



June 25, 2004

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

RE: Applications for Permit to Drill: Entire State Section 16, T9S R18E.

Dear Diana:

Enclosed find APD's on the above referenced wells. When these APD's are received, please contact Brad Mecham to set up a State On-Site. If you have any questions, feel free to give either Brad or myself a call.

Sincerely,

Mandie Crozier
Regulatory Specialist

mc
enclosures

RECEIVED
JUN 28 2004
DIV. OF OIL, GAS & MINING

STATE OF UTAH

001

DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL, DEEPEN

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. ML-48378
1b. TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
SINGLE <input type="checkbox"/> MULTIPLE <input type="checkbox"/> ZONE <input checked="" type="checkbox"/> ZONE <input type="checkbox"/>		7. UNIT AGREEMENT NAME N/A
2. NAME OF OPERATOR Inland Production Company		8. FARM OR LEASE NAME N/A
3. ADDRESS AND TELEPHONE NUMBER: Route #3 Box 3630, Myton, UT 84052 Phone: (435) 646-3721		9. WELL NO. State #14-16-9-18
4. LOCATION OF WELL (FOOTAGE) At Surface SE/SW 560' FSL 2021' FWL 593842 X 40.02504 At proposed Producing Zone 4430906 Y -109.90003		10. FIELD AND POOL OR WILDCAT Eight Mile Flat
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE/SW Sec. 16, T9S, R18E		12. County Uintah
13. STATE UT		14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 20.5 miles southeast of Myton, UT
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) Approx. 560' f/lse line	16. NO. OF ACRES IN LEASE 640.00	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. Approximately 1379'	19. PROPOSED DEPTH 6500'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5052' GL	22. APPROX. DATE WORK WILL START* 1st Quarter 2005	

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24#	290'	155 sx +/- 10%
7 7/8	5 1/2	15.5#	TD	275 sx lead followed by 450 sx tail
				See Detail Below

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give date on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

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

SURFACE PIPE - 155 sx Class G Cement +/I 10%, w/ 2% CaCl2 & 1/4#/sk Cello-flake
Weight: 15.8 PPG YIELD: 1.17 Cu Ft/sk H2O Req: 5 gal/sk

LONG STRING - Lead: Premium Lite II Cement + 3lbs/sk BA-90 + 3% KCl + .25 lbs/sk Cello Flake + 2 lbs/sk Kol Seal + 10% Bentonite + .5% Sodium Metasilicate
Weight: 11.0 PPG YIELD: 3.43 Cu Ft/sk H2O Req: 21.04 gal/sk

Tail: 50-50 Poz-Class G Cement + 3% KCl + .25 lbs/sk Cello Flake + 2% Bentonite + .3% Sodium Metasilicate
Weight: 14.2 PPG YIELD: 1.59 Cu Ft/sk H2O Req: 7.88 gal/sk

24. Name & Signature: Mandie Crozier Title: Regulatory Specialist Date: 6/25/04
Mandie Crozier

(This space for State use only)

API Number Assigned: 43-047-35825 APPROVAL: _____

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 07-19-05
By: [Signature]

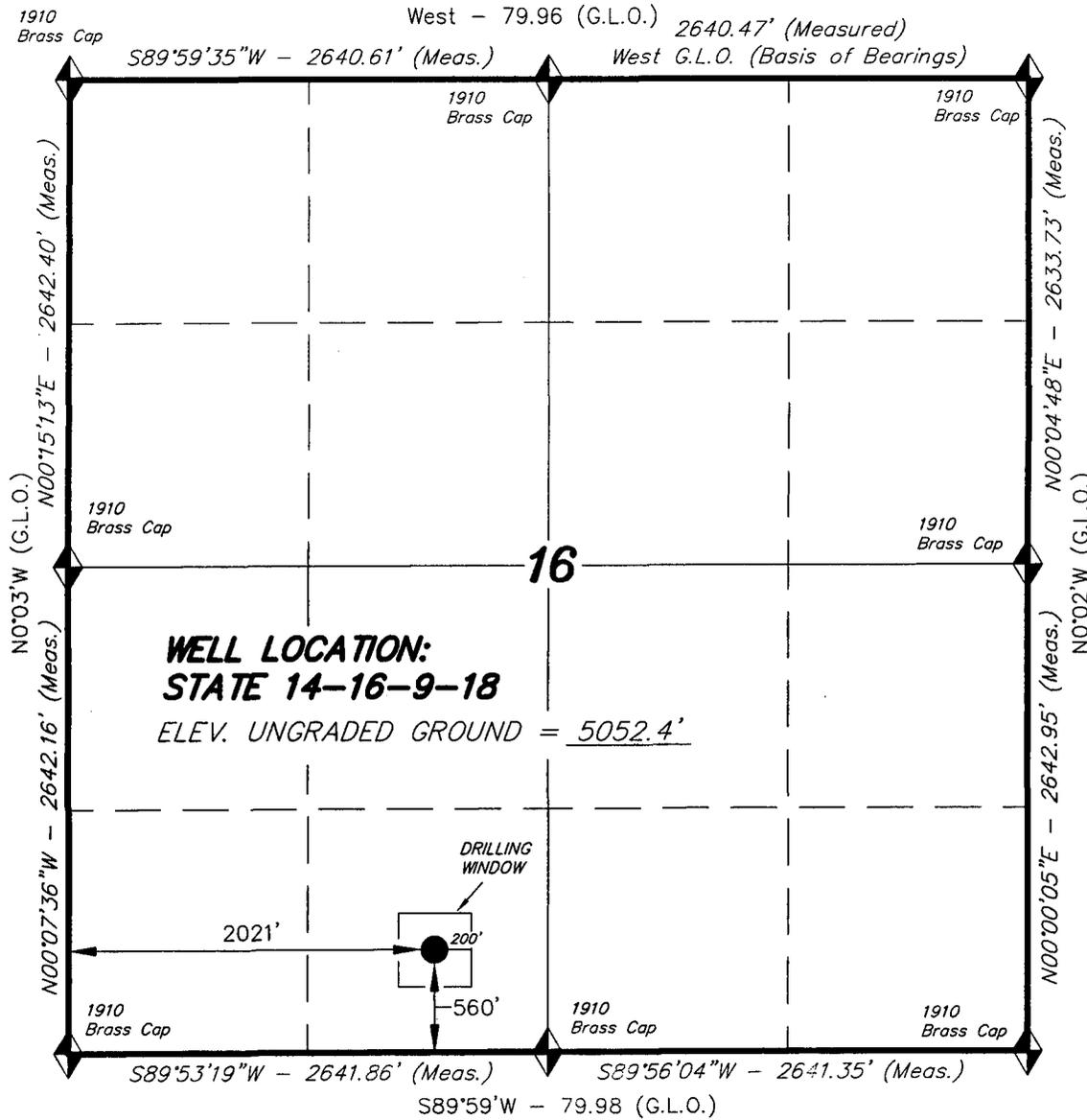
RECEIVED
JUN 28 2004
DIV. OF OIL, GAS & MINING

*See Instructions On Reverse Side

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

INLAND PRODUCTION COMPANY

WELL LOCATION, STATE 14-16-9-18,
 LOCATED AS SHOWN IN THE SE 1/4 SW
 1/4 OF SECTION 16, T9S, R18E, S.L.B.&M.
 UTAH COUNTY, UTAH.



WELL LOCATION:
STATE 14-16-9-18
 ELEV. UNGRADED GROUND = 5052.4'



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
 No. 189377
 STACY W. STEWART
 REGISTERED LAND SURVEYOR
 REGISTRATION No. 189377
 STATE OF UTAH

◆ = SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (PARIETTE DRAW SW)

TRI STATE LAND SURVEYING & CONSULTING

180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
 (435) 781-2501

SCALE: 1" = 1000' SURVEYED BY: K.G.S.

DATE: 4-30-04 DRAWN BY: F.T.M.

NOTES: FILE #

INLAND PRODUCTION COMPANY
STATE #14-16-9-18
SE/SW SECTION 16, T9S, R18E
UINTAH COUNTY, UTAH

TEN POINT DRILLING PROGRAM

1. **GEOLOGIC SURFACE FORMATION:**

Uinta formation of Upper Eocene Age

2. **ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:**

Uinta	0 – 1700'
Green River	1700'
Wasatch	6500'

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

Green River Formation 1700' – 6500' – Oil

4. **PROPOSED CASING PROGRAM:**

Surface Casing: 8-5/8" J-55 24# w/ST&C collars; set at 290' (New)
Production Casing: 5-1/2" J-55, 15.5# w/LT&C collars; set at TD (New or used, inspected).

5. **MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:**

The operator's minimum specifications for pressure control equipment are as follows:

An 8" Double Ram Hydraulic unit with a closing unit will be utilized. Function test of BOP's will be check daily.

Refer to **Exhibit C** for a diagram of BOP equipment that will be used on this well.

6. **TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:**

The well will be drilled with air mist system to 3200', then from 3200' +/- to TD a fresh water/polymer system will be utilized. If necessary, to control formation fluids, the system will be weighted with the addition of bentonite gel, and if conditions warrant, barite. This fresh water system typically will contain Total Dissolved Solids (TDS) of less than 3000 PPM. Neither potassium chloride nor chromates will be utilized in the fluid system. The anticipated mud weight is 8.4 ppg and weighted as necessary for gas control.

AIR DRILLING

In the event that the proposed location is to be "Air Drilled", Inland requests a variance to regulations requiring a straight run blooie line. Inland proposes that the flowline will contain two (2) 90-degree turns. Inland also requests a variance to regulations requiring an automatic igniter or continuous pilot light on the blooie line. Inland requests authorization to ignite as needed, and the flowline at 80'.

Inland Production Company requests that the spark arrest, exhaust, or water cooled exhaust be waived under the Special Drilling Operations of Onshore Order #2.

MUD PROGRAM

Surface – 3200'
3200' – TD'

MUD TYPE

fresh water or air/mist system
fresh water system

From surface to \pm 3200 feet will be drilled with either fresh water or an air/mist system, depending on the drilling contractor's preference. From about 3200 feet, or in the case of the air/mist system when hole conditions dictate, to TD, a fresh water system will be utilized. Clay inhibition and hole stability will be achieved with a KCL substitute additive. This fresh water system will typically contain Total Dissolved Solids (TDS) of less than 3000 PPM. Anticipated mud weight is 8.4 lbs/gal. If necessary to control formation fluids or pressure, the system will be weighted with the addition of bentonite gel, and if pressure conditions warrant, with barite. No chromate additives will be used in the mud system.

7. **AUXILIARY SAFETY EQUIPMENT TO BE USED:**

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

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

The logging program will consist of a Dual Induction, Gamma Ray and Caliper log from TD to base of surface casing @ 290' +/-, and a Compensated Neutron-Formation Density Log from TD to 3500' +/- . A cement bond log will be run from PBTD to cement top. No drill stem testing or coring is planned for this well.

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

The anticipated maximum bottom hole pressure is 2000 psi. It is not anticipated that abnormal temperatures will be encountered; or that any other abnormal hazards such as H₂S will be encountered in this area.

