

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED **AUGUST 11, 1998**

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. **UTU-54224** INDIAN _____

DRILLING APPROVED: **DECEMBER 16, 1998**

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

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED: _____

FIELD: **UNDESIGNATED**

UNIT: _____

COUNTY: **UINTAH**

WELL NO. **FED. N 31-21**

API NO. **43-047-33167**

LOCATION **231 FNL** FT. FROM (N) (S) LINE. **2540 FEL**

FT. FROM (E) (W) LINE. **NW NE**

1/4 - 1/4 SEC. 21

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
11S	24E	21	LONE MOUNTAIN PROD.				

**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

Lone Mountain Production Company

3. ADDRESS OF OPERATORS

P.O. Box, 3394, Billings, MT. 59103 406-245-5077

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

at surface **231' FNL, 2,540' FEL NW/NE**
At proposed prod. Zone **70 174**

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

19.2 miles south of Bonanza Utah

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drig. Unit line, if any)

231'

16. NO. OF ACRES IN LEASE

640

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.

2,700'

19. PROPOSED DEPTH

5,500

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.)

5,512 GR.

22. APPROX. DATE WORK WILL START

Sept. 1, 1998

5. LEASE DESIGNATION AND SERIAL NO.

UTU-54224

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. UNIT AGREEMENT NAME

NA

8. FARM OR LEASE NAME

NA

9. WELL NO.

Fed. N 31-21

10. FIELD OR LEASE NAME

11. Sec., T., R., M., OR BLK AND SURVEY OR AREA

Sec. 21, T11S, R24E

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

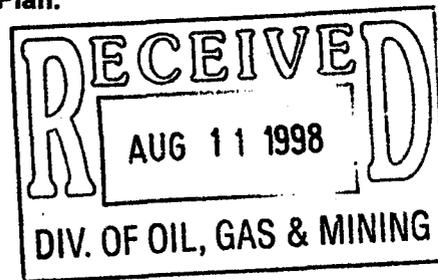
PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36	300	To Surface
7 7/8	4 1/2	11.6	T.D.	Cement top to cover the oil shale

**Operator requests permission to drill the subject well.
Please see the attached 10 Point and 13 Point Surface Use Plan.**

If you require additional information please contact:

**William Ryan
350 S., 800E.
Vernal, Utah
435-789-0968**



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed in to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24
SIGNATURE William A Ryan TITLE Agent DATE July 31, 1998

(This space for Federal or State Office Use)

PERMIT NO. 43-047-33167 APPROVAL DATE BRADLEY G. HILL
APPROVED BY Bradley G Hill TITLE RECLAMATION SPECIALIST III DATE 12/16/98

CONDITIONS OF APPROVAL, IF ANY:

Federal Approval of this Action is Necessary

***See Instructions on Reverse Side**

T11S, R24E, S.L.B.&M.

N89°58'W - G.L.O.
(Basis of Bearings)
2651.74' (Measured)

Set Marked
Stone, Pile
of Stones

N89°58'W - 40.02 (G.L.O.)

Set Stone,
Pile of
Stones

FEDERAL N #31-21

Elev. Ungraded Ground = 5512'

231'
(Comp.)

2540'
(Comp.)

NOTE:
THE PROPOSED WELL HEAD BEARS
S23°35'01"E 252.59' FROM THE
NORTH 1/4 CORNER OF SECTION
21, T11S, R24E, S.L.B.&M.

21

N00°03'W (G.L.O.)

N00°02'W (G.L.O.)

S89°59'W - 80.06 (G.L.O.)

LONE MOUNTAIN PRODUCTION

Well location, FEDERAL N #31-21, located as shown in the NW 1/4 NE 1/4 of Section 21, T11S, R24E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION ON A HILL TOP LOCATED IN THE NW 1/4 SW 1/4 OF SECTION 29, T11S, R24E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5965 FEET.



SCALE

CERTIFICATE

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.

REGISTERED LAND SURVEYOR
No. 161319
ROBERT L. KAY
STATE OF UTAH

UINTAH ENGINEERING & SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

Latitude = 39°51'14"
Longitude = 109°14'05"

SCALE 1" = 1000'	DATE SURVEYED: 6-5-98	DATE DRAWN: 6-15-98
PARTY B.B. D.R. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE LONE MOUNTAIN PRODUCTION	

Ten Point Plan

Lone Mountain Prod., Co.

Fed. N 31-21

Surface Location NW 1/4, NE 1/4, Section 21, T. 11 S., R. 24 E.

1. Surface Formation:

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+5,512' G.L.
Oil Shale	149	+5,363
Wasatch	2,472	+3,040
Mesaverda formation	4,222	+1,290
T.D.	5,300	+212

3. Producing Formation Depth:

Formation objective includes the Wasatch and its sub-members.

Off Set Well Information:

Off set well: None

4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Grade Weight/Ft.</u>	<u>Setting & Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
12 1/4	9 5/8	36	J-55/STC	300	New
7 7/8	4 1/2	11.6	J-55/LTC	T.D.	New

Cement Program:

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
9 5/8	Class "G" 2% Calcium 1/4 #/sk. Cello Flake	150 sks. +/-	1.16 cu. ft./sk.	15.82 lbs./gal.
4 1/2 Lead.	Class "G" 3% salt 16% gel (Bentonite) 2% WR15 .4 lbs./sk. FL 25	205 sks. +/-	3.91 cu. ft./sk.	11.0 lbs./gal.
Tail	Class "G" 10% salt 10% gel .1% R-3 .4 FL-25	540 sks. +/-	1.44 cu. ft./sk.	15.23 lbs./gal.

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to the minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./Qt.</u>	<u>Fluid Loss MI/30 Mins.</u>	<u>Mud Type</u>
0-300	Air/Clear Water	----	No Control	Water/Gel
300-2500	Clear Water	----	No Control	Water/Gel
2500-T.D.	8.4-8.6	30	8-10	Water/Gel

7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

10. Drilling Schedule:

The anticipated starting date is September 1, 1998. Duration of operations expected to be 30 days.

LONE MOUNTAIN PRODUCTION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

FED. N 31-21

LOCATED IN

NW 1/4, NE 1/4

SECTION 21, T. 11 S., R. 24 E., U.S.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-54224

**SURFACE OWNERSHIP: FEDERAL,
STATE OF UTAH, AND PRIVATE**

1. Existing Roads

To reach the **Lone Mountain Production Co. well Fed. N 31-21, in Section 21, T 11 S, R 24 E**, from Bonanza, Utah:

Starting in Bonanza, Utah: proceed south on the paved road for 4 miles.

Turn south (left) on the Book Cliffs road (dirt road). Proceed south 3.9 miles to the Greeks Corrals.

Turn west (right) at the fork in the road. Proceed 8.3 miles to the Asphalt Wash sign. Turn north (right) of the sign.

Proceed 3.9 miles. The proposed access road will start at this point.

All existing roads to the proposed location are State or County Class D roads.

Please see the attached map for additional details.

2. Planned access road

Please note the County Road will have to be widened and a section of the hill located east of the proposed access road intersection will have to be cut down to insure safe line of sight for vehicles to see trucks exiting and entering the county road.

The proposed location will require approximately **1.2 miles of new road** construction.

The road will be built to the following standards:

A) Approximate length	1.2 miles
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road flagged	Yes
K) Access road surface ownership	Federal State of Utah Private
L) All new construction on lease	No
M) Pipe line crossing	None

Please see the attached location plat for additional details.

A State of Utah right-of-way will be required for the access road A private right-of-way will be required for the access road.

A State of Utah right-of-way will be required for the pipeline. A private right-of-way will be require for the pipeline.

Please see the attached location plat for ownership details.

3. Location of existing wells

The following wells are located within a one mile radius of the location site.

A) Producing well	None
B) Water well	Sec. 8, T11S, R24E
C) Abandoned well	None
D) Temp. abandoned well	None

- | | |
|-----------------------------------|---|
| E) Disposal well | None |
| F) Drilling/Permitted well | Fed. N 33-21
Fed. N 24-21
Sec. 21, T11S, R24E |
| | Fed. N 41-17
Sec. 17, T11S, R24E |
| G) Shut in wells | None |
| H) Injection well | None |
| I) Monitoring or observation well | None |

Please see the attached map for additional details.

4. Location of tank batteries, production facilities, and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Juniper Green** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required **paint** color is **Juniper Green**.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulations identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or

off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas gathering pipeline will be required.

Approximately 6,300' of 2" or 4" gathering line would be constructed on Federal, State and Private lands. The line would tie into a proposed line.

Please see the attached location plats for pipe line location. There will be no additional surface disturbances required for the installation of a gathering line. **The pipeline will be strung down the road and boomed to the side of the road.**

The gas meter run will be located within 500' of the well head. The gas line will be buried or anchored down from the well head to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter proving schedule. A copy of the meter calibration report will be submitted to the **BLM's Vernal District office**. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing the subject well will be hauled by truck from Rosewoods water station in Section 13, T11S, R23E. A second source would be Evacuation Creek permit # 49-1595. The Evacuation Creek distribution point is in Section 7, T11S, R25E. A second location may be used. Water for completion will come from the same supply or Vernal City.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravels or pit lining material will be obtained from private sources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately 10 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will not be lined unless the pit is blasted or soil conditions would warrant a pit liner.

