



PRODUCTION COMPANY
A Subsidiary of Inland Resources Inc.

November 19, 2001

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

RE: Applications for Permit to Drill: 11-31-8-17, 12-31-8-17, 13-31-8-17 and
14-31-8-17.

Dear Brad:

Enclosed find APD's on the above referenced wells. If you have any questions, feel free to give either Brad or myself a call.

Sincerely,

Mandie Crozier
Permit Clerk

mc
enclosures

RECEIVED

NOV 21 2001

DIVISION OF
OIL, GAS AND MINING

001

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

5. LEASE DESIGNATION AND SERIAL NO.

UTU-74869

6. IF INDIAN ALLOTTEE OR TRIBE NAME

N/A

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL DEEPEN

1b. TYPE OF WELL

OIL GAS SINGLE MULTIPLE
WELL WELL OTHER ZONE ZONE

7. UNIT AGREEMENT NAME

Sand Wash

8. FARM OR LEASE NAME WELL NO

13-31-8-17

2. NAME OF OPERATOR

Inland Production Company

9. API WELL NO.

3. ADDRESS OF OPERATOR

Route #3 Box 3630, Myton, UT 84052

Phone: (435) 646-3721

10. FIELD AND POOL OR WILDCAT

Monument Butte

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At Surface Lot #5 BHL 662' FSL 613' FWL SWSW 4435636N 580545E

At proposed Prod. Zone Surf. NESW 1658 FSL 1343 FWL 4435940N 580768E

11. SEC. T. R. M. OR BLK.
AND SURVEY OR AREA

Lot #5
Sec. 31, T8S, R17E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 13.8 miles south of Myton, Utah

12. County

Duchesne

13. STATE

UT

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY
OR LEASE LINE. FT. (Also to

Approx. 613' f/lse line & 613' f/unit line

16. NO. OF ACRES IN LEASE

1,177.07

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.

Approx. 1,266'

19. PROPOSED DEPTH

6500'

20. ROTARY OR CABLE TOOLS

Rotary

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

5365.3' GR

22. APPROX. DATE WORK WILL START*

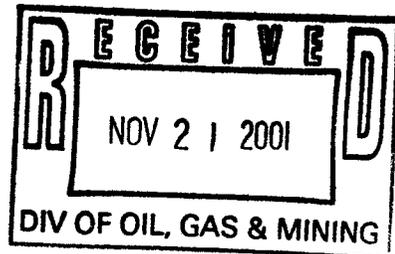
4th Quarter 2001

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT/FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--|----------------|-------------|---------------|--------------------|
| Refer to Monument Butte Field SOP's Drilling Program/Casing Design | | | | |

Inland Production Company proposes to drill this well in accordance with the attached exhibits.

The Conditions of Approval are also 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 Marilee Crozier TITLE Permit Clerk DATE 11/13/01

(This space for Federal or State office use)

PERMIT NO. 43-013-32324 APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to the property in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Bradley G. Hill TITLE RECLAMATION SPECIALIST III DATE 01-03-02

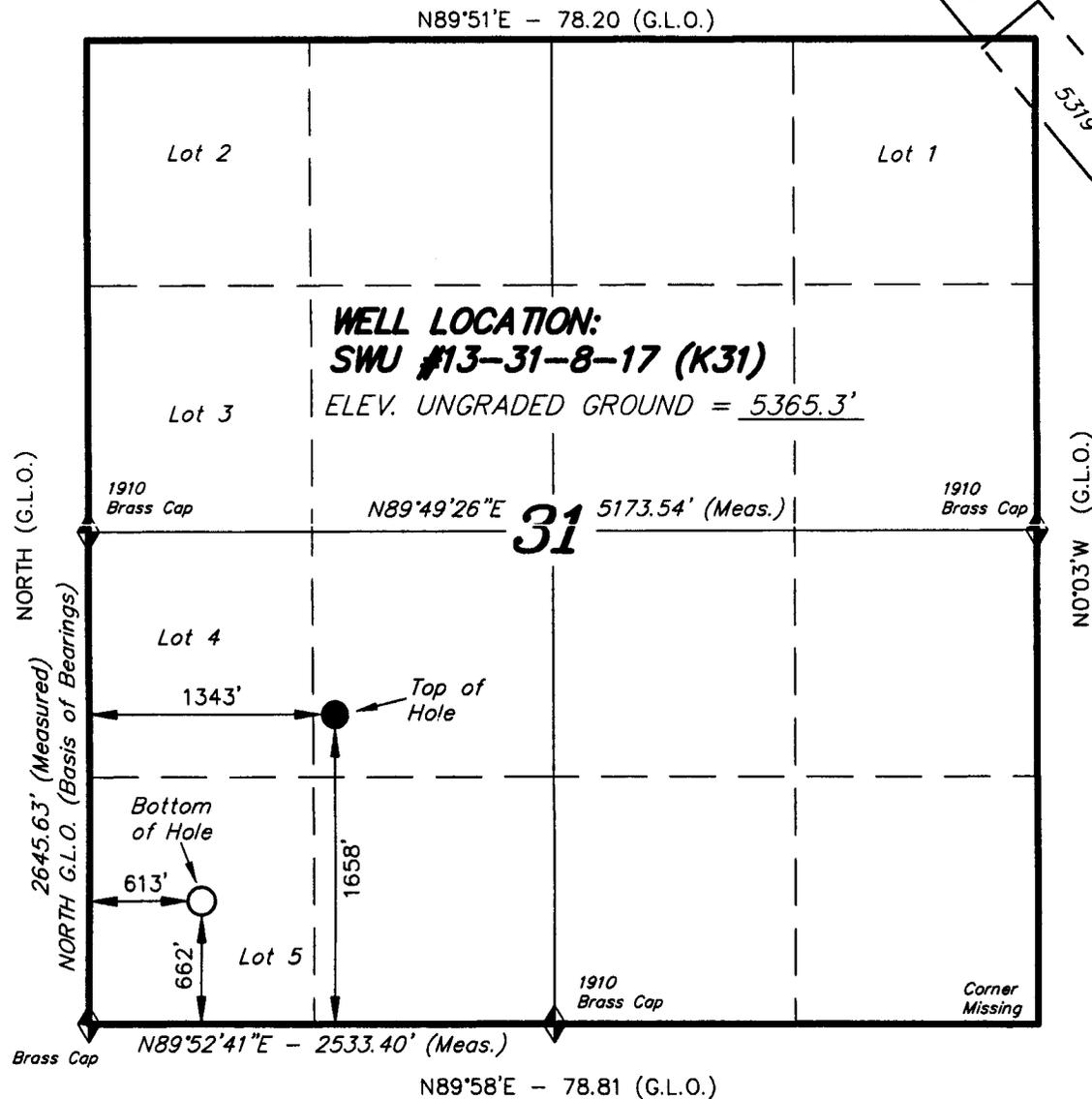
*See Instructions On Reverse Side

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.

T8S, R17E, S.L.B.&M.

INLAND PRODUCTION COMPANY

WELL LOCATION, SAND WASH UNIT #13-31-8-17 (K31), LOCATED AS SHOWN IN LOT 5 OF SECTION 31, T8S, R17E, S.L.B.&M. DUCHESNE COUNTY, UTAH.



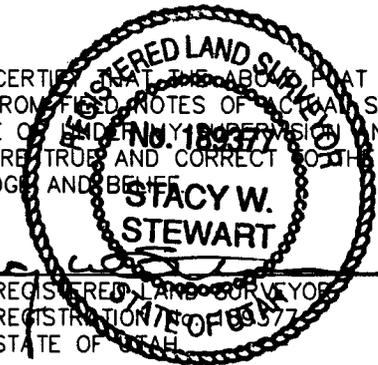
WELL LOCATION:
SWU #13-31-8-17 (K31)
 ELEV. UNGRADED GROUND = 5365.3'

NOTE:

The bottom of hole bears S36°10'36"W 1236.26' from the top of hole.



THIS IS TO CERTIFY THAT THE ABOVE PLAN WAS PREPARED FROM FIELD NOTES OF LOCAL 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)

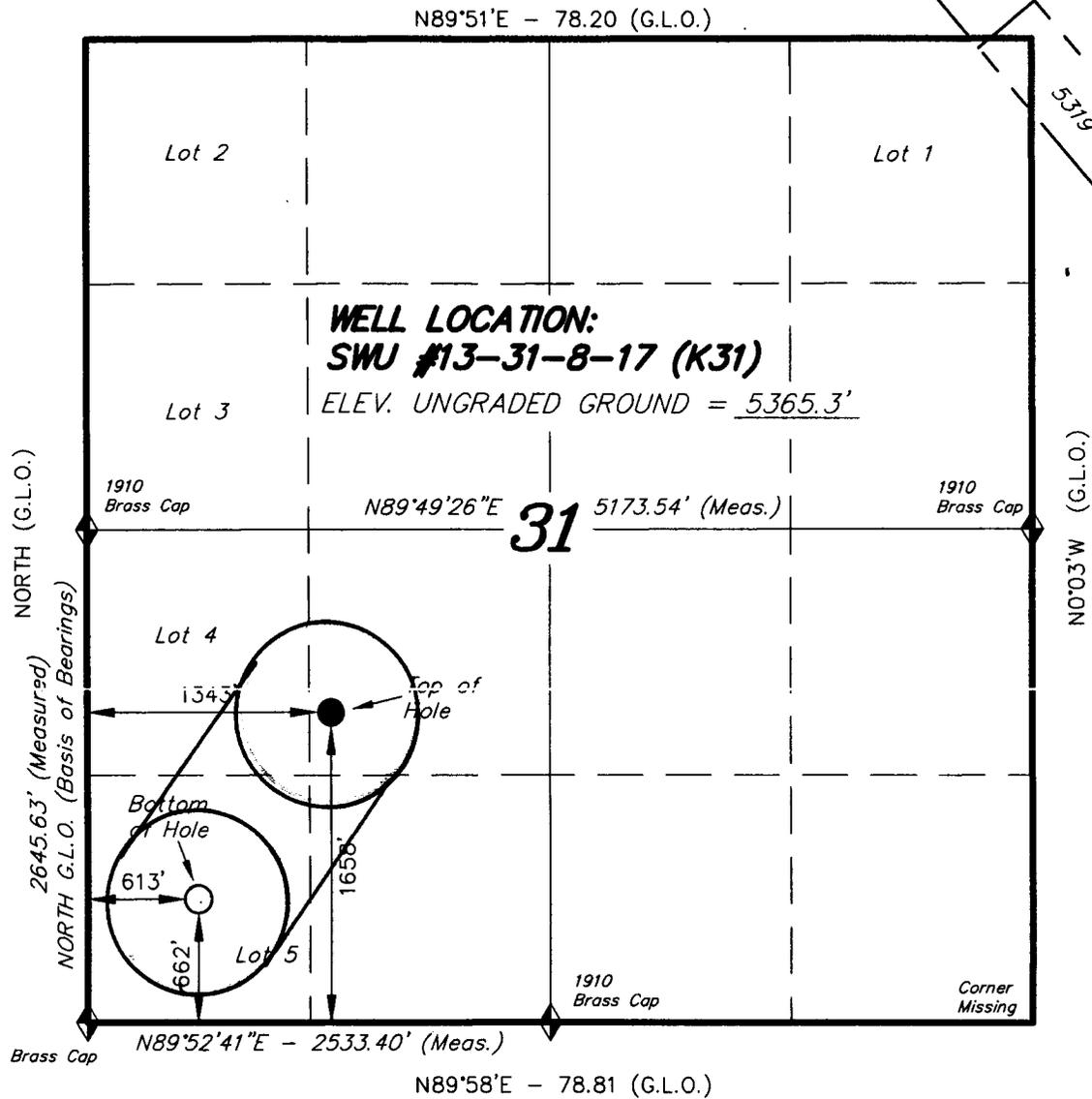
TRI STATE LAND SURVEYING & CONSULTING
 38 WEST 100 NORTH - VERNAL, UTAH 84078
 (435) 781-2501

| | |
|-------------------|------------------------|
| SCALE: 1" = 1000' | SURVEYED BY: K.S. G.S. |
| DATE: 10-22-01 | WEATHER: WARM |
| NOTES: | FILE # |

EXHIBIT A **T8S, R17E, S.L.B.&M.**

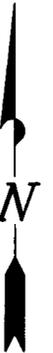
INLAND PRODUCTION COMPANY

WELL LOCATION, SAND WASH UNIT #13-31-8-17 (K31), LOCATED AS SHOWN IN LOT 5 OF SECTION 31, T8S, R17E, S.L.B.&M. DUCHESNE COUNTY, UTAH.