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

It is anticipated that the drilling operations will commence the fourth quarter of 2004, and take approximately seven (7) days from spud to rig release.

INLAND PRODUCTION COMPANY
STATE #14-16-9-18
SE/SW SECTION 16, T9S, R18E
UINTAH COUNTY, UTAH

THIRTEEN POINT SURFACE PROGRAM

1. EXISTING ROADS

See attached **Topographic Map "A"**

To reach Inland Production Company well location site State 14-16-9-18 located in the SE¼ SW¼ Section 16, T9S, R18E, S.L.B. & M., Uintah County, Utah:

Proceed southwesterly out of Myton, Utah along Highway 40 - 1.6 miles ± to the junction of this highway and UT State Hwy 53; proceed southeasterly along Hwy 53 - 11.7 miles ± to it's junction with an existing road to the southeast; proceed southeasterly - 3.6 miles ± to it's junction with an existing road to the east; proceed northeasterly and then easterly - 3.0 miles ± to it's junction with an existing road to the southeast; proceed southeasterly - 0.6 miles ± to it's junction with the beginning of the proposed access road to the south; proceed southerly along the proposed access road - 2,370' ± to it's junction with a proposed access road to the southwest; proceed southwesterly - 3,210' ± to the proposed well location.

The highways mentioned in the foregoing paragraph are bituminous surfaced roads to the point where Highway 216 exists to the South, thereafter the roads are constructed with existing materials and gravel. The highways are maintained by Utah State road crews. All other roads are maintained by County crews.

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

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

2. PLANNED ACCESS ROAD

Approximately 2,095' of access road is proposed. See attached **Topographic Map "B"**.

The proposed access road will be an 18' crown road (9' either side of the centerline) with drainage ditches along either side of the proposed road whether it is deemed necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum grade will be less than 8%.

There will be no culverts required along this access road. There will be barrow ditches and turnouts as needed along this road.

There are no fences encountered along this proposed road. There will be no new gates or cattle guards required.

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

3. **LOCATION OF EXISTING WELLS**

Refer to **EXHIBIT B**.

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

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

There will not be a tank battery at this location. A Central Battery will be located at the proposed State 1-16-9-18 location.

The flow lines from this well will run along access roads leading to the Central Battery located at the proposed State 1-16-9-18 location. See attached **Topographic Map "D"**.

Upon construction of a tank battery, the well pad will be surrounded by a dike of sufficient capacity to contain at minimum 110% of the largest tank volume within the facility battery.

Tank batteries will be built to State specifications.

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

5. **LOCATION AND TYPE OF WATER SUPPLY**

Fresh water purchased from the Johnson Water District will be used for drilling. A temporary poly pipeline may be used for water transportation from our existing supply line from Johnson Water District, or trucked from Inland Production Company's injection facilities – **EXHIBIT A**.

There will be no water well drilled at this site.

6. **SOURCE OF CONSTRUCTION MATERIALS**

All construction material for this location shall be borrowed material accumulated during construction of the location site and access road.

A mineral material application is not required for this location.

7. **METHODS FOR HANDLING WASTE DISPOSAL**

A small reserve pit (90' x 40' x 8' deep, or less) will be constructed from native soil and clay materials. The reserve pit will receive the processed drill cutting (wet sand, shale & rock) removed from the wellbore. Any drilling fluids, which do accumulate in the pit as a result of shale-shaker carryover, cleaning of the sand trap, etc., will be promptly reclaimed. All drilling fluids will be fresh water based, typically containing Total Dissolved Solids of less than 3000 PPM. No potassium chloride, chromates, trash, debris, nor any other substance deemed hazardous will be placed in this pit. Therefore, it is proposed that no synthetic liner be required in the reserve pit. However, if upon constructing the pit there is insufficient fine clay and silt present, a liner will be used for the purpose of reducing water loss through percolation.

Inland requests approval that a flare pit not be constructed or utilized on this location.

A portable toilet will be provided for human waste.

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

Immediately upon first production, all produced water will be confined to a steel storage tank. If the production water meets quality guidelines, it is transported to the Ashley, Monument Butte, Jonah, and Beluga water injection facilities by company or contract trucks. Subsequently, the produced water is injected into approved Class II wells to enhance Inland's secondary recovery project.

Water not meeting quality criteria, is disposed at Inland's Pariette #4 disposal well (Sec. 7, T9S R19E) or at State of Utah approved surface disposal facilities.

8. **ANCILLARY FACILITIES:**

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

9. **WELL SITE LAYOUT:**

See attached Location Layout Sheet.

Fencing Requirements

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

- a) A 39-inch net wire shall be used with at least one strand of barbed wire on top of the net.
- b) The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least forty-two (42) inches.
- c) Corner posts shall be centered and/or braced in such a manner to keep tight at all times
- d) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than sixteen (16) feet.
- e) All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

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

10. **PLANS FOR RESTORATION OF SURFACE:**

a) **Producing Location**

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

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximated natural contours. Weather

permitting, the reserve pit will be reclaimed within one hundred twenty (120) days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed.

b) **Dry Hole Abandoned Location**

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

11. **SURFACE OWNERSHIP:** State of Utah

12. **OTHER ADDITIONAL INFORMATION:**

- a) Inland Production Company is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, Inland is to immediately stop work that might further disturb such materials and contact the Authorized Officer.
- b) Inland Production will control noxious weeds along rights-of-way for roads, pipelines, well sites or other applicable facilities. On State administered land it is required that a Pesticide Use Proposal shall be submitted and given approval prior to the application of herbicides or other possible hazardous chemicals.
- c) Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on State Lands after the conclusion of drilling operations or at any other time without State authorization. However, if State authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

The Archaeological Cultural Resource Survey for this area is attached.

Additional Surface Stipulations

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

Hazardous Material Declaration

Inland Production Company guarantees that during the drilling and completion of the State 14-16-9-18. Inland will not use, produce, store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Superfund Amendments and Reauthorization Act (SARA) of 1986. Inland also guarantees that during the drilling and completion of the State 14-16-9-18 Inland will use, produce, store, transport or dispose less than the threshold planning quantity (T.P.Q.) of any extremely hazardous substances as defined in 40 CFR 355.

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

Inland Production Company or a contractor employed by Inland Production shall contact the State office at (801) 722-3417, 48 hours prior to construction activities.

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

13. **LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:**

Representative

Name: Brad Mecham
Address: Inland Production Company
Route 3, Box 3630
Myton, UT 84052
Telephone: (435) 646-3721

Certification

Please be advised that INLAND RESOURCES, INC. is considered to be the operator of well #14-16-9-18, SE/SW Section 16, T9S, R18E, LEASE #ML-48378, Uintah County, Utah and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4471291.

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

6/25/04
Date

Mandie Crozier
Mandie Crozier
Regulatory Specialist
Inland Production Company

CULTURAL RESOURCE INVENTORY FOR INLAND
RESOURCES OF SECTIONS 2 AND 16, T 9S, R 18E
ON EIGHT MILE FLAT, UINTAH COUNTY, UTAH

BY:

Angela Whitfield
and
Amanda Wilson

Prepared For:

State and Institutional
Trust Land Administration

Prepared Under Contract With:

Inland Resources
Route 3 Box 3630
Myton, UT 84052

Prepared By:

Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532

MOAC Report No. 04-37

April 16, 2004

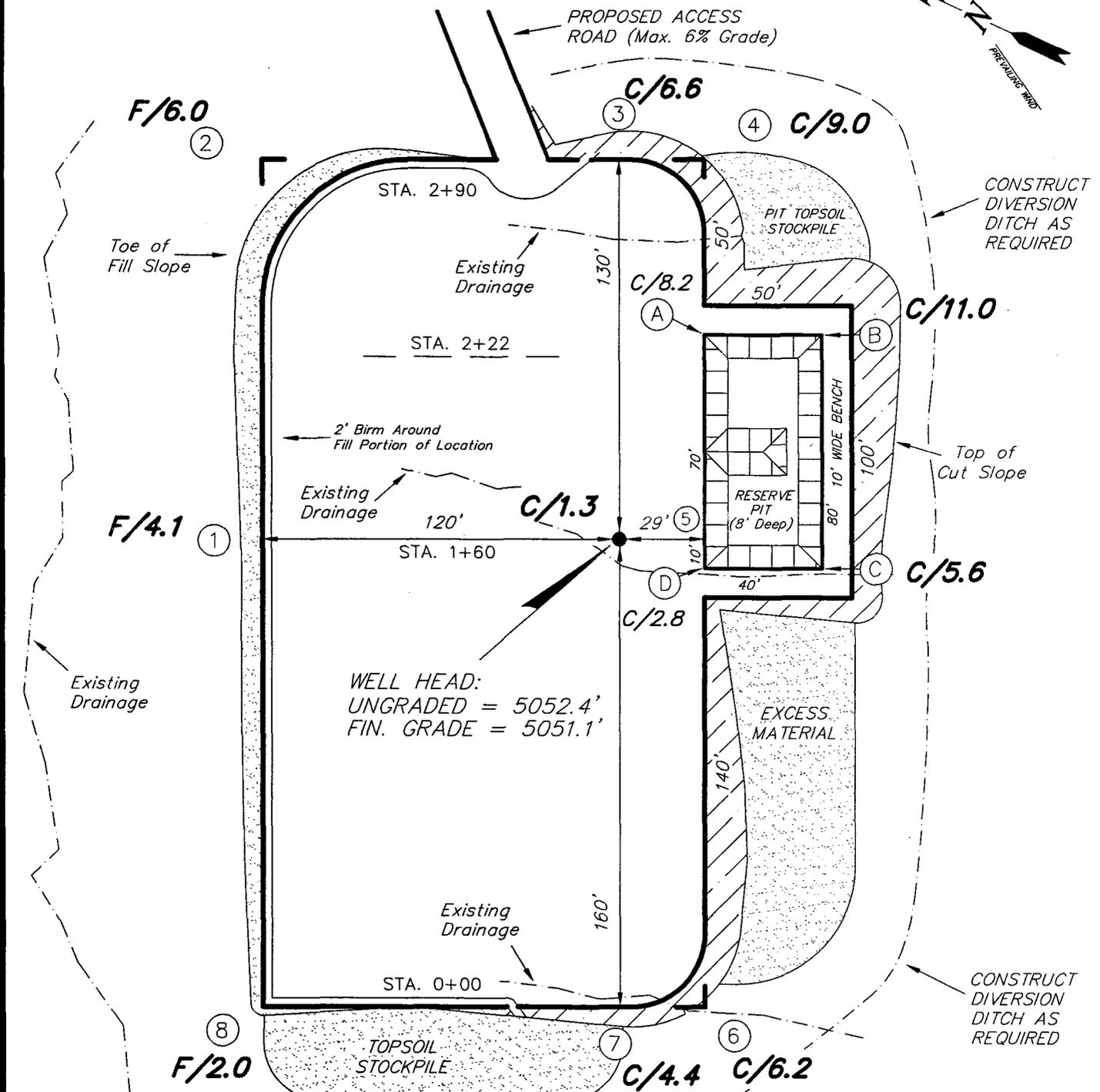
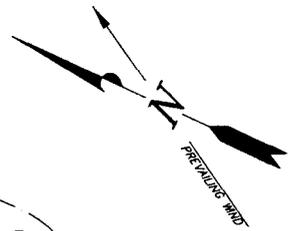
United States Department of Interior (FLPMA)
Permit No. 04-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-04-MQ-0109s

INLAND PRODUCTION COMPANY

STATE 14-16-9-18

Section 16, T9S, R18E, S.L.B.&M.