The reserve pit will not be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as

cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90 days an application will be made to the authorized officer for a permanent disposal method and location.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized land fill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follow:

- | | |
|---------------|---------|
| A) Pad length | 325 ft. |
| B) Pad width | 155 ft. |
| C) Pit depth | 10 ft. |

- D) Pit length **180 ft.**
- E) Pit width **50 ft.**
- F) Max cut **14.6 ft.**
- G) Max fill **12.0 ft.**
- H) Total cut yd's **10,910 cu. yd's**
- I) Pit location **south/east side**
- J) Top soil location **north side**
- K) Access road location **west end**
- L) Flare pit **corner B**

Please see the attached location diagram for additional details.

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

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if 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. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence 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 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,000 cubic yards of material. **Topsoil will be stockpiled in two distinct piles (location topsoil and pit topsoil).** Placement of the topsoil is noted on the attached location plat. **The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed.** When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. **The pit area will be seeded when the soil has been spread.** The unused portion of the location (the area outside the dead men.) will be recontoured

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be recontoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

10. Plans for restoration of the surface

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when the topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

Four wing salt brush	4#/acre
Shad scale	3#/acre
Needle & thread grass	3#/acre
Western wheat grass	2#/acre

At such time as the well is plugged and abandoned the operator will submit a surface reclamation plan to the surface management agency for prescribed seed mixture and reseeding requirements.

11. Surface ownership:

Access road	Federal, State of Utah, and Private
Location	Federal

Pipe line

**Federal, State of Utah,
and Private**

12. Other information

A) Vegetation:

The vegetation coverage is slight. The majority of the existing vegetation consists of sagebrush. Rabbit brush, bitter brush and Indian rice grass are also found on the location.

B) Dwellings:

There are no dwellings or other facilities within a one mile radius of the location.

C) Archeology:

The location has not been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations which would effect such sites will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is the Green River located 4 miles to the north.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

Rocky Mountain Consulting
350 South 800 East
Vernal, Utah 84078

F) Notification:

- a) **Location construction**
At least forty eight (48) hours
prior to construction of location
and access roads
- b) **Location completion**
Prior to moving on location of the
drilling rig.
- c) **Spud notice**
At least twenty-four (24) hours
prior to spudding the well.
- d) **Casing string and cementing**
At least twenty-four (24) hours
prior to running casing and
cementing all casing strings.
- e) **BOP and related equipment
tests**
At least twenty-four (24) hours
prior to initial pressure tests.
- f) **First production notice**
Within five (5) business days
after the new well begins, or
production resumes after well has
been off production for more than
ninety 90 days.

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable laws, regulations, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

H) Flare pit:

The flare pit will be located in corner B of the reserve pit out side the pit fence and 100 feet from the bore hole on the **west side of the location**. All fluids will be removed from the pit within 48 hours of occurrence.

B) Certification

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 presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by **Lone Mountain Production Company** and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan

Date July 31, 1998

William A. Ryan
William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Date: June 17,
1998

Byron Tolman BLM
Steve Strong BLM
Steve Matson BLM
Bill Ryan RMC

Statement of use of Hazardous Material

No chemical(s) from the EPA's Consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986.

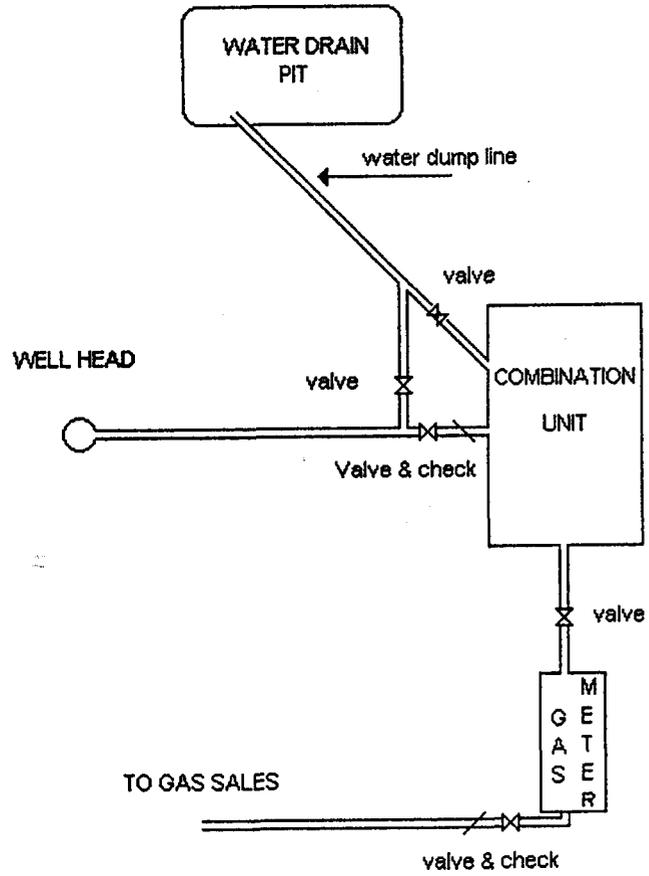
Will be used, produced, transported, stored, disposed, or associated with the proposed action, No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

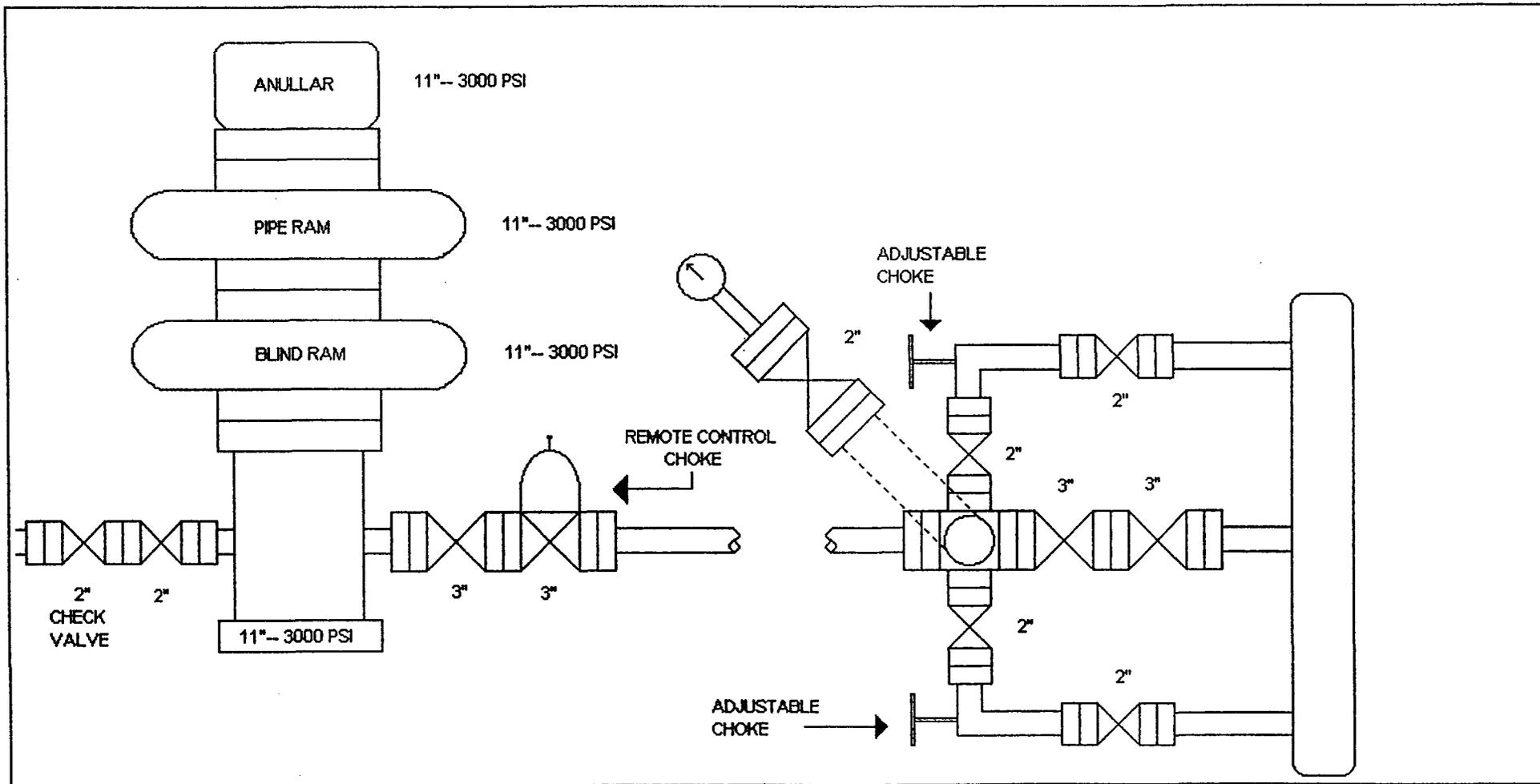
If you require additional information please contact:

William A Ryan
Agent for Lone Mountain Production Company
Rocky Mountain Consulting
350 S. 800 E.
Vernal Utah, 84078

Telephone
(435) 789-0968 office
(435) 828-0968 cellular
(435) 789-0970 fax

LONE MOUNTAIN
TYPICAL
GAS WELL

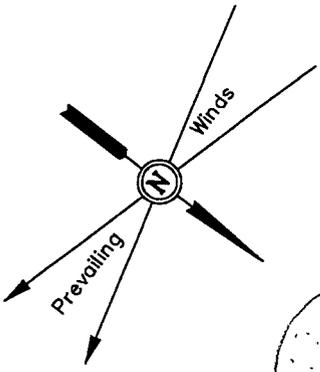
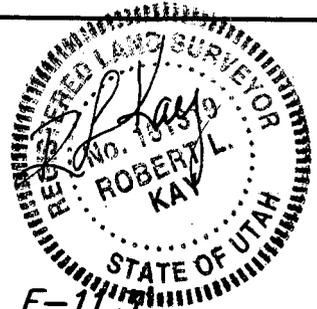




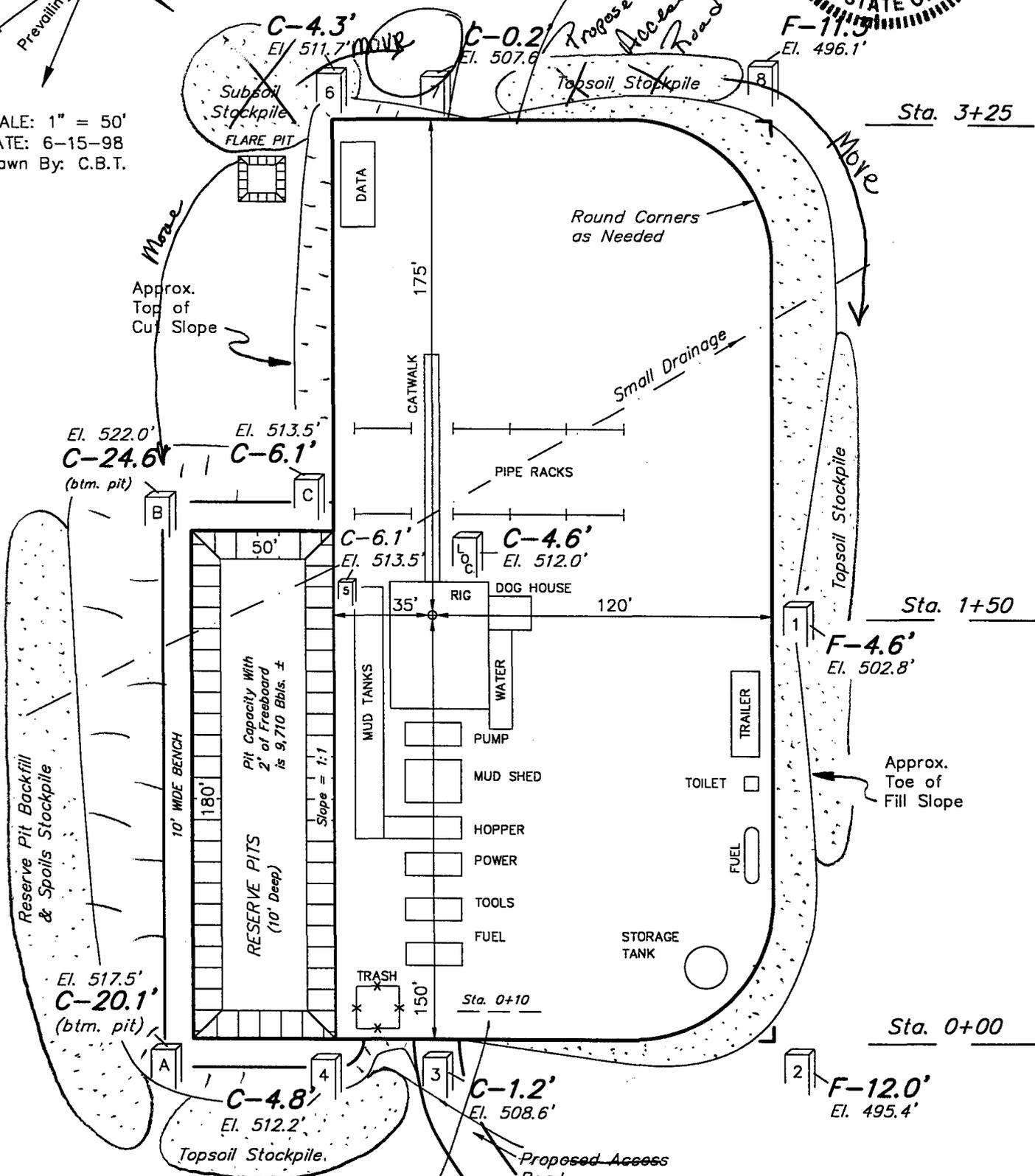
LONE MOUNTAIN PRODUCTION

LOCATION LAYOUT FOR

FEDERAL N #31-21
SECTION 21, T11S, R24E, S.L.B.&M.
231' FNL 2540' FEL



SCALE: 1" = 50'
DATE: 6-15-98
Drawn By: C.B.T.

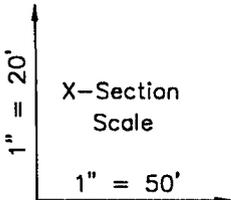
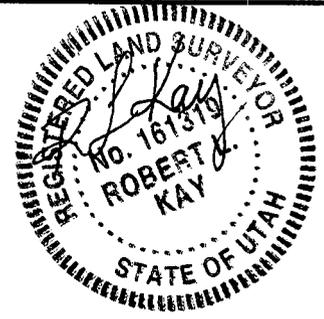


Elev. Ungraded Ground at Location Stake = **5512.0'**
Elev. Graded Ground at Location Stake = **5507.4'**

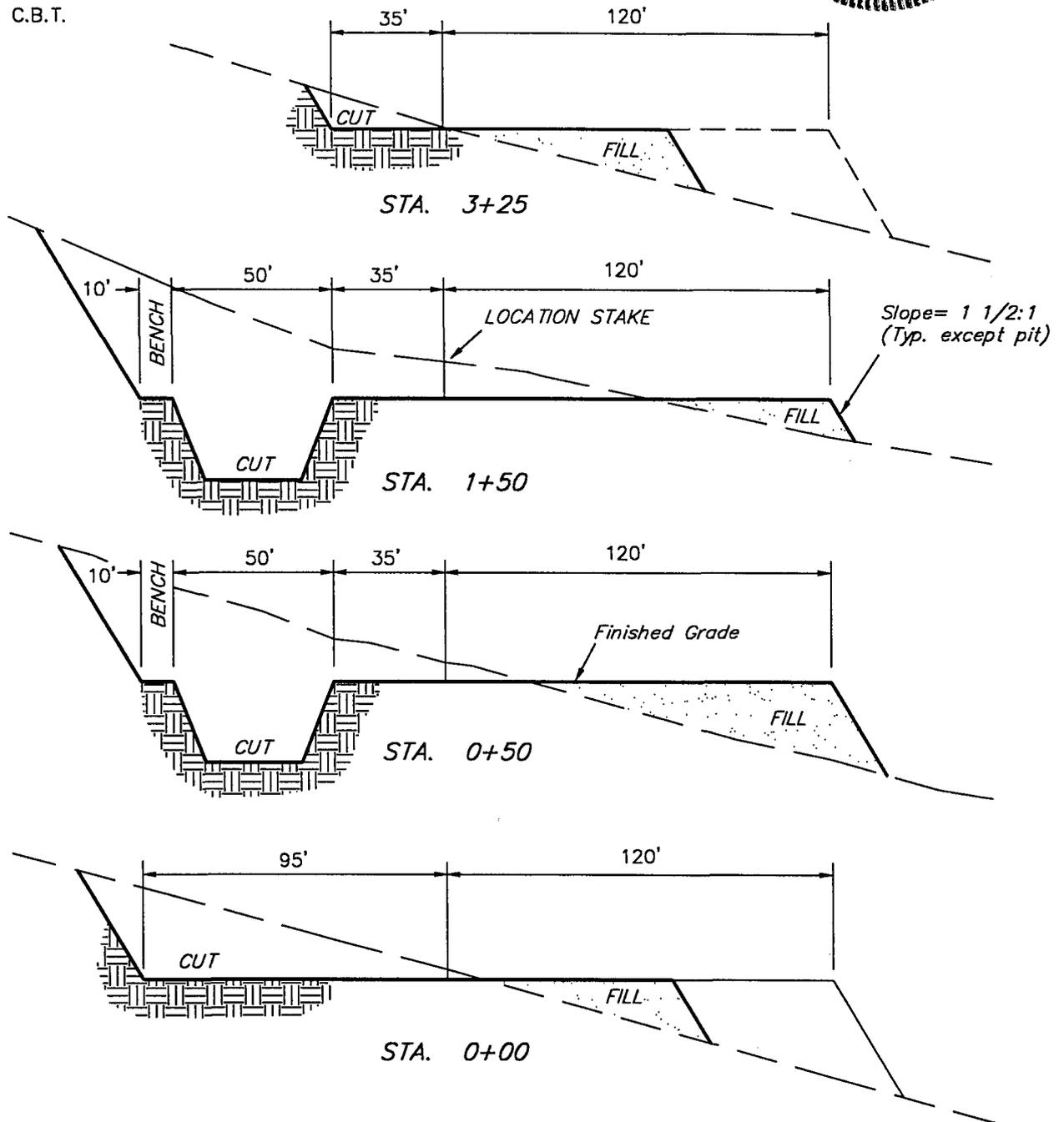
LONE MOUNTAIN PRODUCTION

TYPICAL CROSS SECTIONS FOR

FEDERAL N #31-21
SECTION 21, T11S, R24E, S.L.B.&M.
231' FNL 2540' FEL



DATE: 6-15-98
Drawn By: C.B.T.

