

UTAH OIL AND GAS CONSERVATION COMMISSION

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

980513 LA'D JFB 4.20.98:

DATE FILED FEBRUARY 5, 1996

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. U-19267 INDIAN

DRILLING APPROVED: MARCH 4, 1996

SPUDDED IN:

COMPLETED: 4.20.98 LA'D PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: April 20, 1998 LA'D

FIELD: EIGHT MILE FLAT NORTH

UNIT:

COUNTY: UINTAH

WELL NO. O.K. CORRAL 4-28 API NO. 43-047-32736

LOCATION 650 FNL FT. FROM (N) (S) LINE, 658 FWL FT. FROM (E) (W) LINE. NW NW 1/4 - 1/4 SEC. 28

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				9S	18E	28	INLAND PRODUCTION

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Inland Production Company

3. ADDRESS OF OPERATOR
 P.O. Box 1446 Roosevelt, UT 84066

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
 NW/NW 650.2' FNL & 658.2' FWL
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 18.5 miles southeast of Myton, UT

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 650.2'

16. NO. OF ACRES IN LEASE 1278.84

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. 6598'

19. PROPOSED DEPTH 6500' WSTC

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5122.4' GR

22. APPROX. DATE WORK WILL START*
 First Quarter 1996

5. LEASE DESIGNATION AND SERIAL NO.
 U-19267

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 O.K. Corral #4-28

9. WELL NO.

10. FIELD AND POOL, OR WILDCAT

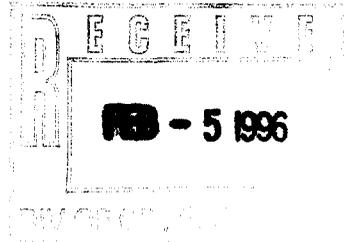
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 28, T9S, R18E

12. COUNTY OR PARISH 13. STATE
 Uintah UT

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24#	300'	120 sx Class G+2% CaCl+2% Gel
7 7/8	5 1/2	15.5#	TD	400 sx Hilift followed by 330 sx Class G w/ 10% CaCl

The actual cement volumes will be calculated off of the open hole logs, plus 15% excess.



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 Brad Mechem *Brad Mechem* TITLE Operations Manager DATE 1/29/96

(This space for Federal or State office use)

