: A minimum of four (4) hours shall elapse prior to attempting any pressure testing of the BOP equipment which would subject the surface casing cement to pressure, and a minimum of six (6) hours shall elapse before drilling out of the wiper plug, cement, or shoe is begun. WOC time shall be recorded in the driller's log. Compressive strength shall be a minimum of 500 psi prior to drilling out.

LONG STRING: Flush: 20 bbls dyed water followed by 20 bbls gelled water.

Lead: 350 sx Hibond 65 Modified

Weight: 11.0 PPG, Yield: 3.00 cu ft/sx, H₂O req: 18.08 gal/sx

Tail: 330 sx Premium Plus Thixotropic w/10% CalSeal.

Weight: 14.2 PPG, Yield: 1.59 cu ft/sx, H₂O req: 7.88 gal/sx

(NOTE: Actual cement volumes will be calculated from open hole logs, plus 15% excess)

The 8-5/8" surface casing shall in all cases be cemented back to surface. In the event that during the primary surface cementing operation the cement does not circulate to surface, or if the cement level should fall back more than 8' from surface, then a remedial surface cementing operation shall be performed to insure adequate isolation and stabilization of the surface casing.

The production casing cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively-valuable deposits of minerals.

2/27/98/rs

HIGH PLAINS



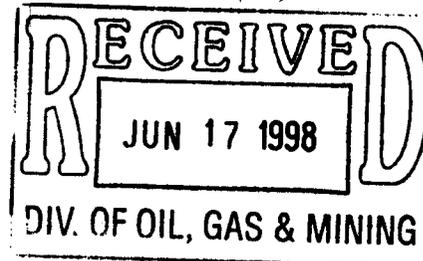
ASSOCIATES, INC.

1557 Ogden Street
Suite 300
Denver, Colorado 80218
Telephone
(303) 830-0888
Facsimile
(303) 830-2818

405 Ross Avenue
Gillette,
Wyoming 82716
Telephone
(307) 686-1655
Facsimile
(307) 686-1201

June 15, 1998

Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, ut 84114



RE: Application for Location Exception
Roberts #5-19
SWNW 19 T4S-R1W
Duchesne County, Utah

Ladies and Gentlemen,

On behalf of Inland Production Company, operator of the proposed captioned well, we hereby request administrative approval for a location exception to Rule R649-3-2, which governs the location of wells in the State of Utah.

The location of wells under the referenced Rule should be in the center of a 40 acre quarter/quarter section with a 200 foot tolerance. Inland's proposed well is planned to be drilled at a location in the SWNW of Section 19 outside the 40 acre window in a location that is 1863.5' FSL and 329.2 feet FWL. Please see copy of survey plat enclosed. This location is necessary as a result of topographic considerations.

Inland is the only lessee within the 460 foot radius of the proposed well location. Enclosed for your review is the following documentation:

- (1) Survey Plat as referenced above;
- (2) Affidavit stating that Inland is the only working interest owner within a 460 foot radius of the proposed location;
- (3) Plat depicting off-set locations within a one-half mile radius of the proposed location. Please note that this plat does not depict our proposed exception location for the Prewitt #12-19 located in NWSW of Section 19. See separate Application for this well sent under separate cover.

Please approve the exception location as proposed. Should you have any questions or comments, please contact me at (303) 830-0888, ex 22. Thank you.

