

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG \_\_\_\_\_ ELECTRIC LOGS \_\_\_\_\_ FILE **X** WATER SANDS \_\_\_\_\_ LOCATION INSPECT \_\_\_\_\_ SUB. REPORT/abd. \_\_\_\_\_  
*991207 APO EXT TO 12/06/2000!*

DATE FILED **SEPTEMBER 14, 1998**  
 LAND: FEE & PATENTED \_\_\_\_\_ STATE LEASE NO. \_\_\_\_\_ PUBLIC LEASE NO. **UTU-65358** INDIAN \_\_\_\_\_  
 DRILLING APPROVED: **SEPTEMBER 21, 1998**  
 SPUDDED IN: \_\_\_\_\_  
 COMPLETED: \_\_\_\_\_ PUT TO PRODUCING: \_\_\_\_\_  
 INITIAL PRODUCTION: \_\_\_\_\_  
 GRAVITY A.P.I. \_\_\_\_\_  
 GOR: \_\_\_\_\_  
 PRODUCING ZONES: \_\_\_\_\_  
 TOTAL DEPTH: \_\_\_\_\_  
 WELL ELEVATION: \_\_\_\_\_  
 DATE ABANDONED: *LA 12-28-2000*  
 FIELD: **UNDESIGNATED**  
 UNIT: \_\_\_\_\_  
 COUNTY: **UINTAH**  
 WELL NO. **FED. R 22-18** API NO. **43-047-33190**  
 LOCATION **1967 FNL** FT. FROM (N) (S) LINE. **1919 FWL** FT. FROM (E) (W) LINE. **SE NW** 1/4 - 1/4 SEC. **18**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
12S	22E	18	LONE MOUNTAIN PROD.				

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

5. LEASE DESIGNATION AND SERIAL NO.  
**UTU-65358**

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a TYPE OF WORK  
**DRILL**       **DEEPEN**       **PLUG BACK**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
**NA**

B TYPE OF WELL  
 OIL WELL       GAS WELL       OTHER   
 SINGLE ZONE       MULTIPLE ZONE

7. UNIT AGREEMENT NAME  
**NA**

8. FARM OR LEASE NAME  
**NA**

2. NAME OF OPERATOR  
**Lone Mountain Production Company**

9. WELL NO.  
**Fed. R 22-18**

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

10. FIELD OR LEASE NAME

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)  
 at surface **1,967' FSL, 1919' FEL SE/NW**  
 At proposed prod. Zone **600' N 680' W**

11. Sec., T., R., M., OR BLK AND SURVEY OR AREA  
**Sec. 18, T12S, R22E**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE  
**24.5 miles south of Ouray, Utah**

12. COUNTY OR PARISH **Utah**      13. STATE **Utah**

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)  
**900'**

16. NO. OF ACRES IN LEASE  
**385**

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.  
**NA**

19. PROPOSED DEPTH  
**6,000'**

20. ROTARY OR CABLE TOOLS  
**Rotary**

21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.)  
**5,993' GR**

22. APPROX. DATE WORK WILL START  
**Oct. 1, 1998**

**PROPOSED CASING AND CEMENT PROGRAM**

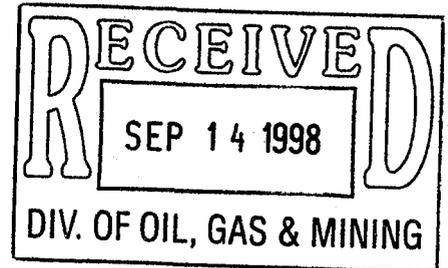
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36	300	To Surface
7 7/8	4 1/2	11.6	T.D.	Cement top to cover the oil shale

*62853720  
440370565*

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 Aug 23, 1998

(This space for Federal or State Office use)

PERMIT NO. 43-047-33190 APPROVAL DATE BRADLEY G. HILL  
 APPROVED BY [Signature] TITLE RECLAMATION SPECIALIST III DATE 9/21/98  
 CONDITIONS OF APPROVAL, IF ANY:

**Federal Approval of this Action is Necessary**

\*See Instructions on Reverse Side

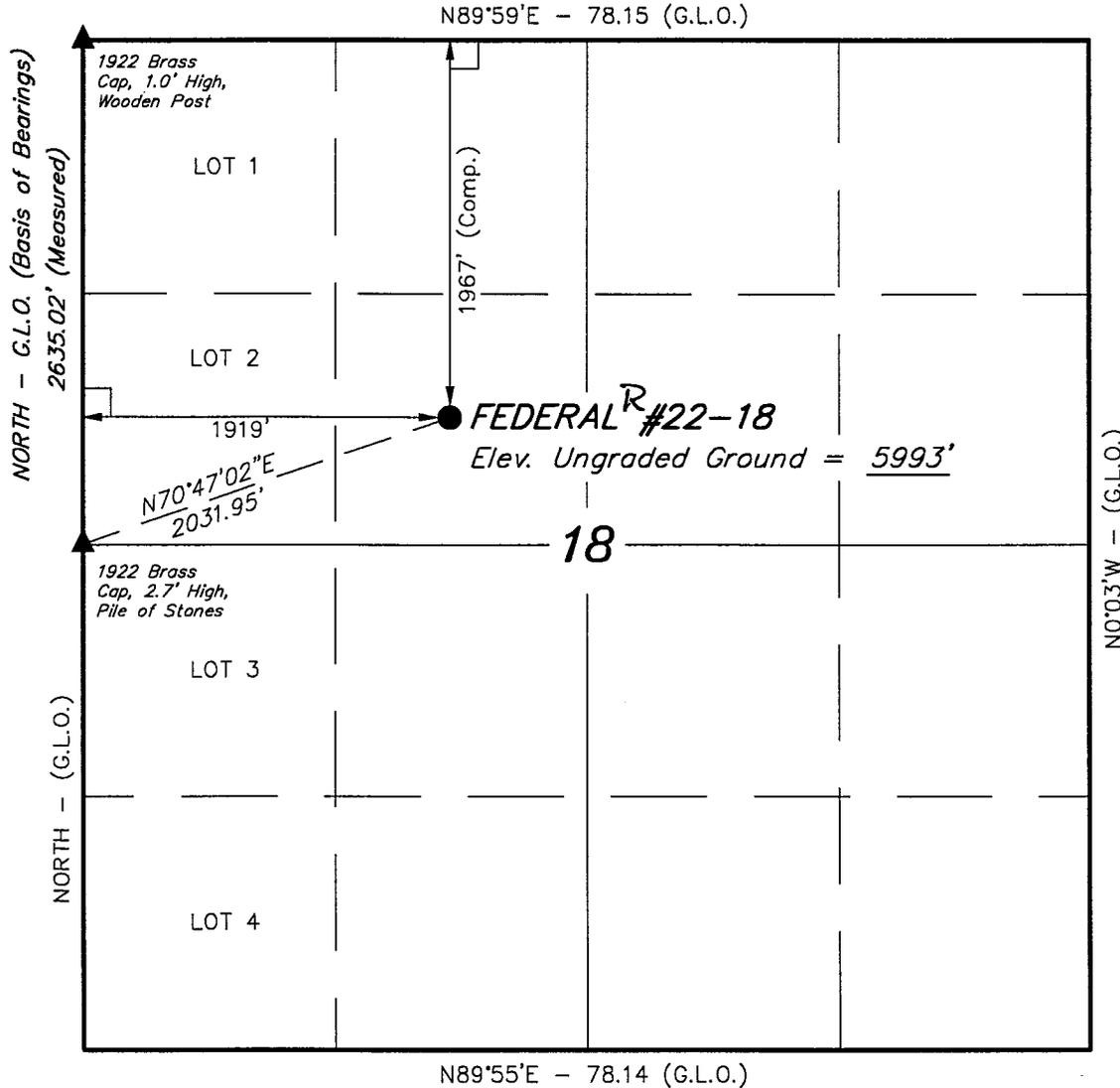
# T12S, R22E, S.L.B.&M.