PERMIT NO. 43-047-32736 APPROVAL DATE _____

APPROVED BY [Signature] TITLE Petroleum Engineer DATE 2/4/96

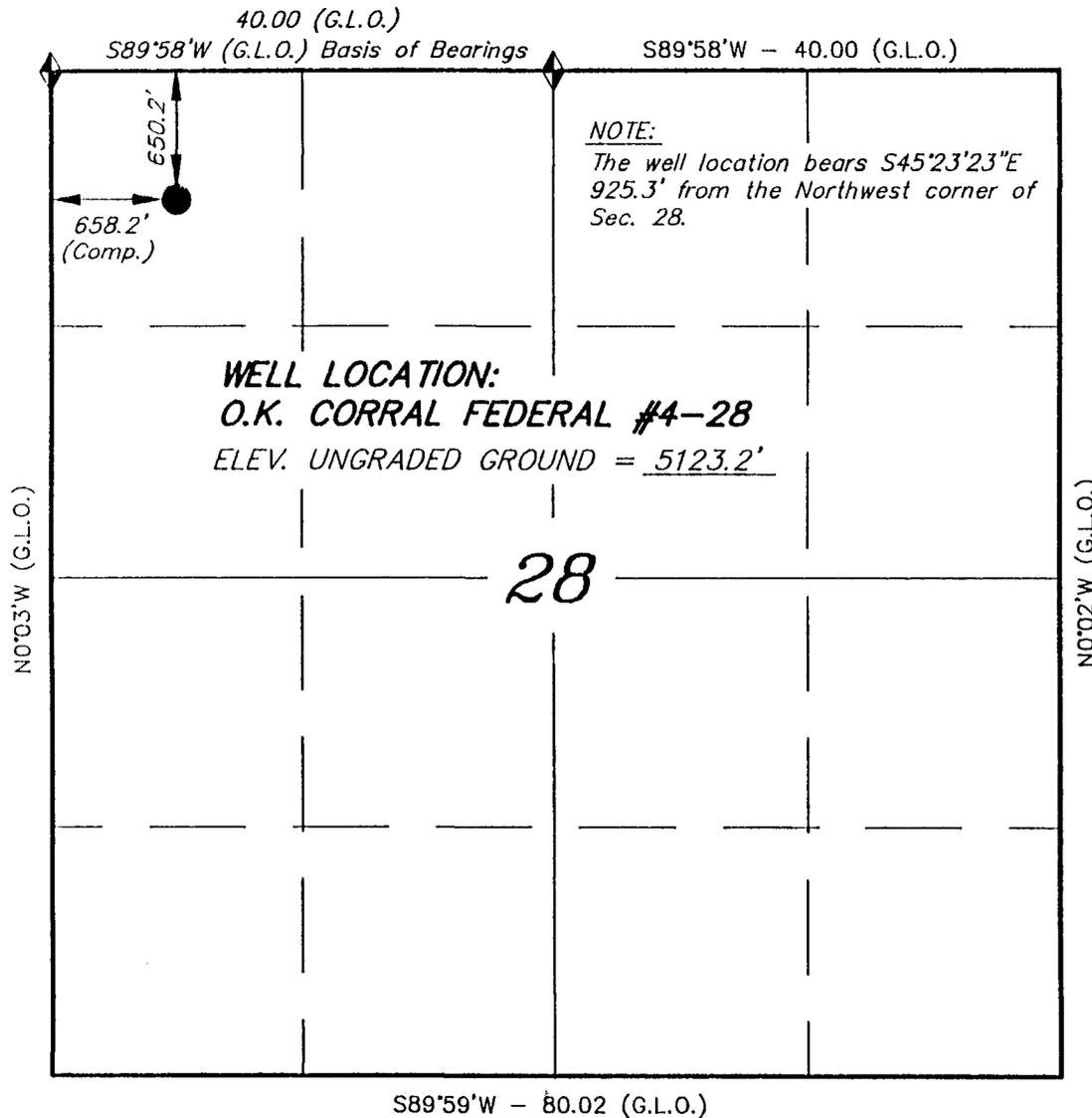
CONDITIONS OF APPROVAL, IF ANY: _____

*See Instructions On Reverse Side

T9S, R18E, S.L.B.&M.

INLAND PRODUCTION COMPANY

WELL LOCATION, O.K. CORRAL FEDERAL #4-28, LOCATED AS SHOWN IN THE NW 1/4 NW 1/4 OF SECTION 28, T9S, R18E, S.L.B.&M. UINTAH COUNTY, UTAH.



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.

Shirley J. Stinson
REGISTERED LAND SURVEYOR
REGISTRATION No. 189377
STATE OF UTAH

TRI STATE LAND SURVEYING & CONSULTING

38 WEST 100 NORTH - VERNAL, UTAH 84078
(801) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: S.S.
DATE: 1-19-96	WEATHER: COLD
NOTES:	FILE #

◆ = SECTION CORNERS LOCATED

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

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

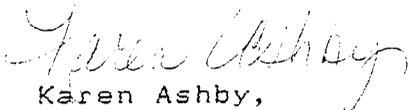
January 18, 1996

TO WHOM IT MAY CONCERN:

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

Johnson Water District has given permission to Inland Production Company to use water from our system for the purpose of drilling and completing the O.K. Corral 4-28.

Sincerely,


Karen Ashby,
Secretary

**O.K. CORRAL #4-28
NW/NW SEC. 28, T9S, R17E
DUCHESNE COUNTY, UTAH**

HAZARDOUS MATERIAL DECLARATION

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

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

**INLAND PRODUCTION COMPANY
O.K. CORRAL FEDERAL #4-28
NW/NW SECTION 28, T9S, R18E
UINTAH COUNTY, UTAH**

TEN POINT WELL PROGRAM

1. GEOLOGIC SURFACE FORMATION:

Uinta formation of Upper Eocene Age

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

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

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

Green River Formation 4000' - 6400' - Oil

4. PROPOSED CASING PROGRAM

8 5/8", J-55, 24# w/ ST&C collars; set at 300' (New)
5 1/2", J-55, 15.5# w/ LT&C collars; set at TD (New)

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

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

A 8" Series 900 Hydril Bag type BOP and a 8" Double Ram Hydraulic unit with a closing unit will be utilized. Function test of BOPS's will be conducted daily.

(See Exhibit F)

6. TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:

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

7. AUXILIARY SAFETY EQUIPMENT TO BE USED:

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

8. **TESTING, LOGGING AND CORING PROGRAMS:**

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

9. **ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:**

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

10. **ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:**

It is anticipated that the drilling operations will commence the first quarter of 1996 and take approximately eight (8) days to drill.

**INLAND PRODUCTION COMPANY
O.K. CORRAL FEDERAL #4-28
NW/NW SECTION 28, T9S, R18
UINTAH COUNTY, UTAH**

THIRTEEN POINT WELL PROGRAM

1. EXISTING ROADS

See attached Topographic Map "A"

To reach Inland Production Company well location site O.K. Corral Federal #4-28 located in the NW1/4 NW 1/4 Section 28, T9S, R18E, S.L.B. & M. Uintah County, Utah:

Proceed westerly out of Myton, Utah along Highway 40 - 1.5 miles to the junction of this highway and Utah State Highway 53 : proceed southerly along Utah State Highway 53 - 11.5 miles to its junction with an existing dirt road to the southeast; proceed southeasterly along this road 3.6 miles to its junction with an existing dirt road to the east, proceed easterly along this road 1.8 miles to its intersection with an existing dirt road to the south. Proceed southerly along this road 2.5 miles to its intersection with an existing dirt road to the east; proceed easterly .2 miles to the proposed location.

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

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

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

2. PLANNED ACCESS ROAD

See Topographic Map "B".

There will not be an access road. There will be upgrading to existing roads; discussed in Item #1.

There will no culverts required along this access road. There will no water turnouts constructed along this road.

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

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

3. LOCATION OF EXISTING WELLS

There are two (2) producing Dalen Resources Oil wells and one (1) producing, and one (1) P&A Equitable Resources Oil wells, within a one (1) mile radius of the proposed location. See exhibit "D"

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

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

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

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

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

All permanent (on site for six (6) months or longer) structures constructed or installed (including pumping units) will be painted Desert Tan. All facilities will be painted within six months of installation.