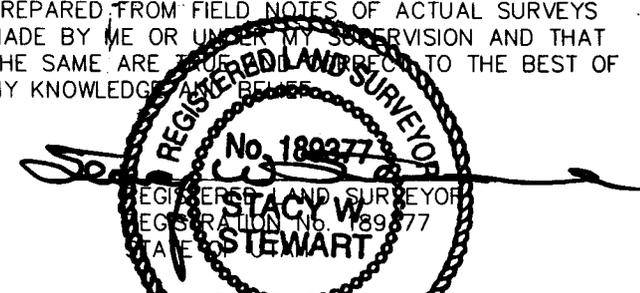


NOTE:

The bottom of hole bears S36°10'36"W 1236.26' from the top of hole.



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, CORTLAND, UTAH 84078
 (435) 781-2501

SCALE: 1" = 1000'

SURVEYED BY: K.S. G.S.

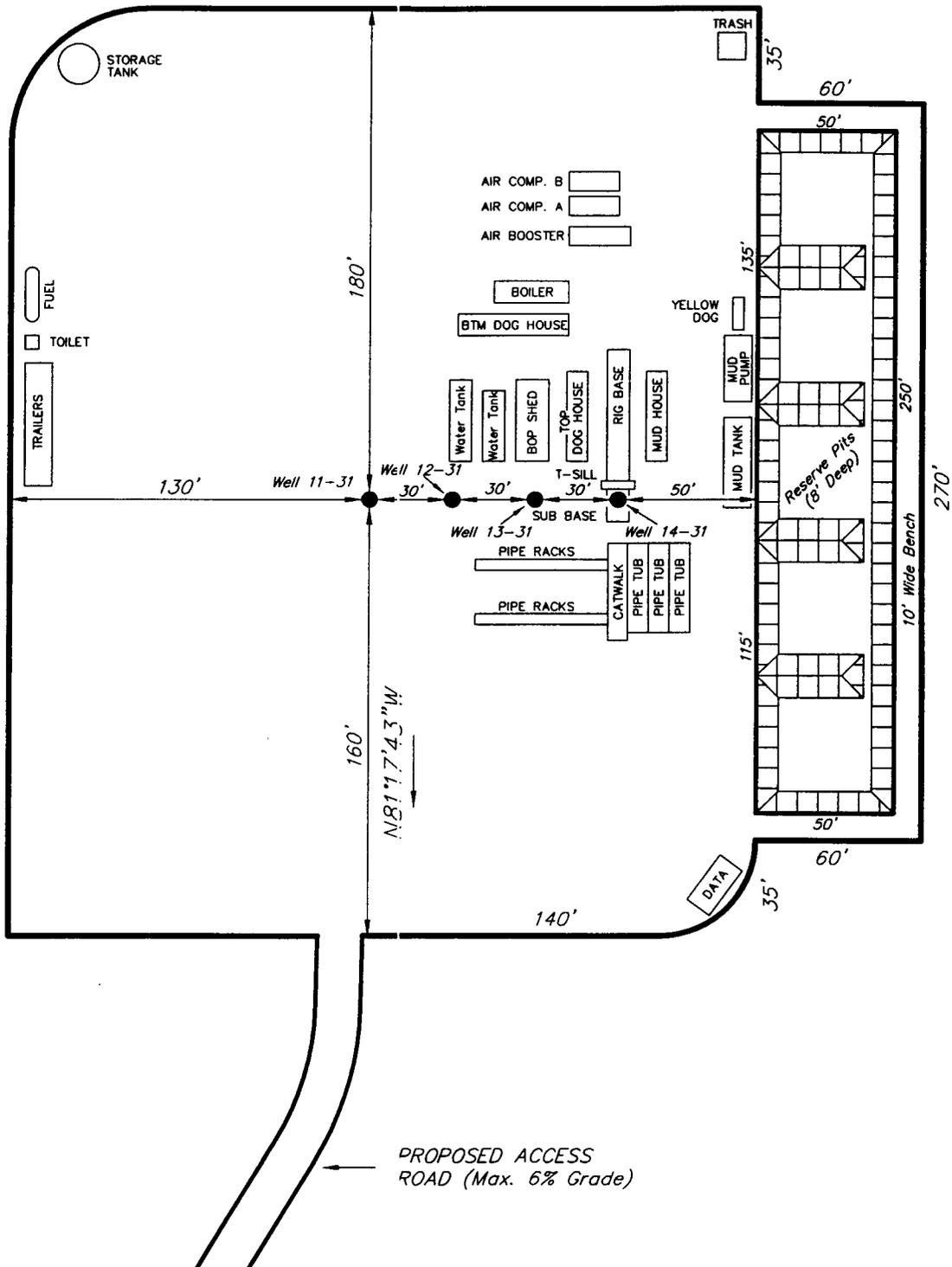
DATE: 10-22-01

WEATHER: WARM

NOTES:

FILE #

INLAND PRODUCTION COMPANY
TYPICAL RIG LAYOUT
DRILL PAD (K31-8-17)

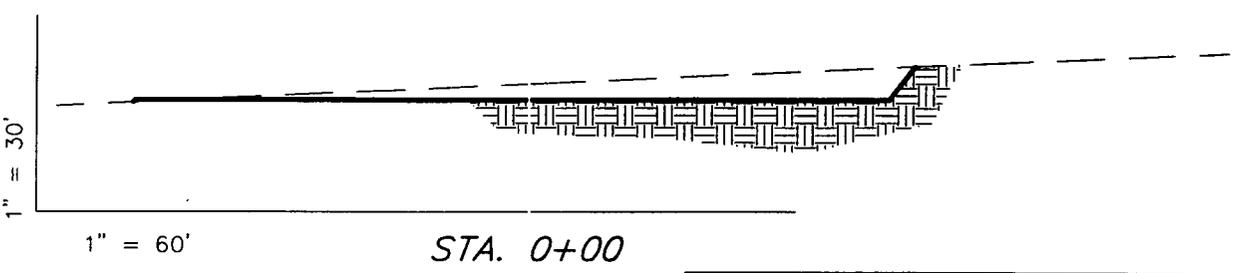
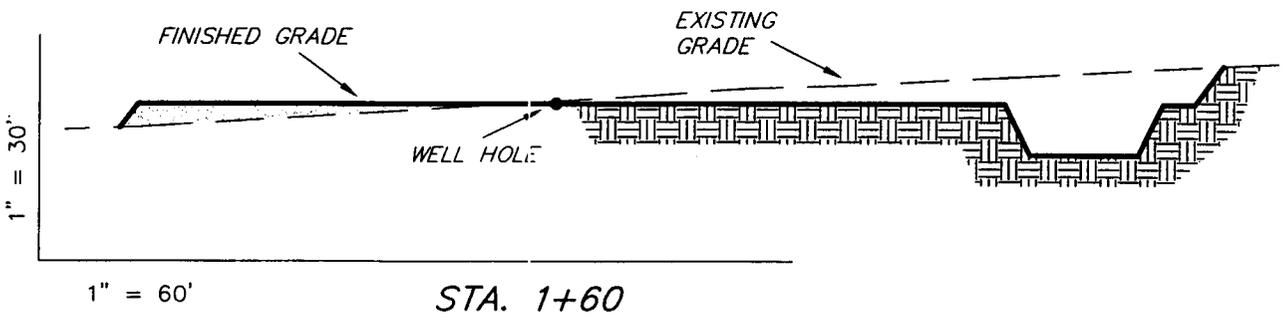
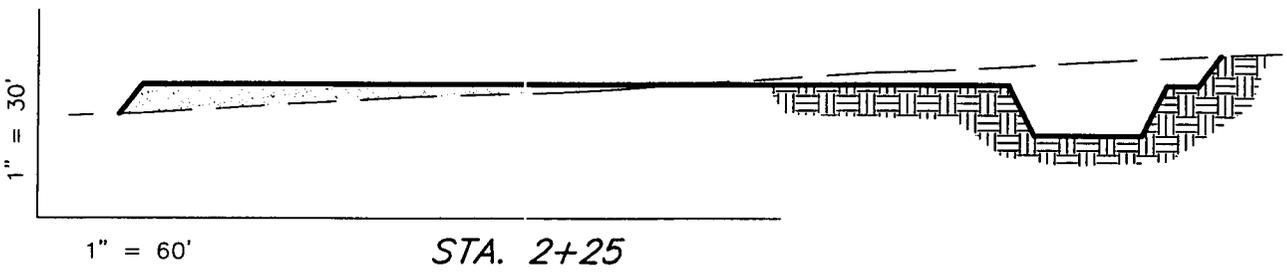
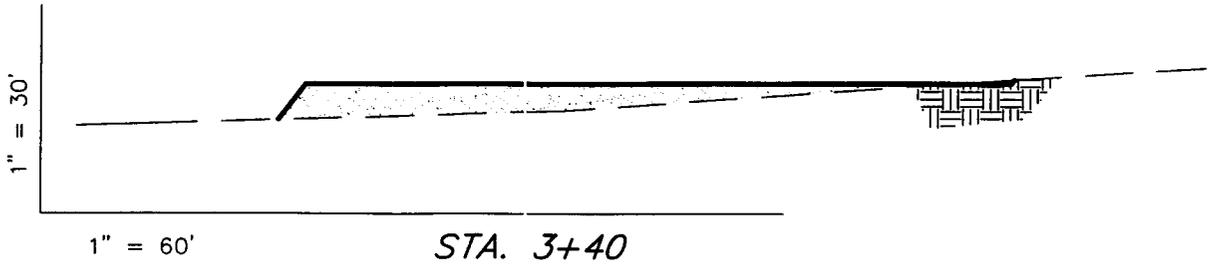


| | | | |
|-------------------|-----------------|--|----------------|
| SURVEYED BY: G.S. | SCALE: 1" = 60' | Tri State Land Surveying, Inc. 180 NORTH VERNAL AVE. VERNAL, UTAH 84078 | (435) 781-2501 |
| DRAWN BY: J.R.S. | DATE: 10-23-01 | | |

INLAND PRODUCTION COMPANY

CROSS SECTIONS

DRILL PAD (K31-8-17)



| ESTIMATED EARTHWORK QUANTITIES | | | | |
|--------------------------------|-------|-------|------------------------------------|--------|
| (Expressed in Cubic Yards) | | | | |
| ITEM | CUT | FILL | 6" TOPSOIL | EXCESS |
| PAD | 5,920 | 4,940 | Topsoil is not included in Pad Cut | 980 |
| PIT | 2,720 | 0 | | 2,720 |
| TOTALS | 8,640 | 4,940 | 2,000 | 3,700 |

NOTE:
UNLESS OTHERWISE NOTED
ALL CUT/FILL SLOPES ARE
AT 1.5:1

| | |
|-------------------|-----------------|
| SURVEYED BY: G.S. | SCALE: 1" = 60' |
| DRAWN BY: J.R.S. | DATE: 10-23-01 |

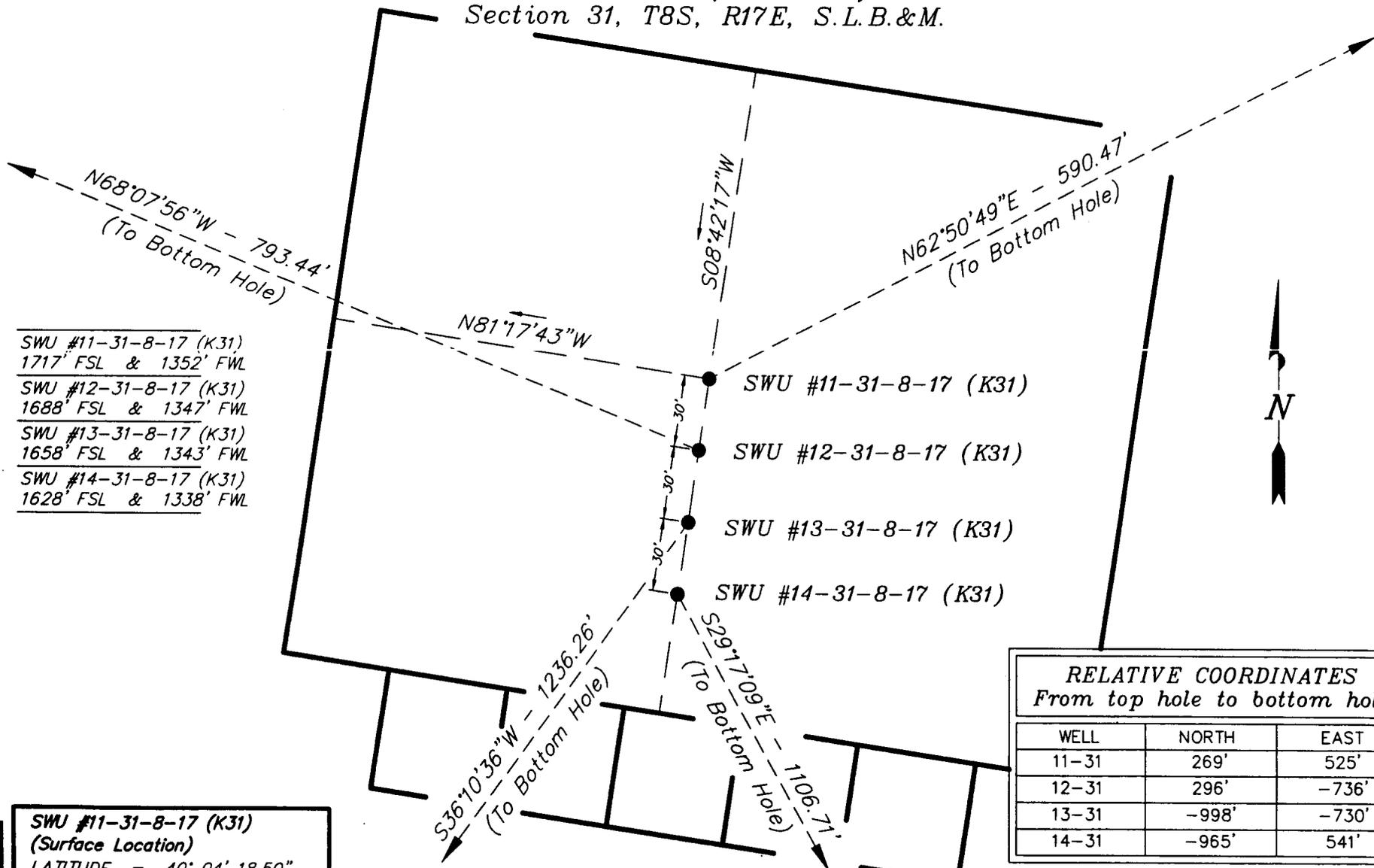
Tri State
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

INLAND PRODUCTION COMPANY

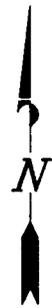
WELL PAD INTERFERENCE PLAT

DRILL PAD (K31-8-17)

Section 31, T8S, R17E, S.L.B.&M.