WELL HEAD:
UNGRADED = 5052.4'
FIN. GRADE = 5051.1'

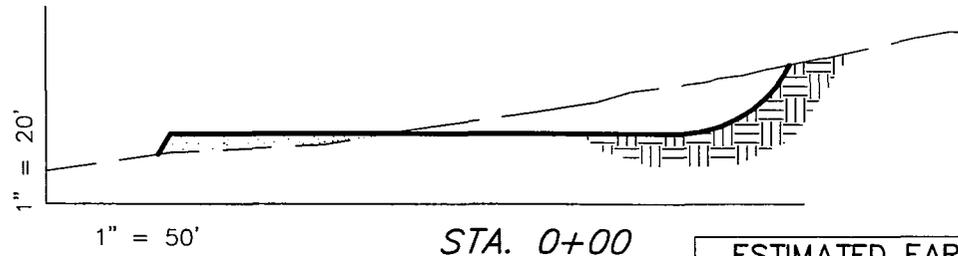
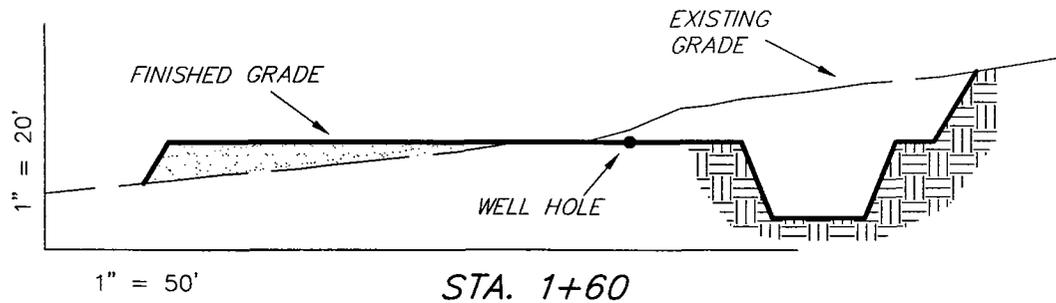
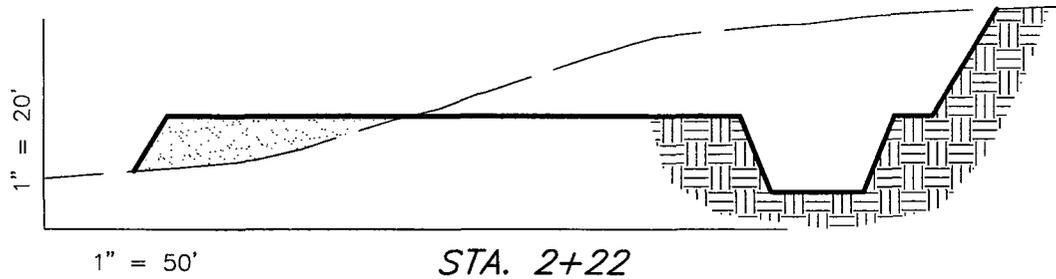
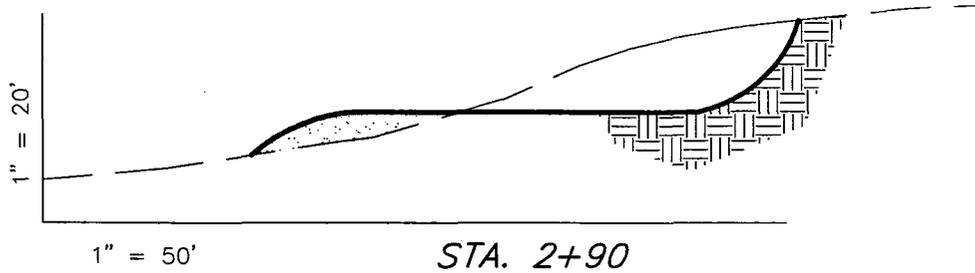
REFERENCE POINTS	
170' NORTHWEST	= 5045.3'
220' NORTHWEST	= 5044.7'
210' SOUTHWEST	= 5059.4'
260' SOUTHWEST	= 5056.4'

SURVEYED BY: K.G.S.	SCALE: 1" = 50'
DRAWN BY: F.T.M.	DATE: 4-30-04

(435) 781-2501

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

INLAND PRODUCTION COMPANY
CROSS SECTIONS
STATE 14-16-9-18



ESTIMATED EARTHWORK QUANTITIES
 (No Shrink or swell adjustments have been used)
 (Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	4,950	2,410	Topsoil is not included in Pad Cut	2,540
PIT	640	0		640
TOTALS	5,590	2,410	890	3,180

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

SURVEYED BY: K.G.S.	SCALE: 1" = 50'
DRAWN BY: F.T.M.	DATE: 4-30-04

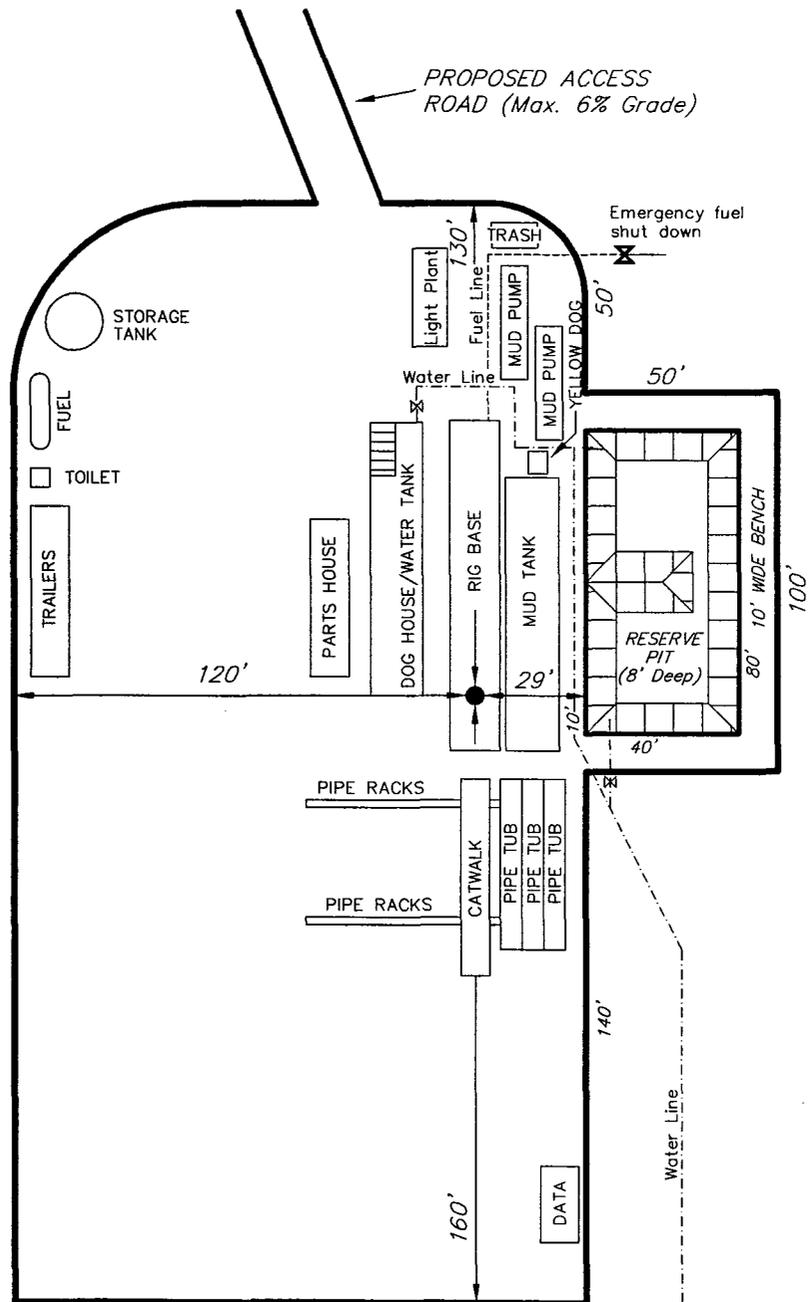
(435) 781-2501

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

INLAND PRODUCTION COMPANY

TYPICAL RIG LAYOUT

STATE 14-16-9-18



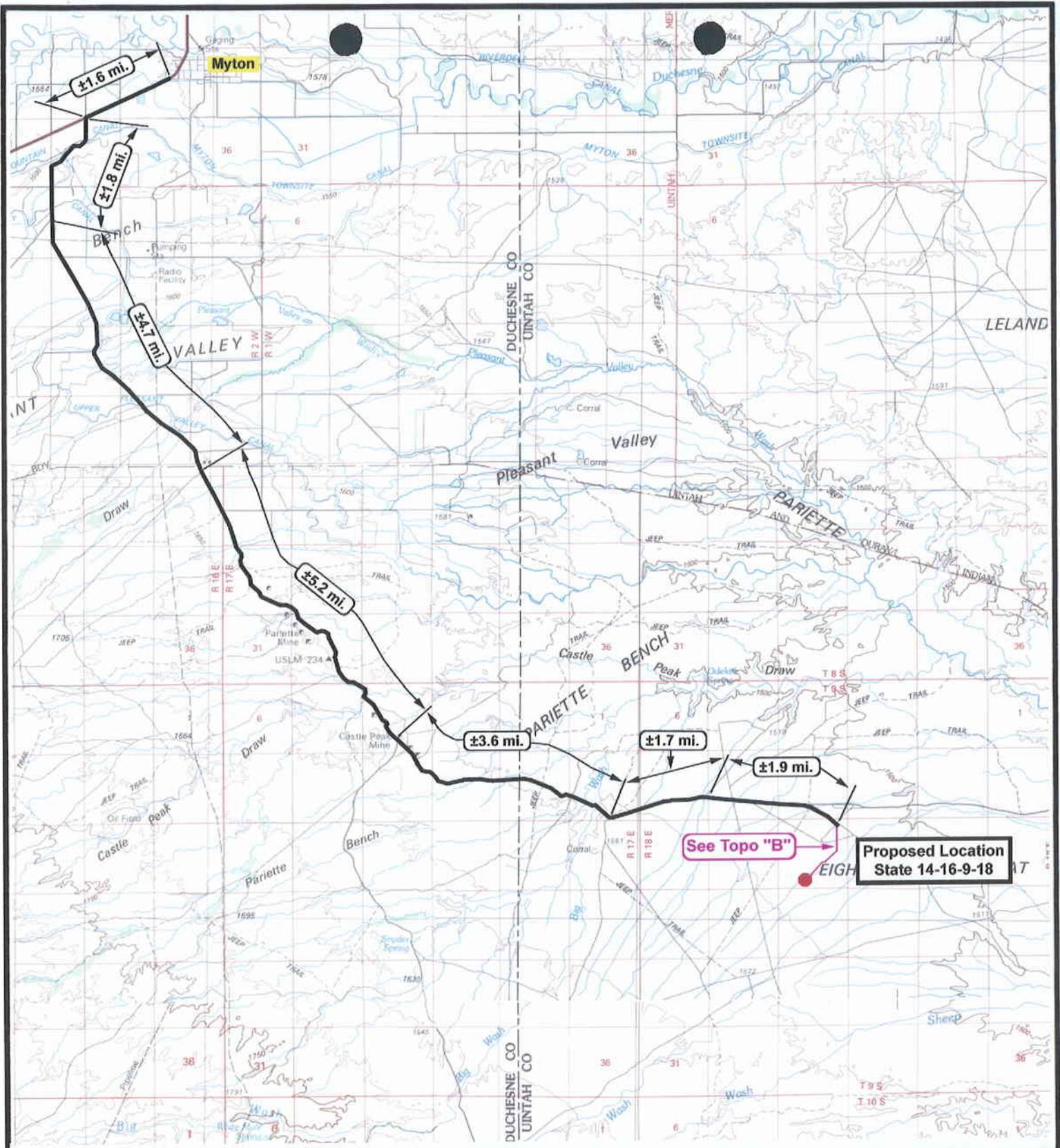
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SCALE: 1" = 50'

DRAWN BY: F.T.M.