5. LOCATION AND TYPE OF WATER SUPPLY

At the present time, it is anticipated that the water for this well will be transported by truck from our pre-approved Inland Production Company fresh water supply line located at the Gilsonite State #7-32 (SW/NE Sec. 32, T8S, R17E) location as indicated on Topographic Map -Exhibit "C".

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

There will be no water well drilled at this site.

6. SOURCE OF CONSTRUCTION MATERIALS

See Location Layout Sheet - Exhibit "E".

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

A mineral material application is not required for this location.

7. **METHODS FOR HANDLING WASTE DISPOSAL**

See Location Layout Sheet - Exhibit "E".

If the reserve pit is lined, it will be constructed and lined with a plastic nylon reinforced liner so as not to leak, break, or allow discharge. It will be a minimum of 12 mil thickness with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed on in the pit.

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

A portable toilet will be provided for human waste.

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

8. **ANCILLARY FACILITIES**

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

9. **WELL SITE LAYOUT**

See attached Location Layout Sheet - Exhibit "E".

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

There will be no flare pit on this location.

The stockpiled topsoil (first six (6) inches) will be stored on the northwest corner, near stake #3.

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

Fencing Requirements

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

- a) 39 inch net wire shall be used with at least one strand of barbed wire on top of the net.
- b) The net wire shall be not more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least forty-two (42) inches.
- c) Corner posts shall be cemented and/or braced in such a manner to keep tight at all times.
- d) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than sixteen (16) feet.
- e) All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

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

10. PLANS FOR RESTORATION OF SURFACE

- a) *Producing Location*

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

The plastic nylon reinforced liner will be torn and perforated before back filling of the reserve pit.

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

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

b) *Dry Hole Abandoned Location*

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

11. *SURFACE OWNERSHIP* - B.L.M.

12. *OTHER ADDITIONAL INFORMATION*

- a) **Inland Production Company is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, Inland is to immediately stop work that might further disturb such materials, and contact the Authorized Officer.**
- b) **Inland Production will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. On B.L.M. administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other possible hazardous chemicals.**

There are no dwellings or facilities in the general area. There are no visible archaeological, historical or cultural sites within any reasonable proximity of the proposed location site. The Archaeological Cultural Resource Survey will be submitted as soon as it becomes available.

Additional Surface Stipulations

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

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

Inland Production Company or a contractor employed by Inland Production shall contact the B.L.M. office at (801) 789-1362, 48 hours prior to construction activities.

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

13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Representative

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

Certification

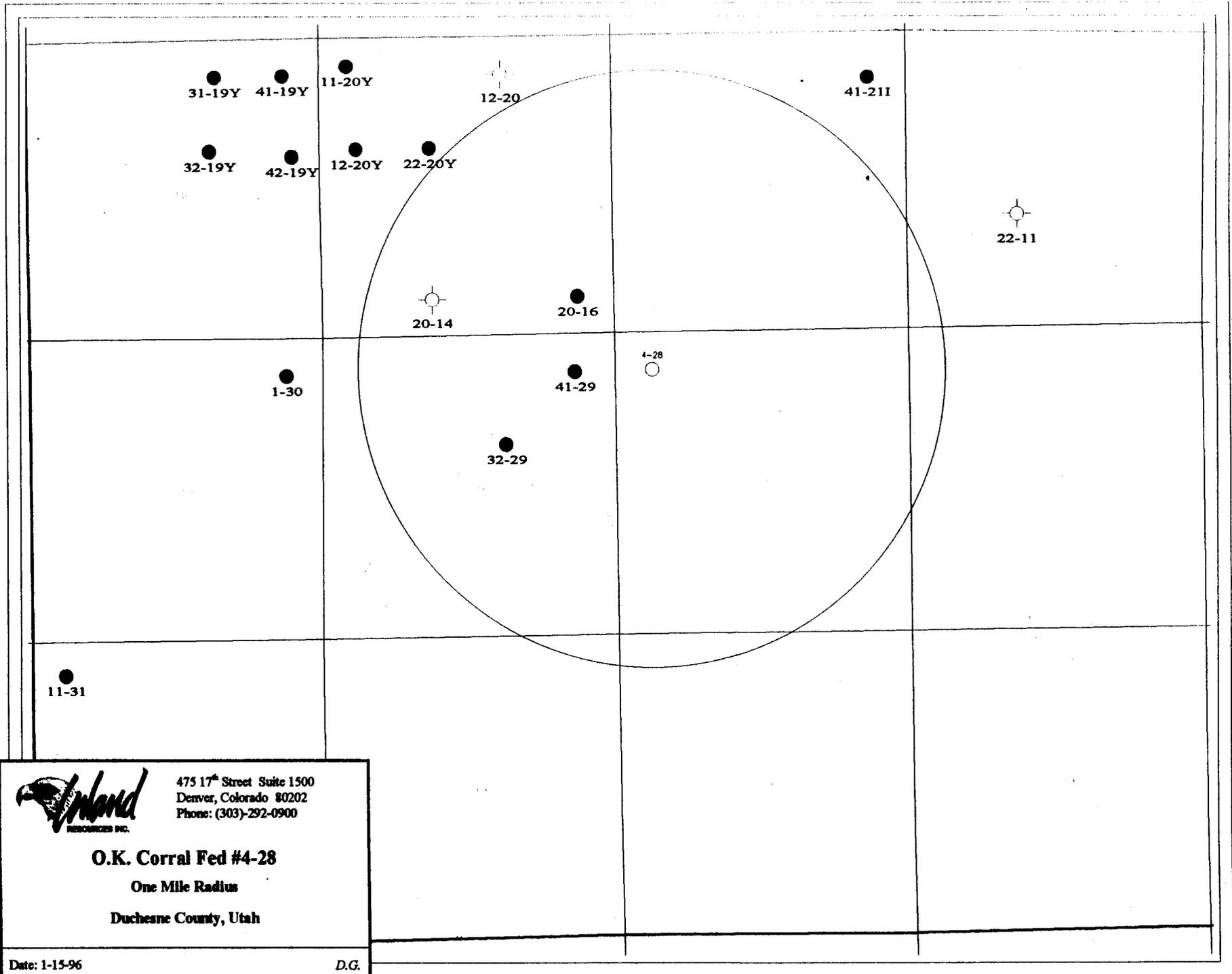
Please be advised that INLAND PRODUCTION COMPANY is considered to be the operator of Well #4-28 NW/NW Section 28, Township 9S, Range 18E: Lease #U-19267; Uintah County, Utah: and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4488944.

