

UTAH OIL AND GAS CONSERVATION COMMISSION

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

991207 APD EXT TO 12/6/2000!

DATE FILED SEPTEMBER 14, 1998

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. UTU-73017 INDIAN _____

DRILLING APPROVED: NOVEMBER 16, 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: BUCK CANYON

UNIT: _____

COUNTY: UINTAH

WELL NO. FED. Q 44-13

API NO. 43-047-33193

LOCATION 430 FSL FT. FROM (N) (S) LINE, 859 FEL

FT. FROM (E) (W) LINE. SE SE

1/4 - 1/4 SEC. 13

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
12S	21E	13	LONE MOUNTAIN PROD.				



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

350 S. 800 E.
Vernal, UT 84078

August 28, 1998

Re: Well Fed Q 44-13
SE/SE, Sec. 13, T12S, R21E
Lease No. UTU-73017

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 SE $\frac{1}{4}$ of the SE $\frac{1}{4}$. The location was moved due to topographic considerations, and access conditions. The location was on sited with the BLM on August 25, 1998. Byran Tolman, Steve Matson and Steve Stong from the BLM and Bill Ryan Agent for Lone Mountain were present. All parties agreed with the site location.

The well is located 430' FSL, 859' FEL in Sec. 13, T12S, R21E.

The location is 430' from the section line. The section line is not a lease line.

If you have additional questions please contact me.

Sincerely

A handwritten signature in cursive script that reads "William A. Ryan".

William (Bill) Ryan
Agent

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

5. LEASE DESIGNATION AND SERIAL NO.

UTU-73017

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. UNIT AGREEMENT NAME

NA

8. FARM OR LEASE NAME

NA

9. WELL NO.

Fed. Q 44-13

10. FIELD OR LEASE NAME

11. Sec., T., R., M., OR BLK

AND SURVEY OR AREA

Sec. 13, T12S, R21E

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a TYPE OF WORK

DRILL

DEEPEN

PLUG BACK

8 TYPE OF WELL

OIL WELL

GAS WELL

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

430' FSL, 859' FEL

SE/SE

At proposed prod. Zone

131 767

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

28.3 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)

430'

16. NO. OF ACRES IN LEASE

2,400

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

16. 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.)

6,060' 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

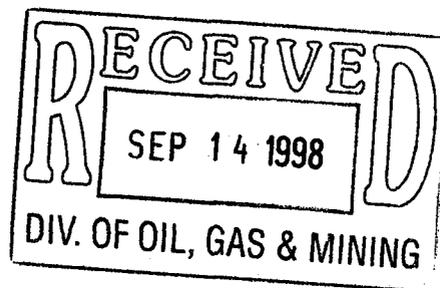
Operator requests permission to drill the subject well.

Please see the attached 10 Point and 13 Point Surface Use Plan.

*627714.49
44 02805.92*

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 22, 1998

(This space for Federal or State Office use)

PERMIT NO.

43-047-33193

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

**BRADLEY G. HILL
RECLAMATION SPECIALIST III**

DATE

11/16/98

Federal Approval of this Action is Necessary

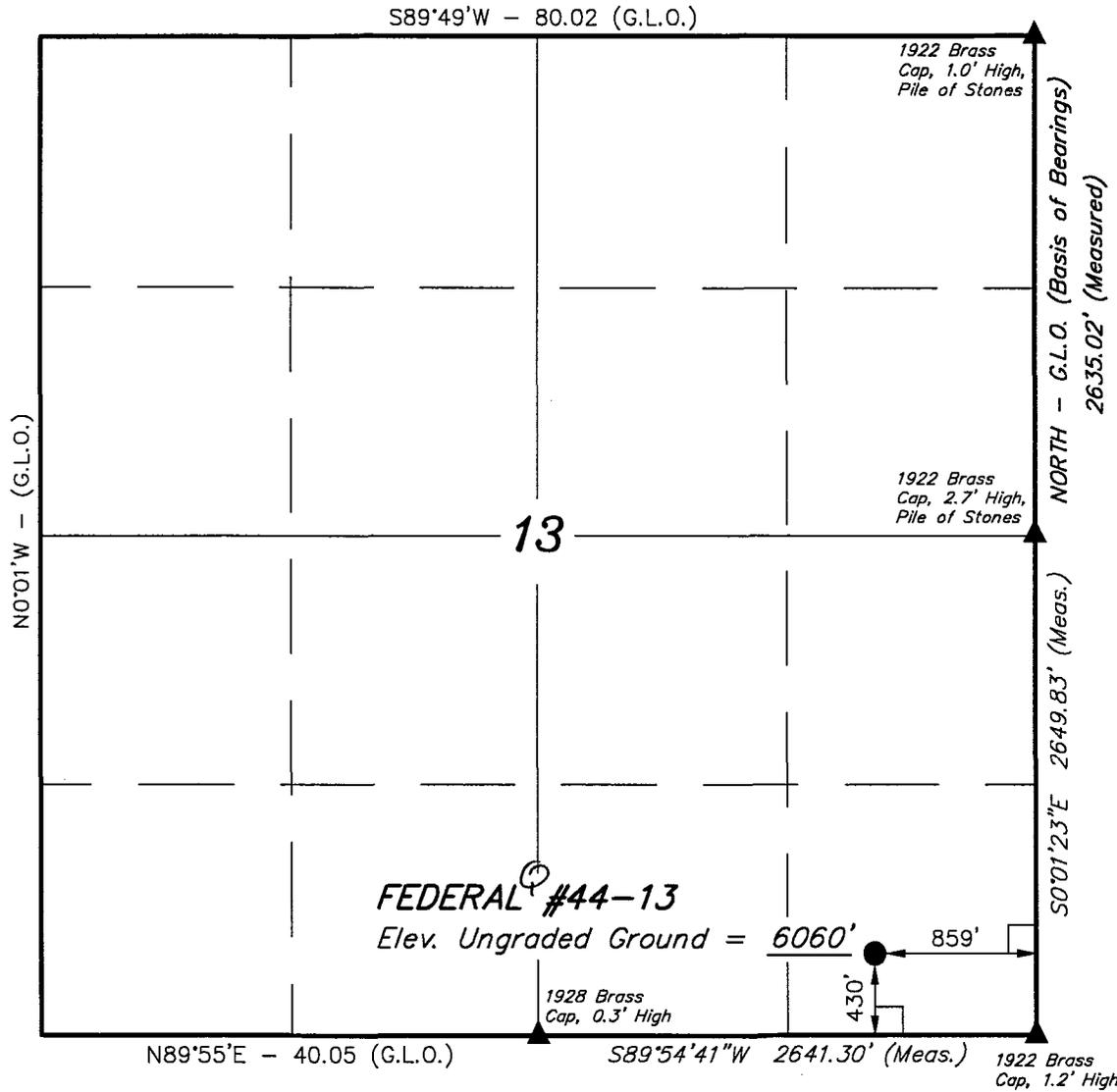
***See Instructions on Reverse Side**

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.