- SWU #11-31-8-17 (K31)
1717' FSL & 1352' FWL
- SWU #12-31-8-17 (K31)
1688' FSL & 1347' FWL
- SWU #13-31-8-17 (K31)
1658' FSL & 1343' FWL
- SWU #14-31-8-17 (K31)
1628' FSL & 1338' FWL

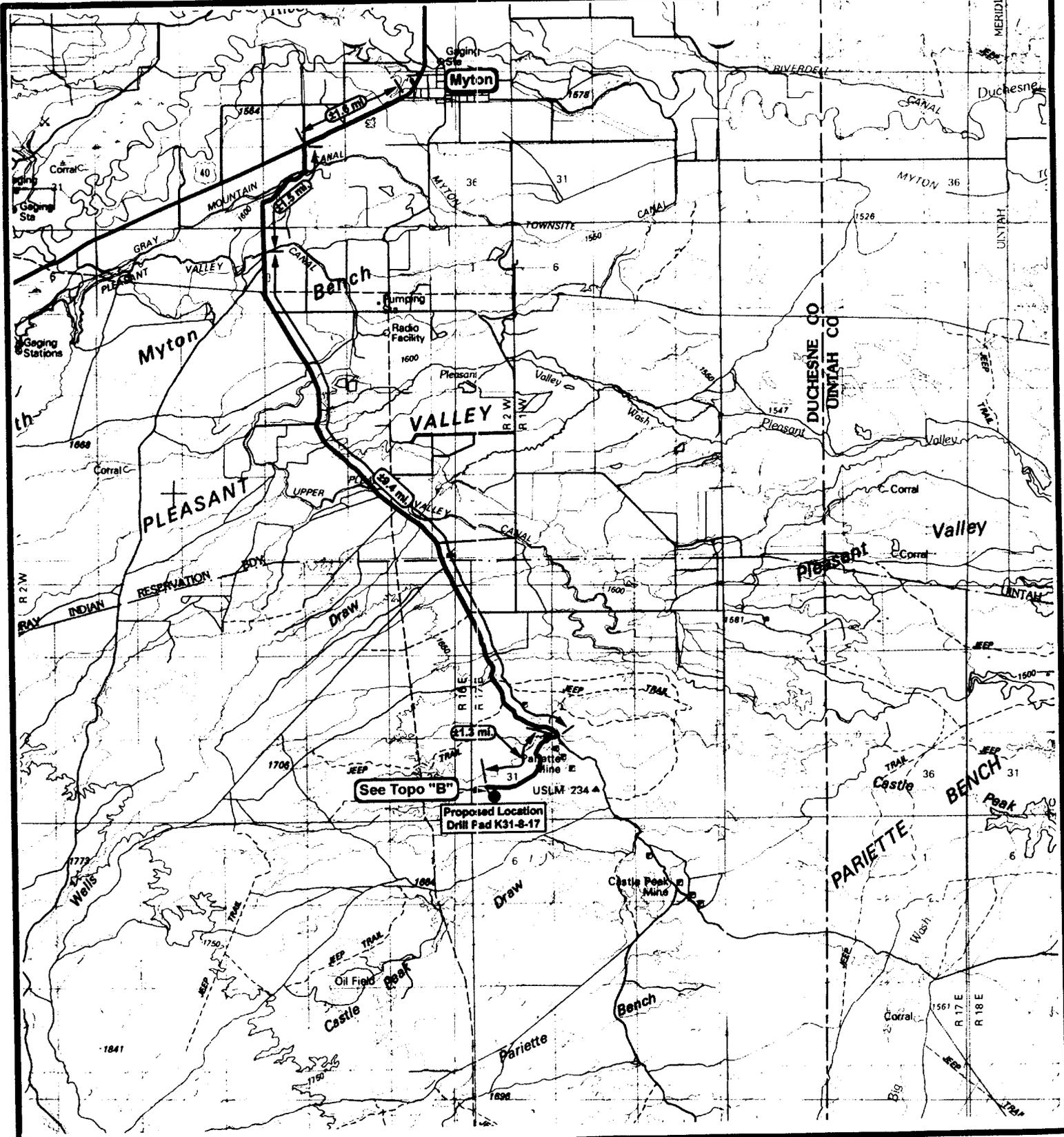


| RELATIVE COORDINATES From top hole to bottom hole | | |
|--|-------|-------|
| WELL | NORTH | EAST |
| 11-31 | 269' | 525' |
| 12-31 | 296' | -736' |
| 13-31 | -998' | -730' |
| 14-31 | -965' | 541' |

SWU #11-31-8-17 (K31)
 (Surface Location)
 LATITUDE = 40° 04' 18.50"
 LONGITUDE = 110° 03' 12.67"

| | |
|-------------------|-----------------|
| SURVEYED BY: G.S. | SCALE: 1" = 60' |
| DRAWN BY: J.R.S. | DATE: 10-23-01 |

Tri State
 Land Surveying, Inc.
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078
 (435) 781-2501



RESOURCES INC.

Drill Pad (K31-8-17)
SEC. 31, T8S, R17E, S.L.B.&M.



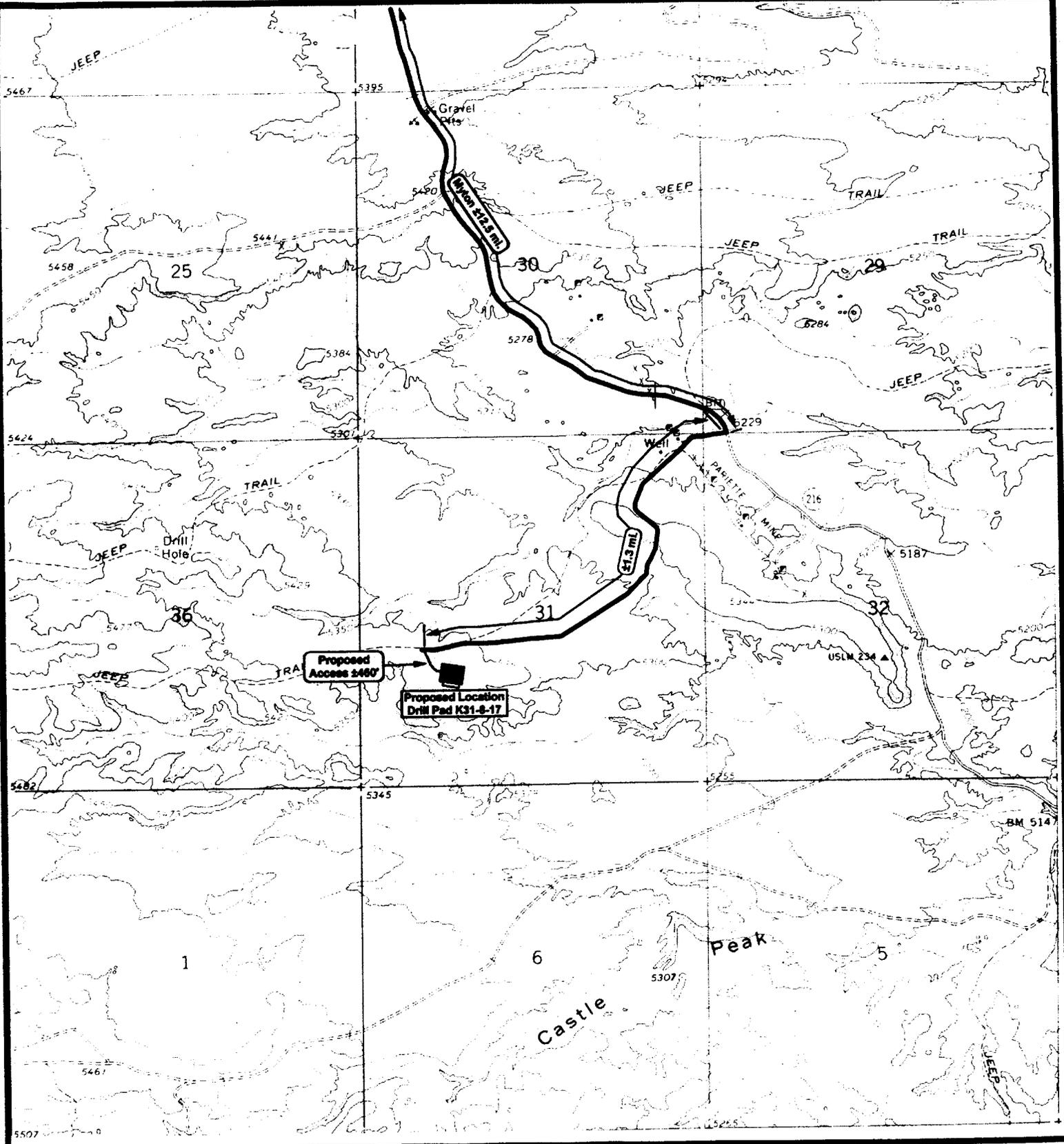
Tri-State
Land Surveying Inc.
 (435) 781-2501
 38 West 100 North Vernal, Utah 84078

SCALE: 1" = 100,000'
 DRAWN BY: D.J.
 DATE: Rev. 11-08-2001

Legend

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP
"A"



Drill Pad K31-8-17
SEC. 31, T8S, R17E, S.L.B.&M.



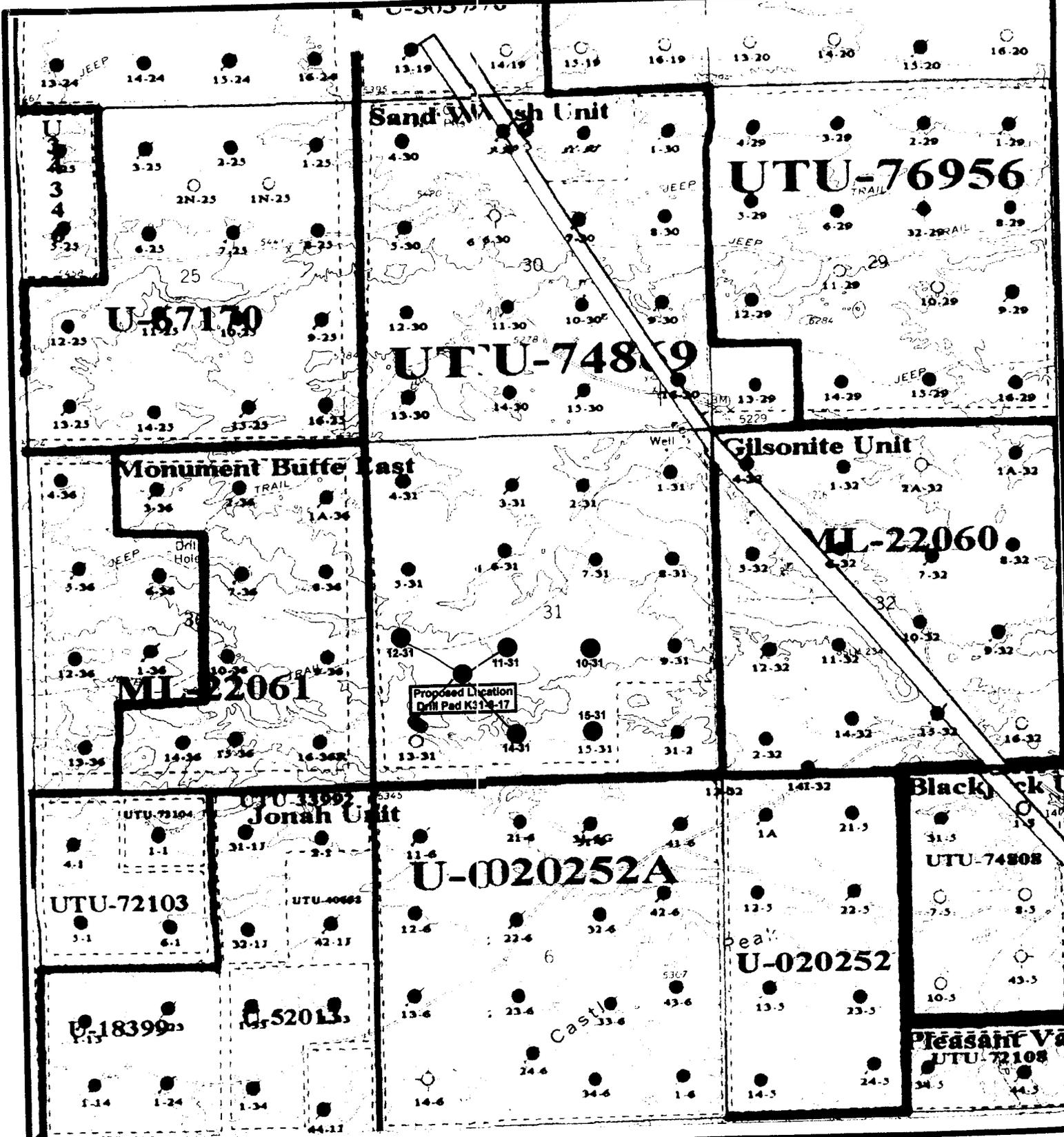
Tri-State
Land Surveying Inc.
 (435) 781-2501
 38 West 100 North Vernal, Utah 84078

SCALE: 1" = 2000'
 DRAWN BY: D.J.
 DATE: Rev. 11-08-2001

Legend

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP
"B"



RESOURCES INC.

