

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
United Utilities Corporation

3. ADDRESS OF OPERATOR
625 North 100 West, Vernal, Utah 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
921' FSL & 2,462' FEL, Sec. 9, T11S, R23E
At proposed prod. zone
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
+/- 33.6 miles from Bonanza, Utah

16. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 921'

18. NO. OF ACRES IN LEASE
2,442

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. approx. 1,450'

19. PROPOSED DEPTH
5,950'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5,811 GR

22. APPROX. DATE WORK WILL START*
August 17, 1995

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36	250	150 sx
6 1/4	4 1/2	10.5	5,950	280 sx

Attachment to this APD,

1. Surveyors location plat
2. Well control plan
3. Surface use and operating plan
4. Maps & diagrams

RECEIVED
JUL 19 1995

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

24. SIGNED Terry J. Cox TITLE Agent-Consulting Engineer DATE 7-7-95
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY Edwin J. Johnson acting TITLE ASSISTANT DISTRICT MANAGER MINERALS DATE AUG 3 1995

CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

U4080-512-201
D:O O&M

*See Instructions On Reverse Side

and willfully to make to any department or agency of the

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: United Utilities Corporation

Well Name & Number: Federal 12

API Number: 43-047-32719

Lease Number: U-0779

Location: SWSE Sec. 09 T. 11S R. 23E

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. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

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

2. **Pressure Control Equipment**

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 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.

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

3. **Casing Program and Auxiliary Equipment**

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

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 and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the Mahogany Oil Shale, identified at $\pm 1,326$ ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

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

4. Mud Program and Circulating Medium

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

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

5. Coring, Logging and Testing Program

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

A cement bond log (CBL) will be run from the production casing shoe to $\pm 1,126$ ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

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 (801) 789-4170
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

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

SURFACE USE PLAN OF OPERATION
Conditions of Approval (COAs)

Methods for Handling Waste Disposal

Burning will not be allowed. All trash must be contained in a trash cage and hauled away to an approved disposal site at the completion of the drilling activities.

The reserve pit shall be constructed so as not to leak, break, or allow discharge.

The reserve pit shall be lined.

If a plastic nylon reinforced liner is used, it will be a minimum of 12 mil thickness with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the AO.

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

Wellsite Layout -- Fencing Requirements

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

- a. 39-inch net wire shall be used with at least one strand of barbed wire on top of the net 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 feet.
- e. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

Plans for Restoration of Surface

a. Producing Location

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities or operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 6 months from the date of well completion. Before any dirt work takes place, the reserve pit must be completely dry and all cans, barrels, pipe, etc., will be 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 BLM will attach the appropriate surface rehabilitation conditions of approval.

Other Additional Information

- a. The operator 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, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

-whether the materials appear eligible for the National Register of Historic Places;

-the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and

-a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

-If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- b. 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.
- c. Drilling rigs and/or equipment used during drilling operations on this wellsite 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.)

Additional Surface Conditions

A silt catchment dam and basin will be constructed according to BLM specifications approximately 300 ft west of the location, where flagged. This would catch erosion from the road and pad before it reaches the main Saddletree Draw drainage. The overflow for the pond would be directed to the north of the pond and wash rather than south toward the access road.

August 1, 1995



State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Attn: Mike Hebertson

Re: United Utilities Corporation
Application for Permit to Drill
Rockhouse Federal #12
SWSE Section 9, T11S-R23E
Uintah County, Utah

Gentlemen:

Enclosed please find two (2) completed copies of the Application for Permit to Drill for the referenced well.

If you have any questions, please call me at 303-892-9120.

Respectfully,

A handwritten signature in black ink, appearing to read "Terry J. Cox". The signature is written in a cursive style and is positioned above the typed name.

Terry J. Cox
Agent for
UNITED UTILITIES CORPORATION

mek

Enclosures

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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DRILL DEEPEN PLUG BACK
b. TYPE OF WELL
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United Utilities Corporation

3. ADDRESS OF OPERATOR
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5,811 GR

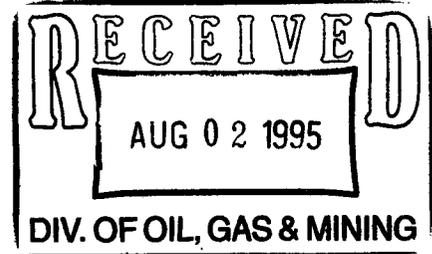
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SIGNED [Signature] TITLE Agent-Consulting Engineer DATE 7-2-95
TERRY J. COX

(This space for Federal or State office use)

PERMIT NO. 43-042-32719 APPROVAL DATE
APPROVED BY [Signature] DATE 8/3/95
CONDITIONS OF APPROVAL, IF ANY:

UNITED UTILITIES CORPORATION
Lease UTU-0799, Rockhouse Unit #12
921' FSL & 2462' FEL Section 9, T11S, R22E
Uintah County, Utah

Drilling Prognosis

1. Estimated Tops of Important Geologic Markers

Uintah	Surface	Mesaverde	5,200'
Lower Black Shale	3,245'	Total Depth	5,950'
Wasatch	3,300'		

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations

Water:	Surface to T.D.		
Oil & Gas:	Green River		
	Wasatch	3,300' - 5,200'	Gas (Primary Objective)
	Mesaverde	5,200' - 5,950'	Gas (Primary Objective)

If any shallow water zones are encountered, they will be adequately protected and reported. All potentially productive hydrocarbon zones will be cemented off.

3. Pressure Control Equipment - Schematic Attached

A. Type: Double Gate Hydraulic with Annular Preventer (Hydril).

The Blow-Out Preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Drilling spool with two (2) side outlets (choke side 3-inch minimum, kill side 2-inch minimum).
4. Kill line (2-inch minimum).
5. Two (2) kill line valves, one of which will be a check valve (2-inch minimum).
6. 3-inch (minimum) choke line.
7. Two (2) choke line valves (minimum).
8. Two (2) adjustable chokes.
9. Pressure gauge on choke manifold.
10. Upper kelly cock valve with handle available.
11. Safety valve and subs to fit all drill strings in use.
12. Fill-up line above the uppermost preventer.

B. Pressure Rating: 3,000 psi

C. Testing Procedure:

Annular Preventer (Hydril)

At a minimum, the Annular Preventer will be pressure tested to 50% of the rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the annular preventer is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repair; and
4. At thirty (30) day intervals.

In addition to the above, the annular preventer will be functionally operated at least weekly.

Blow-Out Preventer

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

Chart recorders shall be used for all pressure tests. Test charts, with individual test results identified, shall be maintained on location while drilling and available for inspection. In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day.

All BOP drills and tests will be recorded in the LADC driller's log.

D. Choke Manifold Equipment:

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

E. Accumulator:

The accumulator will have sufficient capacity to close all BOP's and retain 200 psi above precharge. Nitrogen bottles which meet the manufacturer's specifications will be used as the backup to the required independent power source. The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six (6) months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits specified in Onshore Operating Order #2.

F. Miscellaneous Information:

The Blow-out preventer and related pressure control equipment will be installed, tested, and maintained in compliance with the specifications in and requirements of Onshore Operating Order #2.

The choke manifold and BOP extension rods with hand wheels will be located outside the rig sub-structure. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the well head but readily accessible to the driller. Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill the hole.

A flare line will be installed after the choke manifold, extending 100 feet (minimum) from the center of the drill hole to a separate flare pit.

4. The Proposed Casing and Cementing Program - All New

A. Casing Program

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft.</u>	<u>Grade Joint</u>	<u>Depth Set</u>
12-1/4"	9-5/8"	36.0#	K-55 ST&C	0 - 250'
6-1/4"	4-1/2"	10.5#	J-55 ST&C	0- 5,950'

All casing strings below the conductor will be pressure tested to 0.22 psi/foot, or 1,500 psi (not to exceed 70%) of the internal yield strength of the casing, whichever is greater, after cementing and prior to drilling out from under the casing shoe.

On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe will be performed, if required by the Authorized Officer, Bureau of Land Management. The formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at a total depth of the well. This test shall be performed before drilling more than twenty (20) feet of new hole.

B. Cementing Program

Surface Casing	:	150 sx Class "G" + 0.25#/sk Cello-Seal + 2.0% CaCl ₂ , circulated to surface.
Production Casing	:	Lead with 85 sx Class "G" + 16% gcl (bentonite) + 3% salt + 10#/sk Gilsonite, followed by 195 sx Class "G" + 10% gypsum + 0.4% CF-14A + 0.2% WR-15 + 10% salt. Actual cement volumes will be determined from caliper log adding 10% excess to assure a cement top of at least 200 feet above the top of the Mahogany oil shale zone.

5. Mud Program - Visual Monitoring

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0' - 2,200'	Fresh Water	8.4-9.0	27-30	No Control
2,200' - T.D.'	Gel/Polymer	8.5-9.5	35- 45	8-10 cc's

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

6. Evaluation Program

<u>Logs</u>	:	High Resolution Resistivity - GR	-	5,950 - 250'
	:	Cal-SP	-	5,950 - 250'
	:	Spectral Density	-	5,950 - 3,100'
	:	Dual Spaced Neutron	-	5,950 - 3,100'
<u>DST's</u>	:	None anticipated.		
<u>Cores</u>	:	None anticipated		

Evaluation program may change at the discretion of the wellsite geologist, with approval of the Authorized Officer, Vernal District Office, Bureau of Land Management.

Stimulation : No stimulation or frac treatment has been formulated for this test at this time. The drill site, as approved, will be of sufficient size to accommodate all completion activities.

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 to the Resource Area Officer no later than thirty (30) days after the completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two (2) copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample descriptions, 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 Area Manager, Vernal District Office, Bureau of Land Management,.

7. Abnormal conditions

No abnormal temperatures or pressures are anticipated. No H₂S has been reported or is known to exist from previous drilling in this area at this depth.