T12S, R21E, S.L.B.&M.

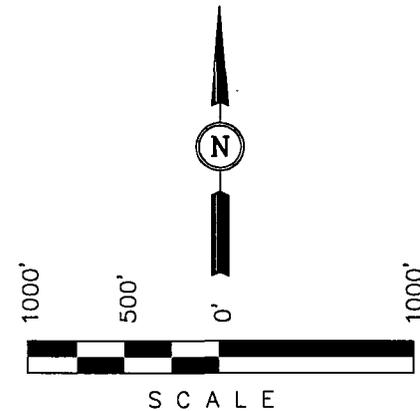
LONE MOUNTAIN PRODUCTION

Well location, FEDERAL #44-13, located as shown in the SE 1/4 SE 1/4 of Section 13, T12S, R21E, S.L.B.&M. Uintah County Utah.



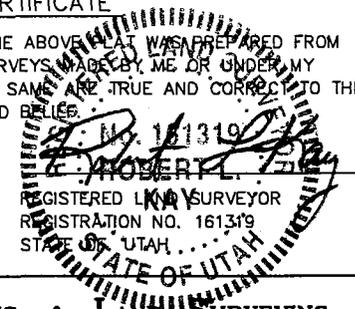
BASIS OF ELEVATION

TRIANGULATION STATION LOCATED AT THE SOUTHWEST CORNER OF SECTION 19, T12S, R22E, S.L.B.&M. TAKEN FROM THE 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.



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.



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

SCALE 1" = 1000'	DATE SURVEYED: 8-3-98	DATE DRAWN: 8-6-98
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°46'03"
 LONGITUDE = 109°30'36"

Ten Point Plan

Lone Mountain Prod., Co.

Fed. Q 44-13

Surface Location SE 1/4, SE 1/4, Section 13, T. 12 S., R. 21 E.

1. Surface Formation:

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+6,060' G.L.
Oil Shale	245	+5,815
Wasatch	2,720	+3,340
Mesaverda formation	4,470	+1,590
T.D.	6,000	+60

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 Grade Size</u>	<u>Weight/Ft.</u>	<u>Setting & 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 Ml/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:

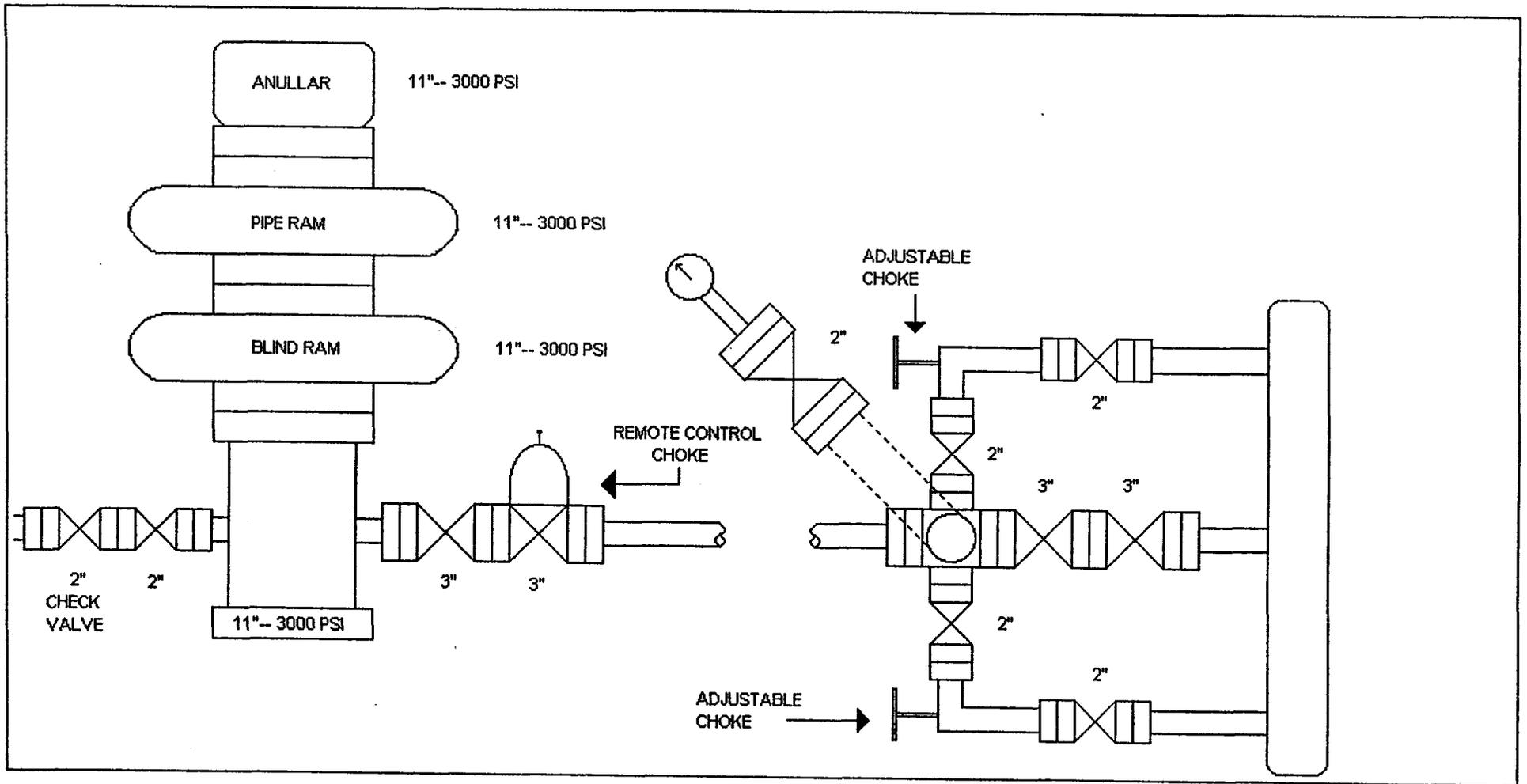
Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

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.