DATE: 4-30-04

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



See Topo "B"

Proposed Location
State 14-16-9-18



State 14-16-9-18
SEC. 16, T9S, R18E, S.L.B.&M.



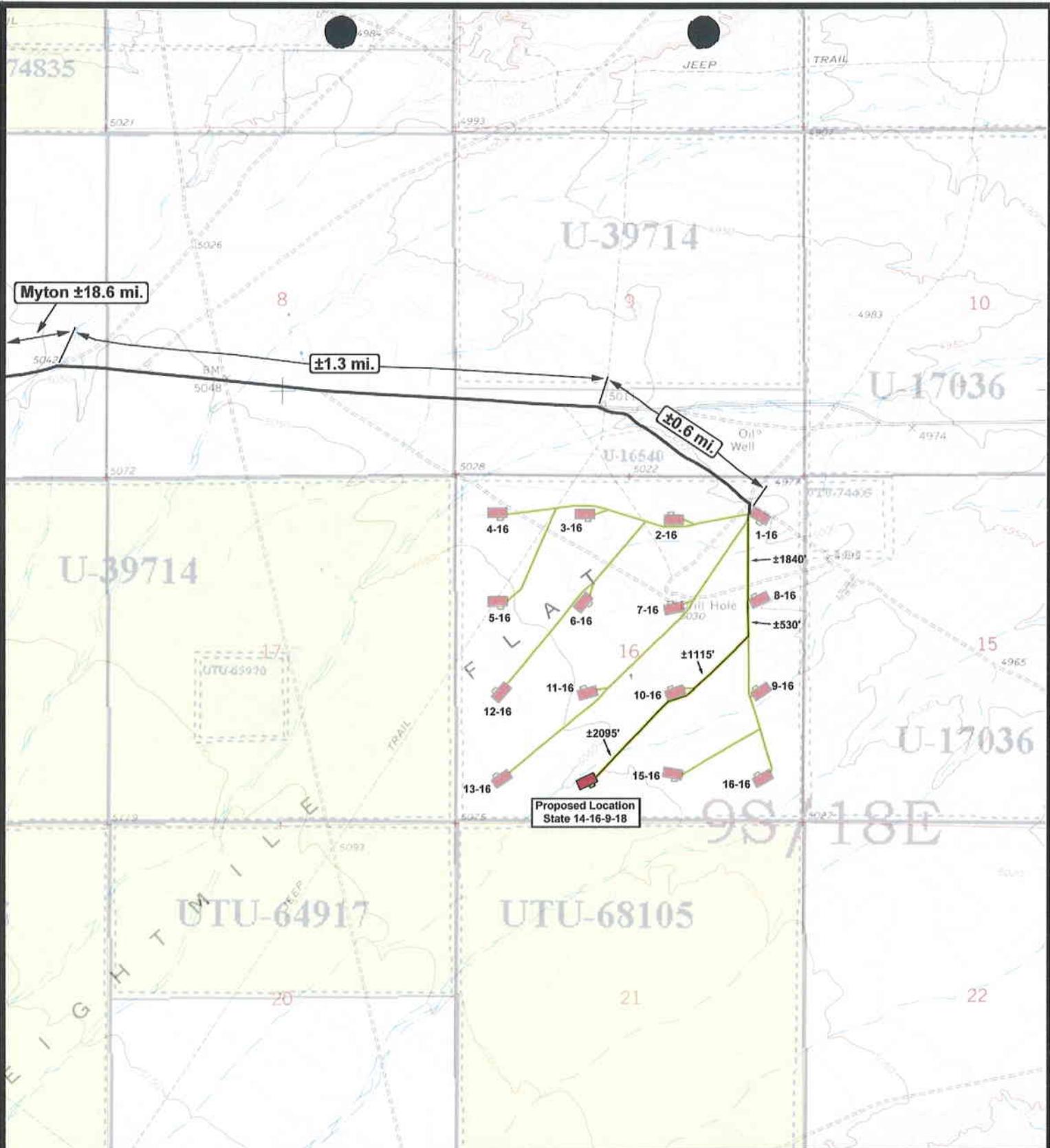
Tri-State
Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1 = 2,000
DRAWN BY: bgm
DATE: 06-18-2004

Legend

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP
"A"



State 14-16-9-18
SEC. 16, T9S, R18E, S.L.B.&M.

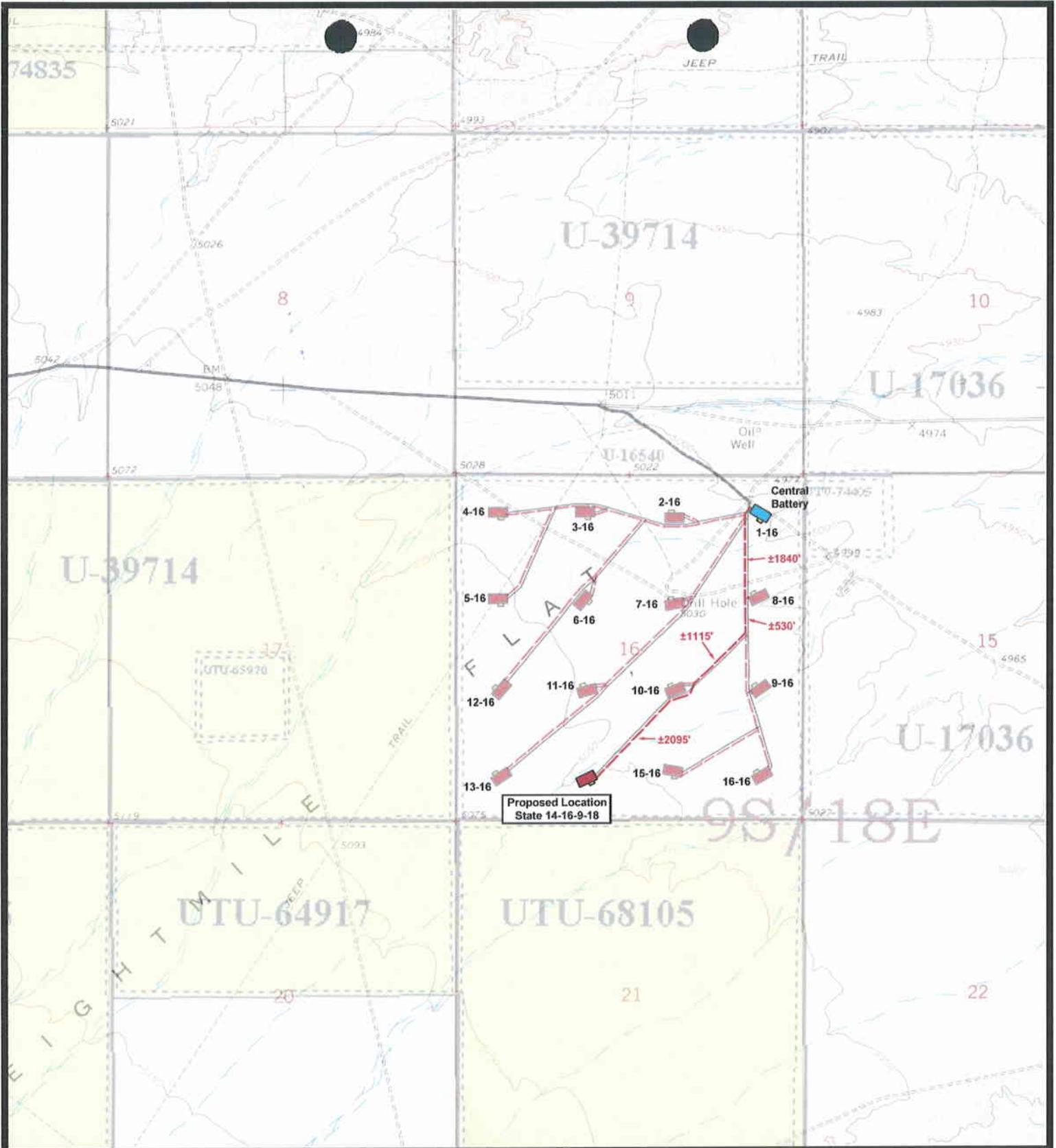


Tri-State
Land Surveying Inc.
 (435) 781-2501
 180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
 DRAWN BY: bgm
 DATE: 06-17-06

Legend	
	Existing Road
	Proposed Access

TOPOGRAPHIC MAP
"B"



Proposed Location
State 14-16-9-18



State 14-16-9-18
SEC. 16, T9S, R18E, S.L.B.&M.