Maximum anticipated bottom hole pressure equals approximately 2,582 psi (calculated at 0.434 psi/foot) and maximum anticipated surface pressure equals approximately 1,273 psi (anticipated bottom hole pressure minus partially evacuated hole pressure calculated at 0.22 psi/foot).

8. Anticipated Starting Dates and Notification of Operations

A. Anticipated Starting Dates:

Anticipated Commencement Date	:	August 17, 1995
Drilling Days	:	Approximately 11 days
Completion Days	:	Approximately 20 days

B. Notification of Operations:

The spud date will be reported orally to the Branch of Inspection/Enforcement within 40 hours after spudding, unless otherwise required in the site specific conditions of approval, and will be followed up with a report on Form 3160-5 confirming the date of spud.

All wells, whether drilling, producing, or abandoned shall be identified in accordance with 43 CFR 3162.6. This requires the name of the operator, the lease number, the well number, and the location of the well.

A progress report will be filed a minimum of once a month starting with the month in which the well was spudded and continuing until the well is completed. The report will be filed by the 25th day of each month on form 3160-5. The report will include the spud date, casing information such as size, grade, weight, hole size, and setting depth, amount and type of cement used, top of cement, depth of cementing tools, casing test method(s), intervals tested, perforated, acidized, fractured, and results obtained and the dates of all work done.

Spills, blowouts, fires, leaks, accidents, theft, or any other unusual occurrences will be promptly reported to the Resource Area Office in accordance with NTL-3A.

Any venting or flaring of gas during initial well evaluation will be subject to the provisions of NTL-4A.

In the event abandonment of the hole is desired, an oral request may be granted by the Resources Area Office but must be followed with a "notice of Intention to Abandon" (Form 3160-5) within fifteen (15) days of receiving oral permission to plug and abandon.

A "Subsequent Report of Abandonment" (Form 3160-5) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow-up report on Form 3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection. If the location is on private surface, a "Landowner Acceptance of Reclamation" letter will be attached to this "Sundry Notice."

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6.

The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch: Company Name, Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and the Federal Lease Number.

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 ninety (90) days, the operator shall notify the Authorized Officer by letter or "Sundry Notice", of the date on which such production has begun or resumed. The notification shall provide as a minimum, the following information items;

- a. Operator name, address, and telephone number
- b. Well name and number
- c. Well location: 1/4, 1/4, Section, Township, Range, P.M.
- d. Date well was placed in a producing status
- e. The nature of the wells production, i.e.: crude oil casing gas, or natural gas and entrained liquid hydrocarbons
- f. The OCS, Federal or Indian lease prefix and number on which the well is located. Otherwise, the non-Federal or non-Indian land category, i.e.: state or private.
- g. As appropriate, the Communitization agreement number, the unit agreement name, number, and participating area name.

UNITED UTILITIES CORPORATION

Multi-point Surface Use and Operations Plan

1. **Existing Roads:** Refer to Map "A" (shown in YELLOW)
 - A. The proposed well site is staked.
 - B. To reach the location continue south on HWY 45 to MILE marker "O". Turn left (Baxter Pass & other signs) onto the secondary road. Continue on the main road past the corrals at Hell's Canyon "Y" and turn right. Stay on the main road through Watson taking the left hand turn at Asphalt Wash and the right fork at the "Y" to Rainbow. Continue on the main road by Kings well and then the corral on the right hand side to a "Y". Continue on the right hand fork for +/- 0.3 mi. Take the left hand turn and proceed 5.9 mi. Staying to the right continue northward on the main road. After +/-5.9 mi. take the left fork and travel +/- 1.4 mi. Take the right turn and travel +/- 1.3 mi. to the well site.
 - C. Access roads - refer to Maps "A".
 - D. Access roads within a one-mile radius - refer to Map "A".
 - E. The existing roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the well location.

2. **Planned Access Roads:**

Approximately 0.1 miles of new road construction will be required for access to the proposed Rockhouse Unit #12 well location..

 - A. Width - 18-foot running surface, crowned and ditched for drilling and completion operations with a 30' right-of-way.
 - B. Maximum grade - 3%.
 - C. Turnouts - none required.
 - D. Drainage design - the access road will be upgraded and maintained as necessary to prevent soil erosion and accommodate year-around traffic. Access road will be crowned, ditched, and water turnouts installed as necessary to provide for proper drainage along the access road route.
 - E. Culverts, cuts, and fills - None.
 - F. Surfacing material - none required for drilling operations. If production is established, surfacing materials for the access road will be purchased from a local contractor having a permitted source of materials in the area, if required by the Authorized Officer, Vernal Resource Area Office, Bureau of Land Management.
 - G. Gates, cattleguards or fence cuts - none required.
 - H. The new access road route has been flagged.

3. **Location of Existing Wells Within a Two-Mile Radius:**
 - A. Water wells - None.
 - B. Abandoned wells - SESE Section 15, T11S, R23E

- C. Temporarily abandoned wells - None.
- D. Disposal wells - None.
- E. Drilling wells - None.
- F. Producing wells - NESE Section 8, T11S, R23E
 SENW Section 9, T11S, R23E
- G. Shut-in wells - NENE Section 3, T11S, R23E
 NWSW Section 4, T11S, R23E
 NWSW Section 5, T11S, R23E
 SWSE Section 7, T11S, R23E
 NESW Section 8, T11S, R23E
 SESE Section 8, T11S, R23E
 SESE Section 10, T11S, R23E
 SENW Section 14, T11S, R23E
 SWNE Section 16, T11S, R23E
 SWNE Section 21, T11S, R23E
- H. Injection wells - None.
- I. Monitoring wells - None.

4. Location of Existing and/or Proposed Facilities Owned By United Utilities Corporation Within a One-Mile Radius:

A. Existing

- 1. Tank batteries - Rockhouse Unit #4 SENW Section 9, T11S, R23E
- 2. Production facilities - Rockhouse Unit #4 SENW Section 9, T11S, R23E
- 3. Oil gathering lines - None.
- 4. Gas gathering lines - None.

B. New Facilities Contemplated

- 1. All production facilities will be located on the disturbed (cut) portion of the well pad and at a minimum of fifteen (15) feet from the toe of the backout.
- 2. Production facilities will require an area approximately 300' X 150'. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form 3160-5) for approval prior to commencement of installation operations. 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. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and within 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced. 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 monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

3. Production facilities will be accommodated on the well pad. Construction materials needed for installation of the production facilities will be obtained from the site; any additional materials needed will be purchased from a local supplier as required. A dike will be constructed completely around the production tanks. The dikes will be constructed of compacted subsoil, be impervious, hold the capacity of the largest tank plus one foot of free board, and be independent of the back cut.
 4. All permanent above-the-ground structures, tank batteries, etc., that will remain longer than six months will be painted Desert Brown (10 YR 6/3). The exception being that safety rules and regulations will be complied with where special safety colors are required.
 5. The pipeline for Rockhouse #12 will be laid along side a portion of the access roadway to the nearest pipeline located in Section 9, T11S,R23E, near the Rockhouse Unit #2. Refer to Map "c".
- C. The production pit will be fenced "Sheep-Tight" with woven wire and two (2) top stands of barbed wire held in place by side posts and wooden corner "H" braces in order to protect livestock and wildlife.
 - D. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road and any additional areas which may be specified in the approved Application for Permit to Drill.
 - E. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling, and seeding as recommended by the Authorized Office, Vernal District Office, Bureau of Land Management.

5. Location and Type of Water Supply:

Water to be used for drilling this well will be hauled by truck over road marked in Blue on Maps A&B.

- A. The primary water source will be:

From Three (3) area wells:

Rainbow Unit #2-A
NESW, S 18, T11S,R24E

Rainbow Unit #5
S/2, S 6, T11S,R24E

Rockhouse Unit #5-A
SWSE, S 13, T11S,R23E

- B. The secondary water source will be:

Purchased from Vernal City water system and hauled to well site on the roads shown on Maps A&B from Bonanza, Utah.

6. Source of Construction Materials:

- A. No construction materials will be needed for well pad construction; surface and subsurface soils will be sufficient. Refer to Item #2F regarding construction materials which may be required on the access road.
- B. No construction materials will be taken from Federal and/or Indian lands without prior approval from the appropriate Surface Management Agency.

- C. If production is established, any construction materials required for surfacing of the access road and installation of production facilities will be purchased from a local supplier having an approved (permitted) source of materials in the area.
- D. No new access roads for construction materials will be required.

7. Methods of Handling Waste Materials:

- A. Cuttings - the cuttings will be deposited in the reserve pit.
- B. Drilling fluids - including salts and chemicals will be contained in the reserve pit and allowed to evaporate. The reserve pit will be designed to prevent the collection of surface runoff and will be constructed with a minimum of one-half (1/2) the total depth below the original ground level at the lowest point in the pit.
- C. Produced fluids - hydrocarbons produced during completion operations will be placed in test tanks on the location. Water produced during completion operations will be put into the reserve pit according to Onshore Operating Order #7 (formerly NTL-2B). Any spills of oil, gas, salt water, or other potentially hazardous materials will be cleaned up and immediately removed to an approved disposal site.
- D. Sewage - portable, self-contained chemical toilets will be provided for human waste disposal. The toilet holding tanks will be pumped as necessary, and the contents thereof disposed of at an approved sewage disposal facility under permit #91-0120 from Uintah District Health Department.
- E. Garbage and other waste material - garbage, trash, and other waste material will be collected in a portable, self-contained and fully-enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be placed in the reserve pit.
- F. Immediately after removal of the drilling rig, all debris and waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location. Any open pits will be fenced during drilling operations and the fencing maintained until such time as the pits are backfilled.

8. Ancillary Facilities:

None anticipated.