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. Q 44-13
SE 1/4, SE 1/4, Section 13, T. 12, R. 22 E.
Lease UTU-73017
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

**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**

LONE MOUNTAIN PRODUCTION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

FED Q 44-13

LOCATED IN

SE 1/4, SE 1/4

SECTION 13, T. 12 S., R. 21 E., U.S.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-73017

SURFACE OWNERSHIP: FEDERAL

1. Existing Roads

To reach the **Lone Mountain Production Co. well Fed. Q 44-13, in Section 13, T 12 S, R 21 E**, from Ouray, Utah, proceed south on the paved and gravel road for 28.3 miles.

Turn north (left) and proceed 1.7 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

The proposed location will require approximately 400 feet of new access road.

The road will be built to the following standards:

A) Approximate length	400 ft
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
L) All new construction on lease	Yes
M) Pipe line crossing	None

Please see the attached location plat for additional details.

A BLM right of way will not be required. All new road 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	None
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 8,800 ft.

A BLM right-of-way will be required for the pipeline. The segment of line in Sec. 24 & 25, T12S, R22E will require a right-of-way. 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 a water well at the old Geokanetics mine location. 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 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	350 ft.
B) Pad width	155 ft.
C) Pit depth	10 ft.
D) Pit length	180 ft.
E) Pit width	50 ft.
F) Max cut	7.2 ft.
G) Max fill	6.6 ft.
H) Total cut yd's	7,020 cu. yd's
I) Pit location	south side
J) Top soil location	east end
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.

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	Federal
Location	Federal
Pipeline	Federal

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) Location completion

Prior to moving in 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.

B) Dwellings:

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

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 **south side of the location**. All fluids will be removed

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:

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.

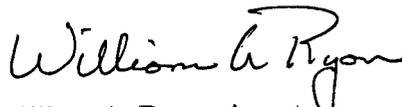
This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

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 25, 1998


William A. Ryan, Agent
Rocky Mountain Consulting

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.

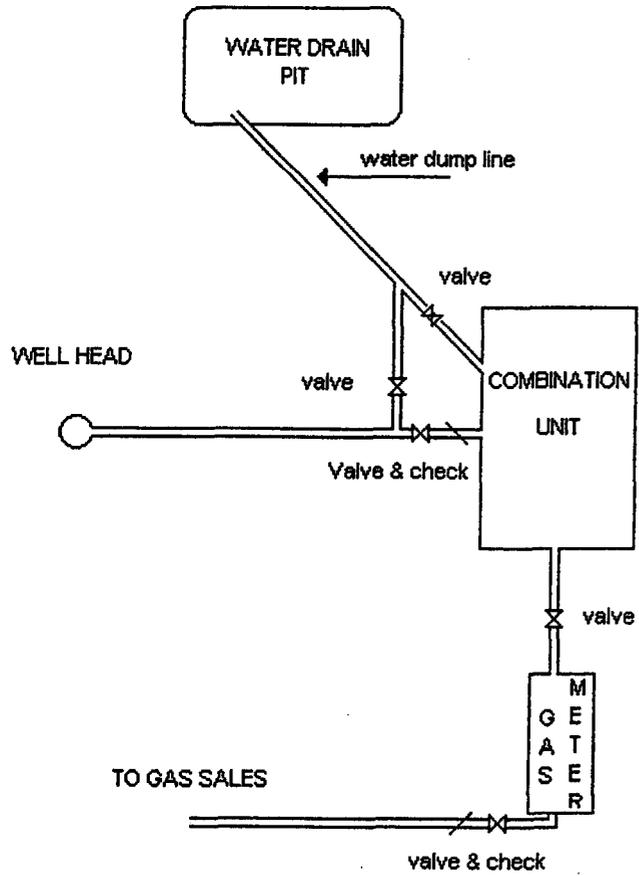
Will be used, produced, transported, stored, disposed, or associated with the proposed action, No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

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



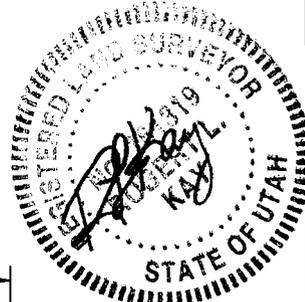
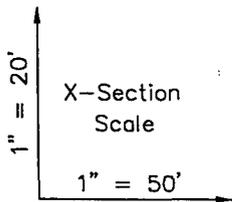
LONE MOUNTAIN PRODUCTION

TYPICAL CROSS SECTIONS FOR

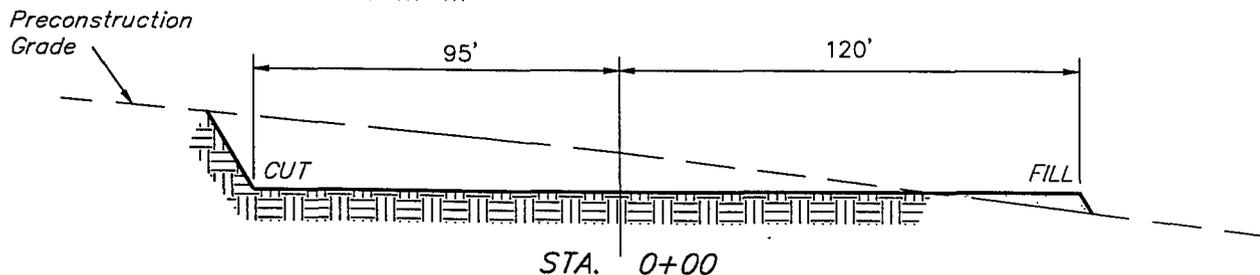
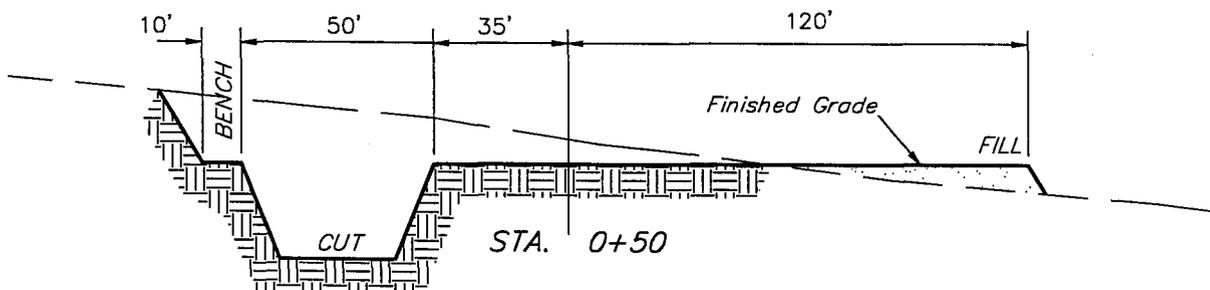
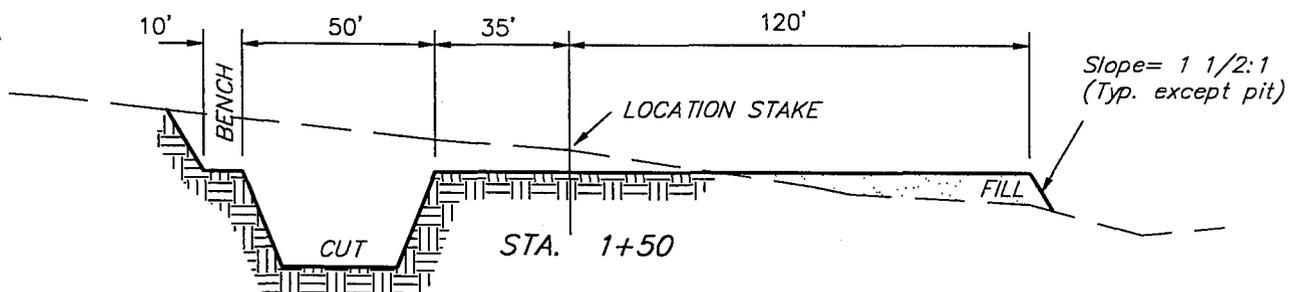
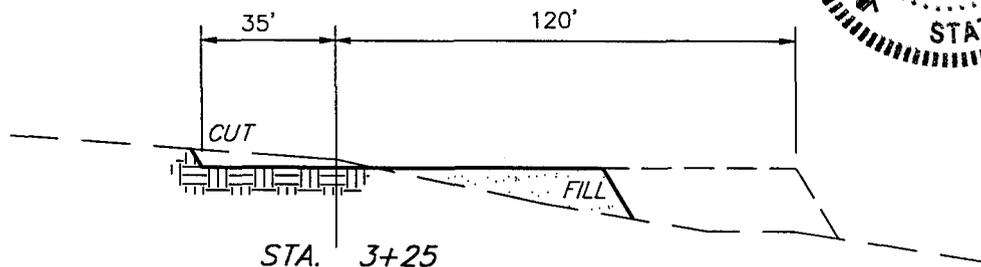
FEDERAL #44-13