## LONE MOUNTAIN PRODUCTION

Well location, FEDERAL #22-18, located as shown in the SE 1/4 NW 1/4 of Section 18, T12S, R22E, S.L.B.&M. Uintah County Utah.

### BASIS OF ELEVATION

TRIANGULATION STATION LOCATED AT THE SW 1/4 OF SECTION 19, T12S, R22E, S.L.B.&M. TAKEN FROM BIG PACK MTN. 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 6271 FEET.



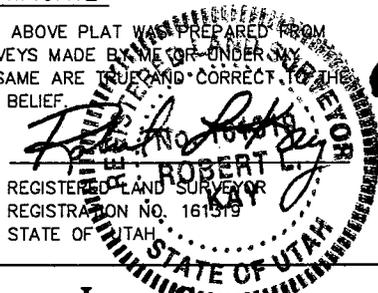
N0°03'W - (G.L.O.)



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.



<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b> 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 8-3-98	DATE DRAWN: 8-5-98
PARTY B.B. D.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°46'32"  
LONGITUDE = 109°29'57"

# Ten Point Plan

Lone Mountain Prod., Co.

Fed. R 22-18

Surface Location SE 1/4, NW 1/4, Section 18, T. 12 S., R. 22 E.

## 1. Surface Formation:

Green River

## 2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+5,993' G.L.
Oil Shale	178	+5,815
Wasatch	2,673	+3,340
Mesaverda formation	4,403	+1,590
T.D.	6,000	-7

## 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 &amp; Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
11	9 5/8	24	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:

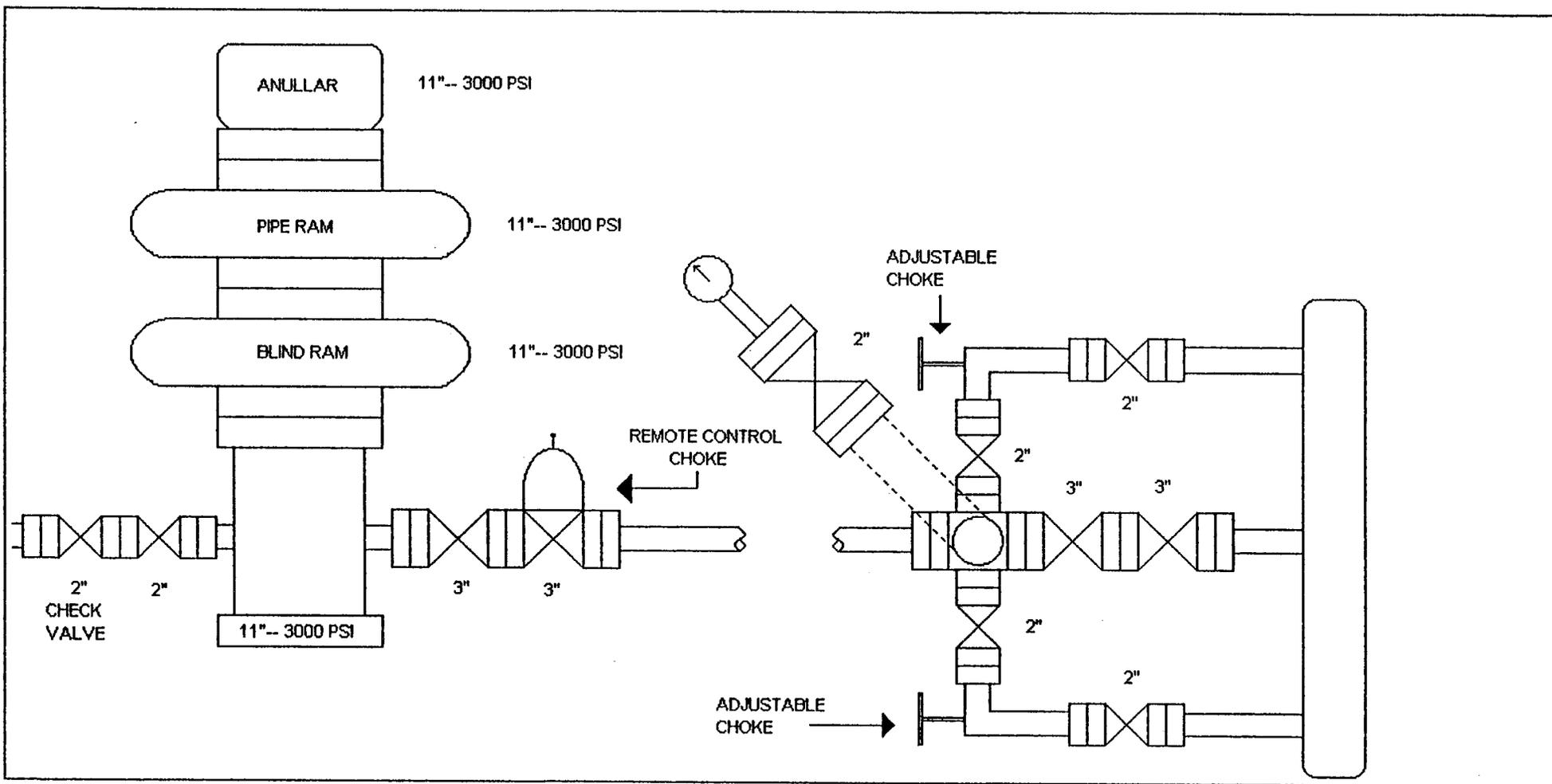
Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