9. Wellsite Layout:

- A. Figure #1 shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location (refer to Figure #2). A minimum of six (6) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the well site. Refer to Figure #1 for the location of the topsoil stockpiles.
- B. Figure #1 is a diagram showing the rig layout. No permanent living facilities are planned. There will be approximately four (4) trailers on location: one each for the drilling engineer, geologist, mud logger, and toolpusher.
- C. A diagram showing the proposed production facility layout will be submitted to the Authorized officer via Sundry Notice (Form 3160-5) for approval prior to the commencement of installation operations (Refer to Item #4B for additional information in this regard).

- D. A reserve pit liner will be installed.

10. Plans for Reclamation of the Surface:

- A. Backfilling, leveling, and re-contouring are planned as soon as the reserve pit has dried. All waste materials will be disposed of immediately upon termination of drilling and completion activities. If production is established, the unneeded areas of the location will be reclaimed as soon as the reserve pit has dried. For production, the fill slopes will be reduced from a 1.5:1 slope to a 4:1 slope and the cut slopes will be reduced from a 2:1 slope to a 4:1 slope top by pushing the fill material back into the cut.
- B. Upon completion of backfilling, leveling and re-contouring, all disturbed surfaces (including the access road and well pad areas) will be scarified (ripped) and the stockpiled topsoil will be evenly spread over the reclaimed area(s). The seed bed will be prepared by disking on the contour to an approximate depth of four (4) to six (6) inches, leaving no depressions that would trap water or form ponds.
- C. All disturbed surfaces (including the well pad and access road) will be reseeded using a seed mixture recommended by the Authorized Officer, Bureau of Land Management.
- Seed will be drilled on the contour with the seed drill set at a depth of one-half (1/2) inch. Fall seeding will be completed after September 1 and prior to ground frost. Spring seeding, to be effective, will be completed after the frost has left the ground and prior to May 15,
- D. Three sides of the reserve pit will be fenced "sheep tight" prior to commencement of drilling operations and the fourth side will be fenced immediately upon removal of the drilling rig. Said fencing will consist of woven wire with two (2) top strands of barbed wire held in place with side posts and wooden corner "H" braces in order to protect livestock and wildlife. Please refer to item #4C (Page #2) for additional information regarding the actual fencing specifications.
- E. If any oil is on the pits and is not immediately removed after operations cease, the pit containing the oil or other adverse substance(s) will be flagged overhead or covered with mesh.
- F. Reclamation operations will begin after the drilling rig has been removed. Removal of oil or other adverse substantial begin immediately or the affected area(s) will be flagged and/or fenced. Other clean-up will be done as needed. Re-seeding activities are considered best in the Fall, 1996, unless requested otherwise.

11. Surface Ownership:

The well site and proposed access road route are situated on surface estate owned by the United States of America and administered by:

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

12. Other Information:

- A. Topography: Rolling hills and shallow valleys.
- B. Soil characteristics: Rocky and sandy shale.

- C. Flora: +/- 30% coverage of land with sage brush, bunch grass, prickly pear cactus, etc.
- D. Fauna: Domestic-sheep. Mule deer, elk, rabbits, coyotes and rodents.
- E. Surface use: Wildlife management and livestock grazing.
- F. Surface ownership: Location and roads Federal.
- G. Proximity of Water, Occupied Dwellings, Archaeological, Historical, or Cultural Sites:
 - 1. The closest source of permanent water is the White River, located approximately 4 miles to the north.
 - 2. Occupied dwellings: None.
 - 3. There are no known archaeological, historical, or cultural sites, which are potentially eligible for inclusion in the National Register of Historical Places, that will be disturbed by this proposed drilling operation.

United Utilities Corporation will be responsible for informing all persons associated with this project that they shall be subject to prosecution for damaging, altering, excavating or removing any archaeological, historical, or vertebrate fossil objects or site(s).

If archaeological, historical, or vertebrate fossil materials are discovered, United Utilities Corporation will suspend all operations that further disturb such materials and immediately contact the Authorized Officer, Bureau of Land Management. Operations will not resume until written authorization to proceed is issued by the Area Manager, Vernal Resource Area Office, Bureau of Land Management.

Within five (5) working days, the Authorized Officer will evaluate the discovery and inform United Utilities Corporation of actions that will be necessary to prevent loss of significant cultural or scientific values. United Utilities Corporation will be responsible for the cost of any mitigation required by the Authorized Officer. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, United Utilities Corporation will be allowed to resume operations.

13. Lessee's or Operator's Representative and Certification:

Representative

John Lapaglia, President
625 North 100 West
Vernal, Utah 84078
Phone (801) 789-2772

Terry J. Cox, Consulting Engineer
Suite 1120
1050 17th Street
Denver, Colorado 80265
Phone (303) 892-9120

Contact the above for any additional information which may be required for approval of this Application for Permit to Drill.

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 approved plan of operations, and any applicable Notice to Lessees.

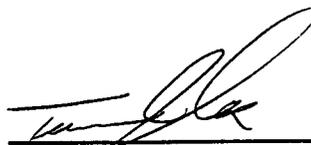
United Utilities Corporation will be fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative(s) to ensure compliance.

The dirt contractor will be provided with a copy of the Surface Use and Operations Plan from the approved Application for Permit to Drill.

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

7-7-95

Date



Terry J. Cox

Agent for United Utilities Corporation

ATTACHMENT TO FORM 3160-3
APPLICATION FOR PERMIT TO DRILL

COMPANY NAME: UNITED UTILITIES CORPORATION
LEASE NO.: UTU-0779
WELL NAME: ROCKHOUSE UNIT NO. 12
LOCATION: 921' FSL & 2,462' FEL, SECTION 9,
T11S,R23E S.L.B.&M.
COUNTY & STATE: UINTAH, UTAH

SELF CERTIFICATION DECLARATION FOR APPLICATION FOR PERMIT TO DRILL
SUBJECT WELL

I hereby certify that United Utilities Corporation is authorized by the proper Lease Interest Owners to conduct lease operations associated with the Application for Permit to Drill the Rockhouse Unit No. 12 SW 1/4 SE1/4 Section 9, T11S,R23E lease UTU-0779. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by United Utilities Corporation under Statewide Bond #UT-1028 and United Utilities Corporation will be responsible for compliance with all terms and conditions of that portion of the lease associated with this Application for Permit to Drill.



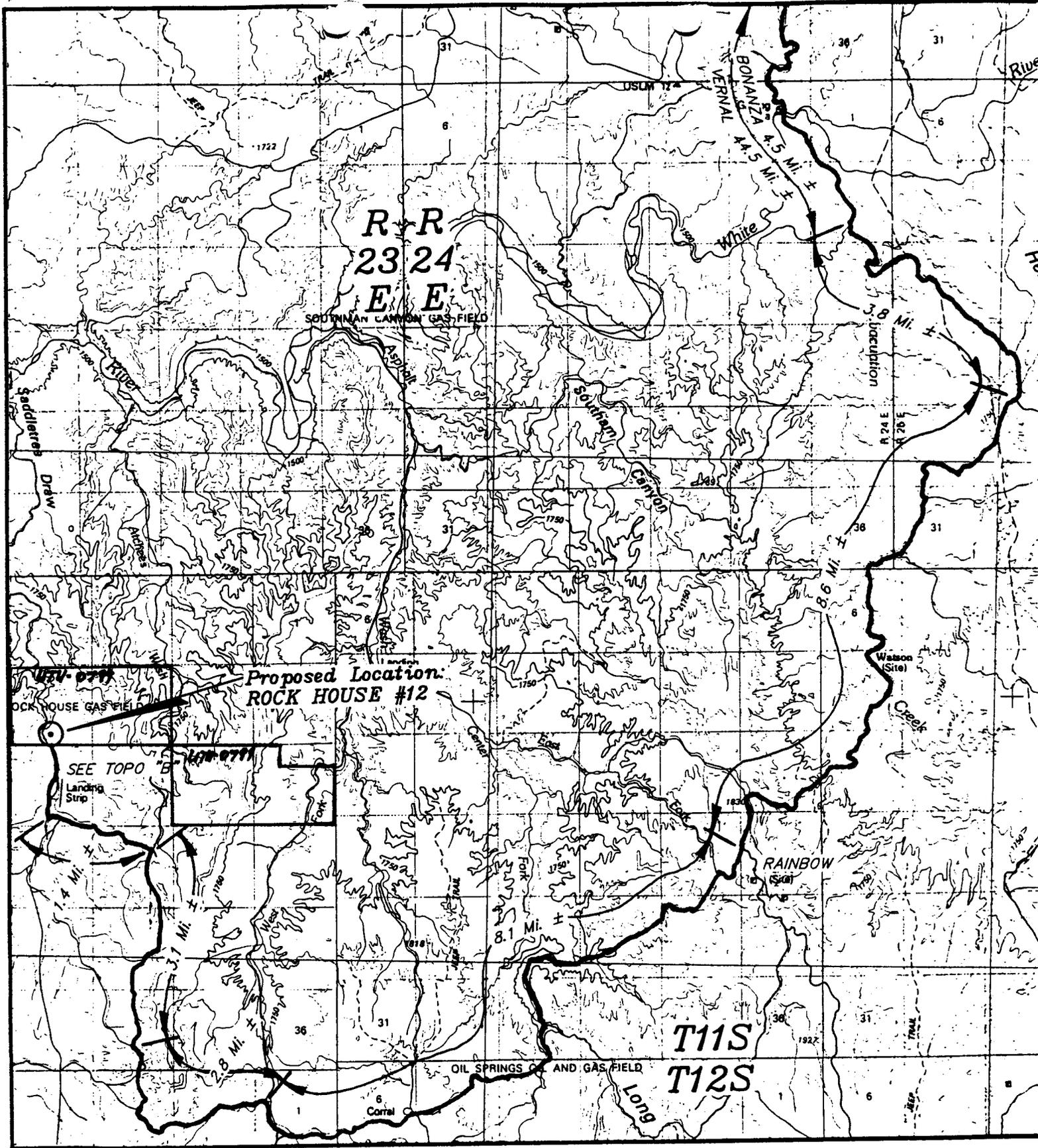
Terry J. Cox
Agent for United Utilities Corporation

ATTACHMENT TO FORM 3160-3
APPLICATION FOR PERMIT TO DRILL

COMPANY NAME: UNITED UTILITIES CORPORATION
LEASE NO.: UTU-0779
WELL NAME: ROCKHOUSE UNIT #12
LOCATION: 921' FSL & 2,462' FEL, SECTION 9, T11S, R23E S.L.B.&M.
COUNTY & STATE: UINTAH, UTAH

HAZARDOUS MATERIAL DECLARATION FOR APPLICATION FOR PERMIT TO DRILL SUBJECT WELL

No chemical subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, stored, produced, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities will be used, produced, stored, or transported, or disposed of in association with the drilling of this well.