SECTION 13, T12S, R21E, S.L.B.&M.

430' FSL 859' FEL



DATE: 8-6-98
Drawn By: D.COX

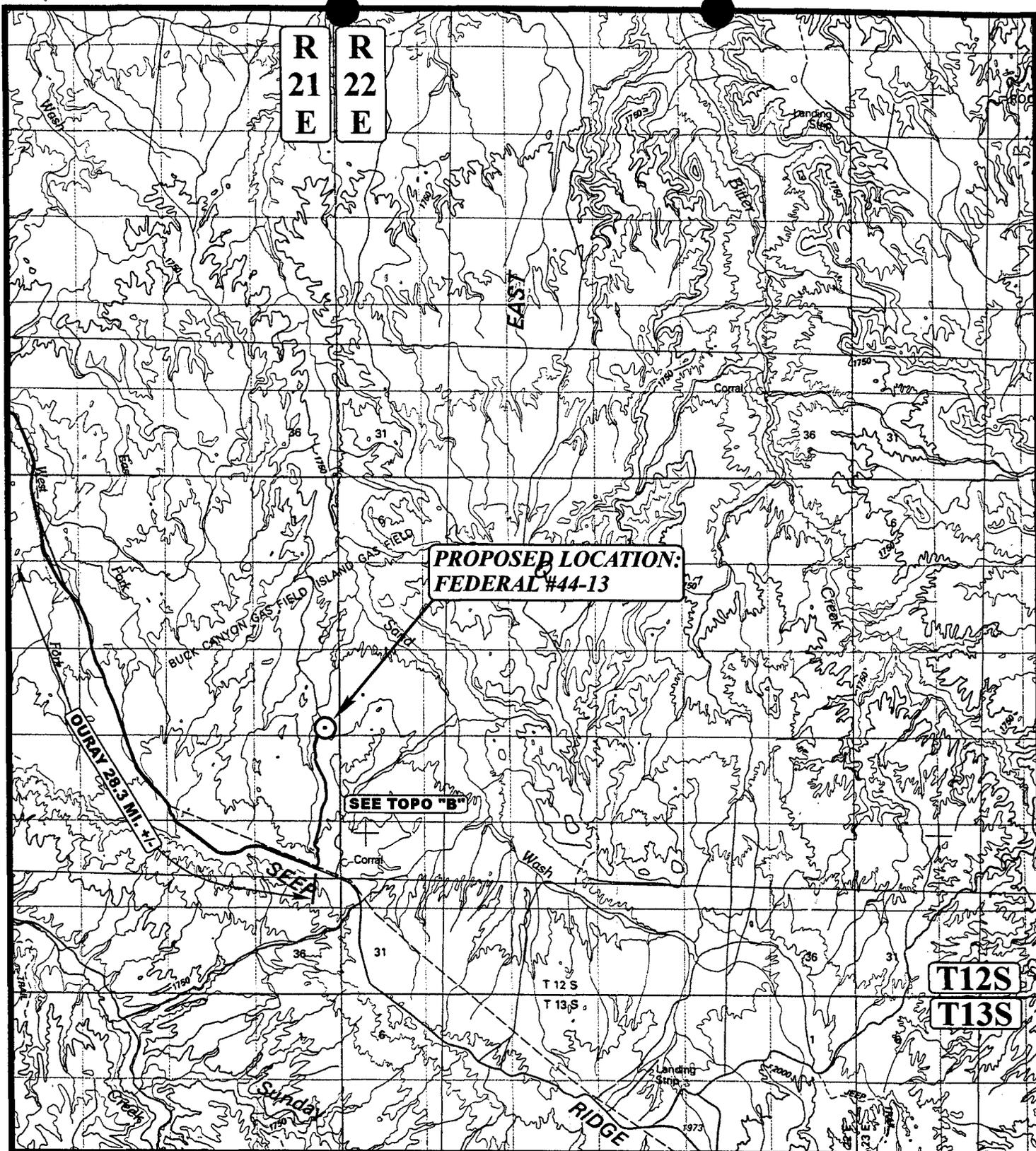


APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,100 Cu. Yds.
Remaining Location	= 5,920 Cu. Yds.
TOTAL CUT	= 7,020 CU.YDS.
FILL	= 4,420 CU.YDS.

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

N

LONE MOUNTAIN PRODUCTION

FEDERAL #44-13

SECTION 13, T12S, R21E, S.L.B.&M.