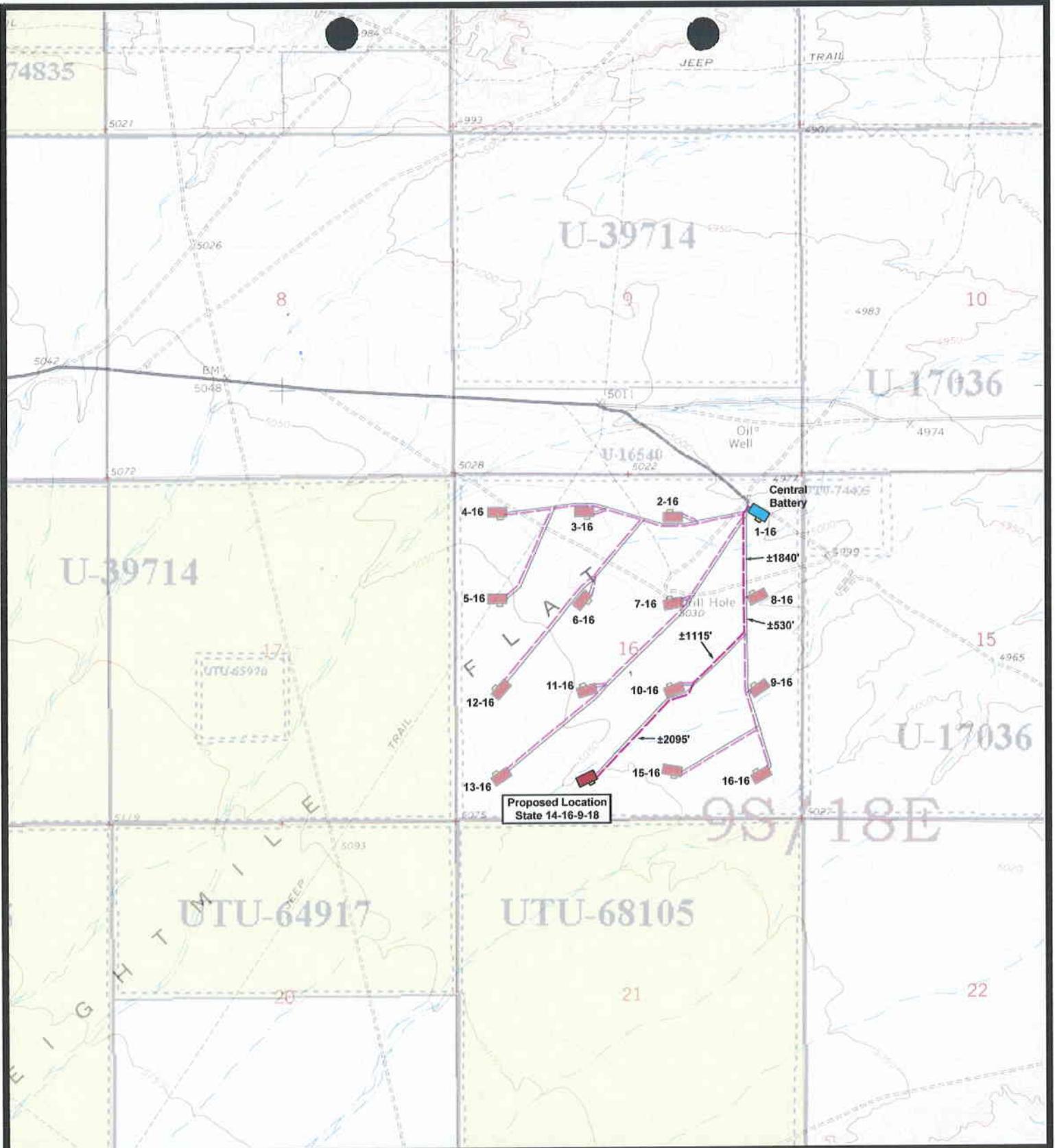
Tri-State
Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: bgm
DATE: 06-15-06

Legend

- Roads
- Proposed Gas Line

TOPOGRAPHIC MAP
"C"



State 14-16-9-18
SEC. 16, T9S, R18E, S.L.B.&M.



Tri-State
Land Surveying Inc.
 (435) 781-2501
 180 North Vernal Ave. Vernal, Utah 84078

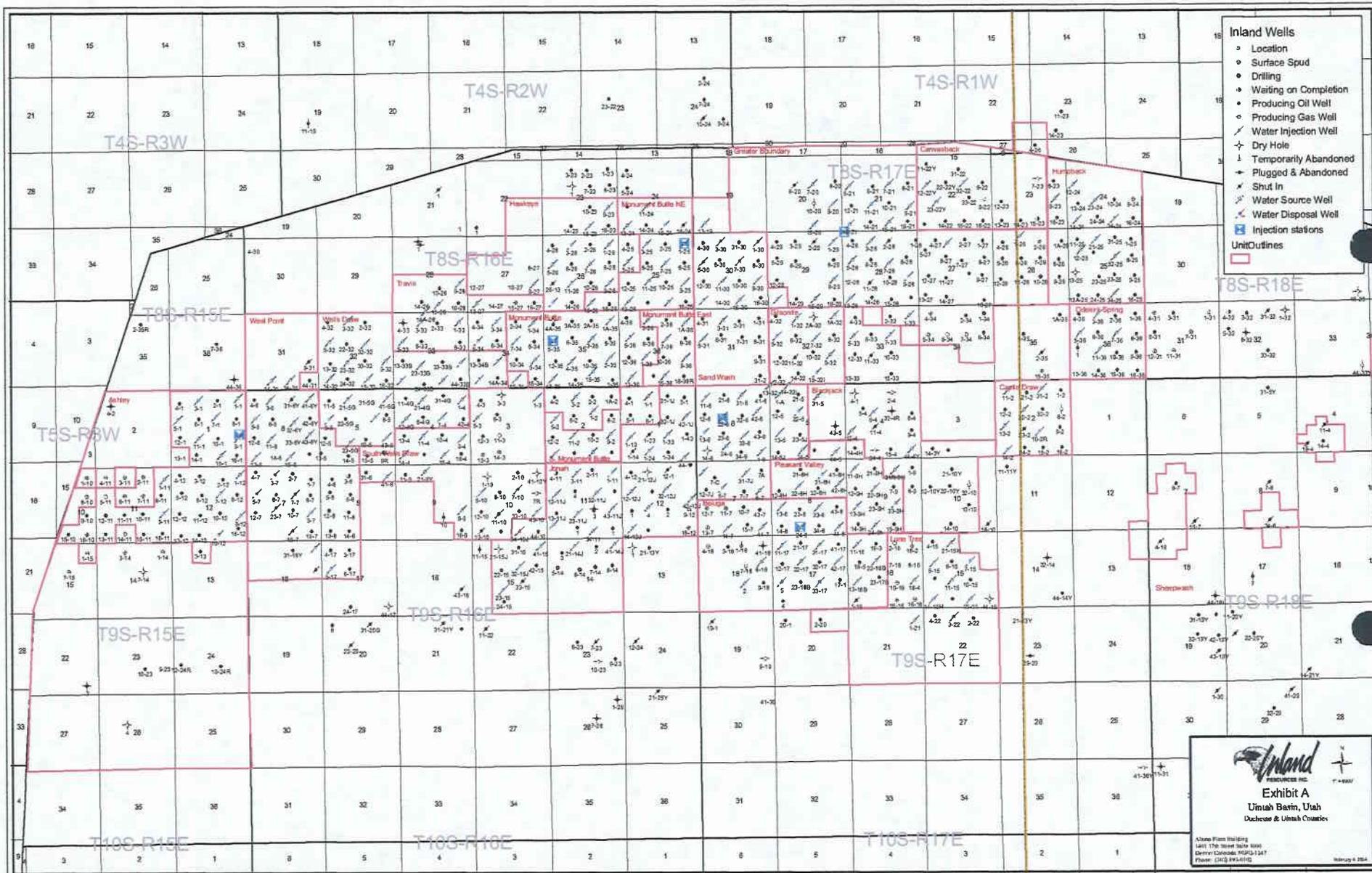
SCALE: 1" = 2,000'
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Legend

- Roads
- Proposed Flow Line

TOPOGRAPHIC MAP

"D"



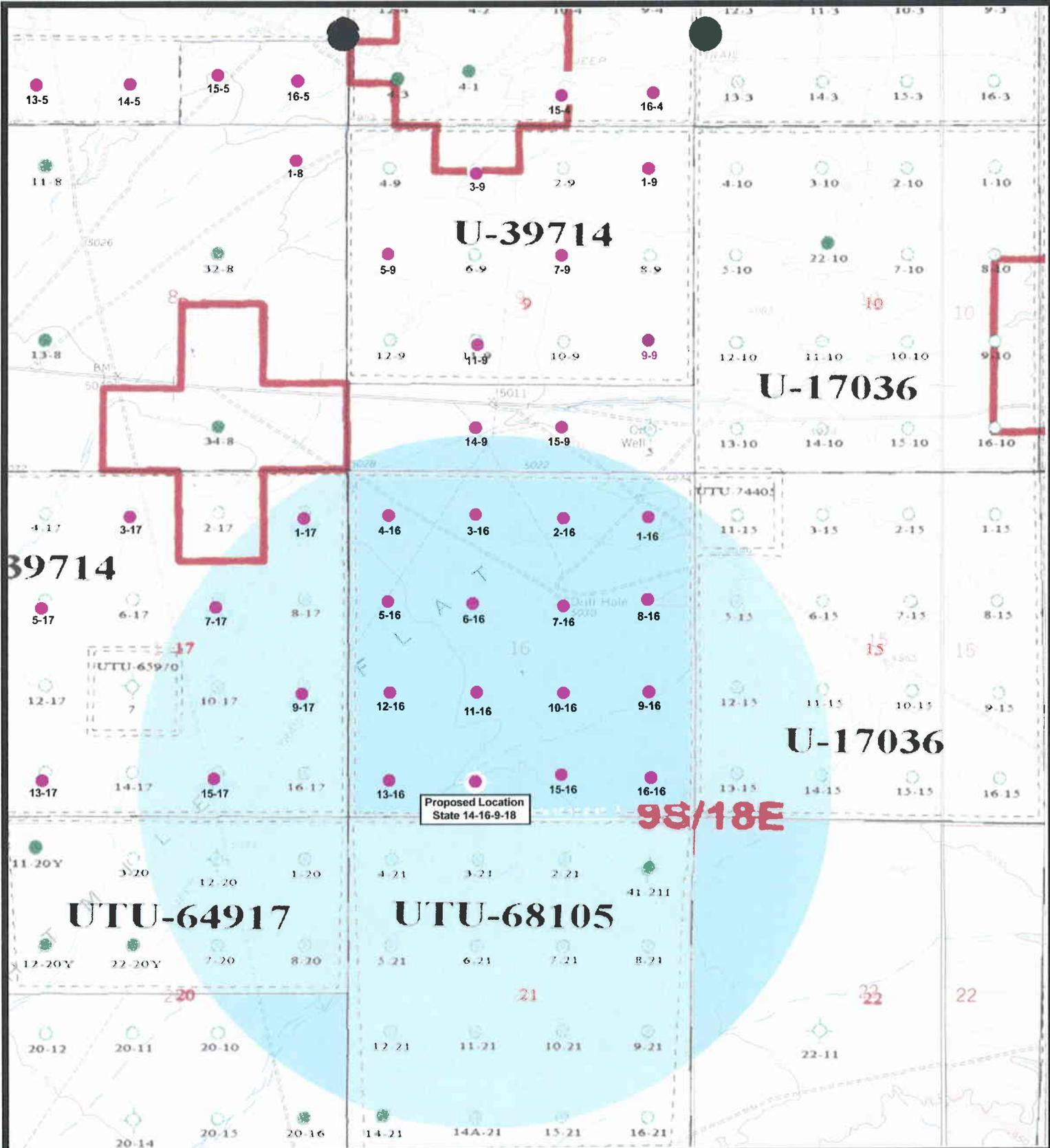
- Inland Wells**
- Location
 - Surface Spud
 - Drilling
 - Waiting on Completion
 - Producing Oil Well
 - Producing Gas Well
 - Water Injection Well
 - Dry Hole
 - ⌋ Temporarily Abandoned
 - ⌋ Plugged & Abandoned
 - ⌋ Shut In
 - Water Source Well
 - Water Disposal Well
 - Injection stations
 - Unit Outlines

Inland
RESOURCES INC.