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Inland Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

2-1-96
Date

Brad Mecham
Brad Mecham
Operations Manager

EXHIBIT "D"



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

O.K. Corral Fed #4-28

One Mile Radius

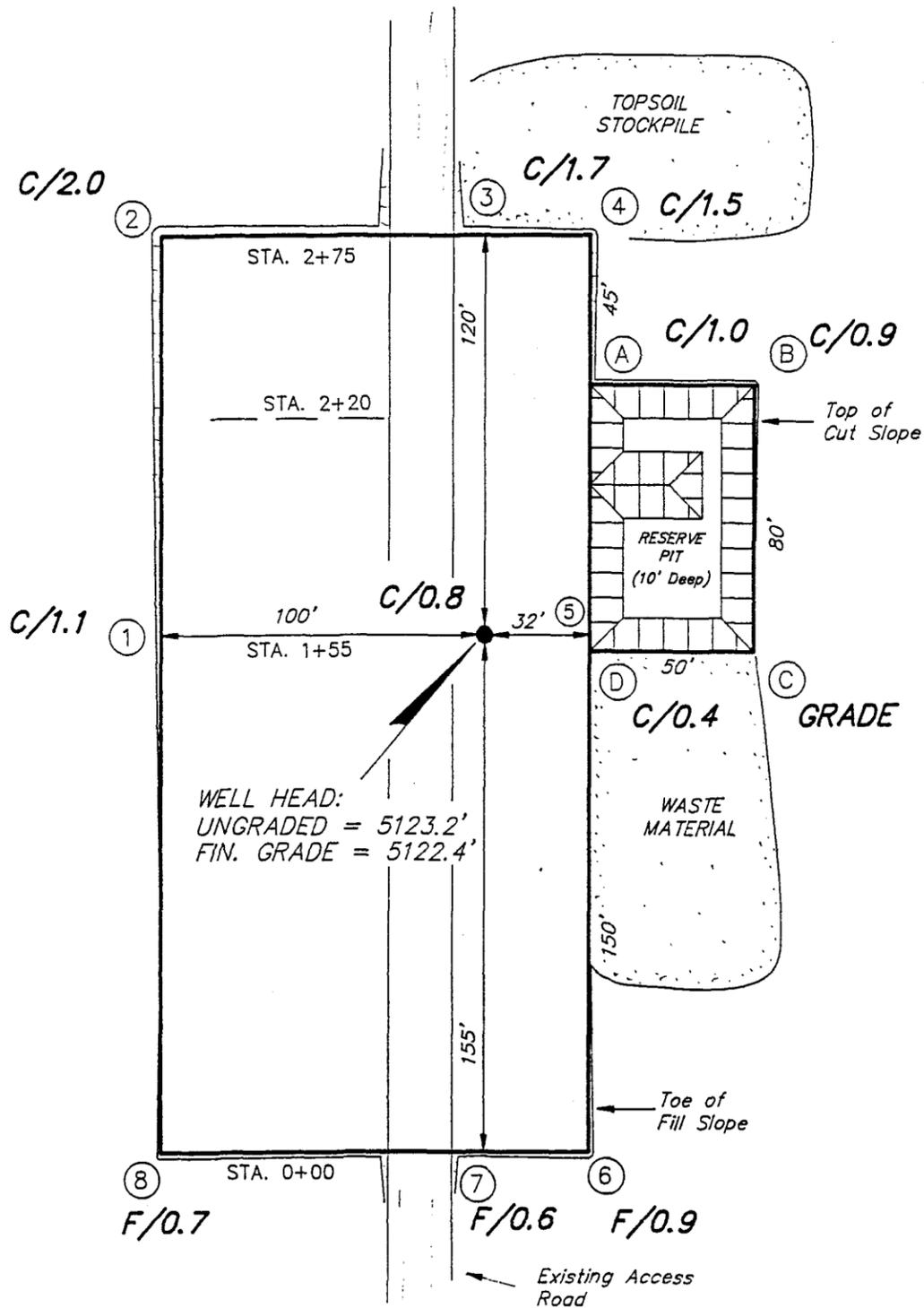
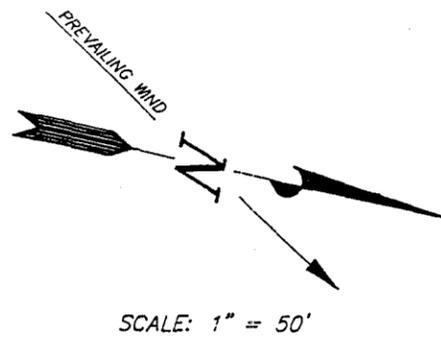
Duchesne County, Utah

Date: 1-15-96

D.G.