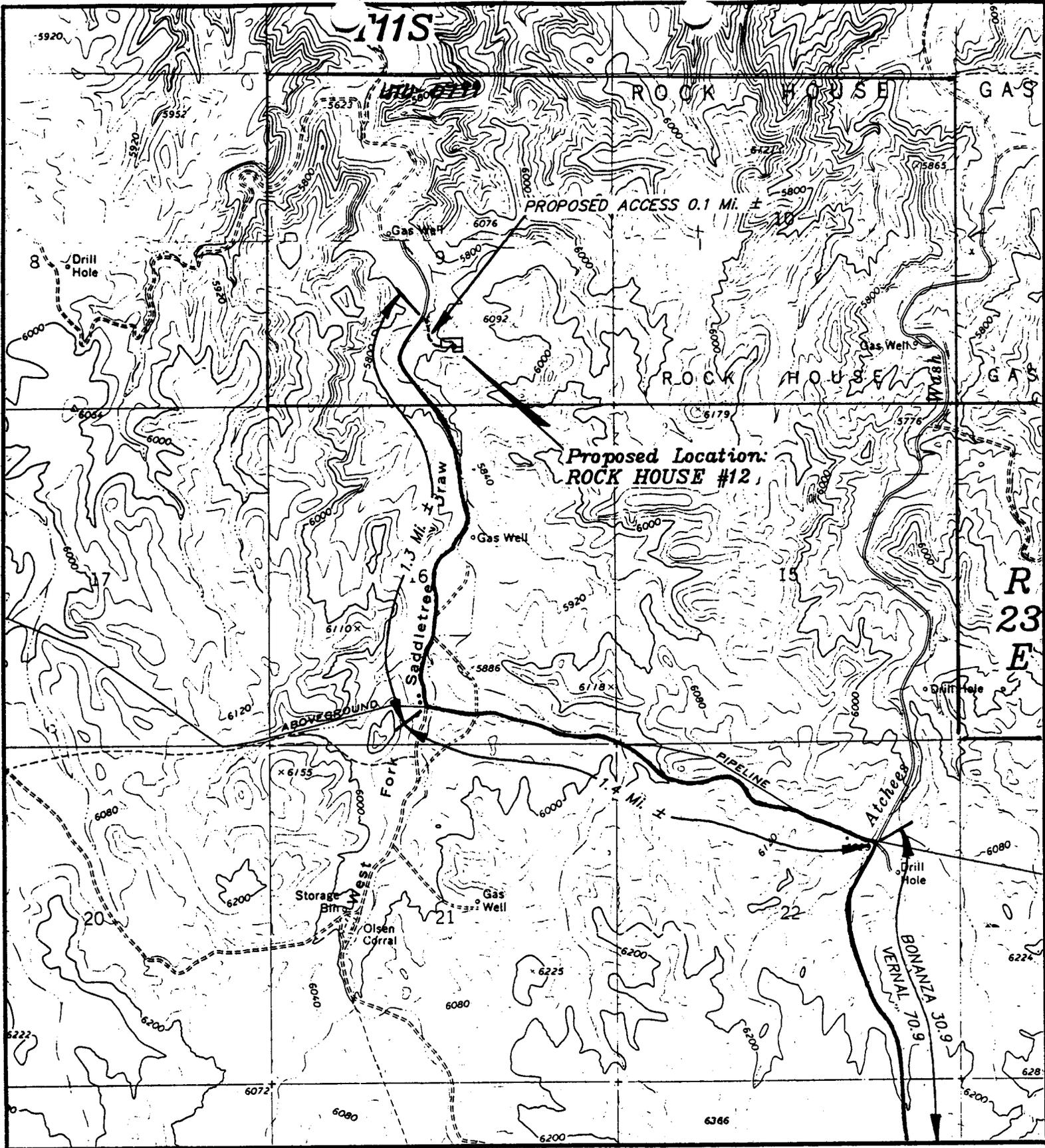
TOPOGRAPHIC
MAP "A"

DATE: 5/31/95 D.COX



UNITED UTILITIES CORP.

ROCK HOUSE #12
SECTION 9, T11S, R23E, S.L.B.&M.
921' FSL 2462' FEL



TOPOGRAPHIC
MAP "B"

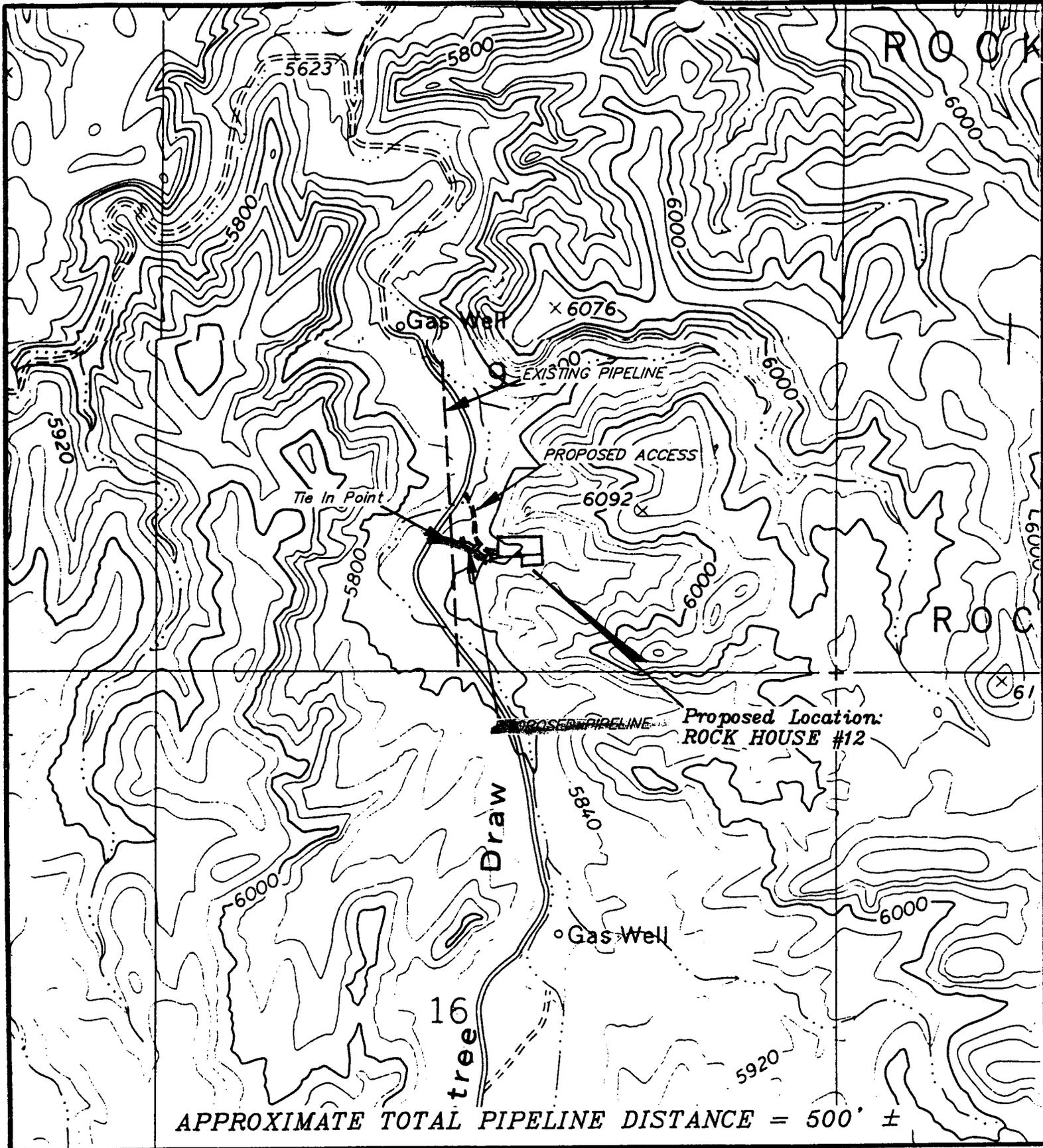
SCALE: 1"=2000'

DATE: 5/31/95 D.COX



UNITED UTILITIES CORP.