**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 October 1, 1998. Duration of operations expected to be 30 days.



**LONE MOUNTAIN PRODUCTION COMPANY**

**13 POINT SURFACE USE PLAN**

**FOR WELL**

**FED R 22-18**

**LOCATED IN**

**SE 1/4, NW 1/4**

**SECTION 18, T. 12 S., R. 22 E., U.S.B.&M.**

**UINTAH COUNTY, UTAH**

**LEASE NUMBER: UTU-65358**

**SURFACE OWNERSHIP: FEDERAL**

## 1. Existing Roads

To reach the **Lone Mountain Production Co. well Fed. R 22-18, in Section 18, T 12 S, R 22 E**, from Ouray, Utah, proceed south on the paved and gravel road for 24.5 miles.

Turn north (left) proceed 1.9 miles.

The proposed access road will start at this point. All roads to this point are State or County Class D roads.

Please see the attached map for additional details.

## 2. Planned access road

**The proposed location will require approximately 3,500 feet of new access road.**

The road will be built to the following standards:

- |                                  |                 |
|----------------------------------|-----------------|
| A) Approximate length            | <b>3,500 ft</b> |
| 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 | <b>Federal</b>  |
| L) All new construction on lease | <b>No</b>       |
| M) Pipe line crossing            | None            |

Please see the attached location plat for additional details.

**A BLM right of way will be required for the segment of access road constructed in Sec. 13, T12S, R21E. All other construction will be on lease.**

## 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                     | None                         |
| C) Abandoned well                 | Sec. 13, T12S, R22E<br>SW/NE |
| D) Temp. abandoned well           | None                         |
| E) Disposal well                  | None                         |
| F) Drilling/Permitted well        | None                         |
| 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 production in paying quantities a surface pipeline will be required. The line will be welded on location and on the access road. The line will then be boomed off the road. The approximate length will be 4,400 ft.**

**A BLM right-of-way will be required for the segment of line in Sec. 13, T12S, R22E. All other pipeline construction will be on lease.**

**The gathering pipeline will be a 2" or 4" steel surface pipeline.**

Please see the attached location diagram for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

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 Vernal District Office, Vernal Utah.** 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 Willow Creek at the bottom of Buck Canyon. or the water well at the old Geocanetics location. Water for completion will come from the listed location 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 at the operators discretion.**

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 approval of 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	<b>350 ft.</b>
B) Pad width	<b>155 ft.</b>
C) Pit depth	<b>10 ft.</b>
D) Pit length	<b>180 ft.</b>
E) Pit width	<b>50 ft.</b>
F) Max cut	<b>4.2 ft.</b>
G) Max fill	<b>7.5 ft.</b>
H) Total cut yd's	<b>5,780 cu. yd's</b>
I) Pit location	<b>south side</b>
J) Top soil location	<b>north side</b>
K) Access road location	<b>west end</b>
L) Flare pit	<b>corner B</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.

**10. Plans for restoration of the surface**

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 a seed mix provided by the State of Utah. 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.

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.

C) **Seed Mix**

Black Sage	3#/acre
Fourwing Saltbush (Atriplex Canescens)	4#/acre
Shad Scale (Antriplex Cenfertifolia)	2#/acre
Thickspike Wheat Grass (Agropyron Dasystachum)	3#/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.

The nearest water is Willow Creek Evacuation Creek located 3 miles to the west

### 11. Surface ownership:

Access road	<b>Federal</b>
Location	<b>Federal</b>
Pipeline	<b>Federal</b>

### E) Chemicals:

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

### 12. Other information

### F) Notification:

#### 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.

#### a) **Location construction**

At least forty eight (48) hours prior to construction of location and access roads

#### B) Dwellings:

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

#### b) **Location completion**

Prior to moving in the drilling rig.

#### C) Archeology:

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

#### c) **Spud notice**

At least twenty-four (24) hours prior to spudding the well.

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) **Casing string and cementing**

At least twenty-four (24) hours prior to running casing and cementing all casing strings.

#### D) Water:

#### 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.

### 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 **east side of the location**. All fluids will be removed from the pit within 48 hours of occurrence.

**13. Lessees or Operator's representative and certification**

A) Representative

William A. Ryan

Rocky Mountain Consulting  
350 South 800 East  
Vernal, Utah 84078

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.

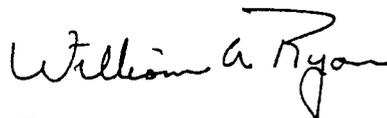
This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

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.