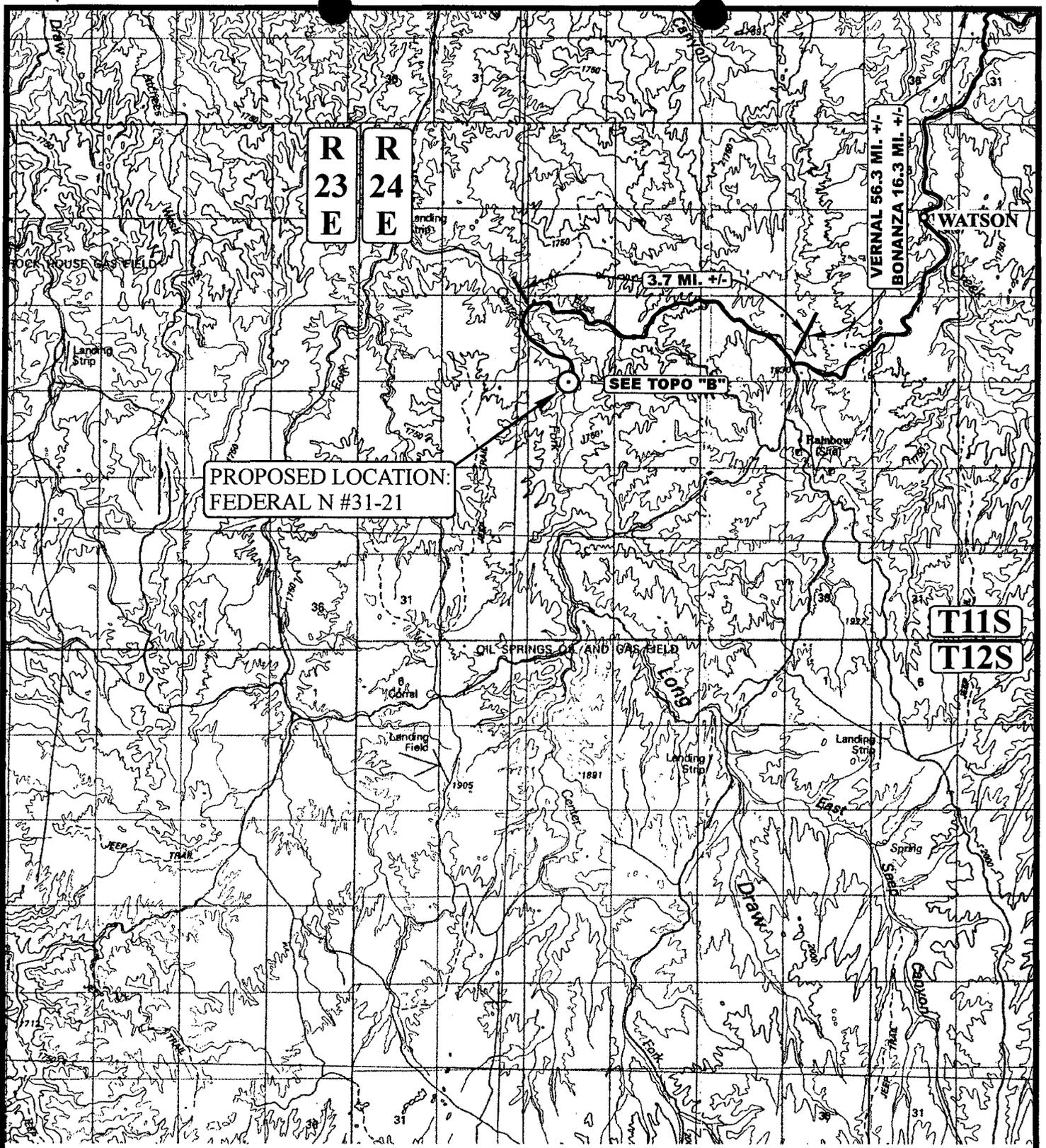


APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,100 Cu. Yds.
Remaining Location	=	9,810 Cu. Yds.
TOTAL CUT	=	10,910 CU.YDS.
FILL	=	8,120 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	2,360 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	2,360 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

⊙ PROPOSED LOCATION



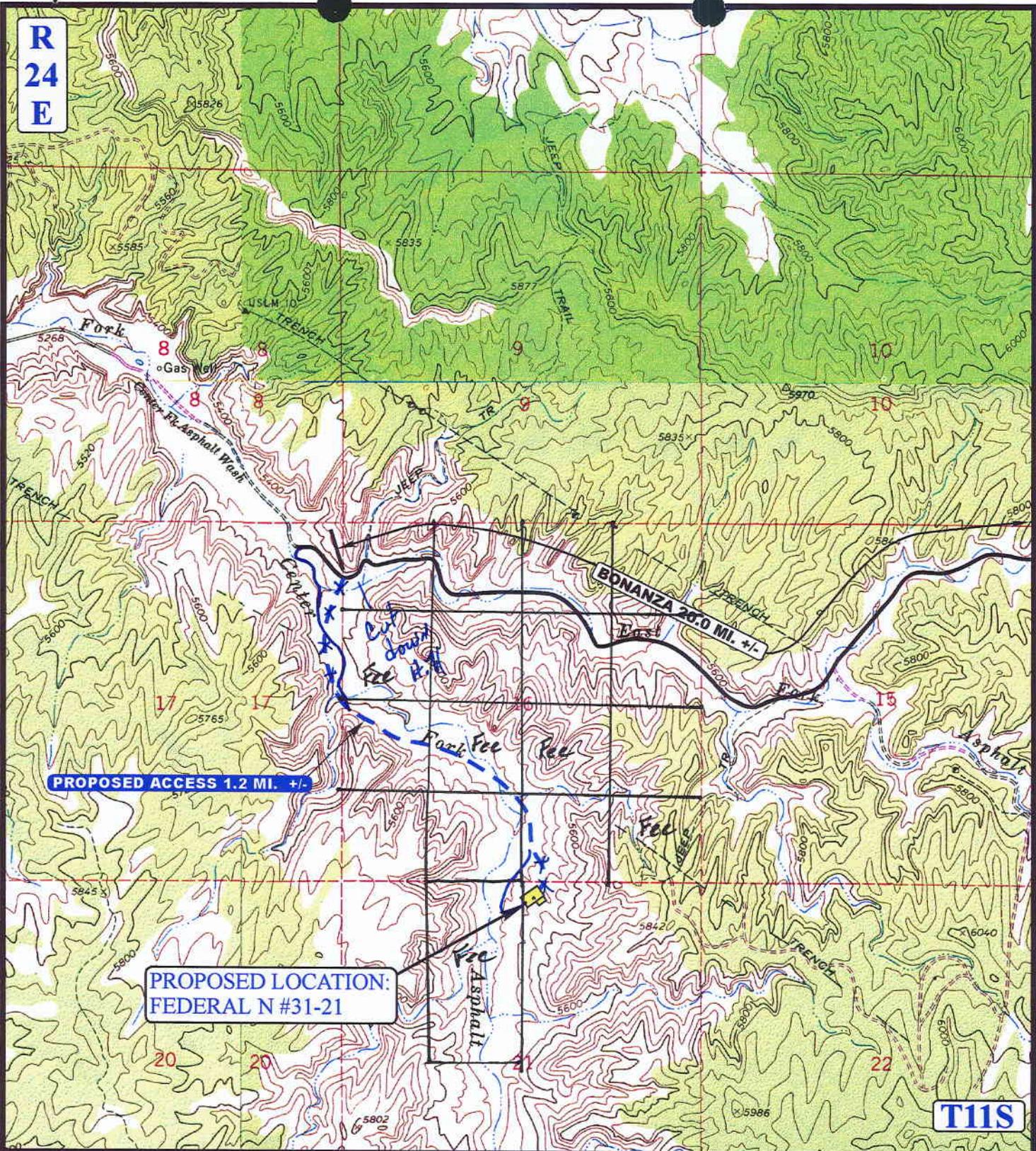
LONE MOUNTAIN PRODUCTION

FEDERAL N #31-21
 SECTION 21, T11S, R24E, S.L.B.&M.
 231' FNL 2540' FEL

UEIS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 6 15 1998
MAP MONTH DAY YEAR
 SCALE: 1: 100,000 DRAWN BY: C.G. REVISED: 00-00-00 **A**
 TOPO