Drill Pad K31-8-17
SEC. 31, T8S, R17E, S.L.B.&M.



Tri-State
Land Surveying Inc.
 (435) 781-2501
 38 West 100 North Vernal, Utah 84078

SCALE: 1" = 2000'
 DRAWN BY: D.J.
 DATE: 10-23-2001

Legend

- Proposed Location
- One Mile Radius

TOPOGRAPHIC MAP



CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Inland Production Company

Well Name & Number: Sand Wash 13-31-8-17

API Number:

Lease Number: UTU-74869

Location: (K31-8-17)

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL

CULTURAL RESOURCES

See *DIAMOND MOUNTAIN RESOURCE AREA RESOURCE MANAGEMENT PLAN AND RECORD OF DECISION* (Fall 1994).

PALEONTOLOGICAL RESOURCES

See *DIAMOND MOUNTAIN RESOURCE AREA RESOURCE MANAGEMENT PLAN AND RECORD OF DECISION* (Fall 1994).

SOILS, WATERSHEDS, AND FLOODPLAINS

See *DIAMOND MOUNTAIN RESOURCE AREA RESOURCE MANAGEMENT PLAN AND RECORD OF DECISION* (Fall 1994).

WILDLIFE AND FISHERIES

See *DIAMOND MOUNTAIN RESOURCE AREA RESOURCE MANAGEMENT PLAN AND RECORD OF DECISION* (Fall 1994).

THREATENED, ENDANGERED, AND OTHER SENSITIVE SPECIES

FERRUGINOUS HAWK: Due to this proposed well location's proximity (less than 0.5 mile) to an existing inactive ferruginous hawk nest site, no new construction or surface disturbing activities will be allowed between February 1 and May 30. If the nest remains inactive on May 30th (based on a pre-construction survey by a qualified biologist), the operator may construct and drill the location after that date. If the nest site becomes active prior to May 30, no new construction or surface disturbing activities will be allowed within 0.5 mile of the nest until the nest becomes inactive for two full breeding seasons. 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.

BURROWING OWL: Due to the proximity of the location to active prairie dog towns, there is the potential to encounter nesting burrowing owls between April 1 and July 15. If new construction or surface disturbing activities are scheduled between April 1 and July 15, pre-construction surveys will be conducted to detect the presence of

nesting burrowing owls within 0.5 mile of any new construction or surface disturbing activity (see Vernal BLM Field Office Protocol). No new construction or surface disturbing activities will be allowed between April 1 and July 15 within a 0.5 mile radius of any active burrowing owl nest.

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).

LOCATION AND RESERVE PIT RECLAMATION

During construction of the reserve pit, a small amount of topsoil shall be stockpiled nearby, to be spread over the reserve pit area at the time the reserve pit is reclaimed.

The topsoil stockpile shall be reseeded immediately after site construction by broadcasting the seed, then walking the topsoil stockpile with the dozer to plant the seed.

The following seed mixture will be used on the topsoil stockpile, the recontoured surface of the reserve pit, and for final reclamation: (All poundages are in pure live seed)

| | | |
|------------------|---------------------------|------------|
| Gardner saltbush | <i>Atriplex gardneri</i> | 4 lbs/acre |
| Mat saltbush | <i>Atriplex corrugata</i> | 4 lbs/acre |
| Galleta grass | <i>Hilaria jamesii</i> | 4 lbs/acre |

The reserve pit shall be reclaimed immediately after drilling operations have ceased. The pit shall be reclaimed by: 1) removing all liquids and any oily debris according to Utah Division of Oil, Gas, & Mining pit closure rules; 2) perforating and folding the liner in place; 3) recontouring the surface; 4) broadcasting the seed over the recontoured surface; and 5) walking the surface of the pit with a dozer to plant the seed.

At the time of final abandonment, the location and access will be recontoured to natural topography and topsoil spread over the area and the surface seeded immediately.

PIPELINES

Installation of a surface gas pipeline and/or any subsequent buried gas or water pipelines will follow the conditions of approval outlined above.

Except as specified in the APD, the installation of the surface gas line and any subsequent buried pipelines will follow the edge of the existing roadways without interfering with the normal travel and maintenance of the roadway.

The installation of any buried pipelines will disturb as little surface as possible and will not exceed 60 feet in width. Reclamation of the disturbance area associated with buried pipelines will be completed within 10 days after installation. The surface will be recontoured to natural or near natural contours. Reseeding will be with the same seed mixture specified for reclamation of the reserve pit and well site. The interface of the buried line disturbance area and the edge of any adjacent access roads will be constructed with a borrow ditch and road berm to minimize vehicular travel along the water line route.

INLAND PRODUCTION COMPANY
SAND WASH #13-31-8-17
LOT #5 SECTION 31, T8S, R17E
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 | 0' – 1640' |
| Green River | 1640' |
| Wasatch | 6500' |

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

Green River Formation 1640' – 6500' - Oil

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 "C".

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 2000 psi. It is not anticipated that abnormal temperatures will be encountered.

10. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:

Please refer to the Monument Butte Field SOP.

**INLAND PRODUCTION COMPANY
SAND WASH #13-31-8-17
LOT #5 SECTION 31, T8S, R17E
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 Sand Wash # 13-31-8-17 located in the Lot #5 Section 31, T8S, R17E, Duchesne County, Utah:

Proceed southwesterly out of Myton, Utah along Highway 40 - 1.6 miles \pm to the junction of this highway and UT State Hwy 53; proceed southeasterly along Hwy 53 - 10.9 miles \pm to its junction with an existing dirt road to the southwest; proceed southwesterly - 1.3 miles \pm to its junction with the proposed access road to the north; proceed northerly along the proposed access road - 460' \pm to the proposed drill pad.

2. PLANNED ACCESS ROAD

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

3. LOCATION OF EXISTING WELLS

Refer to Exhibit "B".

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 "A".

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.

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).

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 Paleontological Resource Survey and Archaeological Resource Survey for this area are attached.

Inland Production Company requests a 60' ROW for the Sand Wash #13-31-8-17 to allow for construction of a 6" gas gathering line, and a 3" poly fuel gas line. Both lines will tie in to the existing pipeline infrastructure. **Refer to Topographic Map "C."**

Inland Production Company also requests a 60' ROW be granted for the Sand Wash #13-31-8-17 to allow for construction of a 3" steel water injection line and a 3" poly water return line. **Refer to Topographic Map "C."**

13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Representative

Name: Mandie Crozier
Address: Route #3 Box 363C
Myton, UT 84052
Telephone: (435) 646-3721

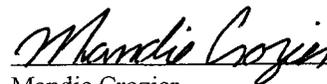
Certification

Please be advised that INLAND PRODUCTION COMPANY is considered to be the operator of well #13-31-8-17 Lot #5 Section 31, Township 8S, Range 17E: Lease UTU-74869 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 the proposed drillsite and access route have been inspected, and 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.

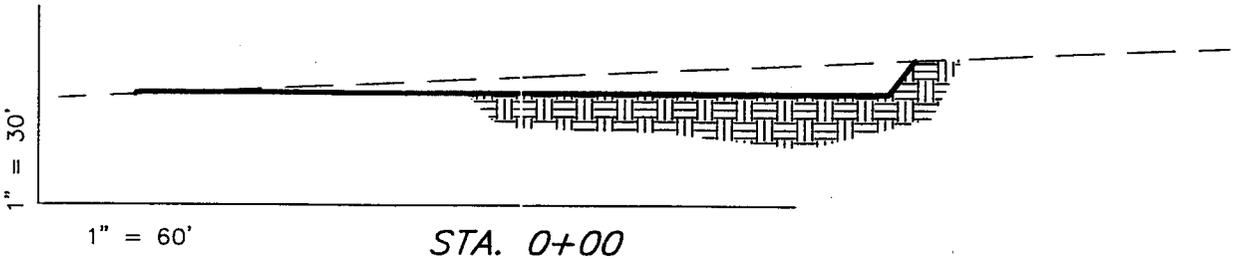
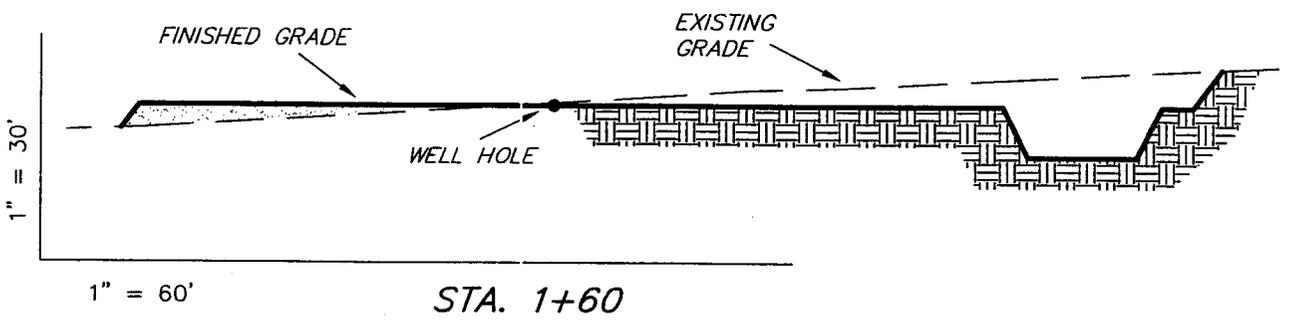
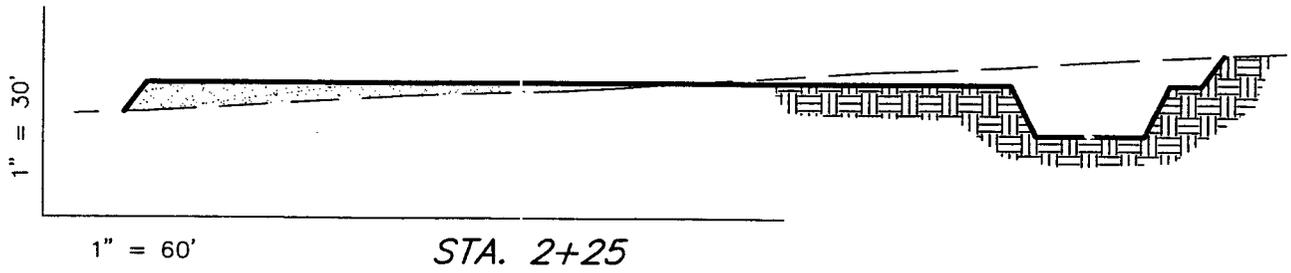
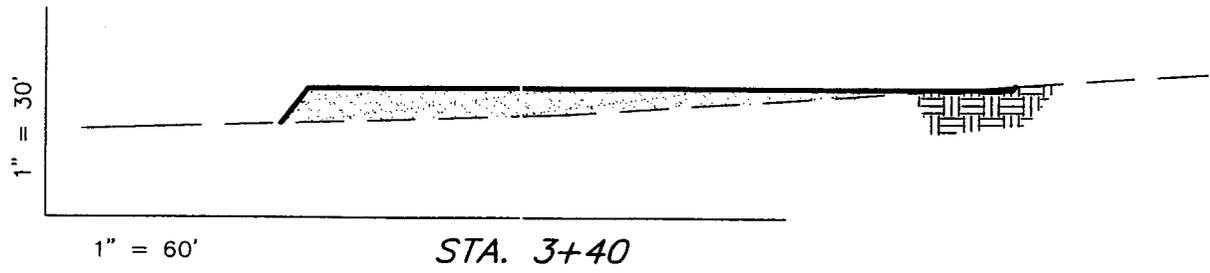
11/13/01