ROCK HOUSE #12
SECTION 9, T11S, R23E, S.L.B.&M.
921' FSL 2462' FEL



LEGEND:

- Existing Pipeline
- |-|-|- Proposed Pipeline

SCALE: 1" = 1000'

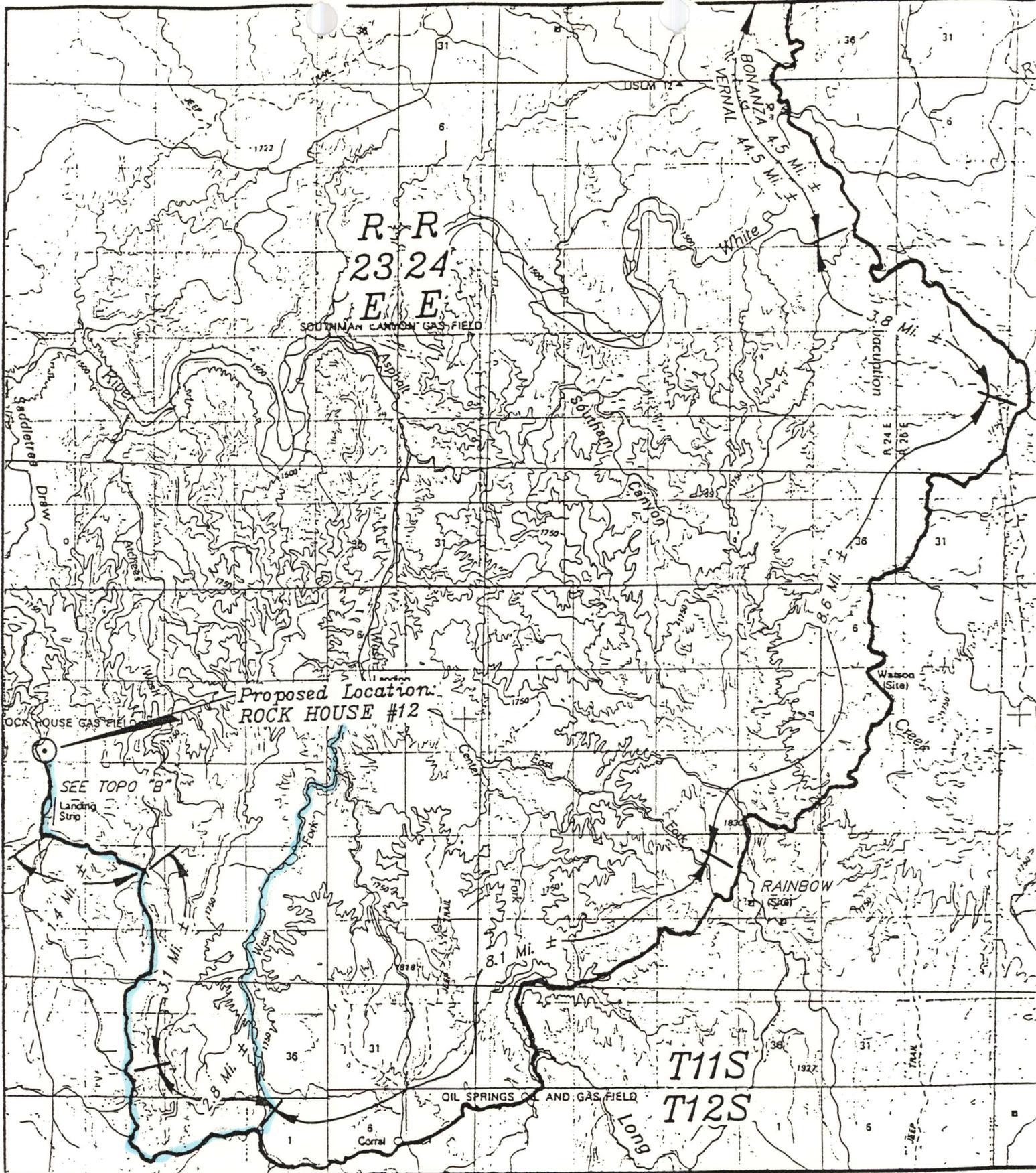


UNITED UTILITIES CORP.

ROCK HOUSE #12
SECTION 9, T11S, R23E, S.L.B.&M.

TOP O M A P " C "

DATE: 5-31-95 D.COX



TOPOGRAPHIC
MAP "A"

DATE: 5/31/95 D.COX



UNITED UTILITIES CORP.

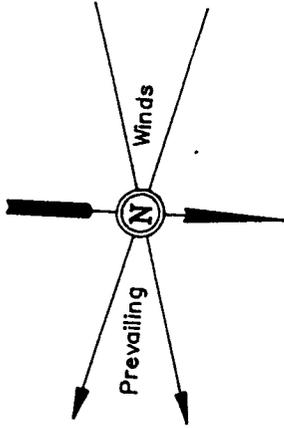
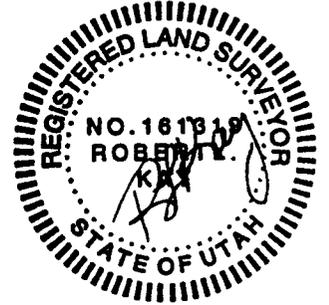
ROCK HOUSE #12
SECTION 9, T11S, R23E, S.L.B.&M.
921' FSL 2462' FEL

WATER HAUL ROUTE

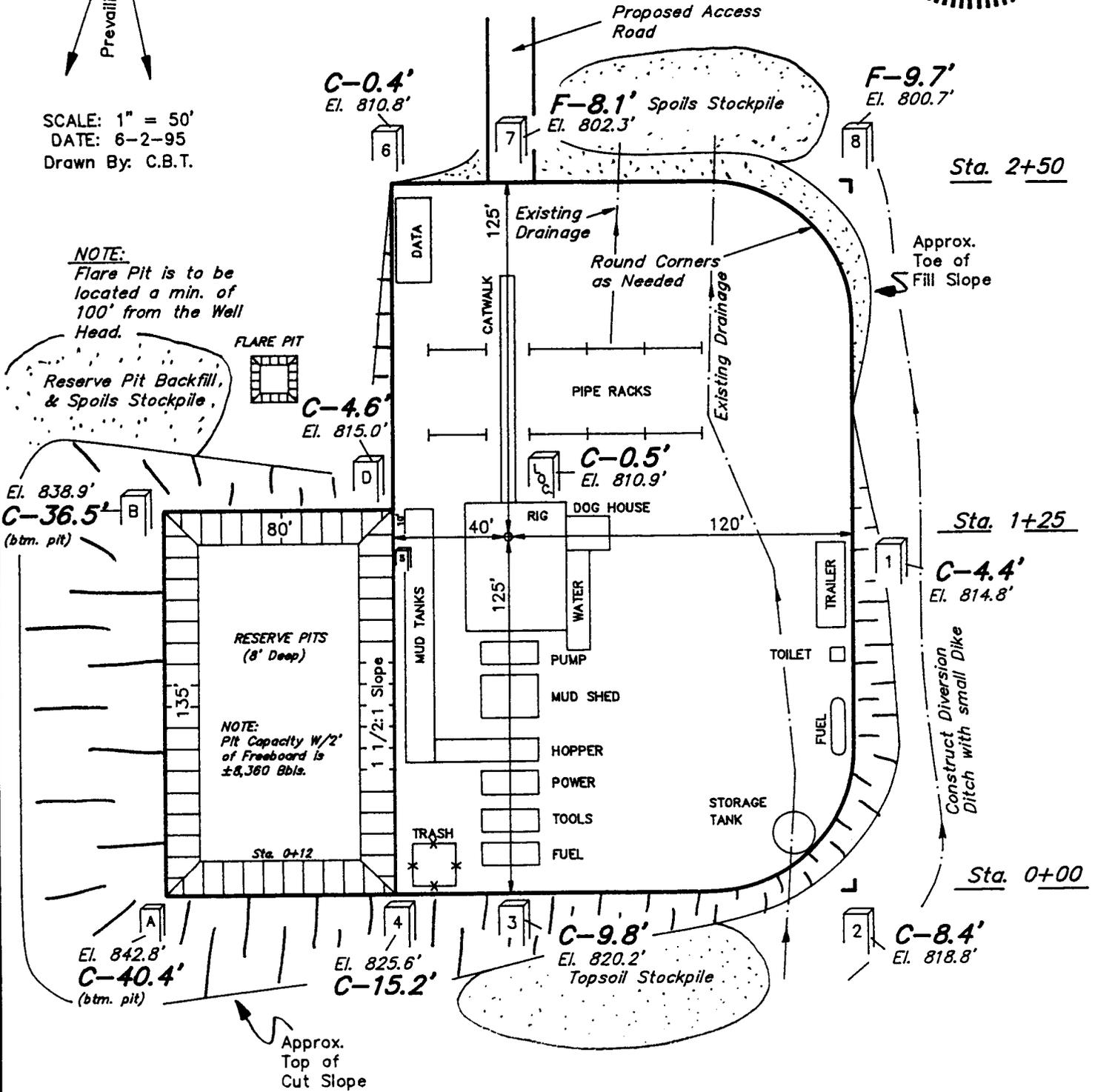
UNITED UTILITIES CORP.

LOCATION LAYOUT FOR

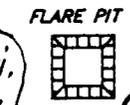
ROCK HOUSE #12
SECTION 9, T11S, R23E, S.L.B.&M.
921' FSL 2462' FEL



SCALE: 1" = 50'
DATE: 6-2-95
Drawn By: C.B.T.



NOTE:
Flare Pit is to be located a min. of 100' from the Wall Head.



NOTE:
Pit Capacity W/2' of Freeboard is ±8,360 Bbls.

Elev. Ungraded Ground at Location Stake = 5810.9'
Elev. Graded Ground at Location Stake = 5810.4'

Figure # 1

UNITED UTILITIES CORP.