430' FSL 859' FEL



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

TOPOGRAPHIC
MAP

8 4 98
 MONTH DAY YEAR

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



T12S

**PROPOSED LOCATION:
FEDERAL #44-13**

PROPOSED ACCESS 400' +/-

**EXISTING ROAD
NEEDS UPGRADE**

1.1 MI. +/-

OURAY 28.3 MI. +/-

**R
21
E** **R
22
E**

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



LONE MOUNTAIN PRODUCTION

**FEDERAL #44-13
SECTION 13, T12S, R21E, S.L.B.&M.
430' FSL 859' FEL**

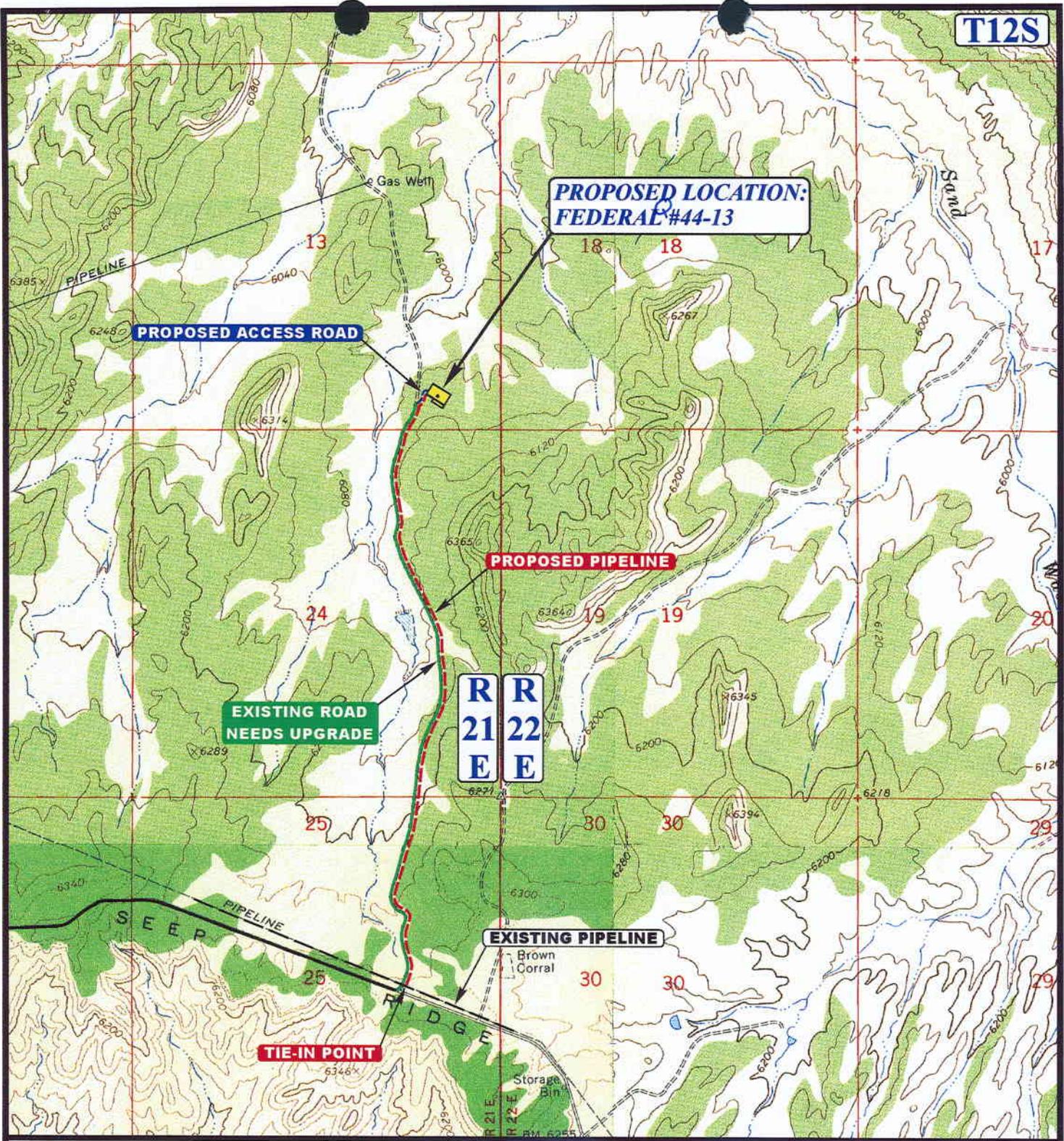


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

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



T12S



**PROPOSED LOCATION:
FEDERAL #44-13**

PROPOSED ACCESS ROAD

PROPOSED PIPELINE

**EXISTING ROAD
NEEDS UPGRADE**

**R
21
E** **R
22
E**

EXISTING PIPELINE

TIE-IN POINT

APPROXIMATE TOTAL PIPELINE DISTANCE = 8,800' +/-

LEGEND:

- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED ACCESS



LONE MOUNTAIN PRODUCTION

FEDERAL #44-13
SECTION 13, T12S, R21E, S.L.B.&M.
430' FSL 859' FEL



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: 43-047-33193

WELL NAME: FED Q 44-13
 OPERATOR: LONE MOUNTAIN PROD CO (N7210)
 CONTACT: William Ryan (435) 789-0968

PROPOSED LOCATION:
 SESE 13 - T12S - R21E
 SURFACE: 0430-FSL-0859-FEL
 BOTTOM: 0430-FSL-0859-FEL
 UINTAH COUNTY
 BUCK CANYON FIELD (565)