Date



Mandie Crozier
Permit Clerk

INLAND PRODUCTION COMPANY
CROSS SECTIONS
DRILL PAD (K31-8-17)



| ESTIMATED EARTHWORK QUANTITIES | | | | |
|--------------------------------|--------------|--------------|------------------------------------|--------------|
| (Expressed in Cubic Yards) | | | | |
| ITEM | CUT | FILL | 6" TOPSOIL | EXCESS |
| PAD | 5,920 | 4,940 | Topsoil is not included in Pad Cut | 980 |
| PIT | 2,720 | 0 | in Pad Cut | 2,720 |
| TOTALS | 8,640 | 4,940 | 2,000 | 3,700 |

NOTE:
 UNLESS OTHERWISE NOTED
 ALL CUT/FILL SLOPES ARE
 AT 1.5:1

| | |
|-------------------|-----------------|
| SURVEYED BY: G.S. | SCALE: 1" = 60' |
| DRAWN BY: J.R.S. | DATE: 10-23-01 |

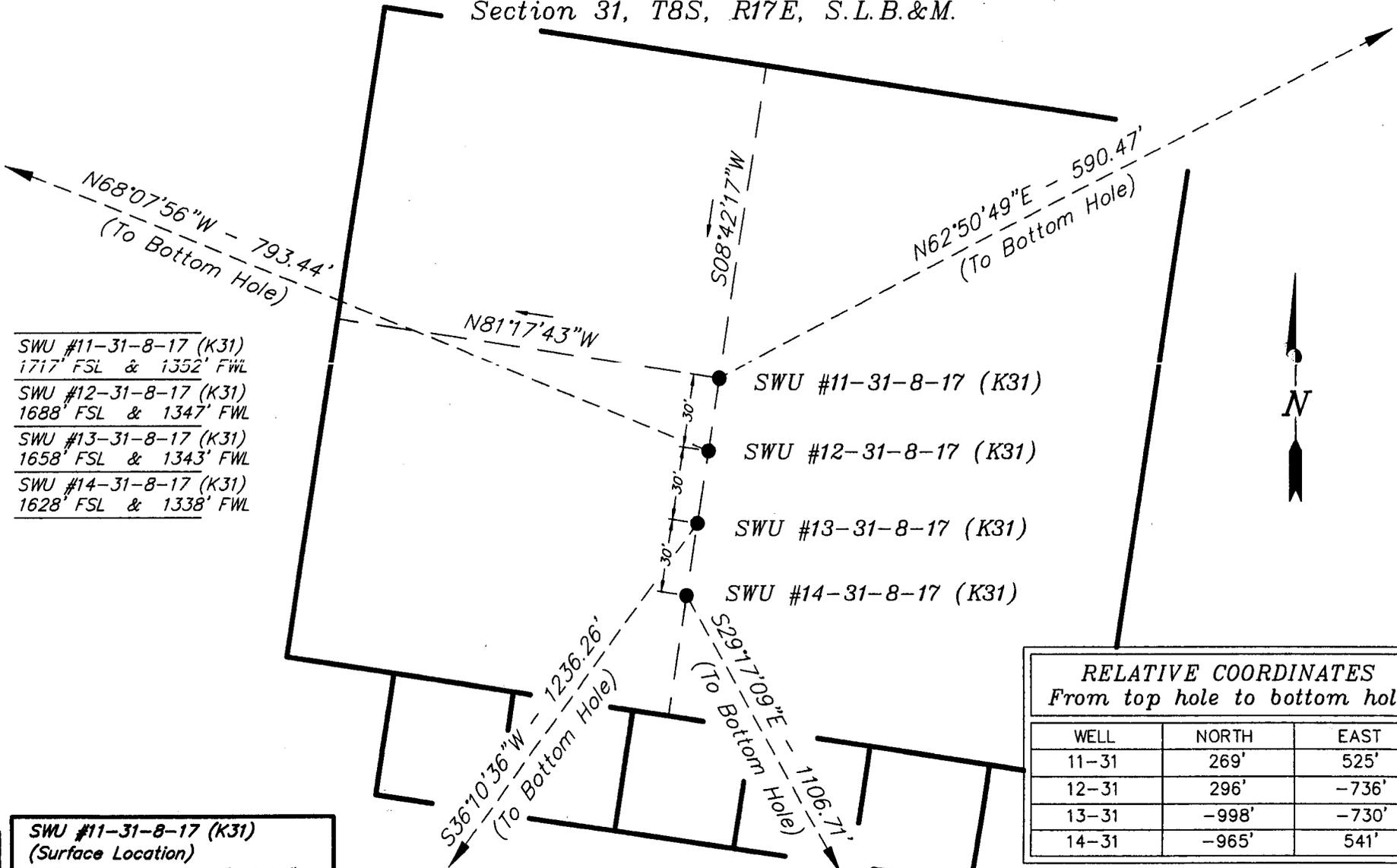
Tri State
 Land Surveying, Inc.
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

INLAND PRODUCTION COMPANY

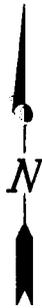
WELL PAD INTERFERENCE PLAT

DRILL PAD (K31-8-17)

Section 31, T8S, R17E, S.L.B.&M.



- SWU #11-31-8-17 (K31)
1717' FSL & 1352' FWL
- SWU #12-31-8-17 (K31)
1688' FSL & 1347' FWL
- SWU #13-31-8-17 (K31)
1658' FSL & 1343' FWL
- SWU #14-31-8-17 (K31)
1628' FSL & 1338' FWL



| RELATIVE COORDINATES From top hole to bottom hole | | |
|--|-------|-------|
| WELL | NORTH | EAST |
| 11-31 | 269' | 525' |
| 12-31 | 296' | -736' |
| 13-31 | -998' | -730' |
| 14-31 | -965' | 541' |

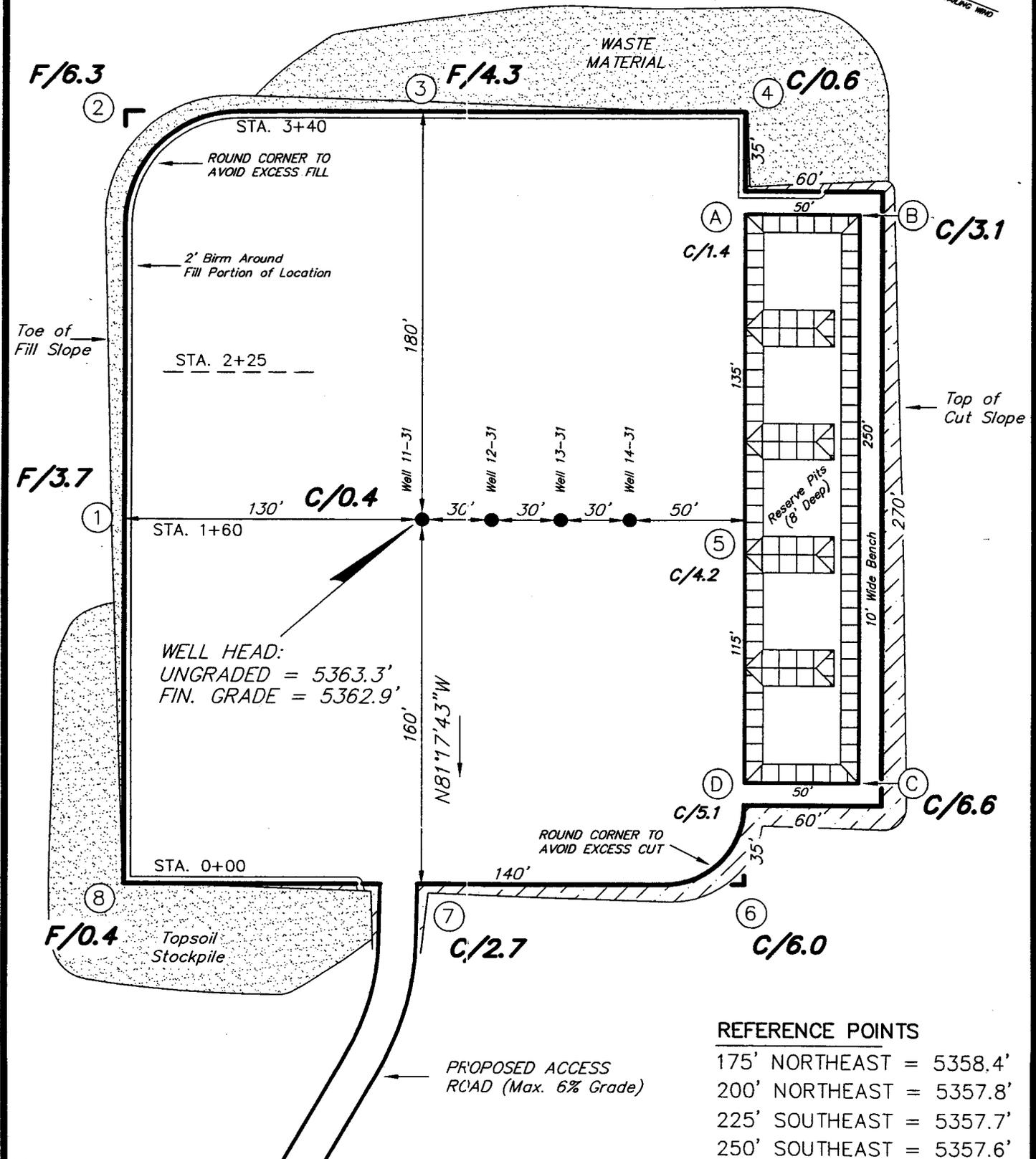
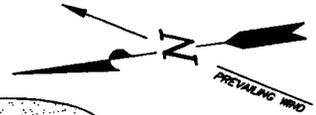
SWU #11-31-8-17 (K31)
(Surface Location)
LATITUDE = 40° 04' 18.50"
LONGITUDE = 110° 03' 12.67"

| | |
|-------------------|-----------------|
| SURVEYED BY: G.S. | SCALE: 1" = 60' |
| DRAWN BY: J.R.S. | DATE: 10-23-01 |

Tri State (435) 781-2501
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

INLAND PRODUCTION COMPANY

DRILL PAD (K31-8-17)
 SEC. 31, T8S, R17E, S.L.B.&M.



WELL HEAD:
 UNGRADED = 5363.3'
 FIN. GRADE = 5362.9'

| REFERENCE POINTS | |
|------------------|-----------|
| 175' NORTHEAST | = 5358.4' |
| 200' NORTHEAST | = 5357.8' |
| 225' SOUTHEAST | = 5357.7' |
| 250' SOUTHEAST | = 5357.6' |