R
24
E



T11S

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



LONE MOUNTAIN PRODUCTION

FEDERAL N #31-21
SECTION 21, T11S, R24E, S.L.B.&M.
231' FNL 2540' FEL

U&L S Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP **6 15 98**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00 **B TOPO**

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/11/98

API NO. ASSIGNED: 43-047-33167

WELL NAME: FED N 31-21
 OPERATOR: LONE MOUNTAIN PROD CO (N7210)
 CONTACT: William Ryan (435) 789-0968

PROPOSED LOCATION:
 NWNE 21 - T11S - R24E
 SURFACE: 0231-FNL-2540-FEL
 BOTTOM: 0231-FNL-2540-FEL
 UINTAH COUNTY
 UNDESIGNATED FIELD (002)

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

LEASE TYPE: FED
 LEASE NUMBER: UTU-54224
 SURFACE OWNER: Federal

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

Plat

Bond: Federal State Fee
 (No. UT-0719)

Potash (Y/N)

Oil Shale (Y/N) *190-5(B)

Water Permit
 (No. Rosewoods Wt. Station or 49-1595)

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

St/Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3. Unit _____

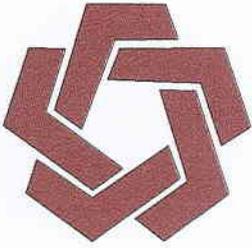
___ R649-3-2. General

R649-3-3. Exception

___ Drilling Unit
 Board Cause No: _____
 Date: _____

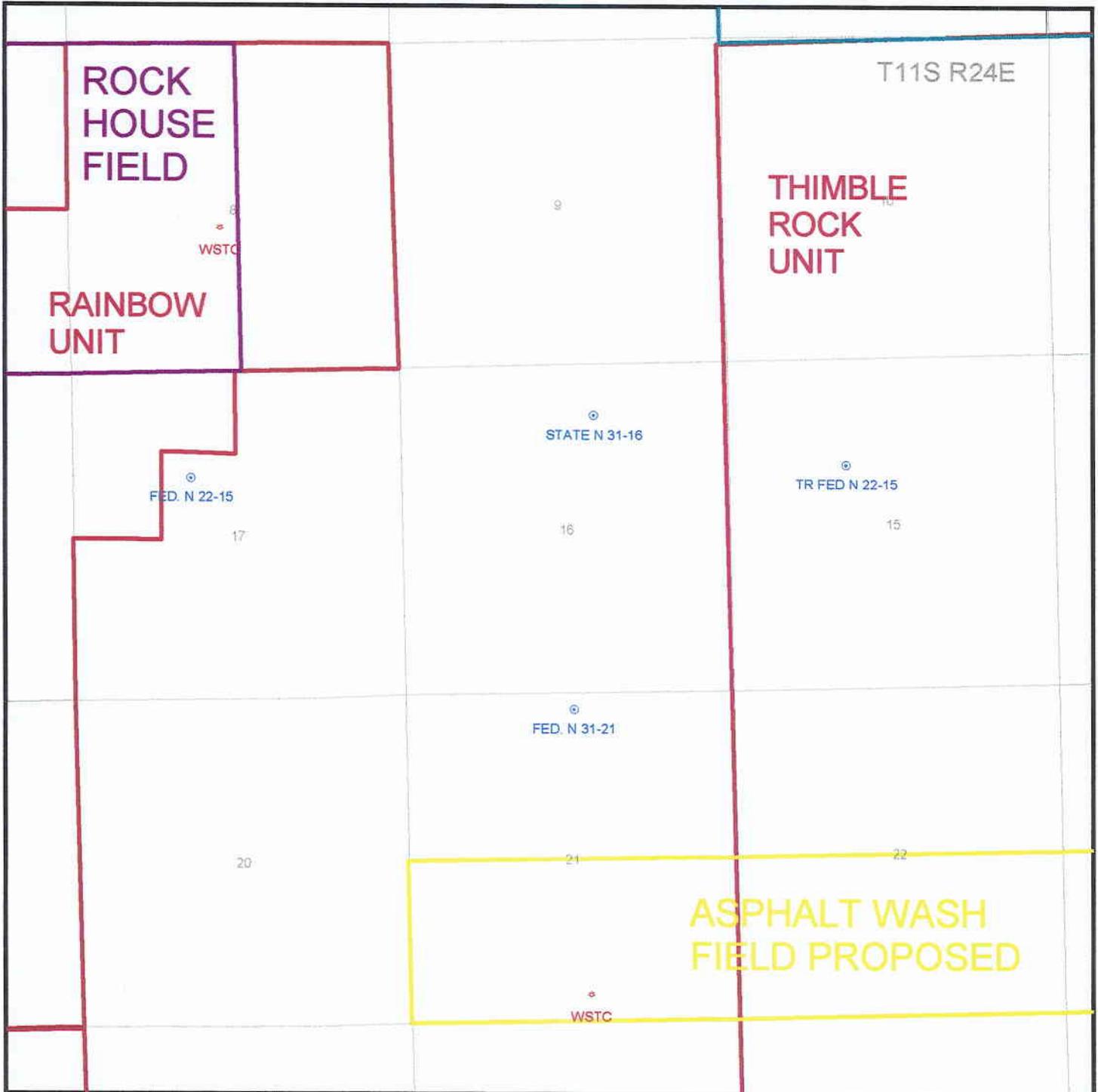
COMMENTS: *Need add'l info. "Except. Loc." (Rec'd 12-14-98)

STIPULATIONS: ① FEDERAL APPROVAL

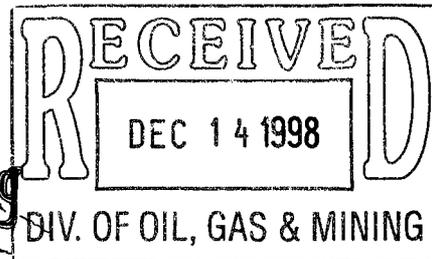


DIVISION OF OIL, GAS & MINING

OPERATOR: LONE MOUNTAIN (N7210)
FIELD: UNDESIGNATED (002)
SEC. 15, 16, 17, & 21, TWP 11S, RNG 24E
COUNTY: UINTAH UAC: R649-3-3 EXCEPTION &
R649-2-3 THIMBLE ROCK UNIT



DATE PREPARED:
13-AUG-1998



Office (435) 789-0968
Cellular (435) 828-0968

350 S. 800 E.
Vernal, UT 84078

December 3, 1998

Re: Well Fed N 31-21
NW/NE, Sec. 21, T11S, R24E
Lease No. UTU-54224

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

Dear Sirs:

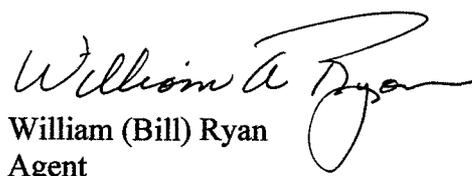
Lone Mountain Production Company (Lone Mountain) respectfully requests a spacing exception for the subject well. The well was originally requested for the center of the NW $\frac{1}{4}$ of the NE $\frac{1}{4}$. The location was moved due to topographic considerations, major drainage and access conditions.

The proposed well is located 231' FNL, 2,540' FEL in Sec. 21, T11S, R24E.

A 460' radius around the proposed location is within lease UTU-54224 and crosses over the northern boundary of the lease into Section 16, T11S, R24E. This is a State of Utah Lease Number UT ML-47080. White River Resources is the holder of UT ML-47080. Please see the attached map.

If you have additional questions please contact me.

Sincerely

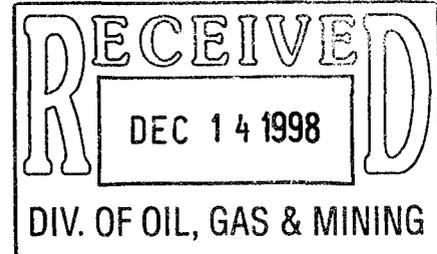

William (Bill) Ryan
Agent

White River Enterprises, LLC

Suite 925, 410 17th Street
Denver, Colorado 80202

WRRM

November 11, 1998



Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Post Office Box 145801
Salt Lake City, Utah 84114-5801

RE: Well Federal N 31-21
NW/NE, Section 21 T11S, R24E
Lease No. UTU-54224

Dear Sir or Madam:

Lone Mountain Production Company has requested a spacing exception for the subject well. The well is located 231' FNL, 2540' FEL in Section 21, T11S, R24E on lease UTU-54224

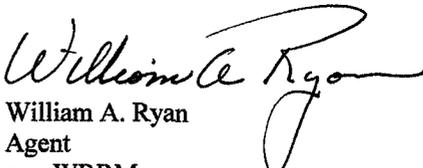
White River is the 75% holder of Lease UTU-54224 in Section 21, T11S, R24E. Yates Petroleum is a 25% holder.