INLAND PRODUCTION COMPANY

O.K. CORRAL FEDERAL #4-28
 SEC. 28, T9S, R18E, S.L.B.&M.

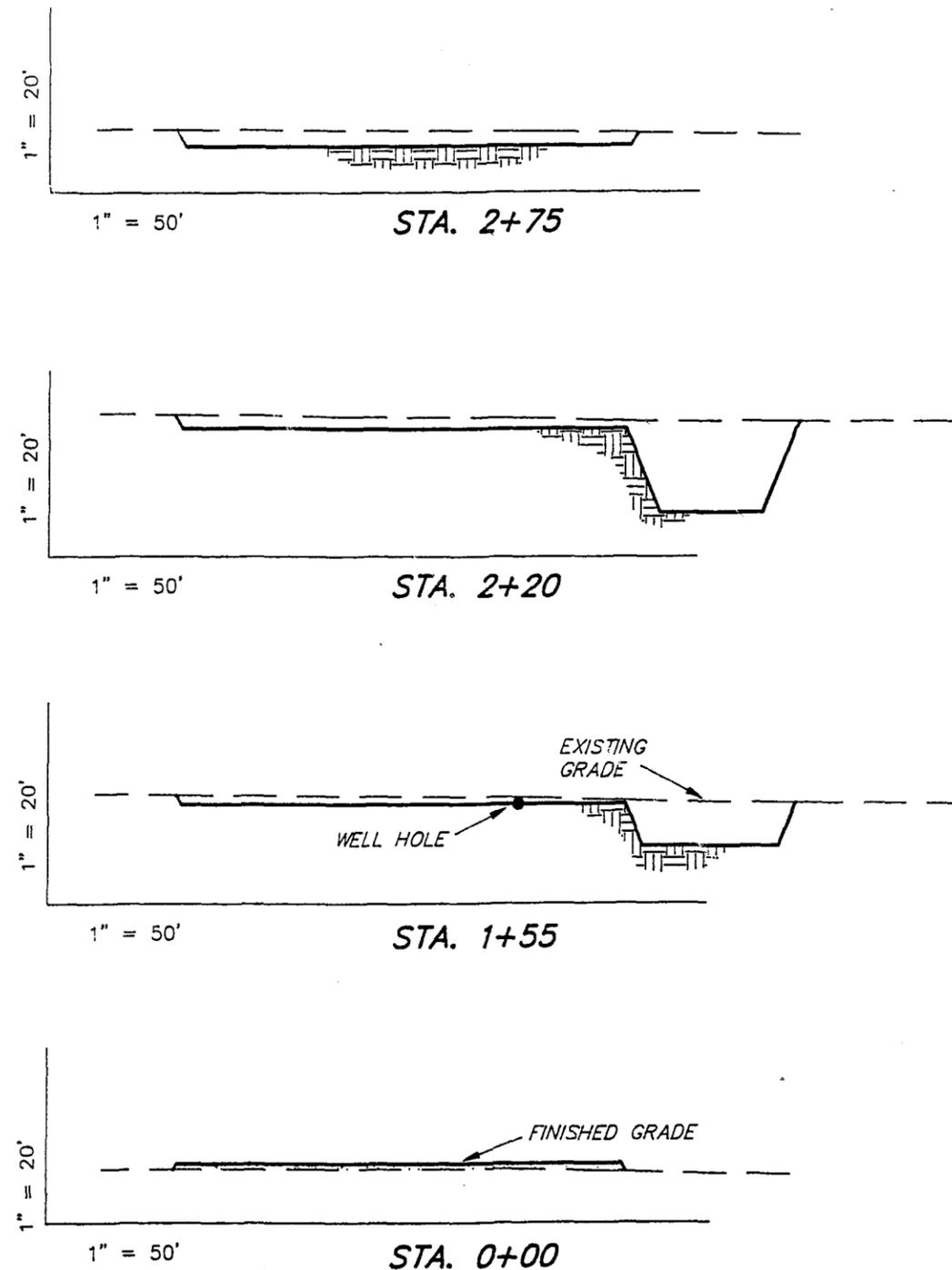


REFERENCE POINTS

- 150' SOUTH = 5123.8'
- 200' SOUTH = 5123.6'
- 170' WEST = 5124.7'
- 220' WEST = 5125.2'

APPROXIMATE YARDAGES

- CUT = 400 Cu. Yds.
- FILL = 390 Cu. Yds.
- PIT = 1,060 Cu. Yds.
- 6" TOPSOIL = 750 Cu. Yds.