Date Aug 28, 1998



William A. Ryan, Agent  
Rocky Mountain Consulting

## **SELF-CERTIFICATION STATEMENT**

**The following self-certification statement is provided per Federal requirements dated June 15, 1988.**

**Please be advised that Lone Mountain Prod., Co. are considered to be the operator of the following well.**

**Fed. R 22-18  
SE 1/4, NW 1/4, Section 18, T. 12, R. 22 E.  
Lease UTU-65358  
Uintah County, Utah**

**Lone Mountain Prod., Co. is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.**

**State Wide Bond Coverage on Federal Lands is provided by Bond Fed. UT-0719**

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**William A. Ryan  
Agent  
Rocky Mountain Consulting  
350 S. 800 E.  
Vernal UT 84078  
435-789-0968 Office  
435-828-0968 Cell  
435-789-0970 Fax**

### **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.

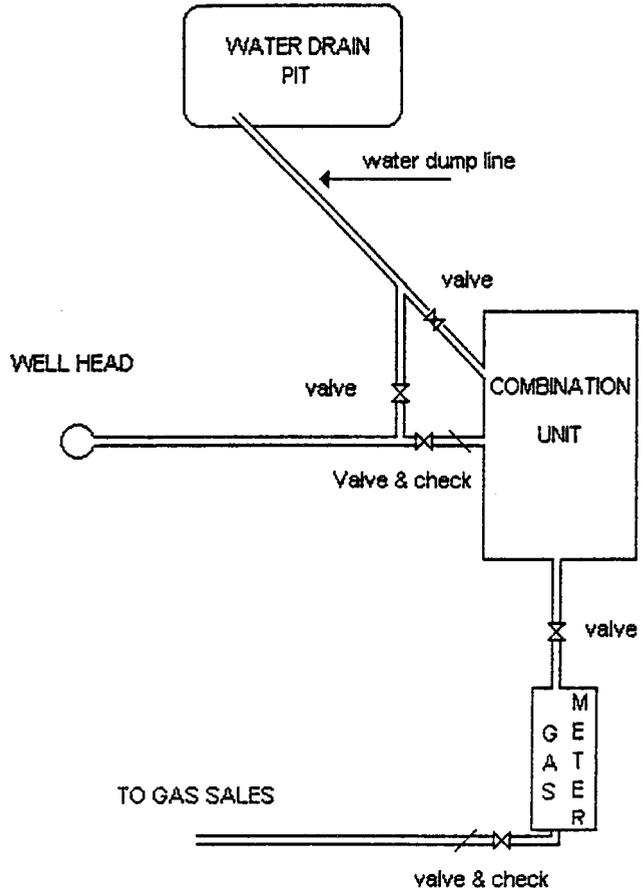
Will be used, produced, transported, stored, disposed, or associated with the proposed action, No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

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

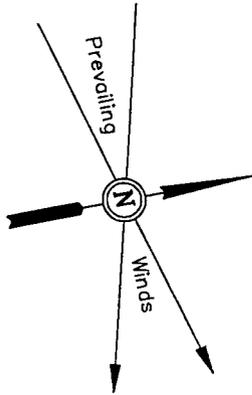
## LOCATION LAYOUT FOR

FEDERAL #22-18

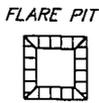
SECTION 18, T12S, R22E, S.L.B.&M.

1967' FNL 1919' FWL

Proposed Access Road



SCALE: 1" = 50'  
DATE: 8-5-98  
Drawn By: D.COX



Approx. Top of Cut Slope

T.S.  
El. 93.2'  
C-2.4'

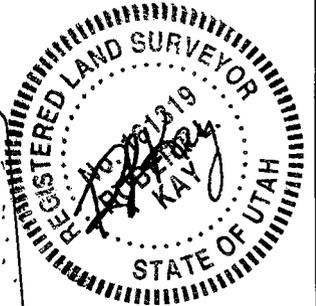
El. 95.0'  
C-14.2'  
(btm. pit)

El. 94.8'  
C-14.0'  
(btm. pit)

C-1.5'  
El. 92.3'

F-1.3'  
El. 89.5'

F-7.5'  
El. 83.3'



Sta. 3+25

Approx. Toe of Fill Slope

Round Corners as Needed

DATA

CATWALK

175'

PIPE RACKS

C-4.0'  
El. 94.8'

C-2.6'  
El. 93.4'

RIG

DOG HOUSE

120'

Sta. 1+50

F-2.8'  
El. 88.0'

Reserve Pit Backfill & Spoils Stockpile

10' WIDE BENCH

180'

Pit Capacity With 2' of Freeboard is 9,710 Bbls. ±

RESERVE PITS (10' Deep)

Slope = 1:1

MUD TANKS

WATER

PUMP

MUD SHED

HOPPER

POWER

TOOLS

FUEL

TRAILER

TOILET

FUEL

Topsoil Stockpile

Sta. 0+50

STORAGE TANK

Sta. 0+00

TRASH

150'

C-0.5'  
El. 91.3'

Trees

F-2.6'  
El. 88.2'

Elev. Ungraded Ground at Location Stake = 5993.4'

Elev. Graded Ground at Location Stake = 5990.8'