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

LEASE TYPE: FED
 LEASE NUMBER: UTU-73017
 SURFACE OWNER: Federal

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

Plat

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

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 _____

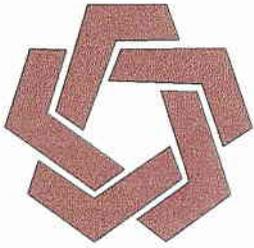
R649-3-2. General

R649-3-3. Exception

Drilling Unit
 Board Cause No: 119-1 (640'6)
 Date: 2-17-66

COMMENTS: _____

STIPULATIONS: ① FEDERAL APPROVAL



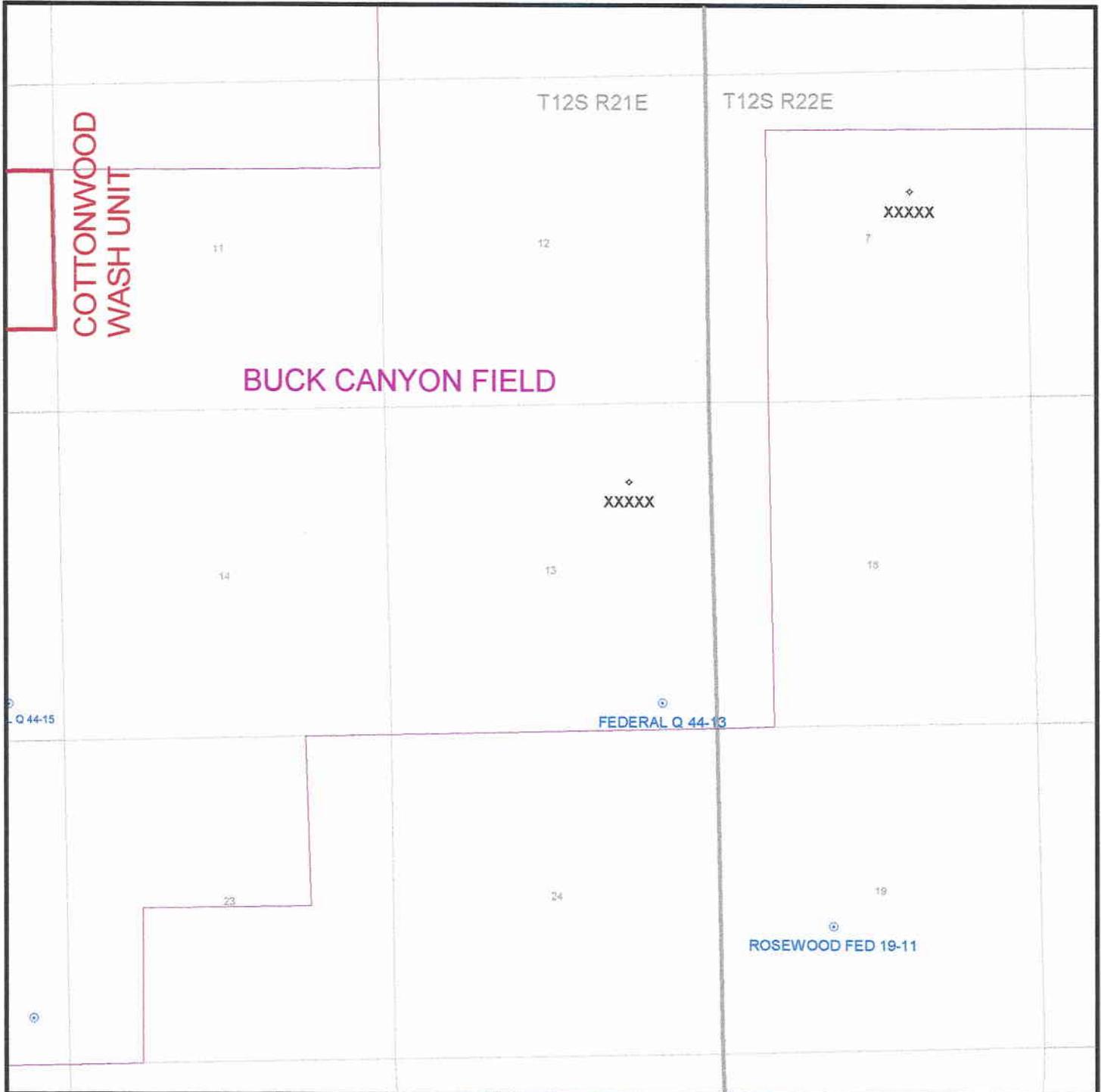
DIVISION OF OIL, GAS & MINING

OPERATOR: LONE MOUNTAIN PRODUCTION (N7210)

FIELD: BUCK CANYON (565)

SEC. 13, TWP 12S, RNG 21E

COUNTY: UINTAH UNIT: NONE



DATE PREPARED:
16-SEP-1998

White River Resource Management, Inc.
410 17th Street, Suite 925, Denver, Colorado 80202
Phone (303) 628-1951 Fax: (303) 825-0321

Memo

To: Lisha Cordova **From:** DAVE KOVAL

Fax: 801 359-3940 **Pages:** 2

Phone: 801 538-5296 **Date:** November 12, 1998

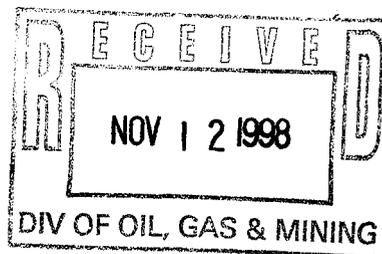
Re: Designation of Agent, William A. Ryan

CC:

Urgent For Review Please Comment Please Reply Please Recycle

• **Comments:**

Lisha -
Thanks for your help.



WRRM

White River Enterprises, LLC
Suite 925, 410 17th Street
Denver, Colorado 80202

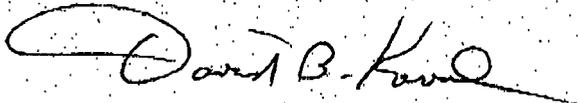
November 12, 1998

Lisha Cordova
Utah Division of Oil, Gas and Mining
1594 W., North Temple, Suite 121
Salt Lake City, Utah 84114

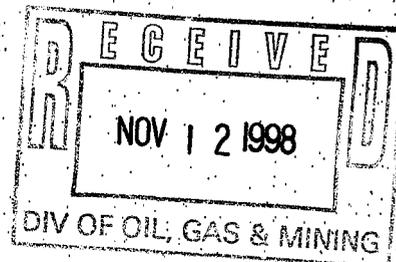
Dear Lisha,

Please be advised that William A. Ryan is designated as agent for White River Resource Management, Inc. and White River Enterprises, L.L.C.

Thank you for your assistance in this matter.



David B. Koval
President, White River Resource Management, Inc



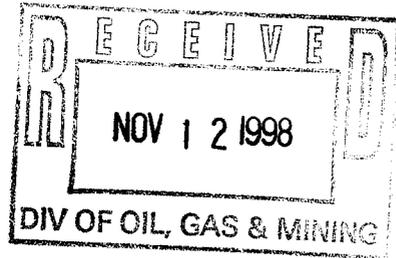
White River Enterprises, LLC

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 Q 44-13
SE/SE, Section 13 T12S, R21E
Lease No. UTU-73017

Dear Sir or Madam:

Lone Mountain Production Company has requested a spacing exception for the subject well. The well is located 430' FSL, 859' FEL in Section 13, T12S, R21E on lease UTU-73017

White River is the 100% holder of Lease UTU-73017 in Section 13, T12S, R21E. 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

Telephone: (303) 628-1951

Fax: (303) 825-0321



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

350 S. 800 E.
Vernal, UT 84078

October 2, 1998

Re: Well Fed Q 44-13
SE/SE, Sec. 13, T12S, R21E
Lease No. UTU-73017

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 SE $\frac{1}{4}$ of the SE $\frac{1}{4}$. The location was moved due to topographic considerations, an existing pipeline and access conditions. The location was on sited with the BLM on Sept 15, 1998. Byran Tolman, Steve Matson and Steve Stong from the BLM and Bill Ryan Agent for Lone Mountain were present. All parties agreed with the site location.