White River is the also the ~~100%~~ ^{100%} holder of ML UT-47080 in Section 16, T11S, R24E. White River has no objection to the proposed location.

If you have any additional questions please contact our Agent at the following address.

William A. Ryan
Rocky Mountain Consulting
435-789-0968

Sincerely yours,


William A. Ryan
Agent
cc: WRRM

December 3, 1998
Page 2

Telephone: (303) 628-1951

Fax: (303) 825-0321

T11S, R24E, S.L.B.&M.

640 Acres oil & gas lease

LONE MOUNTAIN PRODUCTION

Well location, FEDERAL N #31-21, located as shown in the NW 1/4 NE 1/4 of Section 21, T11S, R24E, S.L.B.&M. Uintah County, Utah.

Set Stone, Pile of Stones

N89°58'W - G.L.O.
(Basis of Bearings)
2651.74' (Measured)

Set Marked Stone, Pile of Stones

N89°58'W - 40.02 (G.L.O.)

FEDERAL N #31-21

Elev. Ungraded Ground = 5512'

231' (Comp.)

2540' (Comp.)

Fee/Without Minerals

Fee/Without Minerals

NOTE:
THE PROPOSED WELL HEAD BEARS S23°35'01"E 252.59' FROM THE NORTH 1/4 CORNER OF SECTION 21, T11S, R24E, S.L.B.&M.

N00°03'W (G.L.O.)

21

33-21

N00°02'W (G.L.O.)

12
40
480
UTU-54224

S89°59'W - 80.06 (G.L.O.)

24-21

BASIS OF ELEVATION

SPOT ELEVATION ON A HILL TOP LOCATED IN THE NW 1/4 SW 1/4 OF SECTION 29, T11S, R24E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5965 FEET.



SCALE

CERTIFICATE

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.

Robert H. Berg
REGISTERED LAND SURVEYOR
REGISTRATION NO. 181319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

Latitude = 39°51'14"
Longitude = 109°14'05"

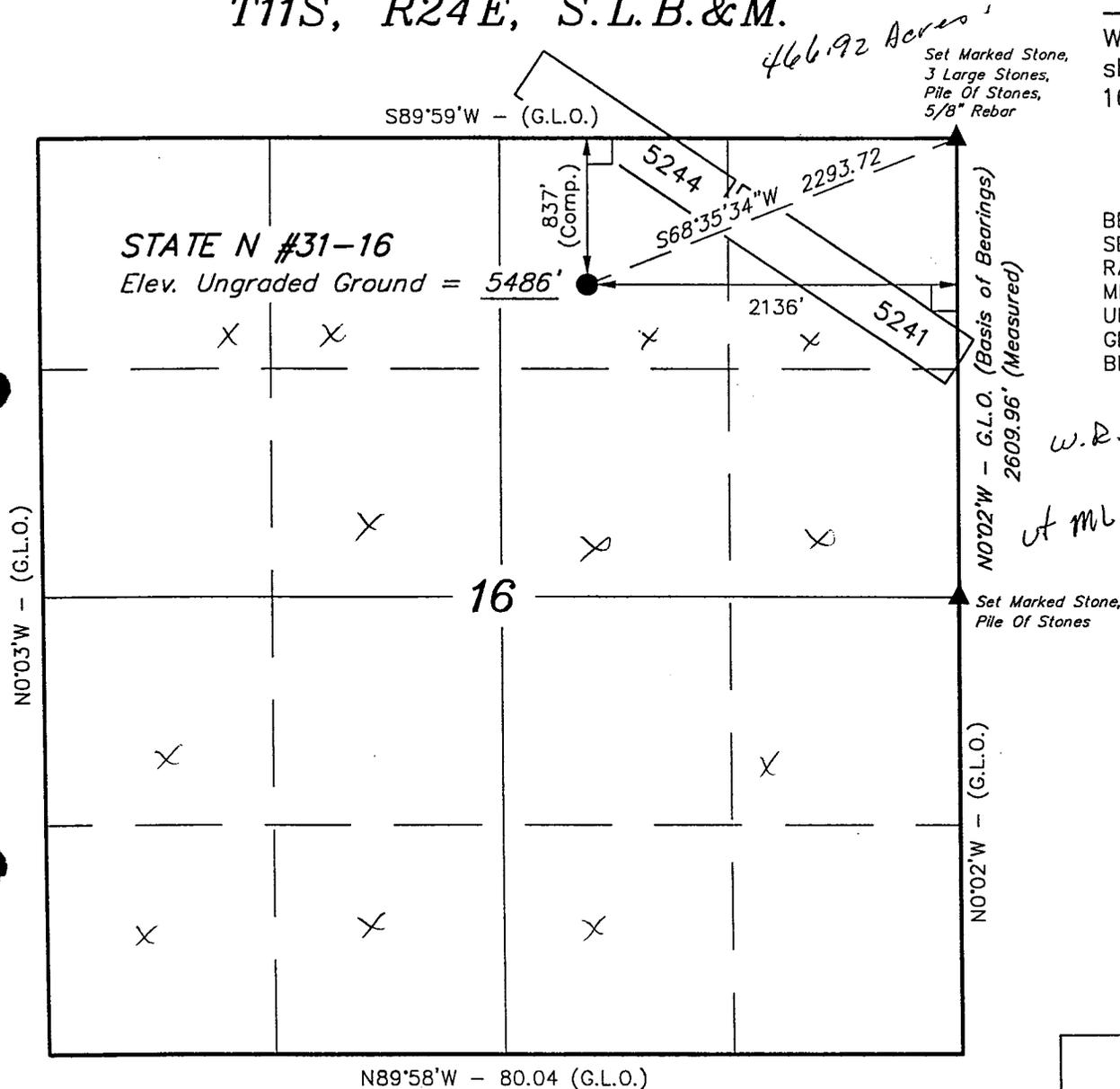
SCALE 1" = 1000'	DATE SURVEYED: 6-5-98	DATE DRAWN: 6-15-98
PARTY B.B. D.R. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE LONE MOUNTAIN PRODUCTION	

D. Williams working copy

T11S, R24E, S.L.B.&M.

LONE MOUNTAIN PRODUCTION

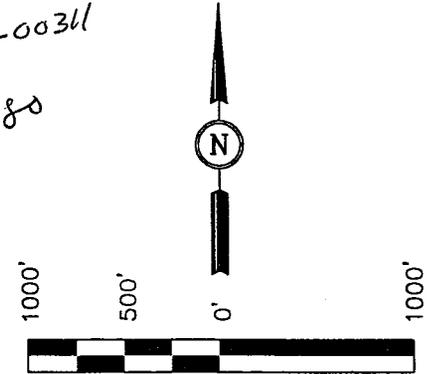
Well location, STATE N #31-16 locted as shown in the NW 1/4 NE 1/4 of Section 16, T11S, R24E, S.L.B.&M. Uintah County, Utah.



BASIS OF ELEVATION

BENCH MARK 95 EAM LOCATED IN THE SE 1/4 OF SECTION 23, T11S, R24E, S.L.B.&M. TAKEN FROM THE RAINBOW, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6156 FEET.

*W.D. # 43-00311
of ml 47080*



SCALE

CERTIFICATE

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.

Robert L. Gray
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 6-26-98	DATE DRAWN: 7-6-98
PARTY D.K. P.R. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE LONE MOUNTAIN PRODUCTION	