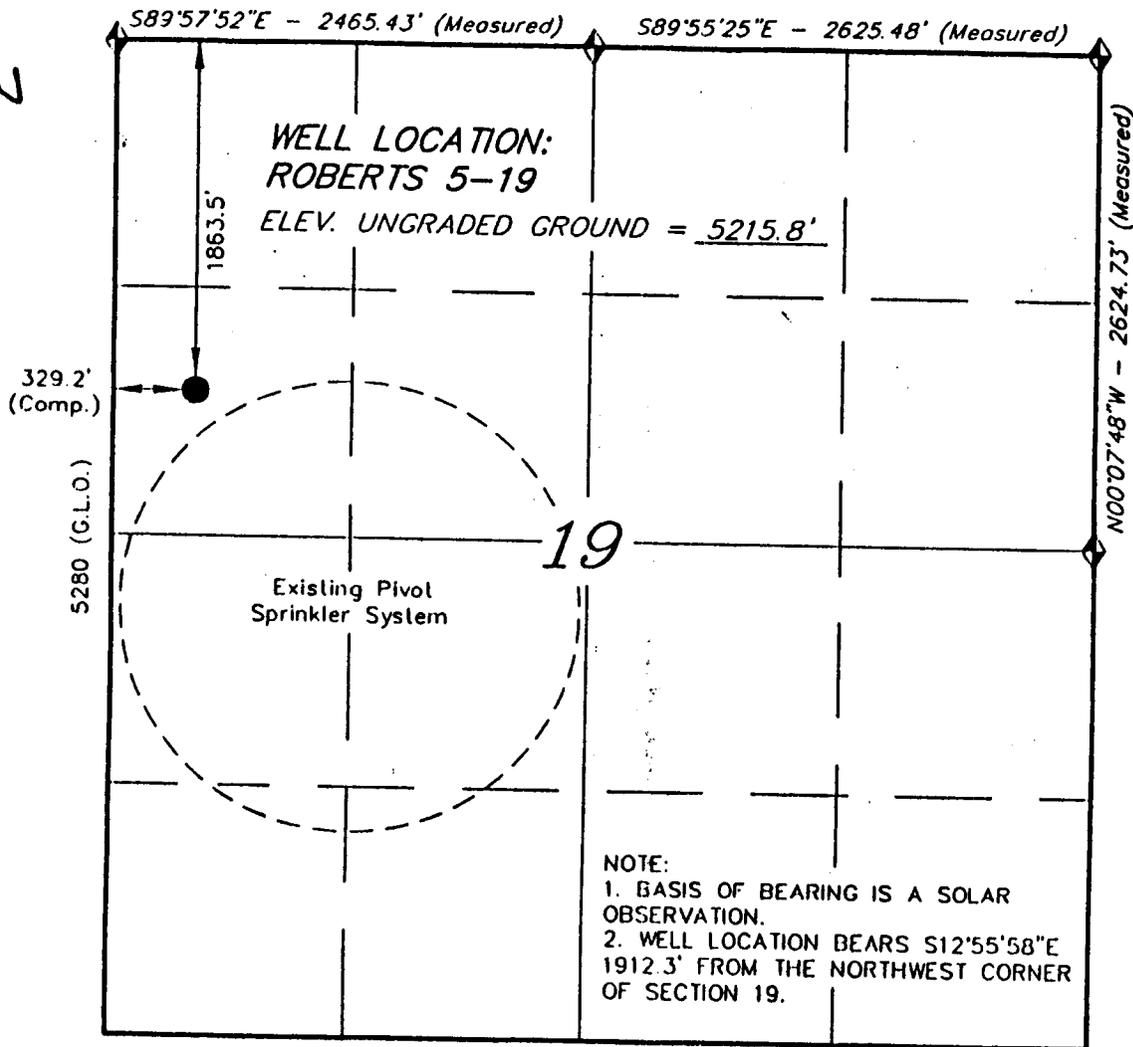
Sincerely yours,

HIGH PLAINS ASSOCIATES, INC.

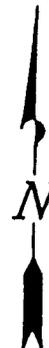
Bob Annear
Bob Annear

T4S, R1W, U.S.B.&M.

INLAND PRODUCTION COMPANY

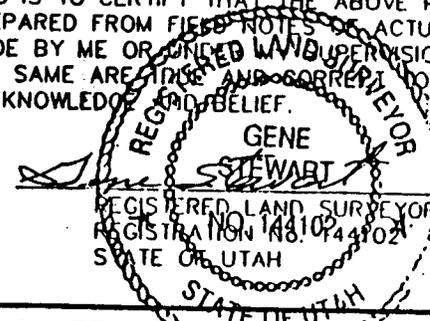


WELL LOCATION, ROBERTS 5-19,
LOCATED AS SHOWN IN THE SW 1/4
NW 1/4 OF SECTION 19, T4S, R1W,
U.S.B.&M. DUCHESNE COUNTY, UTAH.



NOTE:
1. BASIS OF BEARING IS A SOLAR
OBSERVATION.
2. WELL LOCATION BEARS S12°55'58"E
1912.3' FROM THE NORTHWEST CORNER
OF SECTION 19.

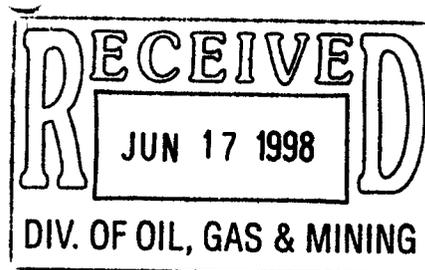
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF.