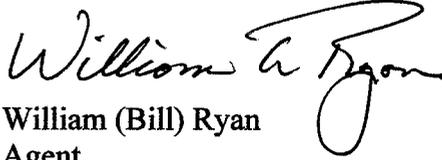
The well is located 430' FSL, 859' FEL in Sec. 13, T12S, R21E.

The proposed location is less than 460' from the lease line on Lease UTU-73440. The lease holder of the adjacent lease (lease # 734017) is White River Resource. White River has been contacted and there concurrence requested. White River Resource's address is as follows:

White River Resource
Suite 925
410 17th Street
Denver CO, 80202
Office Phone 303-628-1951

If you have additional questions please contact me.

Sincerely

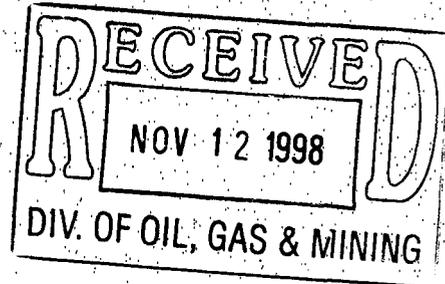
A handwritten signature in cursive script that reads "William A. Ryan". The signature is fluid and connected, with a large loop at the end of the last name.

William (Bill) Ryan
Agent

WRRM

White River Enterprises, LLC
Suite 925, 410 17th Street
Denver, Colorado 80202

November 5, 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 Q 44-13
SE/SE, Section 13, T12S, R21E
Lease No. UTU-73017

Dear Sirs:

Lone Mountain Production Company has requests a spacing exception for the subject well. The well was originally requested for the center of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$. The location was moved due to topographic considerations, an existing pipeline and access conditions. The well is located 430' FSL, 859' FEL in Section 13, T12S, R21E on lease UTU-73017.

White River is the holder of lease UTU-73440 in Section 24, T12S, R21E. White River has no objection to the proposed location. Please see attached map.

If you have any additional questions please contact me at the letterhead address.

Sincerely,

A handwritten signature in cursive script that reads "David B. Koval".

David B. Koval
Attachment

DBK\nd

Telephone: (303) 628-1951

Fax: (303) 825-0321

T12S

**PROPOSED LOCATION:
FEDERAL #44-13**

PROPOSED ACCESS ROAD

**EXISTING ROAD
NEEDS UPGRADE**

Lease LTV-77017

Lease LTV-77018

T12S
R21E

PIPELINE
DURAY 28.3 MI. 44

Brown Corral

R
21
E

R
22
E

LEGEND:

- - - - - PROPOSED ACCESS ROAD
- EXISTING ROAD

LONE MOUNTAIN PRODUCTION

FEDERAL #44-13
SECTION 13, T12S, R21E, S.L.B.&M.
430' FSL 859' FEL



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

TOPOGRAPHIC
MAP

8 4 98
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00

B
TOPO



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)

November 16, 1998

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

Re: Fed. Q 44-13 Well, 430' FSL, 859' FEL, SE SE, Sec.13, T. 12 S., R. 21 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 43-047-33193.

Sincerely,

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

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. Q 44-13
API Number: 43-047-33193
Lease: Federal **Surface Owner:** Federal
Location: SE SE **Sec.** 13 **T.** 12 S. **R.** 21 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.

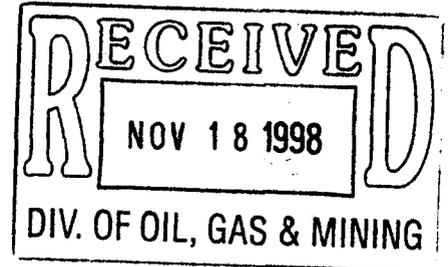
White River Enterprises, LLC

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 Q 44-13
SE/SE, Section 13 T12S, R21E
Lease No. UTU-73017

43-047-33193

Dear Sir or Madam:

Lone Mountain Production Company has requested a spacing exception for the subject well. The well is located 430' FSL, 859' FEL in Section 13, T12S, R21E on lease UTU-73017

White River is the 100% holder of Lease UTU-73017 in Section 13, T12S, R21E. 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,

A handwritten signature in cursive script that reads "William A. Ryan".

William A. Ryan
Agent
cc: WRRM

Telephone: (303) 628-1951

Fax: (303) 825-0321

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO. UTU-73017

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA

1a TYPE OF WORK

DRILL [X] DEEPEN [] PLUG BACK []

7. UNIT AGREEMENT NAME NA

B TYPE OF WELL

OIL WELL [] GAS WELL [X] SINGLE ZONE [] MULTIPLE ZONE [X]

8. FARM OR LEASE NAME NA

2. NAME OF OPERATOR

Lone Mountain Production Company

9. WELL NO. Fed. Q 44-13

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 430' FSL, 859' FEL SE/SE At proposed prod. Zone

11. Sec., T., R., M., OR BLK AND SURVEY OR AREA Sec. 13, T12S, R21E

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

28.3 miles south of Ouray, Utah

12. COUNTY OR PARISH 13. STATE Uintah Utah

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drig. Unit line, if any) 430'

16. NO. OF ACRES IN LEASE 2,400

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

16. 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.) 6,060' GR

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

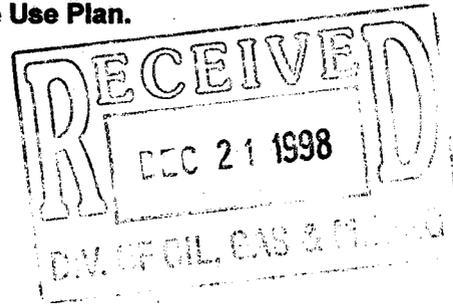
PROPOSED CASING AND CEMENT PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 12 1/4, 9 5/8, 7 7/8 hole sizes and casing details.

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 03 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 22, 1998

(This space for Federal or State Office use)

PERMIT NO. APPROVAL DATE Assistant Field Manager DEC 14 1998

APPROVED BY [Signature] TITLE ACTING Mineral Resources DATE

NOTICE OF APPROVAL CONDITIONS OF APPROVAL ATTACHE 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.