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

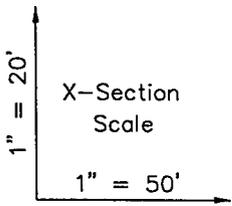
# LONE MOUNTAIN PRODUCTION

## TYPICAL CROSS SECTIONS FOR

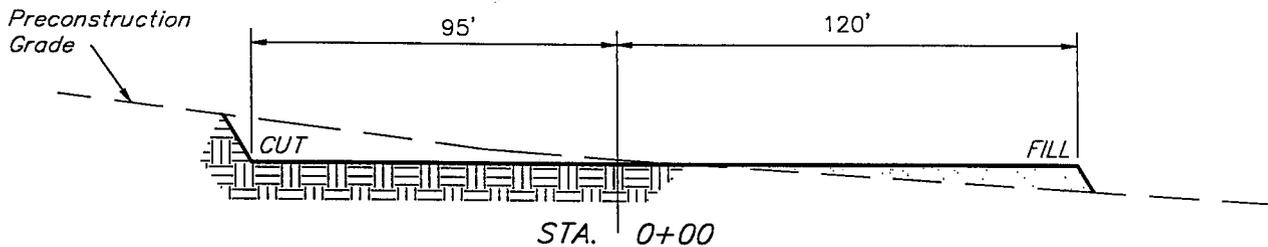
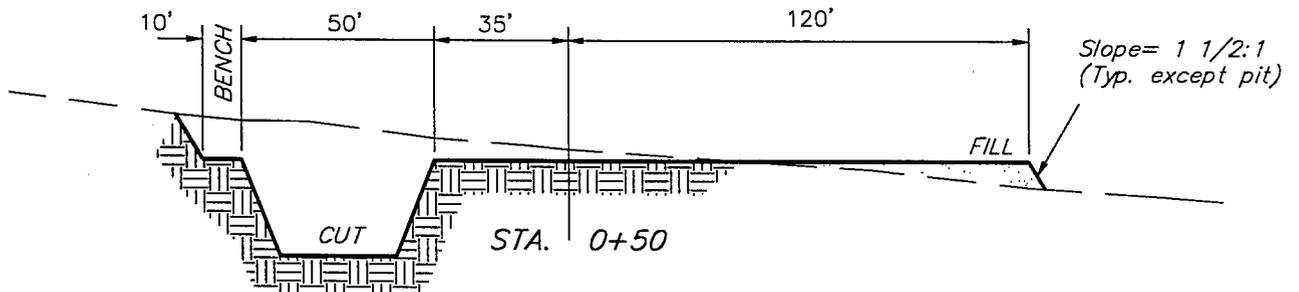
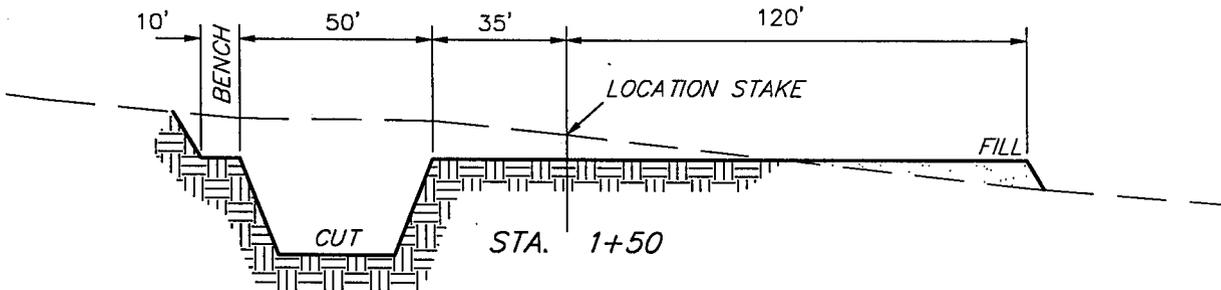
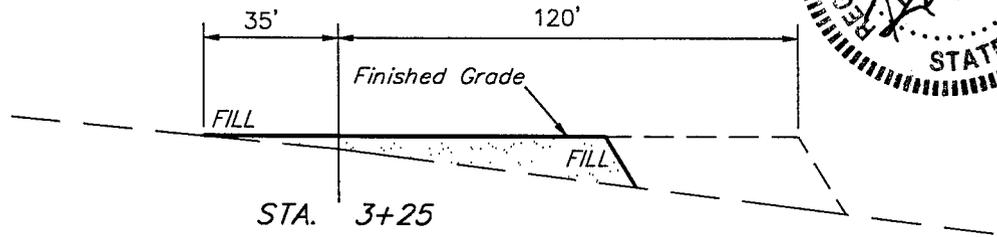
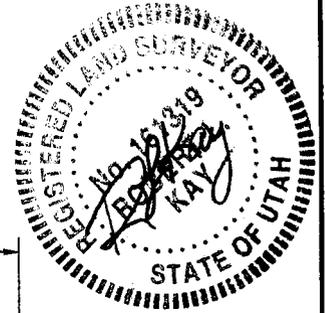
FEDERAL <sup>R</sup>#22-18

SECTION 18, T12S, R22E, S.L.B.&M.