SURVEYED BY: S.S.
DRAWN BY: J.R.S.
DATE: 1-19-96
SCALE: 1" = 50'
FILE:

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

2-M SYSTEM

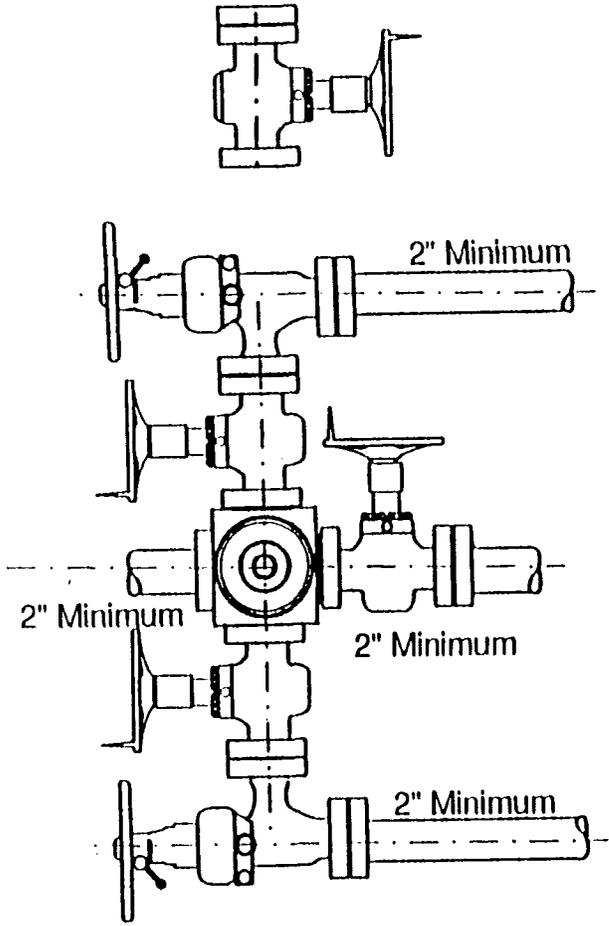
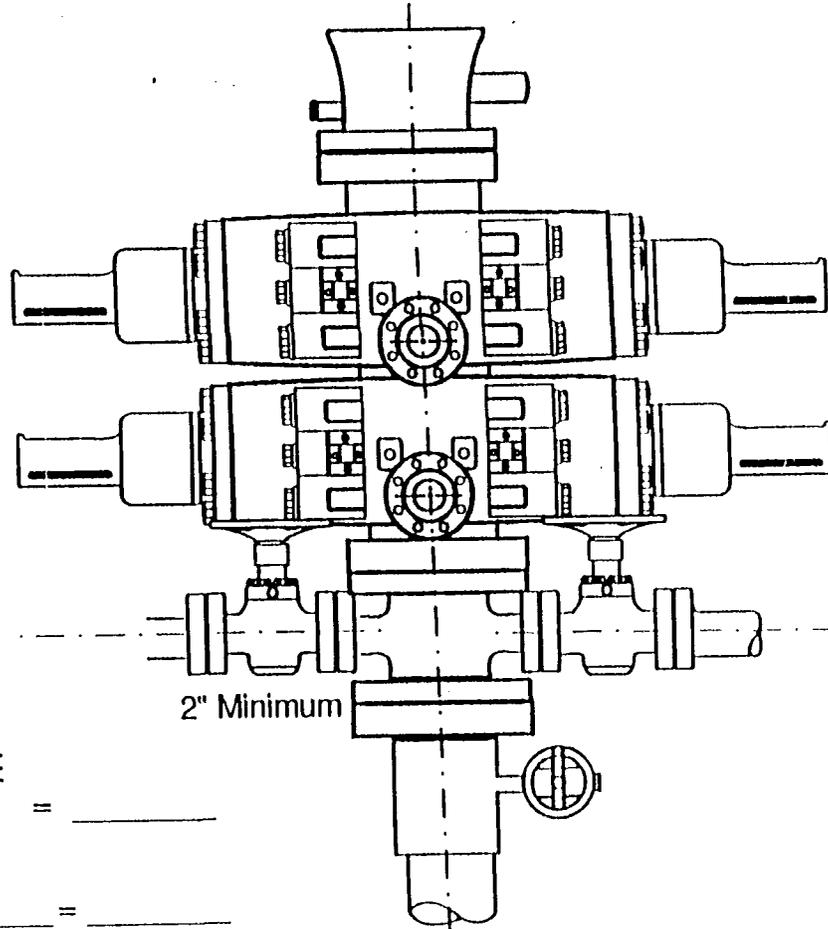
EXHIBIT F

RAM TYPE B.O.P.