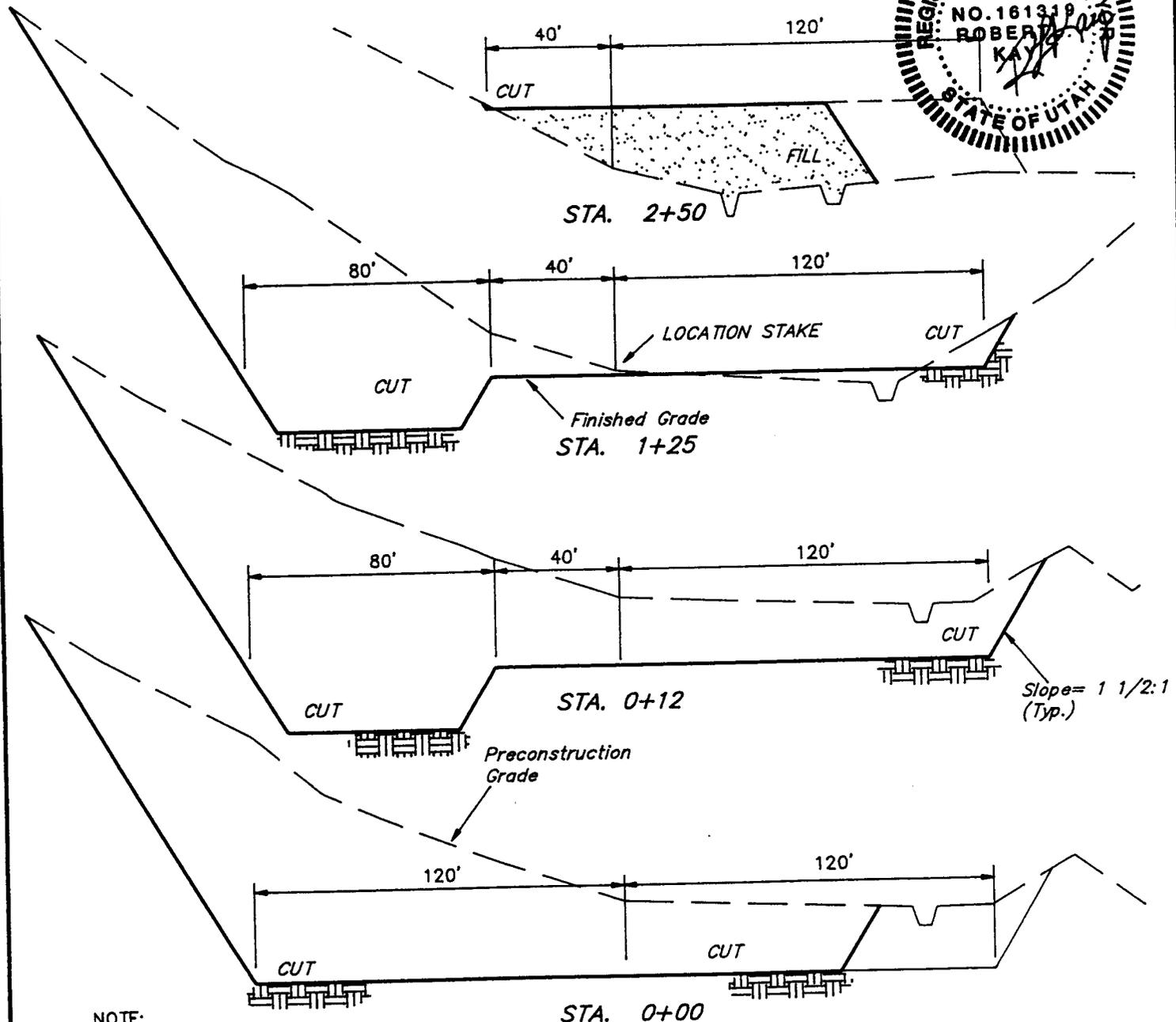
TYPICAL CROSS SECTIONS FOR

ROCK HOUSE #12
SECTION 9, T11S, R23E, S.L.B.&M.
921' FSL 2462' FEL

DATE: 6-2-95
 Drawn By: C.B.T.



1" = 20'
 X-Section Scale
 1" = 50'



NOTE:
 Topsoil should not be Stripped Below Finished Grade on Substructure Area.

FIGURE 2

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 940 Cu. Yds.
Remaining Location	= 17,000 Cu. Yds.
TOTAL CUT	= 17,940 CU.YDS.
FILL	= 3,940 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 13,790 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,190 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 11,600 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
 85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/02/95

API NO. ASSIGNED: 43-047-32719

WELL NAME: Rockhouse Unit
~~ROCKHOUSE~~ FEDERAL 12
 OPERATOR: UNITED UTILITIES CORP. (N6360)

PROPOSED LOCATION:
 SWSE 09 - T11S - R23E
 SURFACE: 0921-FSL-2462-FEL
 BOTTOM: 0921-FSL-2462-FEL
 UINTAH COUNTY
 ROCKHOUSE FIELD (670)

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

LEASE TYPE: FED
 LEASE NUMBER: UTU - 0779

PROPOSED PRODUCING FORMATION: MVRD

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Federal State Fee
 (Number UT-1028)

Potash (Y/N)
 Oil shale (Y/N)
 Water permit
 (Number FROM PRODUCTION WELL)
 RDCC Review (Y/N)
 (Date: _____)

LOCATION AND SITING:

R649-2-3. Unit: UTU-63030X
 R649-3-2. General.
 R649-3-3. Exception.
 Drilling Unit.
 Board Cause no: _____
 Date: _____

COMMENTS: _____

STIPULATIONS: _____

STATE OF UTAH

Operator: UNITED UTILITIES CORP	Well Name: ROCKHOUSE FED 12
Project ID: 43-047-32719	Location: SEC. 09 - T11S - R23E

Design Parameters:

Mud weight (9.50 ppg) : 0.494 psi/ft
 Shut in surface pressure : 2561 psi
 Internal gradient (burst) : 0.063 psi/ft
 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using buoyed weight
 Service rating is "Sweet"

Design Factors:

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

Length (feet)	Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost		
1	5,950	4.500	10.50	J-55	ST&C	5,950	3.927		
	Load (psi)	Collapse Strgth (psi)	S.F.	Burst Load (psi)	Min Int Strgth (psi)	Yield S.F.	Tension Load (kips)	Strgth (kips)	S.F.
1	2936	4010	1.366	2936	4790	1.63	53.40	132	2.47 J

Prepared by : MATTHEWS, Salt Lake City, UT
 Date : 08-03-1995
 Remarks :

Minimum segment length for the 5,950 foot well is 1,000 feet.
 SICP is based on the ideal gas law, a gas gravity of 0.69, and a mean gas temperature of 104°F (Surface 74°F , BHT 134°F & temp. gradient 1.000°/100 ft.)
 The mud gradient and bottom hole pressures (for burst) are 0.494 psi/ft and 2,936 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - Collapse (with evacuated casing), 1.0 - Burst, 1.8 - 8 Round Tension, 1.6 - Buttress Tension, and 1.5 - Body Yield. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser. Costs for this design are based on a 1987 pricing model. (Version 1.06)



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

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

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

August 3, 1995

United Utilities Corporation
625 North 100 West
Vernal, Utah 84078

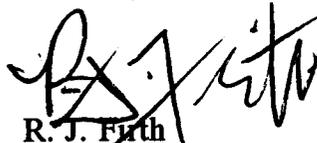
Re: Federal #12 Well, 921' FSL, 2462' FEL, SW SE, Sec. 9, T. 11 S., R. 23 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Admin. R. 649-3-1 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 43-047-32719.

Sincerely,


R. J. Firth
Associate Director

ldc

Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal District Office

WAPD



Operator: United Utilities Corporation

Well Name & Number: Federal #12

API Number: 43-047-32719

Lease: Federal UTU-0779

Location: SW SE Sec. 9 T. 11 S. R. 23 E.

Conditions of Approval

1. General

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

2. Notification Requirements

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

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

3. Reporting Requirements

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

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: UNITED UTILITIES CORP.

Well Name: FEDERAL 12

Api No. 43-047-32719

Section 9 Township 11S Range 23E County UINTAH

Drilling Contractor EXETER

Rig # 8

SPUDDED: Date 12/1/95

Time _____

How ROTARY

Drilling will commence _____

Reported by DE VANOVERBEKLE

Telephone # _____

Date: 11/30/95 SIGNED: FRM

UNITED

UTILITIES INCORPORATED

January 10, 1996

Ms. Lisha Cordova
Division of Gas, Oil & Mining
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

JAN 12 1996

Re: Entity Action Form & Well Completion Report
Rockhouse Federal #12 Well

Dear Ms. Cordova:

While reviewing the above captioned file today, I discovered that the Entity Action Form and Well Completion Report have not yet been filed with the State of Utah. I am enclosing the Entity Action Form, and according to the Petroleum Engineer in Denver, the Well Completion Report should be ready by the end of this week. As soon as I receive it, I will forward it to your attention.

I had some difficulty obtaining the Entity Action Form, and would appreciate it very much if you could forward some forms (Form 6) to me here in the Vernal office. We will be spudding a new well in the next ten days, and another three in the next few months. I would like the required reports to be timely on the new wells, however, I face the same problem without obtaining the forms to file!

Thank you for your assistance, and if you need any information on the Rockhouse #12, please feel free to call our Geologist, Ms. Monica Ryden, at (303) 696-9706, or the Petroleum Engineer, Mr. Terry Cox, at (303) 892-9120.

Sincerely,
UNITED UTILITIES CORPORATION



De Van Overbeke, Production Secretary

:dv

Enclosure

pc: Monica Ryden, Geologist
Terry J. Cox, Petroleum Engineer
Houston Office
File

mworks\Rockhouse\RH12\entact12.wps

EQUIPMENT INVENTORY
UTAH DIVISION OF OIL, GAS AND MINING
STATE OF UTAH

Operator: UNITED UTILITIES Lease: State: _____ Federal: X Indian: _____ Fee: _____
Well Name: ROCKHOUSE FED. #12 API Number: 43-047-32719

Section: 9 Township: 11S Range: 23E County: UINTAH Field: ROCKHOUSE

Well Status: PGW Well Type: Oil: _____ Gas: X

PRODUCTION LEASE EQUIPMENT: (NUMBER)

Boiler(s): _____ Compressor(s): _____ Separator(s): _____ Dehydrator(s): 1
Shed(s): 1 Line Heater(s): _____ Heated Separator(s): 1 VRU: _____
Heater Treater(s): _____

PUMPS:

Triplex: _____ Chemical: 1 Centrifugal: _____

LIFT METHOD:

Pumpjack: _____ Hydraulic: _____ Submersible: _____ Flowing: X

GAS EQUIPMENT: (NUMBER)

Purchase Meter: 0 Sales Meter: 1

TANKS:

	NUMBER	SIZE	
Oil Storage Tank(s):	<u>2</u>	<u>100</u>	BBLs
Water Tank(s):	_____	_____	BBLs
Power Water Tank:	_____	_____	BBLs
Condensate Tank(s):	_____	_____	BBLs
Propane Tank:	_____		

Central Battery Location: (IF APPLICABLE)

Qtr/Qtr: _____ Section: _____ Township: _____ Range: _____

REMARKS: WELL GAS USED FOR FUEL NO PROPANE. WELL HAS BEEN ON PRODUCTION BUT WORKOVER RIG ON WELL AT TIME OF INSPECTION. RESERVE PIT IS OPEN WITH 400 BARRELS FLUID PRESENT.