1967' FNL 1919' FWL



DATE: 8-5-98  
Drawn By: D.COX

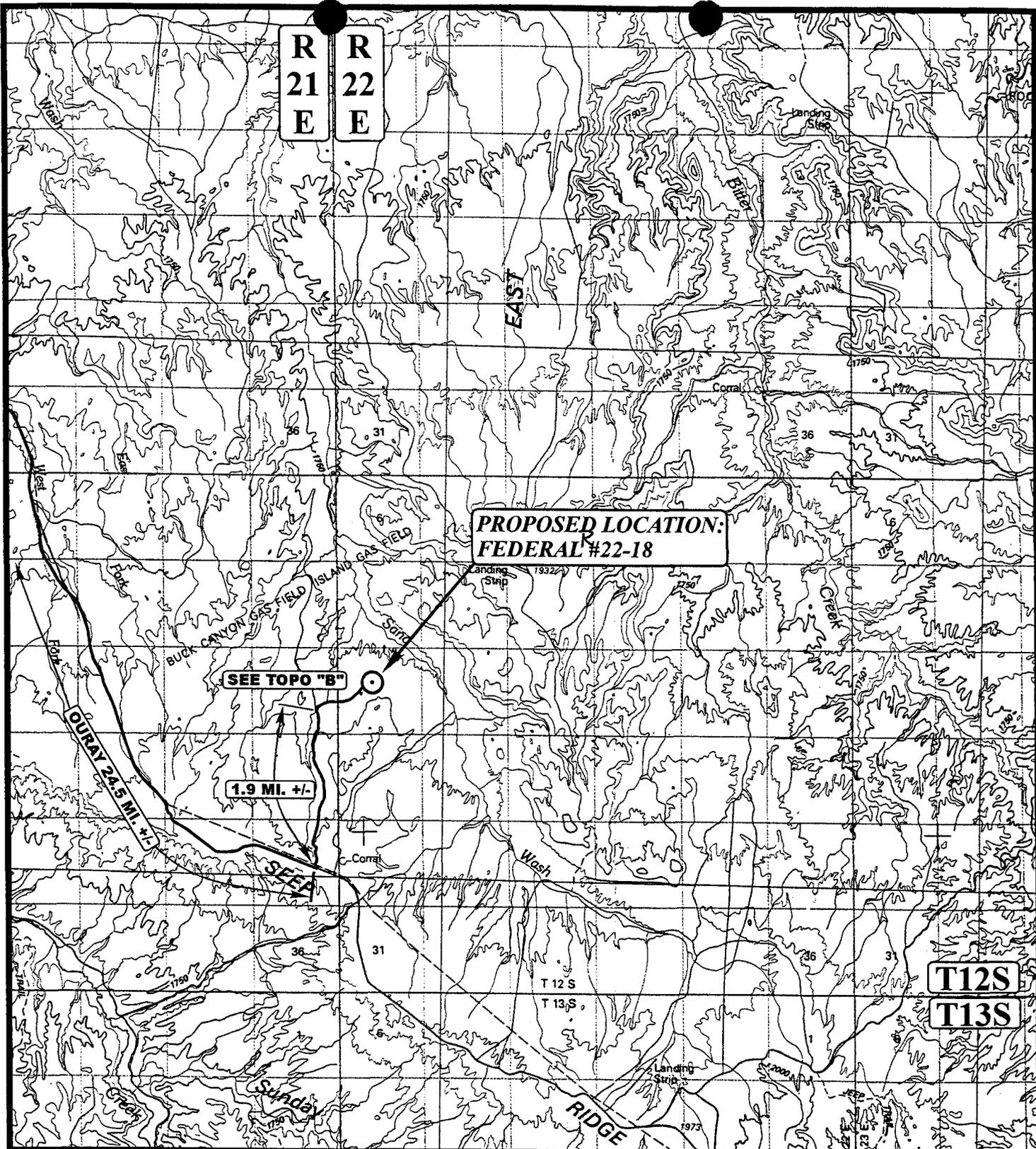


### APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,100 Cu. Yds.
Remaining Location	= 4,680 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 5,780 CU.YDS.</b>
<b>FILL</b>	<b>= 3,240 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,370 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,360 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 10 Cu. Yds.

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



**LEGEND:**

○ PROPOSED LOCATION



**LONE MOUNTAIN PRODUCTION**

**FEDERAL #22-18**  
**SECTION 18, T12S, R22E, S.L.B.&M.**  
**1967' FNL 1919' FWL**



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

**TOPOGRAPHIC**  
**MAP**

**8** MONTH  
**4** DAY  
**98** YEAR

SCALE: 1 : 100,000 | DRAWN BY: D.COX | REVISED: 00-00-00



T12S

**PROPOSED LOCATION:  
FEDERAL #22-18**

**PROPOSED ACCESS 0.7 MI. +/-**

**EXISTING ROAD  
NEEDS UPGRADE**

**1.9 MI. +/-**

**OURAY 28.3 MI. +/-**

**R  
21  
E**     **R  
22  
E**

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING ROAD

**LONE MOUNTAIN PRODUCTION**

**FEDERAL #22-18  
SECTION 18, T12S, R22E, S.L.B.&M.  
1967' FNL 1919' FWL**



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

<b>TOPOGRAPHIC</b>	<b>8</b>	<b>4</b>	<b>98</b>	<b>B</b>
<b>MAP</b>	MONTH	DAY	YEAR	
SCALE: 1" = 2000'		DRAWN BY: D.COX		REVISED: 00-00-00
<b>TOPO</b>				

T12S

**PROPOSED LOCATION:  
FEDERAL #22-18**

Gas Well

**PROPOSED ACCESS ROAD**

**PROPOSED PIPELINE**

**TIE-IN POINT**

**PROPOSED  
FED #44-13**

**PROPOSED PIPELINE  
FOR THE FED #44-13**

**R R  
21 22  
E E**

**APPROXIMATE TOTAL PIPELINE DISTANCE = 4,400' +/-**

**LEGEND:**

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS



**LONE MOUNTAIN PRODUCTION**

**FEDERAL #22-18  
SECTION 18, T12S, R22E, S.L.B.&M.  
1967' FNL 1919' FWL**



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

**TOPOGRAPHIC** **8** **4** **98**  
**MAP** MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/14/98

API NO. ASSIGNED: 43-047-33190

WELL NAME: FED R 22-18  
 OPERATOR: LONE MOUNTAIN PROD CO (N7210)  
 CONTACT: William Ryan (435) 789-0968

PROPOSED LOCATION:  
 SENW 18 - T12S - R22E  
 SURFACE: 1967-FNL-1919-FWL  
 BOTTOM: 1967-FNL-1919-FWL  
 UINTAH COUNTY  
 UNDESIGNATED FIELD (002)

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

LEASE TYPE: FED  
 LEASE NUMBER: UTU-65358  
 SURFACE OWNER: Federal

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

Plat  
 Bond: Federal  State  Fee   
 (No. UTD 719)

Potash (Y/N)  
 Oil Shale (Y/N) \*190-5(B)  
 Water Permit  
 (No. Willow Creek / Buck Canyon)

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: \_\_\_\_\_

\_\_\_\_\_

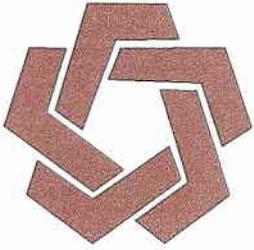
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STIPULATIONS: ① FEDERAL APPROVAL