Make:

Size:

Model:



AL 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)

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/05/96

API NO. ASSIGNED: 43-047-32736

WELL NAME: O K CORRAL 4-28
 OPERATOR: INLAND PRODUCTION COMPANY (N5160)

PROPOSED LOCATION:
 NWNW 28 - T09S - R18E
 SURFACE: 0650-FNL-0658-FWL
 BOTTOM: 0650-FNL-0658-FWL
 Uintah County
 EIGHT MILE FLAT NORTH FIELD (590)

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

LEASE TYPE: FED
 LEASE NUMBER: U-19267

PROPOSED PRODUCING FORMATION: WSTC *GRRV*

RECEIVED AND/OR REVIEWED:

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

LOCATION AND SITING:

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

COMMENTS: _____

STIPULATIONS: _____

STATE OF UTAH, DIV OF OIL, GAS & MINERALS

Operator: INLAND PRODUCTION CO	Well Name: OK CORRAL 4-28
Project ID: 43-047-32736	Location: SEC. 28 - T09S - R18E

Design Parameters:

Mud weight (10.00 ppg) : 0.519 psi/ft
 Shut in surface pressure : 2853 psi
 Internal gradient (burst) : 0.081 psi/ft
 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using air weight
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125
 Burst : 1.00
 8 Round : 1.80 (J)
 Buttress : 1.60 (J)
 Other : 1.50 (J)
 Body Yield : 1.50 (B)

Length (feet)	Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost		
1	6,500	5.500	15.50	J-55	ST&C	6,500	4.825		
	Collapse Load	Strgth (psi)	S.F.	Burst Load	Min Int Strgth	Yield S.F.	Tension Load	Strgth (kips)	S.F.
1	3377	4040	1.196	3377	4810	1.42	100.75	202	2.00 J

Prepared by : MATTHEWS, Salt Lake City, Utah
 Date : 03-01-1996
 Remarks :

Minimum segment length for the 6,500 foot well is 1,500 feet.
 SICP is based on the ideal gas law, a gas gravity of 0.75, and a mean gas temperature of 119°F (Surface 74°F , BHT 165°F & temp. gradient 1.400°/100 ft.)
 String type: Production
 The mud gradient and bottom hole pressures (for burst) are 0.519 psi/ft and 3,377 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - collapse (with evacuated casing), 1.0 - (uniaxial) burst, 1.8 - API 8rd tension, 1.6 - buttress tension, 1.5 - body yield tension, and 1.6 - EUE 8rd tension. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.
 Costs for this design are based on a 1987 pricing model. (Version 1.07)



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

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

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

March 4, 1996

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

Re: O.K. Corral #4-28 Well, 650' FNL, 658' FWL, NW NW, Sec. 28, T. 9 S., R. 18 E.,
Uintah 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 43-047-32736.

Sincerely,

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

R. J. Firth
Associate Director

lwp
Enclosures
cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office
WAPD



Operator: Inland Production Company
Well Name & Number: O.K. Corral #4-28
API Number: 43-047-32736
Lease: U-19267
Location: NW NW Sec. 28 T. 9 S. R. 18 E.

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5340.

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

3. Reporting Requirements

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

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

SUBMIT IN TRIPlicate*
(Other instructions on reverse side)

MAR 12 1996

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Inland Production Company

3. ADDRESS OF OPERATOR
 P.O. Box 1446 Roosevelt, UT 84066

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 NW/NW 650.2' FNL & 658.2' FWL
 At proposed prod. zone
 43-047-32736

5. LEASE DESIGNATION AND SERIAL NO.
 U-19267

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 O.K. Corral #4-28

9. WELL NO.

10. FIELD AND POOL, OR WILDCAT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 28, T9S, R18E

12. COUNTY OR PARISH 13. STATE
 Uintah UT

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 18.5 miles southeast of Myton, UT

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 650.2'

16. NO. OF ACRES IN LEASE 1278.84

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. 6598'

19. PROPOSED DEPTH 6500'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5122.4' GR

22. APPROX. DATE WORK WILL START*
 First Quarter 1996

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24#	300'	120 sx Class G+2% CaCl+2% Gel
7 7/8	5 1/2	15.5#	TD	400 sx Hilift followed by 330 sx Class G w/ 10% CaCl

The actual cement volumes will be calculated off of the open hole logs, plus 15% excess.

RECEIVED
FEB 05 1996

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 Brad Mechem *Brad Mechem* TITLE Operations Manager DATE 1/29/96

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY Jerry Kenehan *Jerry Kenehan* TITLE Acting ASSISTANT DISTRICT MANAGER MINERALS DATE MAR 6 1996

NOTICE OF APPROVAL CONDITIONS OF APPROVAL ATTACHED

*See Instructions On Reverse Side

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

U+080-6m-061

D:U 06/24

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Inland Production Company

Well Name & Number: O.K. Corral Federal 4-28

API Number: 43-047-32736

Lease Number: U - 19267

Location: NWNW Sec. 28 T. 9S R. 18E

NOTIFICATION REQUIREMENTS

- | | | |
|---------------------------------|---|---|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig. |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

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

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 2M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

The Vernal District Office shall be notified, at least 24 hours prior to initiating the pressure tests, in order to have a BLM representative on location during pressure testing.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water, identified at 1,327 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

The Vernal District Office shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to $\pm 1,127$ ft., and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office. A Dual Lateral log will be run from TD to the base of the surface casing.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours prior to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

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

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (801) 789-7077
Petroleum Engineer

Wayne P. Bankert (801) 789-4170
Petroleum Engineer

Jerry Kenczka (801) 781-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

CONDITION OF APPROVAL - SURFACE DISTURBING ACTIVITIES

Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).

CONDITION OF APPROVAL - VEHICLE TRAVEL

All vehicle travel will be confined to existing access road rights-of-way.

CONDITION OF APPROVAL - PRODUCED WATER DISPOSAL

After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an Incident of Noncompliance.