Exhibit A
Umah Basin, Utah
Duchesne & Uintah Counties

Alvord Farm Holding
1401 17th Street Suite 1000
Denver Colorado, 80202-3447
Phone: (303) 974-4100

February 9, 2004



State 14-16-9-18
SEC. 16, T9S, R18E, S.L.B.&M.



Tri-State
Land Surveying Inc.
 (435) 781-2501
 180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
 DRAWN BY: bgm
 DATE: 06-14-2004

Legend

- Proposed Location
- One-Mile Radius

Exhibit "B"



2-M SYSTEM
Blowout Prevention Equipment Systems

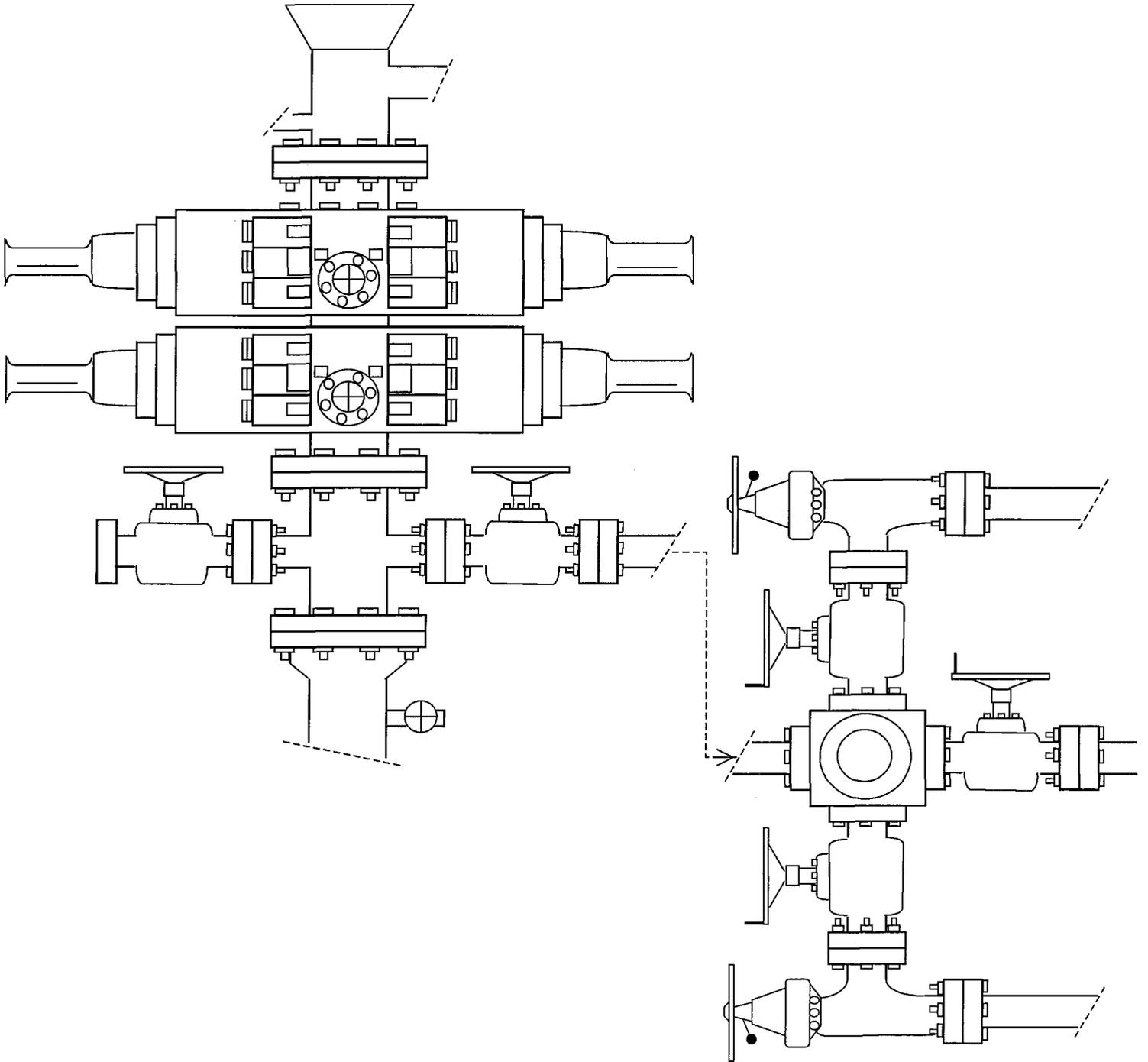


EXHIBIT C

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

003

APD RECEIVED: 06/28/2004

API NO. ASSIGNED: 43-047-35825

WELL NAME: STATE 14-16-9-18

OPERATOR: Newfield PRODUCTION (NG2645)

CONTACT: MANDIE CROZIER

PHONE NUMBER: 435-646-3721

PROPOSED LOCATION:

SESW 16 090S 180E
SURFACE: 0560 FSL 2021 FWL
BOTTOM: 0560 FSL 2021 FWL
UINTAH
8 MILE FLAT NORTH (590)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	8/3/04
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-48378

SURFACE OWNER: 3 - State

PROPOSED FORMATION: GRRV

COALBED METHANE WELL? NO

LATITUDE: 40.02504

LONGITUDE: 109.90003

RECEIVED AND/OR REVIEWED:

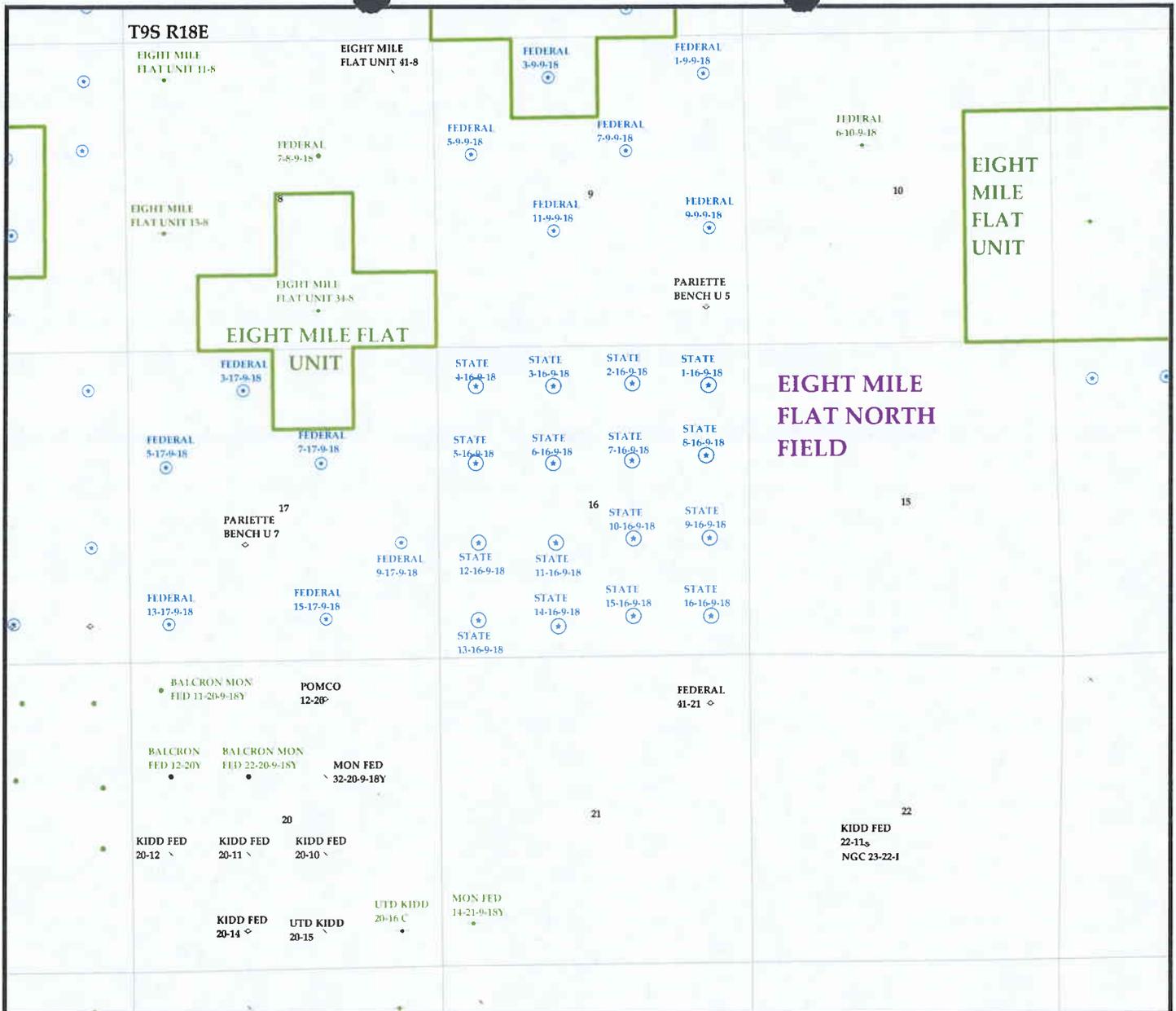
- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 4471291)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. JOHNSON)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

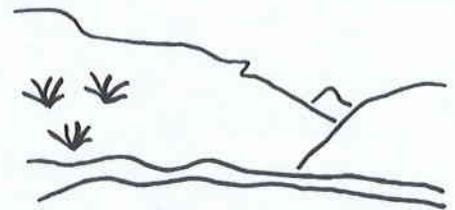
- R649-2-3.
Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: Needs Permit (07-15-04)

STIPULATIONS: 1-Spacing Strip
2-Surface Csg Cont Strip
3- STATEMENT OF BASIS



OPERATOR: INLAND PROD CO (N5160)
SEC. 16 T.9S R.18E
FIELD: EIGHT MILE FLAT NORTH (590)
COUNTY: UINTAH
SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

Wells	Units.shp	Fields.shp
⚡ GAS INJECTION	🔵 EXPLORATORY	⬛ ABANDONED
⊕ GAS STORAGE	🟡 GAS STORAGE	🟪 ACTIVE
✕ LOCATION ABANDONED	🟢 NF PP OIL	🟫 COMBINED
⊙ NEW LOCATION	🟠 NF SECONDARY	🟩 INACTIVE
⊖ PLUGGED & ABANDONED	🟦 PENDING	🟨 PROPOSED
⚡ PRODUCING GAS	🟤 PI OIL	🟪 STORAGE
● PRODUCING OIL	🟥 PP GAS	⬛ TERMINATED
⊖ SHUT-IN GAS	🟫 PP GEOTHERML	
• SHUT-IN OIL	🟢 PP OIL	
✕ TEMP. ABANDONED	🔵 SECONDARY	
⊙ TEST WELL	⬛ TERMINATED	
⚡ WATER INJECTION		
⚡ WATER SUPPLY		
⚡ WATER DISPOSAL		



PREPARED BY: DIANA WHITNEY
 DATE: 28-JUNE-2004

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: INLAND PRODUCTION COMPANY
WELL NAME & NUMBER: STATE 14-16-9-18
API NUMBER: 43-047-35825
LOCATION: 1/4,1/4 SE/SW Sec:16 TWP: 9S RNG:18E 2021' FWL 560' FSL

Geology/Ground Water:

Inland proposes to set 290' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 1,000'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of section 16. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The proposed casing and cement program should adequately protect any useable ground water and nearby wells.