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



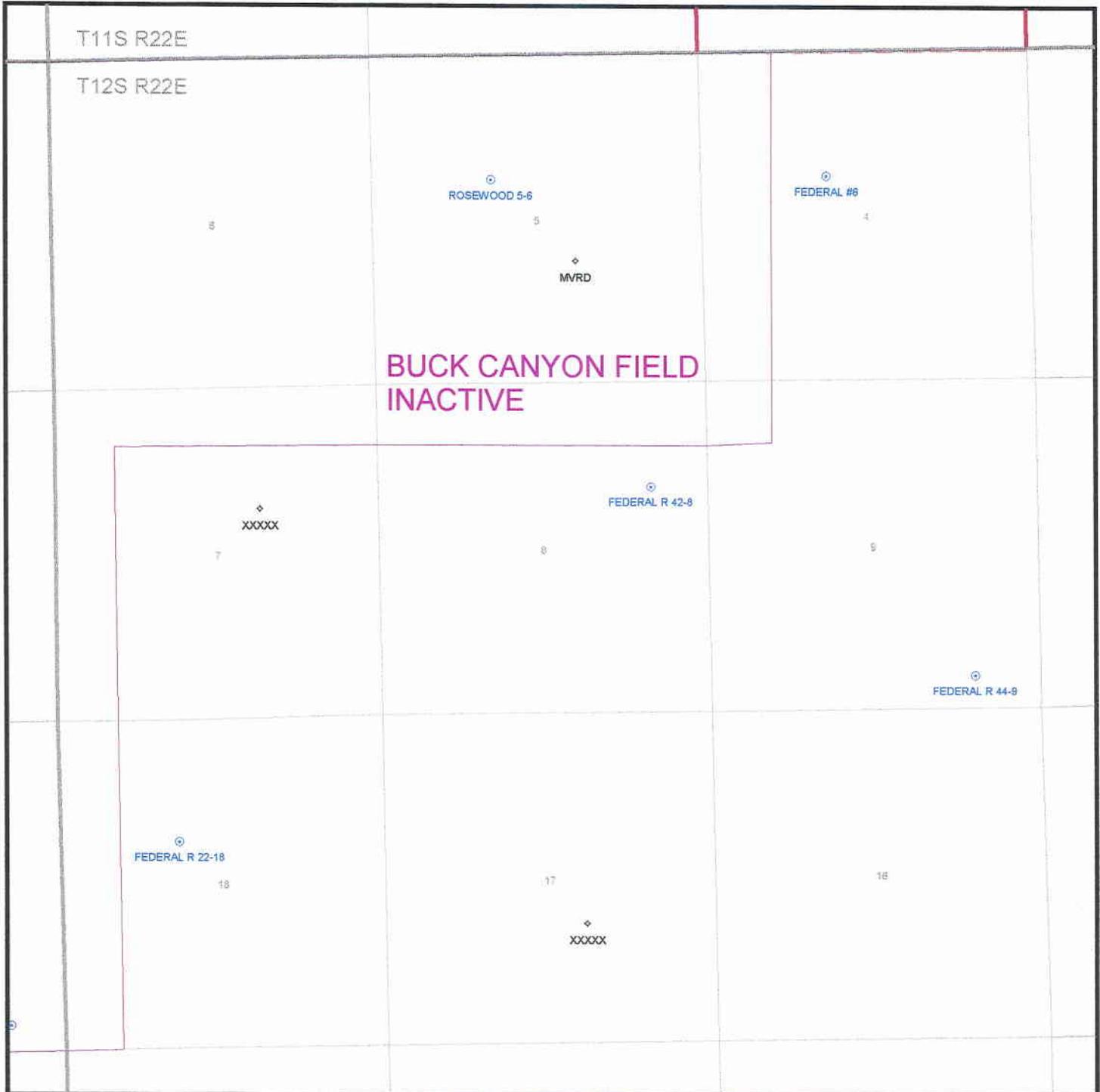
DIVISION OF OIL, GAS & MINING

OPERATOR: LONE MOUNTAIN PRODUCTION (N7210)

FIELD: UNDESIGNATED (002)

SEC. 8 & 18, TWP 12S, RNG 21E

COUNTY: UINTAH UNIT: NONE



DATE PREPARED:  
18-SEP-1998



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

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt  
Governor

Lowell P. Braxton  
Division Director

September 21, 1998

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

Re: Fed. R 22-18 Well, 1967' FNL, 1919' FWL, SE NW, Sec. 18,  
T. 12 S., R. 22 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 43-047-33190.

Sincerely,

A handwritten signature in black ink that reads "John R. Baza".

John R. Baza  
Associate Director

lwp

Enclosures

cc: Uintah County Assessor  
Bureau of Land Management, Vernal

Operator: Lone Mountain Production Company  
Well Name & Number: Fed. R 22-18  
API Number: 43-047-33190  
Lease: UTU-65358  
Location: SE NW Sec. 18 T. 12 S. R. 22 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 prior to spudding the well. Contact Jim Thompson at (801)538-5336.

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

3. Reporting Requirements

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

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

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

5. LEASE DESIGNATION AND SERIAL NO. <b>UTU-65358</b>
6. IF INDIAN, ALLOTTEE OR TRIBE NAME <b>NA</b>
7. UNIT AGREEMENT NAME <b>NA</b>
8. FARM OR LEASE NAME <b>NA</b>
9. WELL NO. <b>Fed. R 22-18</b>
10. FIELD OR LEASE NAME
11. Sec., T., R., M., OR BLK AND SURVEY OR AREA <b>Sec. 18, T12S, R22E</b>
12. COUNTY OR PARISH   13. STATE <b>Uintah   Utah</b>
17. NO. OF ACRES ASSIGNED TO THIS WELL <b>40</b>
22. APPROX. DATE WORK WILL START <b>Oct. 1, 1998</b>

**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 **1,967' FSL, 1919' FEL SE/NW**  
 At proposed prod. Zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
**24.5 miles south of Ouray, Utah**

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drig. Unit line, if any)      16. NO. OF ACRES IN LEASE  
**900'**      **385**

16. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.      19. PROPOSED DEPTH      20. ROTARY OR CABLE TOOLS  
**NA**      **6,000'**      **Rotary**

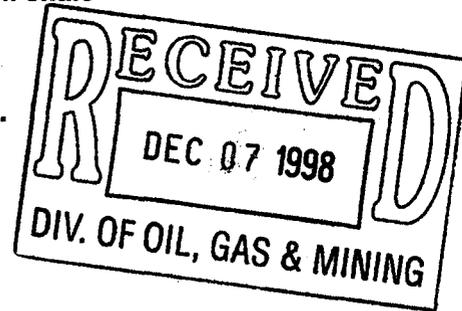
21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.)  
**5,993' GR**

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

**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  
SEP 05 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 Aug 23, 1998

(This space for Federal or State Office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
 APPROVED BY Jerry Kneigh TITLE Assistant Field Manager DATE DEC 02 1998  
 CONDITIONS OF APPROVAL IF ANY \_\_\_\_\_  
 ACTING Mineral Resources

**NOTICE OF APPROVAL \*See Instructions on Reverse Side OF APPROVAL ATTACHED**

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.