◆ = SECTION CORNERS LOCATED
BASIS OF ELEV. U.S.G.S. 7-1/2 min QUAD (MYTON SE)

| | |
|--|---------------------|
| TRI STATE LAND SURVEYING & CONSULTING | |
| 38 WEST 100 NORTH - VERNAL, UTAH 84078 (801) 781-2501 | |
| SCALE: 1" = 1000' | SURVEYED BY: L/S RL |
| DATE: 12/18/97 | WEATHER: |
| NOTES: | FILE # 5-19 |

AFFIDAVIT



STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

Robert D. Annear, being of legal age, upon oath, states as follows:

- (1) I am a consulting landman with High Plains Associates, Inc;
(2) I am familiar with the matters set forth in the Application for Exception Location for the Roberts #5-19 well, located in Section 19-T4S-R1W, Duchesne County, Utah;
(3) On behalf of Inland Production Company, I caused to be conducted a search of the pertinent land records of Duchesne County, Utah, the Bureau of Land Management, and the Bureau of Indian Affairs involving the lands described in the Application for Exception Location and the lands within 460 feet and/or directly or diagonally offsetting thereof;
(4) Inland Production Company is the only lessee with the area of review and all mineral owners are subject to leases now held by Inland.

FURTHER AFFIANT SAYETH NOT.

Dated this 15th day of June, 1998

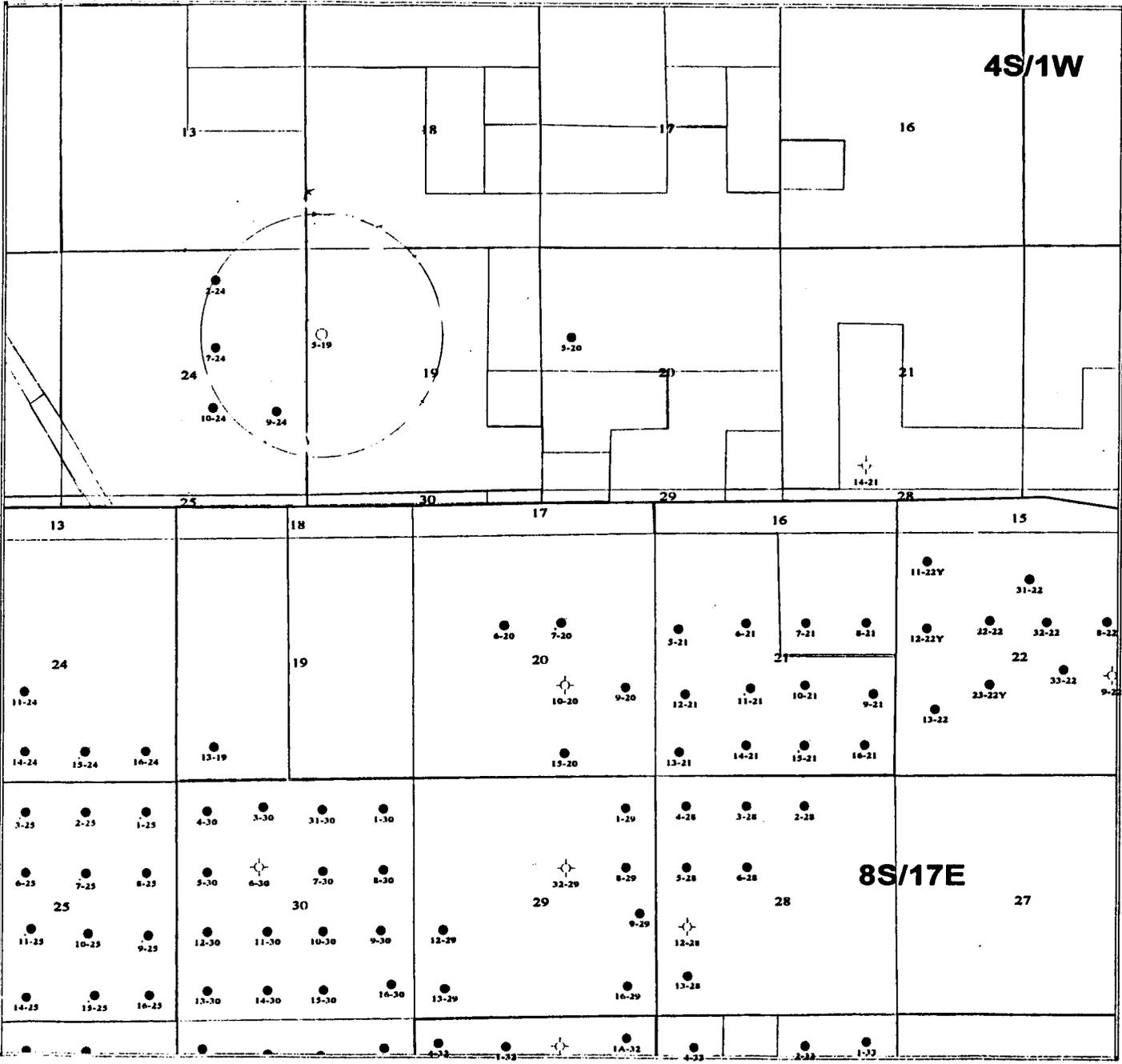
Handwritten signature of Robert D. Annear
Robert D. Annear