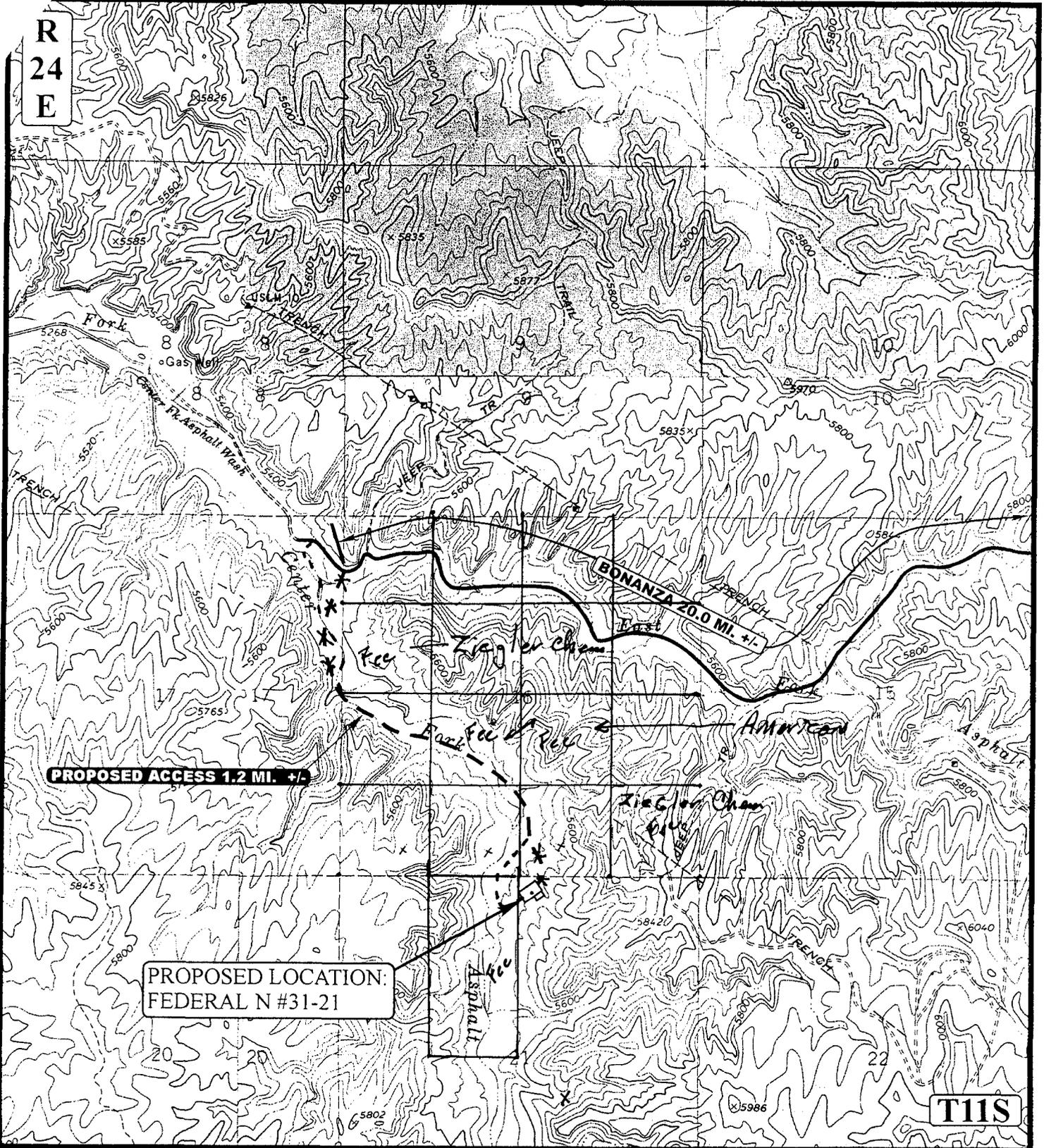
LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

LATITUDE = 39°52'01"
LONGITUDE = 109°14'01"

Ranchy Smoos - 781-5461

R
24
E



LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



LONE MOUNTAIN PRODUCTION

FEDERAL N #31-21
 SECTION 21, T11S, R24E, S.L.B.&M.
 231' FNL 2540' FEL



Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
 MAP

6 15 98
 MONTH DAY YEAR

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





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

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

December 16, 1998

Lone Mountain Production Company
P.O. Box 3394
Billings, Montana 59103

Re: Fed. N 31-21 Well, 231' FNL, 2540' FEL, NW NE, Sec. 21, T. 11 S., R. 24 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.

Appropriate information has been submitted to DOGM by the operator and administrative approval of the requested exception location is hereby 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 43-047-33167.

Sincerely,

A handwritten signature in black ink that reads "John R. Baza". The signature is written in a cursive style with a large, sweeping initial "J".

John R. Baza
Associate Director

lwp

Enclosures

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

Operator: Lone Mountain Production Company

Well Name & Number: Fed. N 31-21

API Number: 43-047-33167

Lease: Federal **Surface Owner:** Federal

Location: NW NE **Sec.** 21 **T.** 11 S. **R.** 24 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 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 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. State approval of this well does not supersede the required federal approval which must be obtained prior to drilling.

RECEIVED
 MAR 1 1999
 DIV. OF OIL, GAS & MINING

SUBMIT IN TRIPLICATE *

DOGMA

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

5. LEASE DESIGNATION AND SERIAL NO.
UTU-54224

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME
NA

9. WELL NO.
Fed. N 31-21

10. FIELD OR LEASE NAME

11. Sec., T., R., M., OR BLK AND SURVEY OR AREA
Sec. 21, T11S, R24E

12. COUNTY OR PARISH
Uintah

13. STATE
Utah

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drig. Unit line, if any)
231'

16. NO. OF ACRES IN LEASE
640

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.
2,700'

19. PROPOSED DEPTH
5,500

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.)
5,512 GR.

22. APPROX. DATE WORK WILL START
Sept. 1, 1998

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK
DRILL DEEPEN PLUG BACK

B TYPE OF WELL
 OIL WELL GAS WELL OTHER

SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Lone Mountain Production Company

3. ADDRESS OF OPERATORS
P.O. Box, 3394, Billings, MT. 59103 406-245-5077

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)
 at surface **231' FNL, 2,540' FEL NW/NE**
 At proposed prod. Zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
19.2 miles south of Bonanza Utah

PROPOSED CASING AND CEMENT PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36	300	To Surface
7 7/8	4 1/2	11.6	T.D.	Cement top to cover the oil shale

Operator requests permission to drill the subject well.
 Please see the attached 10 Point and 13 Point Surface Use Plan.

If you require additional information please contact:

**William Ryan
 350 S., 800E.
 Vernal, Utah
 435-789-0968**

**RECEIVED
 AUG 1 1998**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed in to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24
 SIGNATURE William A Ryan TITLE Agent DATE July 31, 1998

(This space for Federal or State Office Use)

PERMIT NO. _____ APPROVAL DATE MAR 08 1999
 APPROVED BY [Signature] TITLE Assistant Field Manager
 CONDITIONS OF APPROVAL, IF ANY: Mineral Resources DATE _____

NOTICE OF APPROVAL

*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.

ONE ORIGINAL OR APPROVED COPY TO BE RETURNED TO OPERATOR'S COPY

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Lone Mountain Production Co.

Well Name & Number: Fed. N 31-21

API Number: 43-047-33167

Lease Number: U-54224

Location: NWNE Sec. 21 T. 11 S R. 24 E

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 to the field representative by the operator 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 **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit to this office 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 3M 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.

3. Casing Program and Auxiliary Equipment

If conductor pipe is set it will be cemented to surface. If drive pipe is used it will be pulled prior to cementing surface casing.

As a minimum, the usable water shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany Oil Shale identified at \pm 540 ft.. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

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 340 ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

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. **One** copy 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 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) 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 3162.7-5 (b. 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 on-lease 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 following initial installation 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 approval or notification is necessary, please contact one of the following individuals:

Wayne Bankert (435) 789-4170
Petroleum Engineer

Ed Forsman (435) 789-7077
Petroleum Engineer

Jerry Kenczka (435) 789-1190
Petroleum Engineer

BLM FAX Machine (435) 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, spend 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.

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

-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).

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, and crowning (2 to 3%). Graveling or capping the roadbed will be required as necessary to provide a well constructed safe road. Prior to construction/upgrading, the proposed road surface or existing road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Should mud holes develop, they shall be filled in to prevent detours. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. When snow is removed from the road during the winter months, the snow should be pushed outside of the burrow ditches and the turn outs should be kept clear so that when the snow melts the water will be channeled away from the road.

-The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

-Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs).

Once the reserve pit is dry, it should be filled, recontoured, topsoil spread, seeded, and walked with a CAT to plant the seed. The same seed mix outlined in the APD should be used. Once the topsoil is seeded it should also be walked with a CAT to plant the seed.

-Due to the presence of an occupied golden eagle nest along the access road and within 1/2 of the well location as well as short-eared owls nesting along the drainage where the access road is located, no construction or drilling activities will be allowed from Feb. 1 to July 15.

-All permanent structures constructed or installed on the well location will be painted Carlsbad Canyon instead of Juniper Green as mentioned in the APD.

-As shown on Map C of the APD, the access road should be constructed in the bottom of the drainage until it enters the state section. It should also be noted that access road enter the location from the southwest side instead of the northeast side to avoid crossing several drainages.

LONE MOUNTAIN PRODUCTION COMPANY

Mailing Address:
P.O. Box 3394
Billings, MT 59103-3394

(406) 245-5077
FAX 248-6321

Shipping Address:
100 North 27th Street
Suite 650
Billings, MT 59101

February 15, 2000

RECEIVED
FEB 17 2000
DIVISION OF
OIL, GAS AND MINING

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

RE: SUNDRY NOTICES
APD EXTENSION REQUESTS
VARIOUS PROPERTIES
UINTAH COUNTY, UTAH

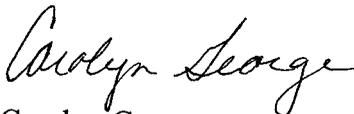
Gentlemen:

Enclosed in duplicate are three (3) state sundry notices and six (6) BLM sundry notices requesting approval for a one year APD extension by your office for various properties in Uintah County, Utah.

Should you have any questions or need further information please our office at the letterhead address or phone number or Dave Koval at White River Resource Management at (303) 628-1951.