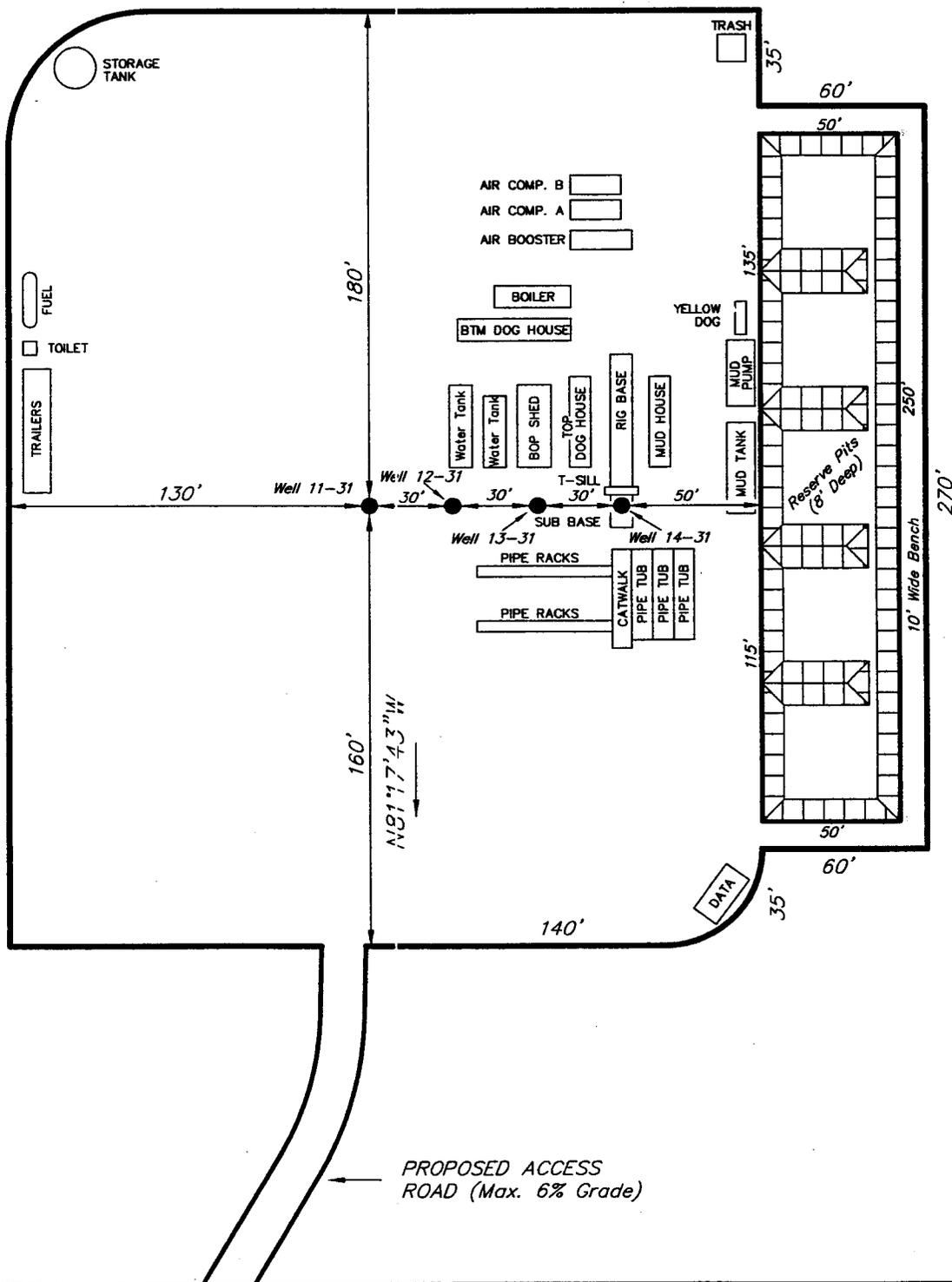
| | |
|-------------------|-----------------|
| SURVEYED BY: G.S. | SCALE: 1" = 60' |
| DRAWN BY: J.R.S. | DATE: 10-23-01 |

Tri State
 Land Surveying, Inc. (435) 781-2501
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

INLAND PRODUCTION COMPANY

TYPICAL RIG LAYOUT

DRILL PAD (K31-8-17)



SURVEYED BY: G.S.

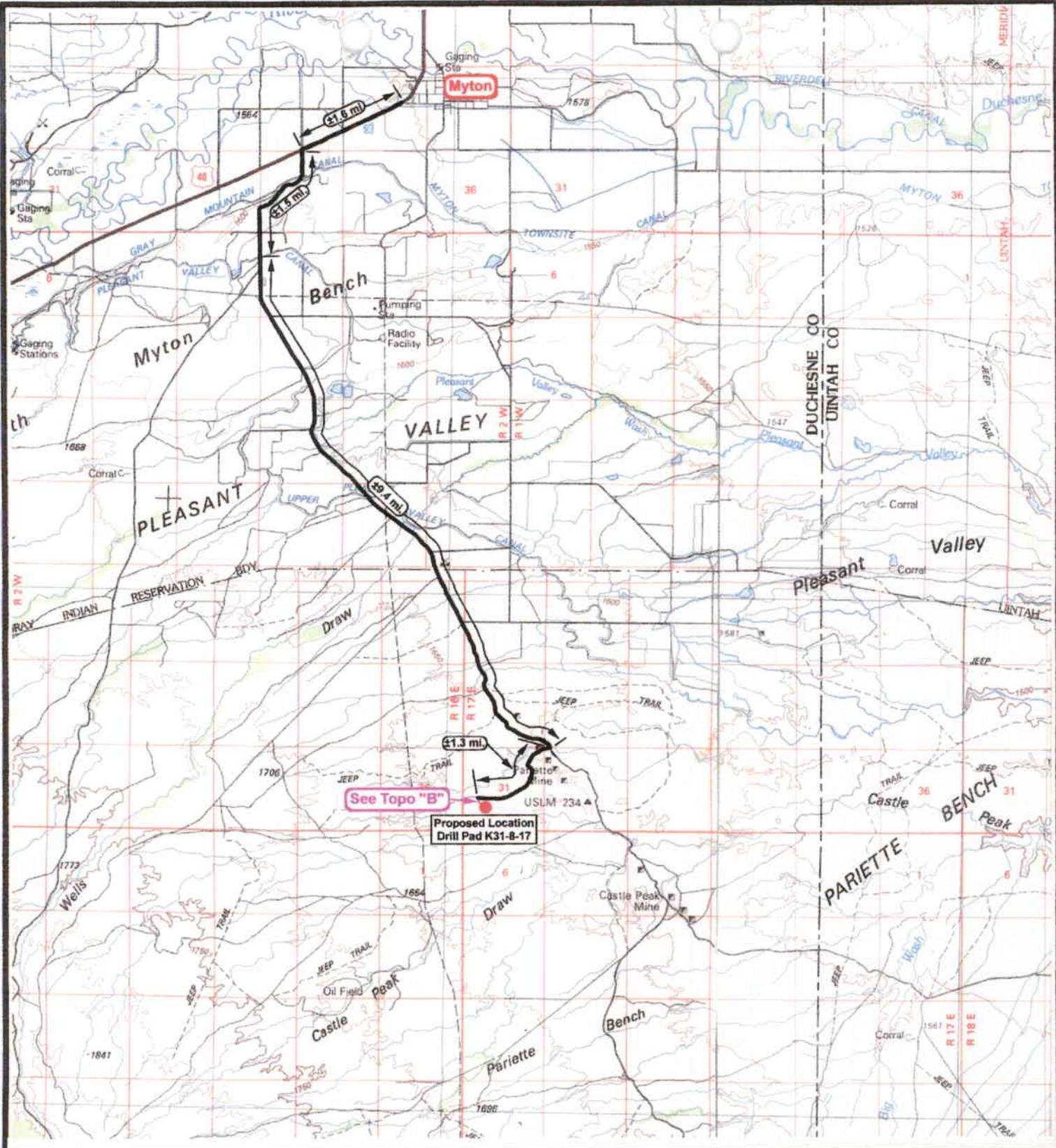
SCALE: 1" = 60'

DRAWN BY: J.R.S.

DATE: 10-23-01

(435) 781-2501

Tri State
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078



RESOURCES INC.

Drill Pad (K31-8-17)
SEC. 31, T8S, R17E, S.L.B.&M.



Tri-State
Land Surveying Inc.
 (435) 781-2501

38 West 100 North Vernal, Utah 84078

SCALE: 1" = 100,000'

DRAWN BY: D.J.

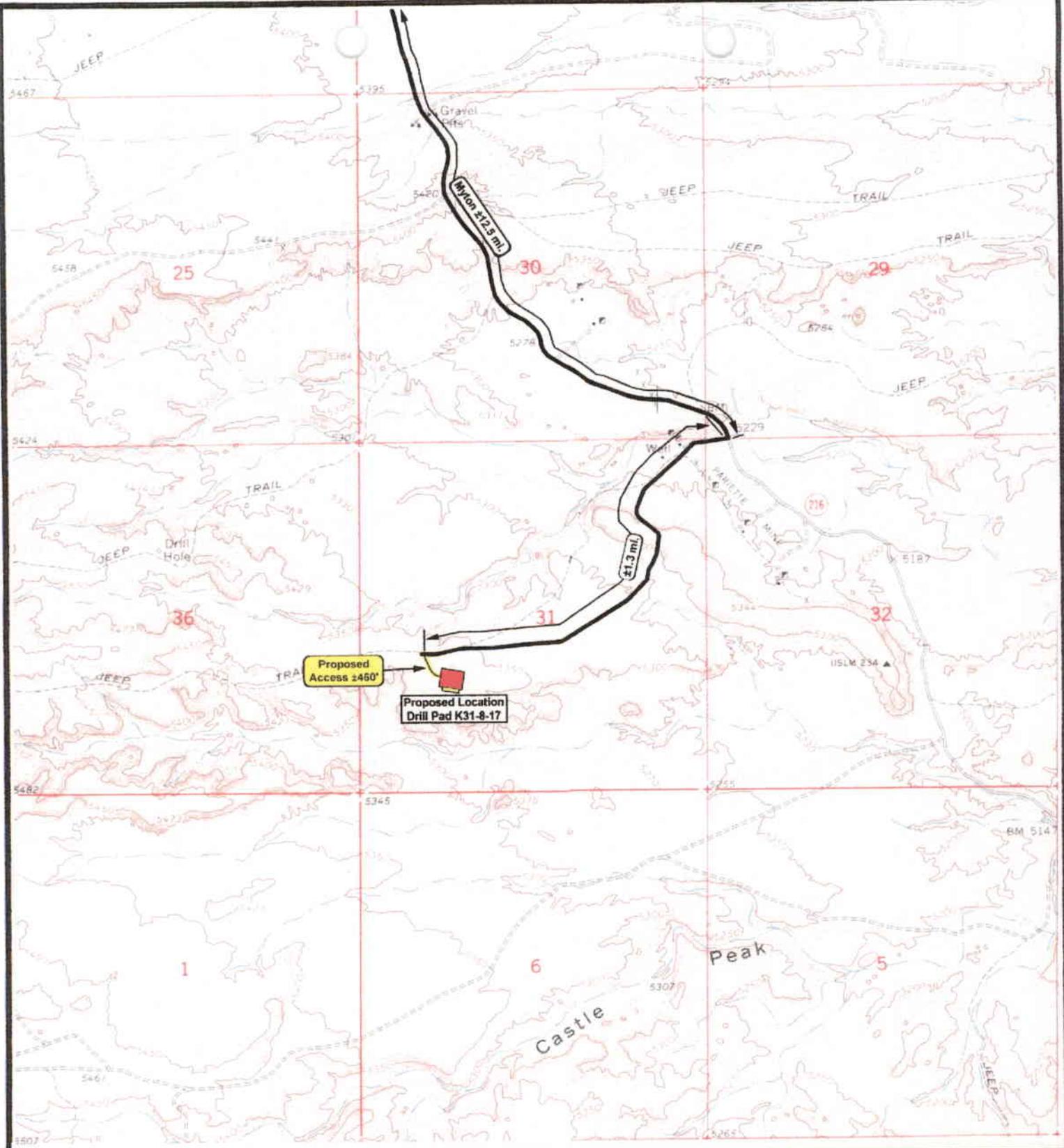
DATE: Rev. 11-08-2001

Legend

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP

"A"



Drill Pad K31-8-17
SEC. 31, T8S, R17E, S.L.B.&M.

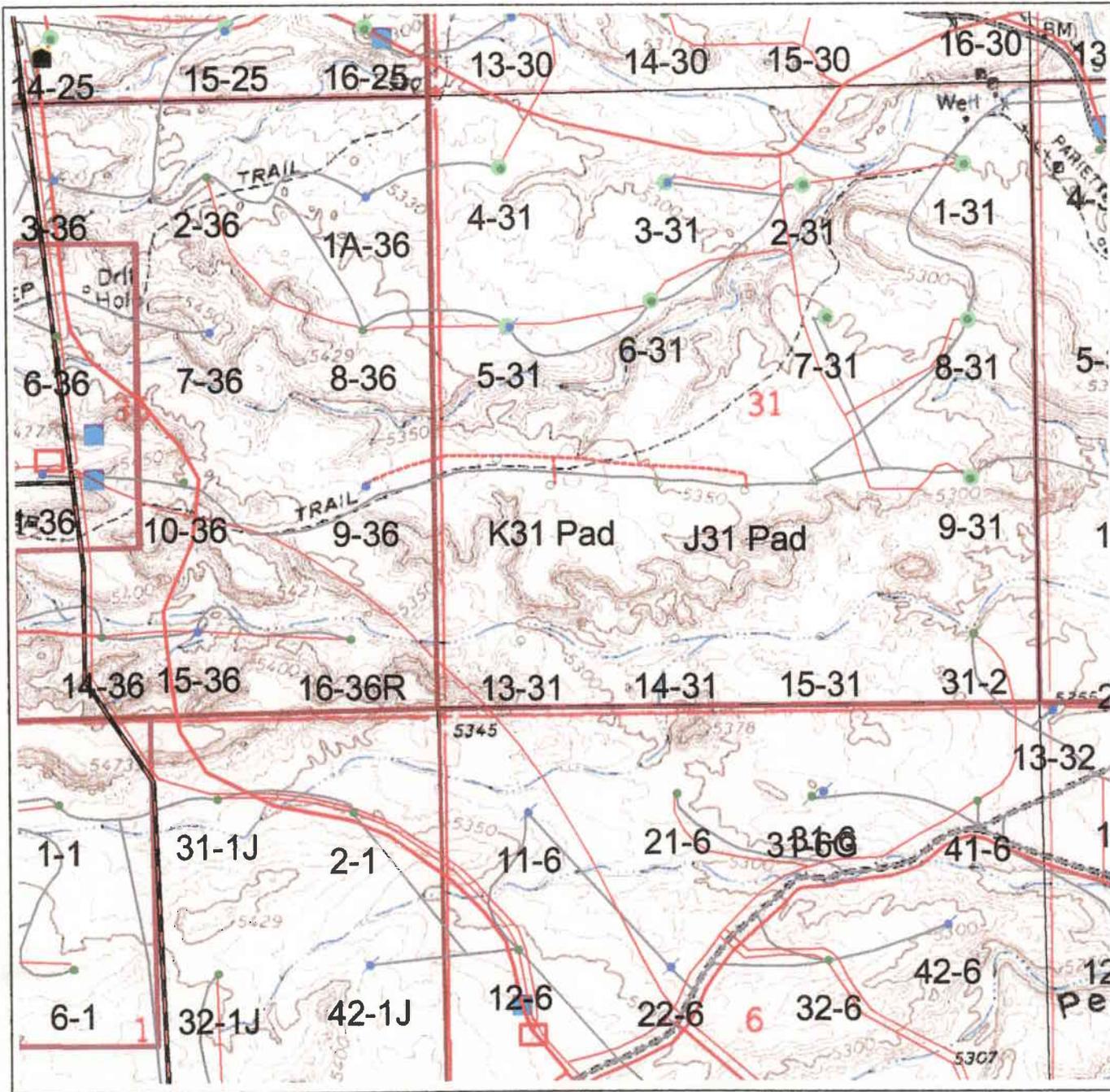


Tri-State
Land Surveying Inc.
 (435) 781-2501
 38 West 100 North Vernal, Utah 84078