Reviewer: Brad Hill **Date:** 07/20/04

Surface:

The predrill investigation of the surface was performed on 7/15/04. This site is on State surface with State minerals. Floyd Bartlett with DWR and Ed Bonner with SITLA were invited to this investigation of 6/30/04. Neither was present, but Mr. Bartlett inspected this site on 7/9/04. He told me over the telephone, and later by E-mail, that his only concern was for prairie dogs living in this area, and that this concern was not significant. He suggested that Inland avoid construction of well pads or access roads between April 1 and June 15 if possible. He also recommended that Inland reseed reserve pits following closure as well as the shoulders of the access roads. He sent Brad Mecham a DWR approved seed mix.

Reviewer: David W. Hackford **Date:** 7/20/04

Conditions of Approval/Application for Permit to Drill:

None.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: INLAND PRODUCTION COMPANY
WELL NAME & NUMBER: STATE 14-16-9-18
API NUMBER: 43-047-35825
LEASE: ML-48378 FIELD/UNIT: EIGHT MILE FLAT
LOCATION: 1/4,1/4 SE/SW Sec: 16 TWP: 9S RNG: 18E 2021' FWL 560' FSL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 460 F ANOTHER WELL.
GPS COORD (UTM): 4430932N 12593855E SURFACE OWNER: STATE OF UTAH.

PARTICIPANTS

DAVID W. HACKFORD, BART KETTLE (DOGM). BRAD MECHAM, (INLAND).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS IN A RELATIVELY FLAT AREA ON EIGHT MILE FLAT, A HUGE BENCH STRETCHING OVER FOUR MILES IN ALL DIRECTIONS. MYTON, UTAH IS 20.5 MILES TO THE NORTHWEST. THE GREEN RIVER IS SIX MILES TO THE SOUTHEAST. DRAINAGE IS VERY SLIGHT AND TO THE NORTHEAST.

SURFACE USE PLAN

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 290' BY 199'. ACCESS ROAD WILL BE 0.3 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: THIS LOCATION WILL HAVE A PUMPJACK AND LINE HEATER. THE CENTRAL BATTERY WILL BE ON THE 1-16-9-18 LOCATION. PIPELINES WILL FOLLOW ACCESS ROAD.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: GLOBE MALLOW, SHADSCALE, RUSSIAL THISTLE, RABBIT BRUSH, HORSEBRUSH, PRICKLY PEAR: DEER, SONGBIRDS, RODENTS, RABBITS, PRONGHORN, RAPTORS, PRAIRIE DOG.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE AN INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT

CHARACTERISTICS: 40' BY 80' AND EIGHT FEET DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER WILL NOT BE REQUIRED FOR RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY MONTGOMERY ARCHAEOLOGICAL CONSULTANTS. A COPY OF THIS REPORT WILL BE SUBMITTED TO THE STATE OF UTAH.

OTHER OBSERVATIONS/COMMENTS

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A HOT, SUNNY DAY.

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

7/15/04 2:00 PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

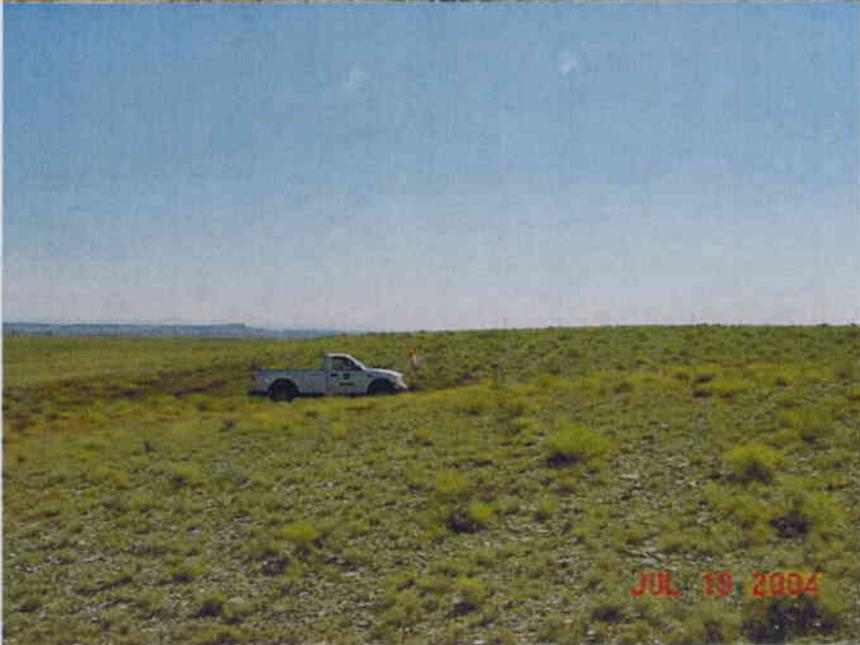
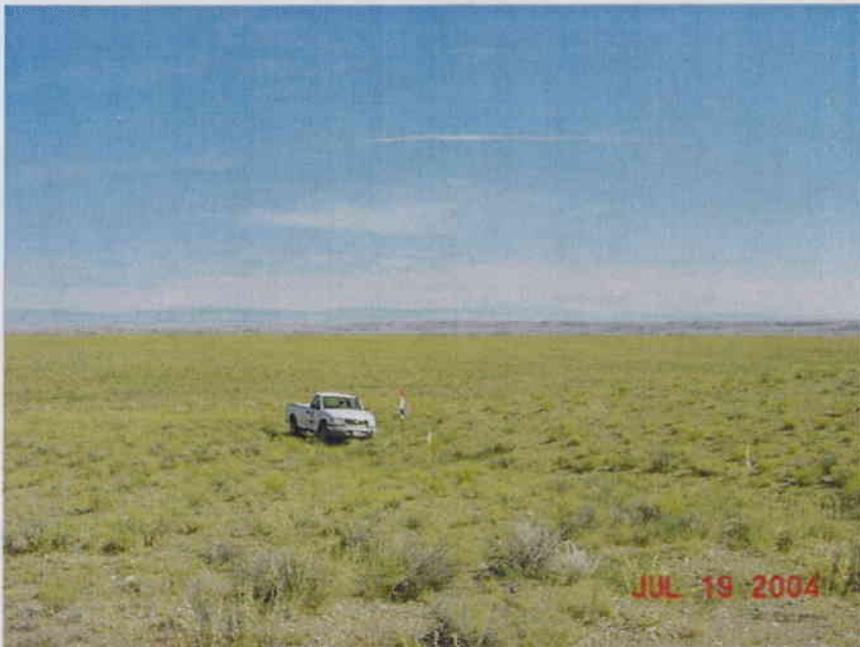
Final Score 15 (Level III Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

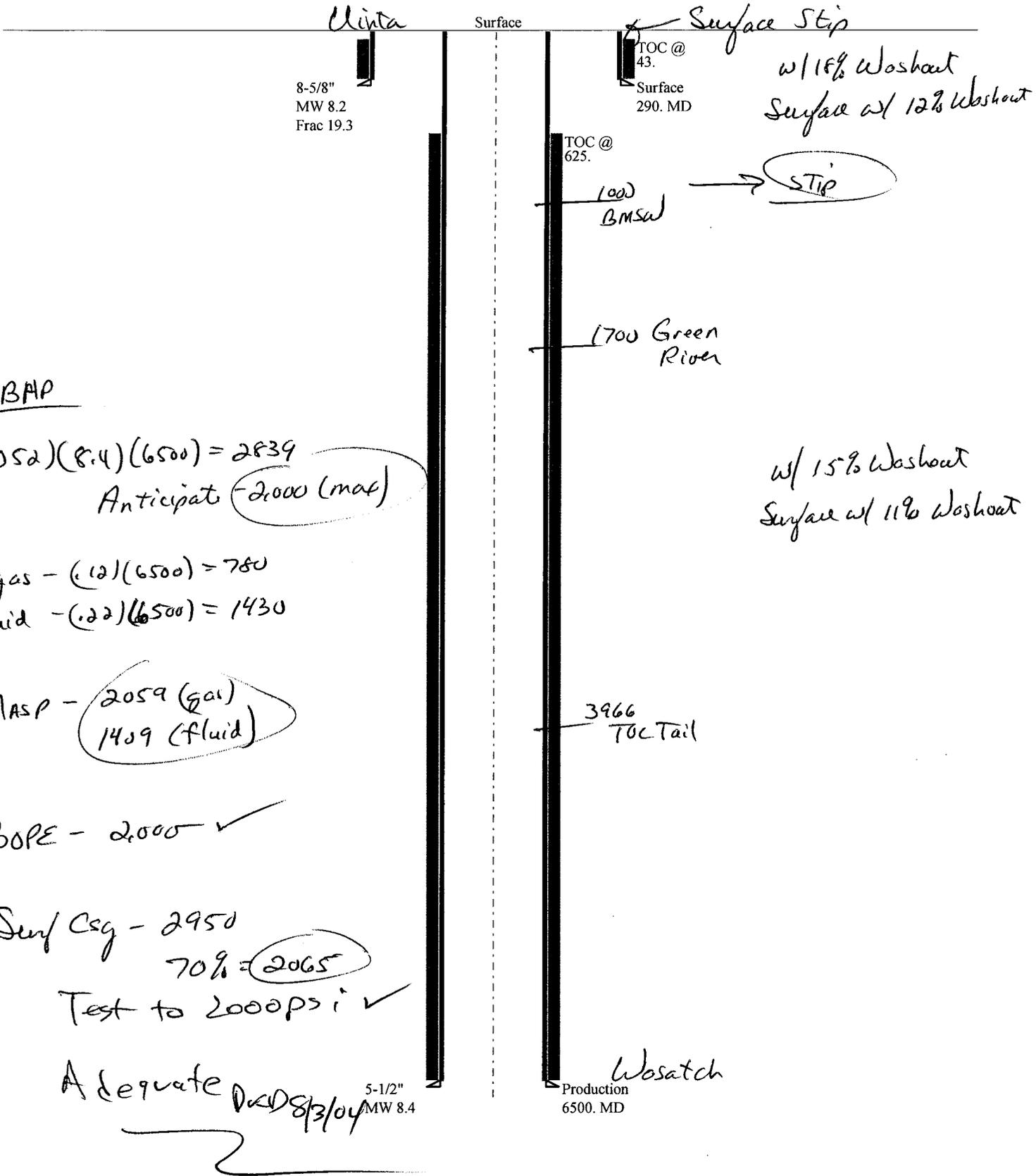
Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.





Casing Schematic



8-5/8"
MW 8.2
Frac 19.3

TOC @
43.
Surface
290. MD

Surface Strip
w/ 18% Washout
Surface w/ 12% Washout

TOC @
625.