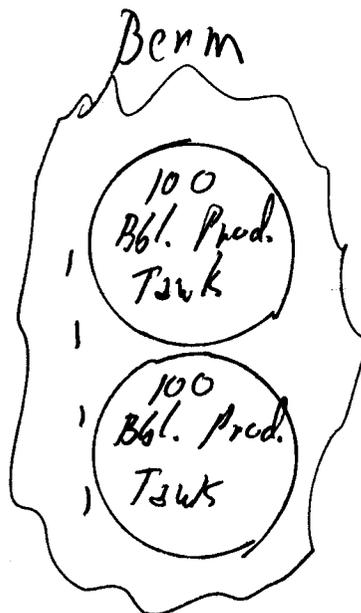
Inspector: DAVID W. HACKFORD Date: 3/18/96

↑
North

22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS



Access



Top
Soil

wellhead
tree



Debi +
Heated
separator

Recorder

Gas sales
line goes
underground

Reserve Pit

FORM 25-1996 11-41 (July 1992)

FILED - VERNAL

1 789 5881 P.01

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUBMIT IN DUP YE*

FORM APPROVED OMB NO. 1004-0137 Expires February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1. TYPE OF WELL: OIL WELL [] GAS WELL [X] DRY [] Other []

2. TYPE OF COMPLETION: NEW [X] WHOLE [] PART [] FULL [] DIFF. [] Other []

3. NAME OF OPERATOR: United Utilities Corporation

4. ADDRESS AND TELEPHONE NO.: 625 North 100 West, Vernal, Utah 84078

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements): At surface 921' FSL & 2,462 FEL, Section 9, T11S, R23E

6. LEASE DESIGNATION AND SERIAL NO.: UTU-0779
7. UNIT AGREEMENT NAME: Rockhouse Unit
8. FARM OR LEASE NAME, WELL NO.: Rockhouse Unit #12
9. APPLICABLE: 43-047-32719
10. FIELD AND POOL, OR WILDCAT: Rockhouse Gas Field
11. SEC., T., R., N., OR BLOCK AND SURVEY OR AREA: Section 9, T11S, R23E S.L.B. & M.
12. COUNTY OR PARISH: Uintah
13. STATE: Utah

14. PERMIT NO.: DATE ISSUED: 8-3-95

15. DATE OF COMPLETION: 11-29-95
16. DATE T.D. REACHED: 12-7-95
17. DATE COMPL. (Ready to prod.): 4-10-96
18. ELEVATION (OF R.S.D. BY, OR, ETC.): 5822 KB
19. SLCT. CASING HEAD: 5810'

20. TOTAL DEPTH, MD & TVD: 5950'
21. PLUG BACK F.S. BY & TVD: 5580'
22. IF MULTIPLE COMPL. HOW MANY?
23. INTERVALS DRILLED BY: 0 - TD
24. CABLE TOOLS:
25. WIRE TOOLS:

26. PRODUCING INTERVAL(S) OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD): 3,791' - 5,453' Wasatch
27. WAS. DIRECTIONAL SURVEY NAME: No

28. TYPE ELECTRIC AND OTHER LOGS—LOG NO.: CNL/FDC - DIL - CBL
29. WAS. WELL CORRECTION: No

30. CASING RECORD (Report all strings set in well)

Table with columns: CASING SIZE/GRADE, WEIGHT (LBS/FT.), DEPTH SET (MD), HOLE SIZE, JOBS OF CEMENT, CEMENTING RECORD, JOBS/TUBES

31. LINER RECORD

Table with columns: SIZE, TOP (MD), BOTTOM (MD), BAGS CEMENT, SCREEN (NO)

32. TUBING RECORD

Table with columns: SIZE, DEPTH SET (MD), PACKER SET (MD)

33. PRODUCTION RECORD (Date, well, size and number)

Table with columns: DATE FIRST PRODUCTION, PRODUCTION METHOD, WELL STATUS, DEPTH INTERVAL (MD), AMOUNT AND KIND OF MATERIAL USED

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): Sold
TEST WITNESSED BY: D. Williamson

35. LIST OF ATTACHMENTS: Logs under separate cover

36. I hereby certify that the information and attached information is complete and correct as determined from all available records
SIGNED: [Signature] TITLE: Agent-Consulting Engineer DATE: 4-17-96

(See Instructions and Specs for Additional Data on Reverse Side)

SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; core intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);

GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Wasatch	3444	5326	Oil & Gas			
Mesaverde	5480 Corrected	TD				

TOTAL P.01

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE
(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NO.
UTU-0779

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
Rockhouse Unit

8. FARM OR LEASE NAME, WELL NO.
Rockhouse Unit #12

9. API WELL NO.
43-047-32719

10. FIELD AND POOL, OR WILDCAT
Rockhouse Gas Field

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Section 9, T11S, R23E

S.L.B. & M.

12. COUNTY OR PARISH
Utah

13. STATE
Utah

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RENOV.

2. NAME OF OPERATOR
United Utilities Corporation

3. ADDRESS AND TELEPHONE NO.
625 North 100 West, Vernal, Utah 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface 921' FSL & 2,462 FEL, Section 9, T11S, R23E

At top prod. interval reported below
Same

At total depth
Same

14. PERMIT NO. DATE ISSUED
8-3-95

15. DATE SPUNDED 11-29-95 16. DATE T.D. REACHED 12-7-95 17. DATE COMPL. (Ready to prod.) 4-10-96 18. ELEVATIONS (OF RKB, RT, CR, ETC.)* 5822 KB 19. ELEV. CASINGHEAD 5810'

20. TOTAL DEPTH, MD & TVD 5950' 21. PLUG BACK T.D., MD & TVD 5580' 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY 0 - TD ROTARY TOOLS CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 3,791' - 5,453' Wasatch 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN CNL/FDC - DIL - CBL 4-23-96 27. WAS WELL CORDED No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB/FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT	CEMENTING RECORD	AMOUNT PULLED
9 5/8 K-55	36	280	12 1/4	Surface	160 sx	None
4 1/2 J-55	10.5	5948	7 7/8	Surface	1029 sx	None

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8	3762	

31. PREPARATION RECORD (Interval, size and number)

5,403-20; 5450-53	2 JSPF
5342-5354	2 JSPF
5110-5123	2 JSPF
4672-4686	4 JSPF
4412-4418	4 JSPF
3791-3797	4 JSPF

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5403-20; 5450-53	26,000# sand
5342-54 & 5110-23	24,000# & 73,000#
4672-86 & 4412-18	90,300# & 83,000#
3791-97	39,500# sand

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)
4 - 10-96	Flowing	Producing

DATE OF TEST	HOURS TESTED	CHOKER SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
4-12-96	24	24/64	→	30	7,183	30	

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
1200	1650	→	30	7,183	30	56.2

34. DISPOSITION OF GAS (Hold, used for fuel, vented, etc.)
Sold

TEST WITNESSED BY
D. Williamson

35. LIST OF ATTACHMENTS
Logs under separate cover

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED [Signature] TITLE Agent-Consulting Engineer DATE 4-17-96

*(See Instructions and Spaces for Additional Data 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.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):		38. GEOLOGIC MARKERS					
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TOP	TRUK VERT. DEPTH
Wasatch	3444	5326	Oil & Gas				
Mesaverde	5326	TD					

UNITED

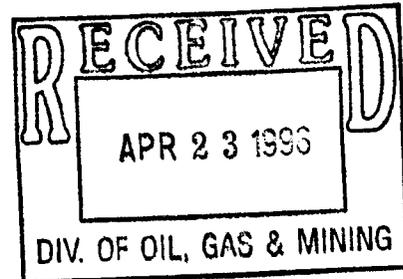
UTILITIES INCORPORATED

April 22, 1996

Utah Department of Natural Resources
Division of Oil, Gas, and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Attn: Ms. Lisha Cordova

Re: Rockhouse Unit #12 - API# 43-047-32719
Rockhouse Gas Field - Uintah County, Utah



Dear Ms. Cordova:

Enclosed is a copy of the Cement Bond Log, Spectral Density Dual Spaced Neutron Log, and Dual Induction Short Guard Log on the above captioned well. The well is producing at this time from the Wasatch zone, and the completion report (copy enclosed) has been submitted by Terry Cox, our consulting engineer.

If you have any questions, please feel free to contact me at your convenience.

Kindest regards,
UNITED UTILITIES CORPORATION

De Van Overbeke
De Van Overbeke,
Production Secretary

:dv
Enclosure

pc: Ms. Tammy Seiter - Houston Office
Ms. Monica Ryden - Denver Office
Terry J. Cox, P.E., Terry J. Cox & Company
File

\\msword\rockhouse\rock12\log-udnr.wps



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

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

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

UTAH DIVISION OF OIL, GAS AND MINING
 FACSIMILE COVER SHEET

DATE: April 23, 1996
 FAX # 539-4200
 ATTN: Mickey Coulthard
 COMPANY: BLM/SL
 FROM: Lisha Cordova
 DEPARTMENT: DNR/DOGm
 NUMBER OF PAGES BEING SENT (INCLUDING THIS ONE): 5

If you do not receive all of the pages, or if they are illegible, please call (801) 538-5340.