SCALE: 1" = 2000'
 DRAWN BY: D.J.
 DATE: Rev. 11-08-2001

| Legend | |
|--------|-----------------|
| | Existing Road |
| | Proposed Access |

TOPOGRAPHIC MAP
"B"



- Pending Gasline ROW
- Approved Gasline ROW
- Compressor Stations
- Gas 10 Inch
- Gas 6 Inch and larger
- Proposed 6 Inch Gas
- Gas 4 Inch and Smaller
- Proposed Gas
- Gas Buried
- Petroglyph Gasline
- Questar Gasline
- Compressors - Other
- Fuel Gas Meters
- Proposed EA Water
- Water 3 inch - High Pressure
- Roads (Digitized)**
- Paved
- Dirt
- Proposed
- Two Track
- Private
- Unit Sections**
- Existing Units
- Proposed Units



430 1st Street Suite 200
Denver, Colorado 80202
Phone: (303) 555-0107

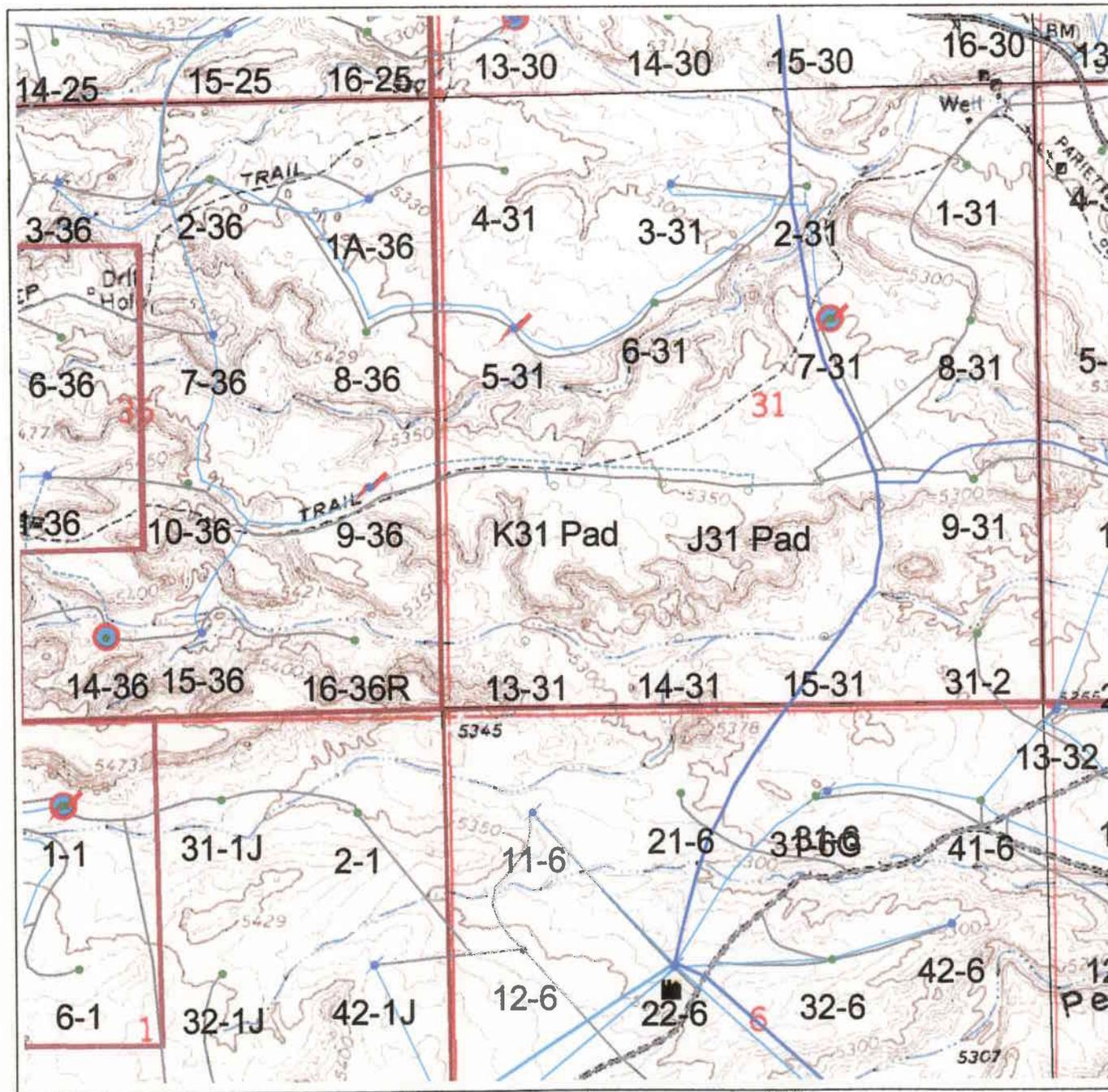
Gas Pipeline Map

UINTA BASIN, UTAH
Duchesne & Uintah Counties, Utah

D.C. Clark



November 12, 2001



- Water Taps
- 2001 Injection Conversion Program
- Pending Waterline ROW
- Approved Waterline ROW
- Approved Water Injection Permit
- Water Injection Permit Pending

- Proposed EA Water
- Water 6 Inch
- Water 4 Inch
- Water 4 Inch - High Pressure
- Water 4 Inch Poly
- Water 3 Inch - High Pressure
- Water 2 to 3 Inch
- Proposed Water Line
- Johnson Water Line
- Injection Stations
- Pump Stations
- Roads (Digitized)
- Paved
- Dirt
- Proposed
- Two Track
- Private
- Unit Sections
- Existing Units
- Proposed Units





410 1st Street, Suite 700
Denver, Colorado 80202
Phone: (303) 995-9102

Water Pipeline Map

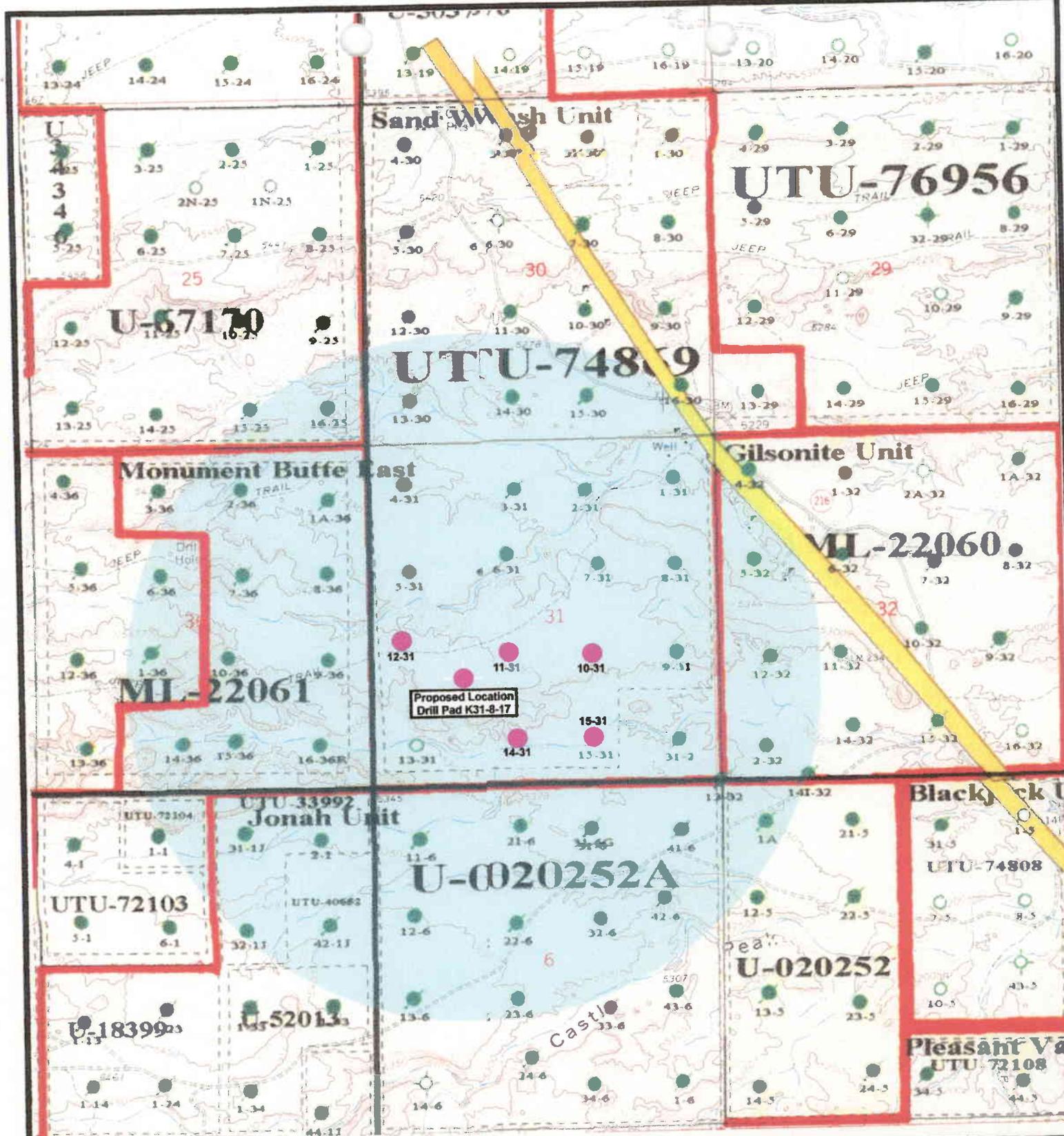
UINTA BASIN, UTAH

Duchesne & Uintah Counties, Utah

D.C. Ogilvie



November 12, 2001



Drill Pad K31-8-17
SEC. 31, T8S, R17E, S.L.B.&M.