100
BMSal

STIP

1700 Green
River

w/ 15% Washout
Surface w/ 11% Washout

BAP

$(.052)(8.4)(6500) = 2839$
Anticipate 2,000 (max)

gas - $(.12)(6500) = 780$
fluid - $(.22)(6500) = 1430$

MASP - 2059 (gas)
1409 (fluid)

BOPE - 2,000 ✓

Surf Csg - 2950
70% = 2065

Test to 2000psi ✓

Adequate
Dud 8/3/04
5-1/2" MW 8.4

3966
TOC Tail

Wosatch

Production
6500. MD

Well name: **07-04 Inland St 14-16-9-18**
 Operator: **Inland Production Company**
 String type: **Surface**
 Location: **Uintah County**
 Project ID:
43-047-35825

Design parameters:

Collapse
 Mud weight: 8.200 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:
 Design factor 1.125

Burst:
 Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 69 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 290 ft
 Cement top: 43 ft

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.436 psi/ft
 Calculated BHP 127 psi

No backup mud specified.

Tension:
 8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on buoyed weight.
 Neutral point: 254 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 6,500 ft
 Next mud weight: 8.400 ppg
 Next setting BHP: 2,836 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 290 ft
 Injection pressure 290 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	290	8.625	24.00	J-55	ST&C	290	290	7.972	14

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	124	1370	11.090	127	2950	23.31	6	244	39.98 J

Prepared by: Clinton Dworshak
 Utah Div. of Oil & Mining

Phone: 801-538-5280
 FAX: 801-359-3940

Date: July 30,2004
 Salt Lake City, Utah

Remarks:
 Collapse is based on a vertical depth of 290 ft, a mud weight of 8.2 ppg The casing is considered to be evacuated for collapse purposes.
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	07-04 Inland St 14-16-9-18	
Operator:	Inland Production Company	Project ID:
String type:	Production	43-047-35825
Location:	Uintah County	

Design parameters:

Collapse
 Mud weight: 8.400 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:
 Design factor 1.125

Burst:
 Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 156 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 300 ft
 Cement top: 625 ft

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.436 psi/ft
 Calculated BHP 2,836 psi

No backup mud specified.

Tension:
 8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.
 Neutral point: 5,674 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	6500	5.5	15.50	J-55	ST&C	6500	6500	4.825	203.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2836	4040	1.424	2836	4810	1.70	101	202	2.00 J

Prepared by: Clinton Dworshak
 Utah Div. of Oil & Mining

Phone: 801-538-5280
 FAX: 801-359-3940

Date: July 30, 2004
 Salt Lake City, Utah

Remarks:
 Collapse is based on a vertical depth of 6500 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Geoffrey S. Connor
Secretary of State

Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

Newfield Production Company
Filing Number: 41530400

Articles of Amendment

September 02, 2004

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on September 10, 2004.



A handwritten signature in black ink, appearing to read "G. Connor".

Secretary of State

Come visit us on the internet at <http://www.sos.state.tx.us/>

PHONE(512) 463-5555
Prepared by: SOS-WEB

FAX(512) 463-5709

TTY7-1-1

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
INLAND PRODUCTION COMPANY

FILED
In the Office of the
Secretary of State of Texas
SEP 02 2004
Corporations Section

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act (the "TBCA"), the undersigned corporation adopts the following articles of amendment to the articles of incorporation:

ARTICLE 1 – Name

The name of the corporation is Inland Production Company.

ARTICLE 2 – Amended Name

The following amendment to the Articles of Incorporation was approved by the Board of Directors and adopted by the shareholders of the corporation on August 27, 2004.

The amendment alters or changes Article One of the Articles of Incorporation to change the name of the corporation so that, as amended, Article One shall read in its entirety as follows:

“ARTICLE ONE – The name of the corporation is Newfield Production Company.”

ARTICLE 3 – Effective Date of Filing

This document will become effective upon filing.

The holder of all of the shares outstanding and entitled to vote on said amendment has signed a consent in writing pursuant to Article 9.10 of the TBCA, adopting said amendment, and any written notice required has been given.

IN WITNESS WHEREOF, the undersigned corporation has executed these Articles of Amendment as of the 1st day of September, 2004.

INLAND RESOURCES INC.

By: Susan G. Riggs
Susan G. Riggs, Treasurer

OPERATOR CHANGE WORKSHEET

004

ROUTING

1. GLH
2. CDW
3. FILE

Change of Operator (Well Sold)

Designation of Agent/Operator

X Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

9/1/2004

FROM: (Old Operator): N5160-Inland Production Company Route 3 Box 3630 Myton, UT 84052 Phone: 1-(435) 646-3721	TO: (New Operator): N2695-Newfield Production Company Route 3 Box 3630 Myton, UT 84052 Phone: 1-(435) 646-3721
-----------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------

CA No.

Unit:

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
FEDERAL 15-31-8-18	31	080S	180E	4304735831		Federal	OW	NEW	K
STATE 7-2-9-18	02	090S	180E	4304735787		State	OW	APD	K
FEDERAL 13-9-9-18	09	090S	180E	4304735840		Federal	OW	APD	K
FEDERAL 14-9-9-18	09	090S	180E	4304735841		Federal	OW	APD	K
STATE 1-16-9-18	16	090S	180E	4304735811	14390	State	OW	P	K
STATE 2-16-9-18	16	090S	180E	4304735812		State	OW	APD	K
STATE 3-16-9-18	16	090S	180E	4304735813	99999	State	OW	DRL	K
STATE 4-16-9-18	16	090S	180E	4304735814		State	OW	APD	K
STATE 5-16-9-18	16	090S	180E	4304735815		State	OW	APD	K
STATE 6-16-9-18	16	090S	180E	4304735816		State	OW	APD	K
STATE 7-16-9-18	16	090S	180E	4304735817		State	OW	NEW	K
STATE 8-16-9-18	16	090S	180E	4304735818		State	OW	APD	K
STATE 9-16-9-18	16	090S	180E	4304735819		State	OW	DRL	K
STATE 10-16-9-18	16	090S	180E	4304735820		State	OW	APD	K
STATE 11-16-9-18	16	090S	180E	4304735822		State	OW	DRL	K
STATE 12-16-9-18	16	090S	180E	4304735823		State	OW	APD	K
STATE 13-16-9-18	16	090S	180E	4304735824		State	OW	APD	K
STATE 14-16-9-18	16	090S	180E	4304735825		State	OW	NEW	K
STATE 15-16-9-18	16	090S	180E	4304735826		State	OW	APD	K
STATE 16-16-9-18	16	090S	180E	4304735827		State	OW	APD	K

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/15/2004
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/15/2004
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 2/23/2005
- Is the new operator registered in the State of Utah: YES Business Number: 755627-0143
- If **NO**, the operator was contacted on:

6a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
6b. Inspections of LA PA state/fee well sites complete on: waived

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA

8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: na/

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 2/23/2005

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 2/28/2005
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/28/2005
3. Bond information entered in RBDMS on: 2/28/2005
4. Fee/State wells attached to bond in RBDMS on: 2/28/2005
5. Injection Projects to new operator in RBDMS on: 2/28/2005
6. Receipt of Acceptance of Drilling Procedures for APD/New on: waived

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UT 0056

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: 61BSBDH2912

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 61BSBDH2919
2. The **FORMER** operator has requested a release of liability from their bond on: n/a*
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

*Bond rider changed operator name from Inland Production Company to Newfield Production Company - received 2/23/05



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 19, 2005

Newfield Production Company
Rt. #3, Box 3630
Myton, UT 84052

Re: State 14-16-9-18 Well, 560' FSL, 2021' FWL, SE SW, Sec. 16,
T. 9 South, R. 18 East, 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 43-047-35825.

Sincerely,

Gil Hunt
Acting Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Newfield Production Company
Well Name & Number State 14-16-9-18
API Number: 43-047-35825
Lease: ML-48378

Location: SE SW Sec. 16 T. 9 South R. 18 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

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

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

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API #43-047-35825

July 19, 2005

6. Surface casing shall be cemented to the surface.
7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH

DIVISION OF OIL, GAS, AND MINING

1. SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use *APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.		5. LEASE DESIGNATION AND SERIAL NO. ML-48378
<input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBAL NAME N/A
2. NAME OF OPERATOR NEWFIELD PRODUCTION COMPANY		7. UNIT AGREEMENT NAME SUNDANCE
3. ADDRESS AND TELEPHONE NUMBER Rt. 3 Box 3630, Myton Utah 84052 435-646-3721		8. WELL NAME and NUMBER STATE 14-16-9-18
4. LOCATION OF WELL Footages 560 FSL 2021 FWL QQ, SEC, T, R, M: SE/SW Section 16, T9S R18E		9. API NUMBER 43-047-35825
		10. FIELD AND POOL, OR WILDCAT EIGHT MILE FLAT NORTH
		COUNTY UINTAH STATE UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA	
NOTICE OF INTENT: (Submit in Duplicate) <input type="checkbox"/> ABANDON <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> REPAIR CASING <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/> RECOMPLETE <input type="checkbox"/> CONVERT TO INJECTION <input type="checkbox"/> REPERFORATE <input type="checkbox"/> FRACTURE TREAT OR ACIDIZE <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> WATER SHUT OFF <input checked="" type="checkbox"/> OTHER <u>Permit Extension</u>	SUBSEQUENT REPORT OF: (Submit Original Form Only) <input type="checkbox"/> ABANDON* <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> REPAIR CASING <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/> RECOMPLETE <input type="checkbox"/> CONVERT TO INJECTION <input type="checkbox"/> REPERFORATE <input type="checkbox"/> FRACTURE TREAT OR ACIDIZE <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> OTHER _____ DATE WORK COMPLETED _____ Report results of Multiple Completion and Re Completions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. *Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depth for all markers and zones pertinent to this work.)

Newfield Production Company requests to extend the Permit to Drill this well for one year. The original approval date was 7/19/05 (expiration 7/19/06).

COPY SENT TO OPERATOR
 Date: 10-11-06
 Initials: RM

13. NAME & SIGNATURE Mandie Crozier TITLE Regulatory Specialist DATE 7/10/2006
 Mandie Crozier

(This space for State use only.)

Approved by the
Utah Division of
Oil, Gas and Mining
 Date: 07-13-06
 By: [Signature]

RECEIVED
JUL 12 2006
 DIV. OF OIL, GAS & MINING



**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-35825
Well Name: State 14-16-9-18
Location: SE/SW Section 16, T9S R18E
Company Permit Issued to: Newfield Production Company
Date Original Permit Issued: 7/19/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No NA

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No

Mandi Crozier
Signature

7/10/2006
Date

Title: Regulatory Specialist

Representing: Newfield Production Company

RECEIVED
JUL 12 2006
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 14, 2007

Mandie Crozier
Newfield Production Co
Route 3 Box 3630
Myton, UT 84052

Re: APD Rescinded – State 14-16-9-18 Sec. 16 T. 9S R. 18E
Uintah County, Utah API No. 43-047-35825

Dear Ms. Crozier

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 19, 2005. On July 13, 2006 the Division granted a one-year APD extension. September 14, 2007, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 14, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Ed Bonner, SITLA