Sincerely,

LONE MOUNTAIN PRODUCTION COMPANY



Carolyn George
Land Department

Enclosures

cc: White River Management

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

**SUBMIT IN
TRIPLICATE***
(Other Instructions on
reverse side)

Form Approved.
Budget Bureau No. 1004-0135
Expires : March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals SUBMIT IN TRIPLICATE		5. LEASE DESIGNATION AND SERIAL NO. UTU-54224
		6. IF INDIAN, ALLOTEE OR TRIBE NAME
		7. IF UNIT OR CA, AGREEMENT DESIGNATION
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. WELL NAME and No. Federal No. N 31-21
2. NAME OF OPERATOR Lone Mountain Production Company		9. API WELL NO. 43-047-33167
3. ADDRESS OF OPERATOR P. O. Box 3394, Billings, Montana 59103 (406) 245-5077		10. Field and Pool, or Exploratory Area
4. LOCATION OF WELL (Footage, Sec, T., R., M., or Survey Description) 231' FNL, 2540' FEL Section 21-T11S-R24E (NWNE)		11. County or Parish, State Uintah County, Utah

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

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

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form)

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

Lone Mountain Production Company, as operator for White River Resource Management Inc., requests the extension of one year on the approved APD for the subject well.

If additional information is needed please contact the following agent:

William Ryan
Rocky Mountain Consulting

Phone: (435) 789-0968

RECEIVED

FEB 17 2000

DIVISION OF
OIL, GAS AND MINING

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 2/23/00
By: [Signature]

COPY SENT TO OPERATOR
Date: 2-23-00
Initials: CHD

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

Signed: [Signature]

Title: President

Date: February 15, 2000

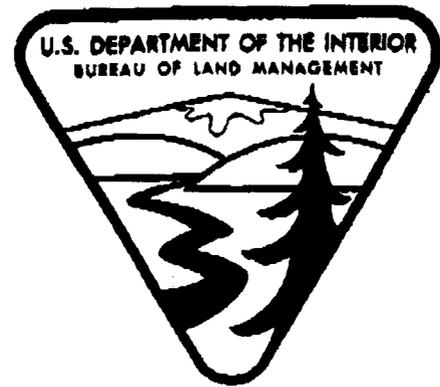
(This space for Federal or State office use)

APPROVED BY: _____ TITLE: _____ DATE: _____
CONDITIONS OF APPROVAL IF ANY

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

*See Instructions of Reverse Side

BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 SOUTH 500 EAST
VERNAL UT 84078
PHONE: (435) 781-4400
FAX NUMBER: (435) 781-4410



FAX TRANSMITTAL COVER SHEET

TO: Lisha Cordova - DOGM

FAX Number: 801-359-3940

FROM: Leslie Crunklaw

NUMBER OF PAGES (including this cover sheet): 5

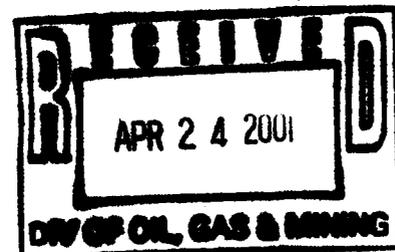
DATE: 4/24/01

=====

COMMENTS: Letter Rescinding T 31-11 & N 31-21

If any pages are missing, please call the number at the top of the page and we will send them to you.

Please distribute to recipient as soon as possible.





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

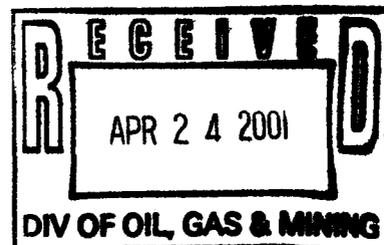
Phone: (435) 781-4400
Fax: (435) 781-4410

IN REPLY REFER TO:

3165
UT080

June 4, 1999

CERTIFIED MAIL
Return Receipt Requested
Z 413 579 982



Mr. William A. Ryan
Rocky Mountain Consulting
350 South 800 East
Vernal UT 84078

Re: Lone Mountain Production Company
Fed. T 31-11 UTU66425;
Fed. N 31-21 UTU54224.

Dear Mr. Ryan:

Approvals for the above referenced Applications for Permit To Drill (APDs) are rescinded. This is due to the Decision Record and Finding of No Significant Impact (DR/FONSI) being vacated by the Acting State Director decision issued May 21, 1999. The above referenced applications were approved under this DR/FONSI.

On May 21, 1999, the Acting State Director issued a decision, SDR99-02, which vacated and remanded the Vernal Field Office Manager's January 29, 1999, DR/FONSI for the Resource Development Group (RDG) Uinta Basin Natural Gas Project Environment Assessment (EA), No. 1997-50. This decision also directed that an Environmental Impact Statement (EIS) be prepared to analyze the potential impacts to mule deer critical winter range within the proposed project and consider other issues raised in the State Director Review requests.

Further guidance from the Utah BLM State Office has addressed the processing of applications within the RDG area. Within the 1985 Book Cliffs Resource Management Plan (BCRMP), a certain level of drilling activity was considered and analyzed. While the National Environmental Policy Act (NEPA) process is underway for the RDG field development proposal, this office has been directed to complete case-by-case review (site specific EAs) for applications which are related to oil and gas activities within the project area. This case-by-case review is required to address the following:

1. The proposed action is or supports exploratory activities rather than development activities;
2. The activity would not limit the range of reasonable alternatives for the field development proposal;
3. The well or activity has substantial independent utility and would be drilled with or without approval of field development; and,
4. It would provide new information that would assist with NEPA analysis.

Drilling within the project area on State of Utah lands is approved by the State. BLM approval for applications on public lands connected to activities on State lands must be considered under the Cotter Corporation decision. Site-specific EAs will be prepared for such proposals and will address alternative routes, timing, methods, etc. of accessing the State lands as well as mitigation that may be applied to avoid, reduce, or eliminate environmental consequences.

Any adversely affected party who contests a decision of the Authorized Officer may request an administrative review before the Utah BLM State Director. Such requests, including support documentation, shall be filed with the State Director within 20 business days from the date that the decision was received. Upon request and showing good cause, an extension for submitting supporting data may be granted by the State Director. Requests for administrative review should be sent to: State Director, Bureau of Land Management, Utah State Office, P.O. Box 45155, Salt Lake City, Utah 84145-0155.

Please feel free to contact me with any questions.

Sincerely,



Howard B. Cleavinger II
Assistant Field Manager
Mineral Resources

cc: Mr. Dave Koval
BLM, Utah State Office

is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
MR WILLIAM A RYAN
ROCKY MOUNTAIN CONSULTING
350 SOUTH 800 EAST
VERNAL UT 84078

4a. Article Number
Z 413 579 982

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
6-7-99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)
2

6. Signature: (Addressee or Agent)
X *William Ryan*

PS Form 3811, December 1994

Cleavinger Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 413 579 982

Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

Sent to MR WILLIAM A RYAN	Sheet and No. 350 SOUTH 800 EAST	P.O., State and ZIP Code VERNAL UT 84078	Package \$ 33	Certified RECEIVED 40	Special Delivery Fee JUN 4 1999	Restricted Delivery Fee	Return Receipt Show "to Whom" & Date Delivered 125	Return Receipt Showing to Whom, Date, and Addressee's Address \$ 2.98	TOTAL Postage & Fees	Postmark of Office VERNAL UT
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Cleavinger

RECEIVED
APR 24 2001
DIV OF OIL, GAS & MINING

SENDER:
 ■ Complete items 1 and/or 2 for additional services.
 ■ Complete items 3, 4a, and 4b.
 ■ Print your name and address on the reverse of this form so that we can return this card to you.
 ■ Attach this form to the front of the mailpiece, or on the back if space does not permit.
 ■ Write "Return Receipt Requested" on the mailpiece below the article number.
 ■ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
 MR DAVE KOVAL
 WHITE RIVER RESOURCE MANAGEMENT
 410 17TH STREET SUITE 925
 DENVER CO 80202

4a. Article Number:
 Z 413 579 985

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 6/7

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
Karen Samuels

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 Cleavinger Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 413 579 985

Receipt for Certified Mail
 No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)

Sent to: MR DAVE KOVAL	Street and No. 410 17th STREET, STE 925	Postage \$ 2.33
P.O. State and ZIP Code DENVER CO 80202		Certified fee 1.40
		Special Delivery Fee
		Restricted Delivery Fee
Return Receipt Showing to Whom Certificate is Being Delivered	Return Receipt Showing to Whom, Date, and Addressee's Address	TOTAL Postage & Fees \$ 2.98
Postmark or Date		

PS Form 3800, March 1993

Cleavinger



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)

April 24, 2001

James Routson
Lone Mountain Production Company
P. O. Box 3394
Billings, Montana 59103-3394

Re: APD Rescinded – Fed N 31-21 Sec. 21, T.11S, R.24E - Uintah County, Utah
API No. 43-047-33167

Dear Mr. Routson:

The Application for Permit to Drill (APD's) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 16, 1998. On February 22, 2000, Lone Mountain was granted a one-year APD extension. On April 24, 2001, the Bureau of Land Management provided the Division with a letter dated June 4, 1999 (copy enclosed), stating that the APD was rescinded.

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 February 22, 2001.

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,

Lisha Cordova
Eng. Technician

cc: Well File
Dominion Exploration & Production Inc./Diann Flowers
Bureau of Land Management, Vernal