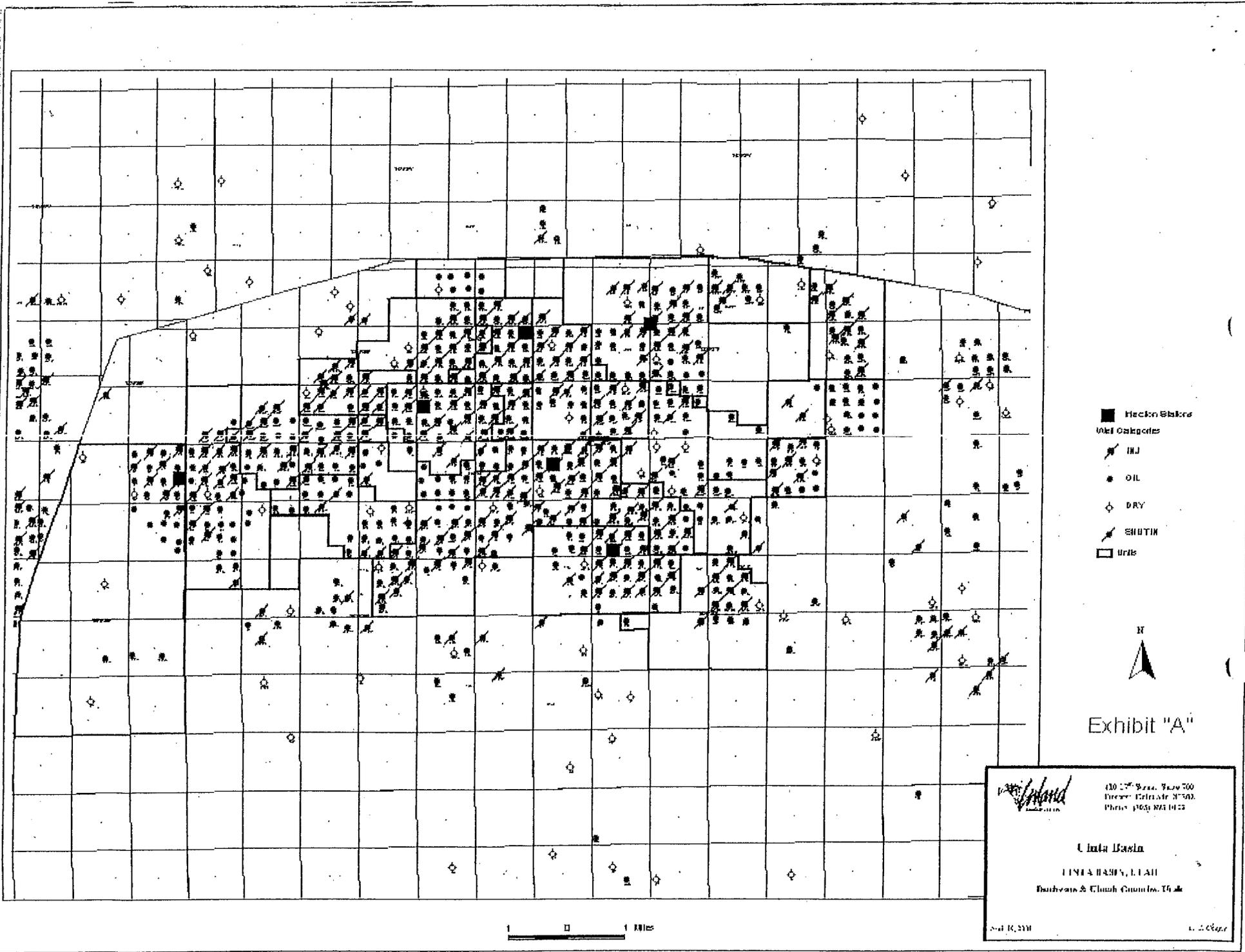
Tri-State
Land Surveying Inc.
 (435) 781-2501
 38 West 100 North Vernal, Utah 84078

SCALE: 1" = 2000'
 DRAWN BY: D.J.
 DATE: 10-23-2001

Legend

- Proposed Location
- One Mile Radius

Exhibit
"B"



- Hecho Bakre
- Well Categories
- ↘ INJ
- ★ OIL
- ◇ DRY
- ⊗ SHUTIN
- ▭ Urbs



Exhibit "A"

Woodward Clyde
 (301) 271-5222, 5222700
 Denver, Colorado 80202
 Phone (303) 891-1423

Ulna Basin
 Ulna Basin, Utah
 Database & Climb Counts, 10

0-10,000 1:10,000

RAM TYPE B.O.P.

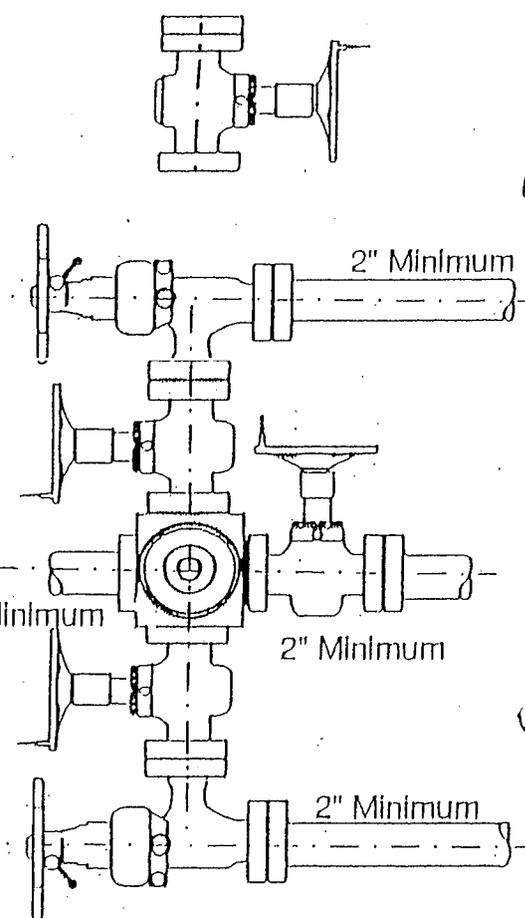
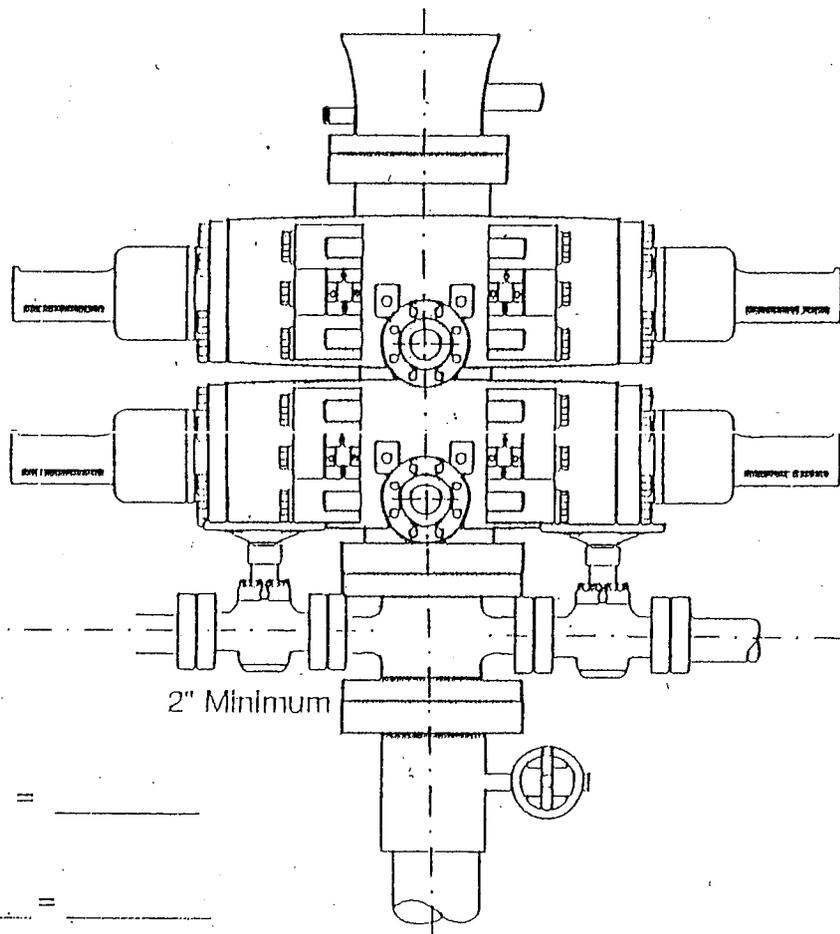
Make:

Size:

Model:

2-M SYSTEM

EXHIBIT "C"



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)

002

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/21/2001

API NO. ASSIGNED: 43-013-32324

WELL NAME: SAND WASH 13-31-8-17
OPERATOR: INLAND PRODUCTION (N5160)
CONTACT: MANDIE CROZIER

PHONE NUMBER: 435-646-3721

PROPOSED LOCATION:

NESW 31 080S 170E
SURFACE: 1658 FSL 1343 FWL
SWSW BOTTOM: 0662 FSL 0613 FWL
DUCHESNE
MONUMENT BUTTE (105)

| INSPECT LOCATN BY: / / | | |
|------------------------|----------|------|
| Tech Review | Initials | Date |
| Engineering | | |
| Geology | | |
| Surface | | |

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-74869
SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 4488944)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. MUNICIPAL)
- RDCC Review (Y/N)
(Date:)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

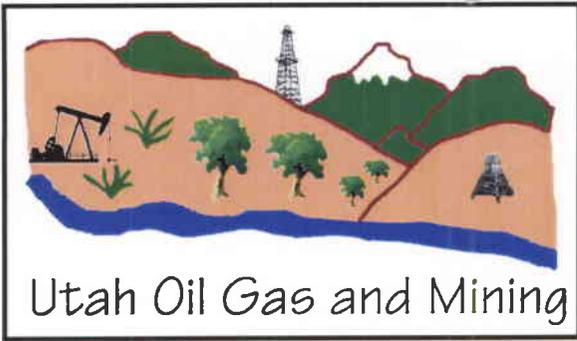
- R649-2-3. Unit SAND WASH
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 229-2
Eff Date: 11-4-97
Siting: X Suspends Gen. Siting
- R649-3-11. Directional Drill

COMMENTS:

mon. Butte Field SpL, separate file.
Need "Dir. Dril" info. (rec'd 12-24-01)

STIPULATIONS:

1-Fed. Approval



OPERATOR: INLAND PROD CO (N5160)
 SEC. 31, T8S, R17E
 FIELD: MONUMENT BUTTE (105)
 COUNTY: DUCHESNE UNIT: SAND WASH (GR)
 CAUSE: 229-2



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

November 30, 2001

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 1998 Plan of Development, Sand Wash Unit Duchesne County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 1998 within the Sand Wash Unit, Duchesne County, Utah.

| API # | WELL NAME | LOCATION |
|---------------------------|----------------------|---|
| (Proposed PZ Green River) | | |
| 43-013-32320 | Sand Wash 10-31-8-17 | Sec. 31, T8S, R17E 1990 FSL 1991 FEL |
| 43-013-32321 | Sand Wash 15-31-8-17 | Sec. 31, T8S, R17E 2019 FSL 1998 FEL BHL 0660 FSL 1980 FEL |
| 43-013-32322 | Sand Wash 11-31-8-17 | Sec. 31, T8S, R17E 1717 FSL 1352 FWL BHL 1986 FSL 1877 FWL |
| 43-013-32323 | Sand Wash 12-31-8-17 | Sec. 31, T8S, R17E 1688 FSL 1347 FWL BHL 1985 FSL 0611 FWL |
| 43-013-32324 | Sand Wash 13-31-8-17 | Sec. 31, T8S, R17E 1658 FSL 1343 FWL BHL 0662 FSL 0613 FWL |
| 43-013-32325 | Sand Wash 14-31-8-17 | Sec. 31, T8S, R17E 1628 FSL 1338 FWL BHL 0662 FSL 1879 FWL |

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Sand Wash Unit
Division of Oil Gas and Mining
Agr. Sec. Chron



RECEIVED

DEC 24 2001

DIVISION OF
OIL, GAS AND MINING

December 18, 2001

Utah Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: Application for Directional Drilling
Sand Wash Unit #13-31-8-17 (K31), Green River Formation
Township 8 South, Range 17 East, SLB&M
Section 31: Surface location – 1,343' fwl & 1,658' fsl
Bottom location – 613' fwl & 662' fsl
Duchesne County, UT

Gentlemen:

Please be advised that Inland Production Company is hereby making application to directionally drill the subject well and is submitting the attached plat, dated October 22, 2001, as Exhibit "A". All points within a radius of 460' along the intended well bore lie completely within the Sand Wash Unit. Inasmuch as all owners are committed to the Unit Agreement, effective December 1, 1997, and Inland Production is the designated Operator, we request approval by the Division without notice and hearing as provided in R649-3-11.

Please advise if you require any further information or if you have any questions. Thank you for your assistance.

Sincerely,

INLAND PRODUCTION COMPANY

Glenda C. Thompson
Administrative Landman

CC: Jon Holst
Joyce McGough
Brad Meham

003



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)

January 3, 200~~1~~²

Inland Production Company
Route 3 Box 3630
Myton, UT 84052

Re: Sand Wash 13-31-8-17 Well, Surface Location 1658' FSL, 1343' FWL, NE Sw, Sec. 31,
T. 8 South, R. 17 East, Bottom Location 662' FSL, 613' FWL, SW SW, Sec. 31,
T. 8 South, R. 17 East, 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 43-013-32324.

Sincerely,

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

John R. Baza
Associate Director

er

Enclosures

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

Operator: Inland Production Company
Well Name & Number Sand Wash 13-31-8-17
API Number: 43-013-32324
Lease: UTU-74869

Surface Location: NE Sw **Sec.** 31 **T.** 8 South **R.** 17 East
Bottom Location: SW SW **Sec.** 31 **T.** 8 South **R.** 17 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.



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 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

December 30, 2002

Mandy Crozier
Inland Production Company
Route 3 Box 3630
Myton, UT 84052

Re: APD Rescinded – Sand Wash 13-31-8-17, Sec.31, T.8S, R.17E – Duchesne County, Utah API No. 43-013-32324

Dear Ms. Crozier:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining on January 3, 2002. On December 30, 2002, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective December 30, 2002.

A new APD 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 immediately.

Sincerely,

Diana Mason
Engineering Technician

cc: Well File
Gil Hunt, Technical Services Manager
Bureau of Land Management, Vernal