CONDITION OF APPROVAL - RESERVE PIT LINER

Byron Tolman of the BLM will be notified upon completion of pit excavation so an inspection can be made. A pit liner may be required if porous soils or fractured rock are encountered.

CONDITION OF APPROVAL - TOPSOIL HANDLING

Topsoil should be windrowed along the south side of the well pad instead of being piled as shown on the cut sheet.

CONDITION OF APPROVAL - MOUNTAIN PLOVERS & BURROWING OWLS

No surface disturbing activities, construction, or drilling operations including the initial completion activities are to occur on the well, access road, or location from March 15 through August 15. This restriction is to protect the nesting Mountain Plovers and Burrowing Owls located in the surrounding area. The restriction does not apply to maintenance and operation of existing wells and facilities. Waivers, exceptions, or modifications to this restriction may be specifically approved in writing by the authorized officer of the Bureau of Land Management if either the resource values change or the lessee/operator demonstrates that adverse impacts can be mitigated.

From: Margie Herrmann <mherrman@ut.blm.gov>
 To: NRDOMAIN.NROGM(DS:MEY)
 Date: 6/18/97 3:40pm
 Subject: APD STATUS? - Reply

APD Extended

Don,

OPERATOR	WELL NAME	S-T-R	
=====	=====	=====	
Barrett 5/17/97	Ute Tribal 3-29	29-5S-4W	Expired ✓ letter 6/23/97
CNG	RBU 8-23EO	23-10S-19E*	✓ 43-047-32508 -
Inland to 1/9/98	N Travis 3-28R	28-8S-16E	Extended ✓ 43-013-30705 -
Inland to 2/28/98	S Pleasant Valley 4-29	29-9S-17E	Extended ✓ 43-013-31609 -
Inland to 3/6/98	O K Corral 4-28	28-9S-18E	Extended ✓ 43-047-32736 -
Petroglyph	Ute Tribal 05-06	5-5S-3W	Expired 5/23/97 ✓ letter 6/23/97
Snyder 3/21/96 (letter sent to Snyder)	Mon. Butte 3-11	3-9S-17E	Expired ✓ LA 43-013-31540 -
APD resubmitted by Wildrose, and approved (API #43-013-31764)			

* I will be talking to Sue with CNG about this location. It should have expired on 5/23/96. Our IWR listed Initial Production 11/94, but there isn't anything in the file about it.

Would it help if we send a copy of the Sundry when an extension for an APD is approved?

Have a good day
 Margie

6/23/97

4/2/98

United States Department of the Interior



BUREAU OF LAND MANAGEMENT

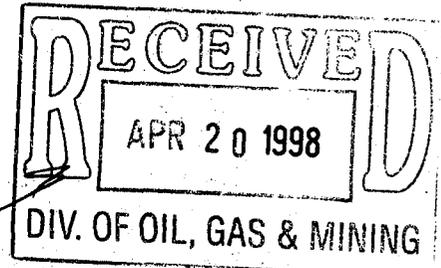
Vernal Field Office
170 South 500 East
Vernal, Utah 84078-2799

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

IN REPLY REFER TO:
3160
UT08300

Inland Production Company
Attn: Cheryl Cameron
P O Box 790233
Vernal UT 84079

April 6, 1998



Re: Notification of Expiration 43-047-32736
Well No. O. K. Corral 4-28
NWNW, Section 28, T9S, R18E
Lease No. U-19267
Uintah County, Utah

Dear Cheryl:

The Application for Permit to Drill the above-referenced well was approved on March 6, 1996. Inland Production Company requested an extension of the original APD approval for an additional year. The request was reviewed and the extension approved until March 6, 1998. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

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

Sincerely,

Margie Herrmann
Legal Instruments Examiner

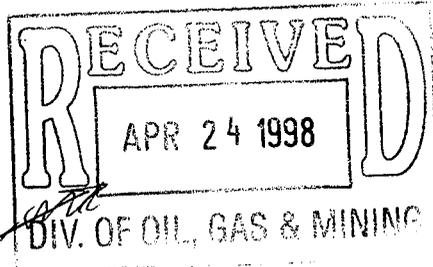
cc: State Div. OG&M



RESOURCES INC.

April 21, 1998

Handwritten notes:
DUG
DATE
[scribbles]



Handwritten note in circle:
Laid 4/20/98
per BLM
Rescind letter
Dated 4/6/98

Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

ATTENTION: Margie Herrmann

RE: Ashley Federal 9-23
Sec. 23, T9S, R15E *43-013-31672*
Lease No. U-02458

O.K. Corral 4-28 *43-047-32736*
Sec. 28, T9S, R18E
Lease No. U-19267

Nine Mile 14-7
Sec. 7, T9S, R16E
Lease No. U-74390
43-013-31775

S. Pleasant Valley 4-29
Sec. 29, T9S, R17E
Lease No. U-11385 *43-013-31609*

Dear Margie:

The Application(s) for Permit to Drill, on the above referenced locations, have all expired, and Inland Production Company is confirming that there has been no surface disturbance associated with any of these locations. A new Application for Permit to Drill will be submitted for these locations, at a later date.

Please contact me in the Vernal Branch office (435) 789-1866, if you have any questions, or need additional information.

Sincerely,

Cheryl Cameron
Cheryl Cameron
Regulatory Compliance Specialist

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