Handwritten initials/signature at bottom left.

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Lone Mountain Production Co.

Well Name & Number: Fed. Q 44-13

API Number: 43-047-33193

Lease Number: U-73017

Location: SESE Sec. 13 T. 12 S. R. 21 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 780 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 580 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 reserve pit will be lined since blasting will be required. The liner will be a minimum of 12 mils thick with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.

-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.

-No construction or drilling activities will be allowed during the golden eagle nesting season from Feb. 1 to July 15. If the territory is not occupied by May 31, as determined by a qualified biologist, construction activity could go forward at that time.

February 23, 1999

State of Utah
Department of Natural Resources
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT

RE: **REQUEST FOR EXCEPTION LOCATION**
Lone Mtn Production Co. Fed Q #44-22 Well
API No. 43-047-33185
Township 12 South, Range 21 East, SLM
Section 22: 728' FSL, 565' FEL (SESE)
Uintah County, Utah

Ladies and Gentlemen:

We have received an approved permit for the captioned well, which is an obligation well that the undersigned plans to drill in the near future in accordance with the terms and conditions of the recently approved Buck Canyon Unit Agreement, No. UTU77378X.

Subsequent to the aforementioned unit agreement becoming effective, and after we received a valid drilling permit, it was pointed out to us that Section 22, T2S, R21E, where the captioned well is to be located, is currently subject to an existing spacing order, being Cause No. 119-1. Paragraph 2 of this order discusses that no more than 1 well may be drilled in each section and such well shall be located in any quarter quarter section nearest the center of each section.

Our proposed well, located 728' FSL, 565' FEL (SESE), does not conform to the location parameters addressed in Cause No. 119-1, and as a result, we are hereby submitting our request for an exception location.

In accordance with R649-3 of the Rules and Regulations of the Department of Natural Resources, the purpose for our request is for topographic considerations.

In addition, R649-3 requires that written consent is required from all owners within a 460 foot radius of the well location. Please be advised that the only owner within this boundary is White River Enterprises, LLC, and by executing this letter at the space provided below, White River Enterprises, LLC, is hereby consenting to this exception location.

Please provide us with written confirmation that this exception location is being granted. Thank you in advance for your consideration and please don't hesitate to call if you have any questions or comments.

Very Truly Yours,

LONE MOUNTAIN PRODUCTION CO.

By: William A. Ryan

WHITE RIVER ENTERPRISES, LLC

By: David B. Kohl

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.

UTU-77378

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

BUCK CANYON UNIT

8. Well Name and No.

Federal Q #44-13

9. API Well No.

43-047-33193

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

LONE MOUNTAIN PRODUCTION COMPANY

3. Address and Telephone No.

P.O. Box 1668, Vernal, UT 435-789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

430' FSL 859' FEL, SE/SE Section 13, T12S, R21E

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

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other APD EXTENSION
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

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

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

Rosewood Resources Inc. as agent for Lone Mountain Production Company to drill and complete the Federal "Q" #44-13, referenced above, requests a one year extension of the Application for Permit to Drill (APD).

If you require additional information please feel free to contact Rosewood Resources @ 435-789-0414.

Lucy Nemes

COPY SENT TO OPERATOR
Date: 12-6-99
Initials: CHD

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12/6/99
By: [Signature]

RECEIVED
DEC - 1 1999
DIV. OF OIL, GAS & MINING

COPIES: ORIG. & 2-BLM, DIV. OG&M; J MCQUILLEN

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

Signed

Lucy Nemes

Title Agent

Date 11/29/99

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NO. UTU-73017
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		8. WELL NAME and No.
OIL WELL <input type="checkbox"/>	GAS WELL <input checked="" type="checkbox"/>	Federal No. Q 44-13
OTHER <input type="checkbox"/>	SINGLE ZONE <input type="checkbox"/>	9. API WELL NO.
	MULTIPLE ZONE <input type="checkbox"/>	43-047-33193
2. NAME OF OPERATOR		10. Field and Pool, or Exploratory Area
Lone Mountain Production Company		11. County or Parish, State
3. ADDRESS OF OPERATOR		Uintah County, Utah
P. O. Box 3394, Billings, Montana 59103 (406) 245-5077		
4. LOCATION OF WELL (Footage, Sec, T., R., M., or Survey Description)		
430' FSL, 859' FEL Section 13-T12S-R21E (SESE)		

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 APD Extension	<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: CHD

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

Signed: *James A. Ponton*

Date: 11/16/00
By: *James A. Ponton*
Title: President

Date: November 17, 2000

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(This space for Federal or State office use)

APPROVED BY: _____ TITLE: _____ DATE: NOV 13 2000
CONDITIONS OF APPROVAL IF ANY _____

**DIVISION OF
OIL, GAS AND MINING**

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.



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

43-047-33193
Re: Notification of Expiration
Well No. Federal Q 44-13
SESE, Section 13, T12S, R21E
Lease No. U-73017
Uintah County, Utah

Gentlemen:

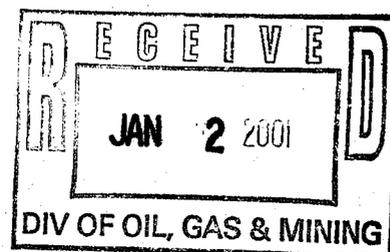
The Application for Permit to Drill the above-referenced well was approved on December 14, 1998. Lone Mountain Production Company requested an extension of the original APD approval for an additional year. The request was reviewed and the extension approved until December 14, 2000. According to our records, 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

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-73017
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"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME 7. IF UNIT OR CA, AGREEMENT DESIGNATION 8. WELL NAME and No. Federal No. Q 44-13
2. NAME OF OPERATOR Lone Mountain Production Company		9. API WELL NO. 43-047-33193
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) 430' FSL, 859' FEL Section 13-T12S-R21E (SESE)		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 checked="" type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <u>APD Extension</u>	<input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose of Water <small>(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form)</small>

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

RECEIVED
JAN 22 2001
DIVISION OF
OIL GAS AND MINING

DENIED

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

Signed: *James D. Portman* Title: President Date: November 7, 2000

(This space for Federal or State office use)

APPROVED BY: *Kirk J. [Signature]* TITLE: Petroleum Engineer DATE: 1/13/01

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

DOGMA

Lone Mountain Production Co
APD Extension

Well: Federal Q 44-13

Location: SESE Sec 13 T12S, R21E

Lease: UTU 73017

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

RECEIVED

JAN 22 2001

DIVISION OF
OIL, GAS AND MINING