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Lone Mountain Production Co.

Well Name & Number: Fed. R 22-18

API Number: 43-047-33190

Lease Number: U-65358

Location: SENW Sec. 18 T. 12 S. R. 22 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  $\pm$  512 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  $\pm$  312 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, 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.

### SURFACE USE PROGRAM

-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 or 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).

-The APD mentions that the topsoil will be seeded with a seed mix provided by the state of Utah. This is in error. The topsoil as well as all reclamation, will be seeded with the seed mix provided in the APD.

-The trees will be removed and piled on the west end of the location prior to stripping the topsoil.

-No construction activities will occur during the golden eagle nesting season of Feb. 1 to July 15. If the nest is not occupied by May 31, as determined by a qualified biologist, construction activity could go forward.



**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

November 7, 2000

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  
STATE NO. M 32-16  
VARIOUS FEDERAL WELLS  
UINTAH COUNTY, UTAH

Gentlemen:

Enclosed in duplicate is one state sundry notice and three federal sundry notices requesting the approval by your office for an additional one year APD extension for the referenced wells.

Should you have any questions or need further information please contact 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: Dave Koval - White River

**RECEIVED**

NOV 13 2000

DIVISION OF  
OIL, GAS AND MINING

**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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NO. <b>UTU-65358</b>
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		6. IF INDIAN, ALLOTEE OR TRIBE NAME
<b>SUBMIT IN TRIPLICATE</b>		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 type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. WELL NAME and No. <b>Federal No. R 22-18</b>
2. NAME OF OPERATOR <b>Lone Mountain Production Company</b>		9. API WELL NO. <b>43-047-33190</b>
3. ADDRESS OF OPERATOR <b>P. O. Box 3394, Billings, Montana 59103      (406) 245-5077</b>		10. Field and Pool, or Exploratory Area
4. LOCATION OF WELL (Footage, Sec. T., R., M., or Survey Description) <b>1967' FNL, 1919' FWL Section 18-T12S-R22E (SENW)</b>		11. County or Parish, State <b>Uintah County, Utah</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" 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 an additional one year extension on the approved APD for the subject well.**

**If additional information is needed please contact the following:**

**Dave Koval  
White River Resource Management Inc.  
Phone: (303) 628-1951**

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

**COPY SENT TO OPERATOR**  
Date: 11-16-00  
Initials: CBW

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

Signed: *James O. Rayburn* Title: President Date: November 7, 2000

Date: 11/16/00  
By: *[Signature]*

(This space for Federal or State office use)

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: **RECEIVED**

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 false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*See Instructions of Reverse Side

**NOV 13 2000**  
**DIVISION OF  
OIL, GAS AND MINING**



# 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:

3160

UT08300

December 28, 2000

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

43-047-33190  
Re: Notification of Expiration  
Well No. Federal R 22-18  
SENW, Section 18, T12S, R22E  
Lease No. U-65358  
Uintah County, Utah

Gentlemen:

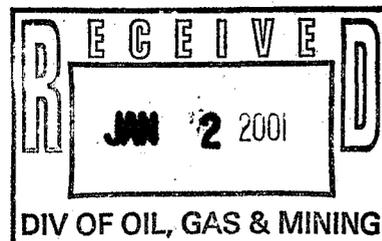
The Application for Permit to Drill the above-referenced well was approved on December 2, 1998. Lone Mountain Production Company requested an extension of the original APD approval for an additional year. The request was reviewed and the extension approved until December 2, 2000. According to our records, 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  
William A. Ryan - Rocky Mountain Consulting



**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

5. LEASE DESIGNATION AND SERIAL NO.  
**UTU-65358**

**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

6. IF INDIAN, ALLOTEE OR TRIBE NAME

**SUBMIT IN TRIPLICATE**

7. IF UNIT OR CA, AGREEMENT DESIGNATION

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

8. WELL NAME and No.  
**Federal No. R 22-18**

2. NAME OF OPERATOR  
**Lone Mountain Production Company**

9. API WELL NO.  
**43-047-33190**

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)  
**1967' FNL, 1919' FWL Section 18-T12S-R22E (SENW)**

11. County or Parish, State  
**Uintah County, Utah**

RECEIVED  
NOV 13 2000

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

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" 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 <b>APD Extension</b>	<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 an additional one year extension on the approved APD for the subject well.**

**If additional information is needed please contact the following:**

*CB  
These (3) APD's  
were LA'd 12/2000.  
Vicky or Kathy may  
have files. Lc*

**Dave Koval  
White River Resource Management Inc.**

**Phone: (303) 628-1951**

**DENIED**

RECEIVED

JAN 22 2001

DIVISION OF  
OIL, GAS AND MINING

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

Signed: *James S. Parthen*

Title: **President**

Date: **November 7, 2000**

(This space for Federal or State office use)

APPROVED BY: *Keith Anderson*  
CONDITIONS OF APPROVAL IF ANY

TITLE: **Petroleum Engineer**

DATE: *1/13/01*

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

*DOGIM*

Lone Mountain Production Co.  
APD Extension

Well: Federal R 22-18

Location: SENW Sec. 12, T12S, R22E

Lease: UTU 65358

**Reason For Denial**

A one year extension for the referenced APD was granted on December 3, 1999 with the condition that there would be no further extensions granted. Since the stated time frame has expired, no additional extension will be approved.

If you have any other questions concerning this matter, please contact Kirk Fleetwood or Ed Forsman of this office at (435) 781-4400.

As per 43 CFR 3165.3(b), you have the right to request a State Directors Review of this decision. Such request, including all supporting documentation must be filed in writing with the BLM Utah State Office (P.O. Box 45155 Salt Lake City, UT 84145) with in 20 days of the receipt of this notice.