On this 15th day of June, 1998, personally appeared before me Robert D. Annear, who duly acknowledged to me under oath that the statements contained in the foregoing instrument are true and correct to the best of his knowledge and belief.

My Commission expires:

Handwritten signature of Lynn A. McBride
Notary Public

LYNN A. McBRIDE
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Feb. 11, 2001



| | | |
|---|---------------|------|
| INLAND PRODUCTION COMPANY | | |
| ONE HALF MILE RADIUS Roberts #5-19 | | |
| North Arrow | Scale 1:25000 | 3478 |



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

June 25, 1998

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

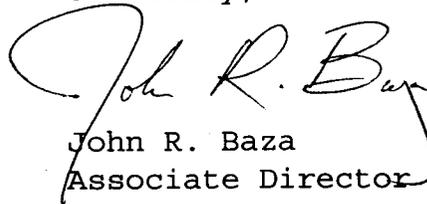
Re: Roberts 5-19 Well, 1864' FNL, 329' FWL, SW NW, Sec. 19,
T. 4 S., R. 1 W., Duchesne County, Utah

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 43-013-32029.

Sincerely,


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: Roberts 5-19
API Number: 43-013-32029
Lease: Fee
Location: SW NW Sec. 19 T. 4 S. R. 1 W.

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 prior to spudding the well or commencing drilling operations. Contact Jim Thompson at (801)538-5336.

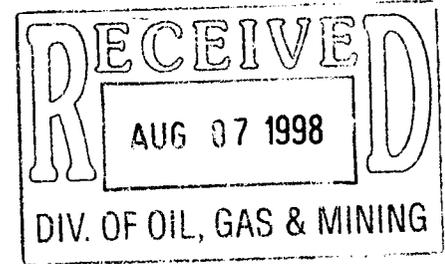
Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or Robert Krueger at (801) 538-5274.

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.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

PERMITS
PLUS
Bobbie Schuman
Regulatory Specialist
1835 Yellowstone Avenue
Billings, MT 59102
(406) 652-4351



August 5, 1998

Lisha Cordova
State of Utah
Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210
Salt Lake City, UT 84114

Dear Lisha:

I would appreciate it if you would let me know the status of APDs for the following proposed wellsites:

| | | | |
|-------------------|--------------|-----------------|---------------|
| Allen Trust #1-24 | 43-013-32027 | Sec. 24, 4S, 2W | Aprv. 3-6-98 |
| Allen Trust #8-24 | 43-013-32028 | Sec. 24, 4S, 2W | Aprv. 3-6-98 |
| Roberts #4-19 | 43-013-32030 | Sec. 19, 4S, 1W | Aprv. 6-29-98 |
| Roberts #5-19 | 43-013-32029 | Sec. 19, 4S, 1W | Aprv. 6-25-98 |
| Prewitt #12-19 | 43-013-32026 | Sec. 19, 4S, 1W | Aprv. 6-23-98 |
| Prewitt #11-19 | 43-013-32025 | Sec. 19, 4S, 1W | Aprv. 3-6-98 |

Inland is the operator, and I prepared and submitted the APDs.

If there are items you're waiting for, I'd appreciate knowing that. If you want, give me a call at (406) 652-4351.

Thanks, Lisha!

Sincerely,

Bobbie Schuman
Regulatory Specialist

/hs



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

Michael O. Leavitt
Governor

Kathleen Clarke
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)

August 28, 2000

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

Re: APD Rescinded -- Roberts 5-19 Well, Sec. 19, T. 4.0S, R. 1.0W, Duchesne County, Utah,
API No. 43-013-32029

Gentlemen:

The Application for Permit to Drill for the subject well was approved by the Division of Oil, Gas and Mining on June 25, 1998. 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,

A handwritten signature in cursive script that reads "Don Staley".

Don Staley
Information Services Manager
Oil and Gas

cc: L.E. Cordova
Well File