We are sending from a Sharp facsimile machine. Our telecopier number is (801) 359-3940.

MESSAGES:

* 960425 Monica Ryden (303) 696-9706 "United Utilities"
Amended WCR will be submitted; well is prod. from WSTC
PZ only. Leave WSMVD until amendment is received.
(BLM/mickey notified) They have rec'd conflicting info. also,
and will review.

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above addressed via regular postal service. Thank you.



UNITED / UTILITIES CORPORATION
Engineering & Geological Group

Monica Ryden,
Geologist

April 26, 1996

Ms. Lisha Cordova
Division of Oil, Gas & Mining
355 W. North Temple
3 Triad Center, Suite #350
Salt Lake City, UT 84180-1203
Ph: (801) 538-5340
Fax: (801) 359-3940

RE: UNITED UTILITIES CORPORATION
ROCKHOUSE #12 GAS WELL
WELL COMPLETION REPORT

Dear Lisha,

Per our conversation yesterday regarding the error in the Well Completion Report for the Rockhouse #12 Mesaverde Formation top, enclosed is the corrected top for the Mesaverde. The top should be at 5,480', at the base of the three thick sandstones sequence of the Wasatch Formation.

I apologize for any inconvenience this error may have caused. If you have any further questions, please call me at our Denver office (303) 696-9706. Thank you.

Sincerely,
UNITED UTILITIES CORPORATION

Monica E. Ryden

Monica E. Ryden,
Geologist

cc: Mr. Terry Cox
Consulting Engineer

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

TAMARA SEITER
 UNITED UTILITIES CORP
 7670 WOODWAY STE 340
 HOUSTON TX 77063

UTAH ACCOUNT NUMBER: N6360

REPORT PERIOD (MONTH/YEAR): 12 / 96

AMENDED REPORT (Highlight Changes)

Well Name			Producing Zone	Well Status	Days Oper	Production Volumes		
API Number	Entity	Location				OIL(BBL)	GAS(MCF)	WATER(BBL)
ROCKHOUSE UNIT 14								
4304732521	02025	11S 23E 10	WSTC			- UTK 0779		
ROCKHOUSE UNIT 13								
4304732522	02025	11S 23E 10	WSTC			- UTK 0779		
→ ROCKHOUSE UNIT 12								
4304732719	02025	11S 23E 9	WSTC			- UTK 0779		
ROCKHOUSE UNIT 15								
4304732734	02025	11S 23E 9	WSTC			- "		
ROCKHOUSE UNIT 17								
4304732760	02025	11S 23E 9	WSTC			- "		
ROCKHOUSE UNIT 18								
4304732762	02025	11S 23E 16	WSTC			- mL3221		
ROCKHOUSE UNIT 1								
4304715809	10876	11S 23E 10	MVRD			- U0779		
LAPAGLIA #1								
4304732634	11834	11S 23E 3	WSTC			- UTK66407	Upper Rockhouse	Not a Fed. Unit
ACOSTA #1								
4304732584	11906	11S 23E 3	WSTC			- UTK66407	Upper Rockhouse	Not a Fed. Unit
ROCKHOUSE 13-A								
4304732753	11949	11S 23E 10	GRRV			- UTK 0779		
TOTALS								

COMMENTS: * Upper Rockhouse "Lapaglia #1 & Acosta #1" Separate chg.

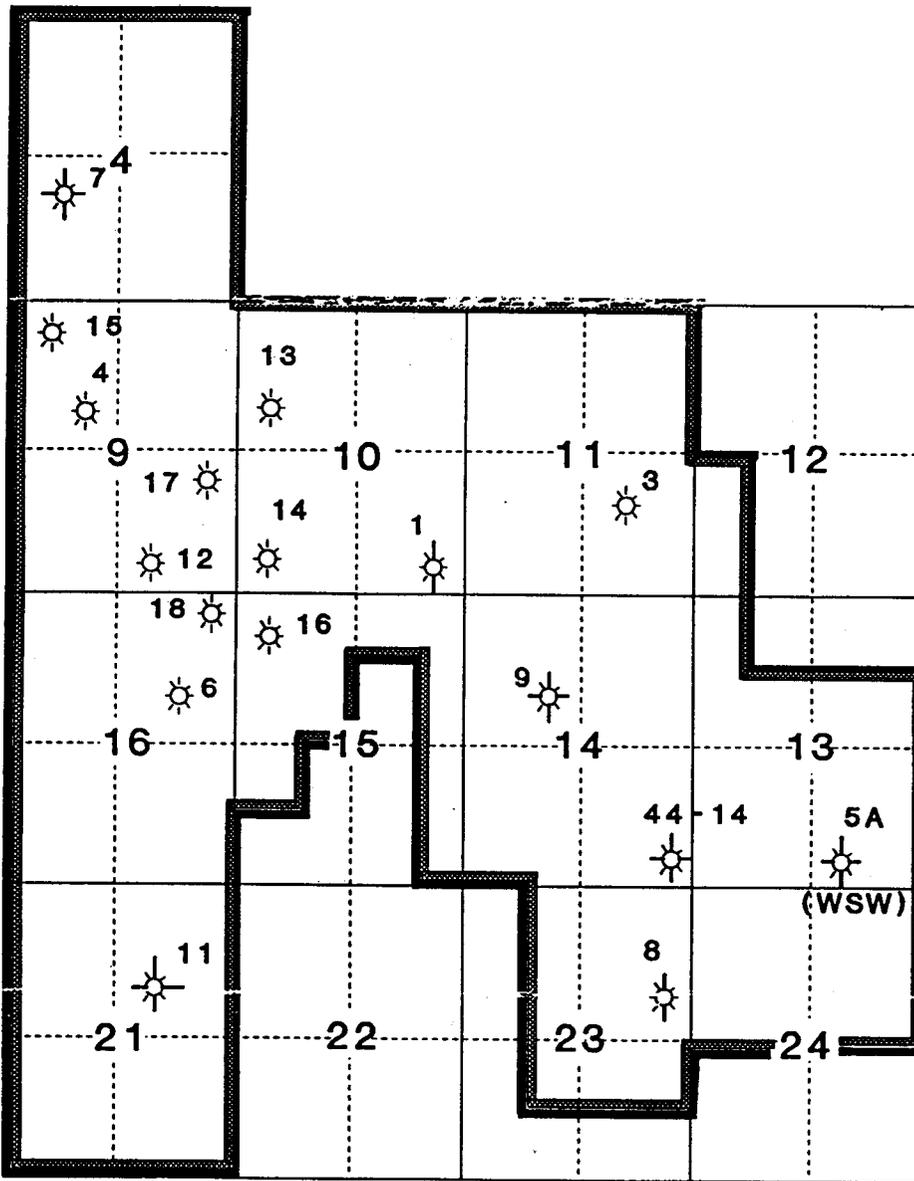
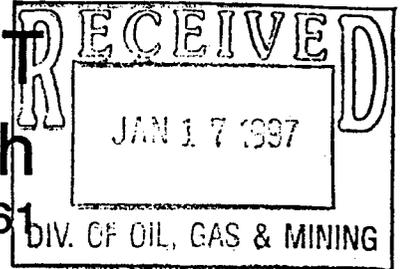
I hereby certify that this report is true and complete to the best of my knowledge.

Date: _____

Name and Signature: _____

Telephone Number: _____

ROCK HOUSE UNIT
Uintah County, Utah
EFFECTIVE: JANUARY 11, 1961



11S

23E

- UNIT AGREEMENT (UTU63030X)
- - -** WASATCH - MESAVERDE PA

AS CONTRACTED FEBRUARY 2, 1966

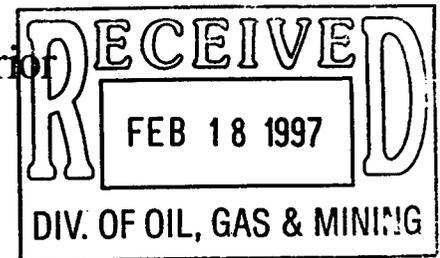
6,230.45 ACRES

WSTC-MSVD PA ALLOCATION	
FEDERAL	89.7279%
STATE	10.2721%
6,230.45 Acres	



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



COPY

February 12, 1997

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

United Utilities Incorporated
Attn: John Lapaglia
7670 Woodway, Suite 340
Houston, Texas 77063

Re: Rock House Unit
Uintah County, Utah

Gentlemen:

We are in receipt of your notice of intent to resign as Unit Operator of the Rock House Unit, effective March 3, 1997.

Please be advised that the resignation shall not become effective for a period of 6 months after notice of intention to resign has been served by the Unit Operator on all working interest owners and this office (February 10), unless a new unit operator is selected, approved and has taken over and assumed the duties and obligations of unit operator prior to the expiration of the six month period. The resignation of the unit operator shall not release United Utilities Incorporated from any liability for any default by it occurring prior to the effective date of resignation.

Until a successor of unit operator is selected and approved, the working interest owners shall be jointly responsible for performance of the duties of Unit Operator, and shall no later than 30 days before such resignation or removal becomes effective (6 months after working interest notification) appoint a common agent to represent them in any action to be taken under the agreement..

If no successor of unit operator is selected and qualified as provided in Section 6 of the unit agreement, this office may at its election declare the unit agreement terminated.

Please provide all interested parties, copies of this correspondence. If you have any questions, please contact Teresa Thompson (801) 539-4047 or Mickey Coulthard (801) 539-4042.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

bcc: District Manager - Vernal
~~Division Oil Gas & Mining~~
File - Rock House Unit
Agr. Sec. Chron
Fluid Chron

UT931:TAThompson:tt:02-12-97

FAX

To:

Attn:

Jesha Cordova

Time Sent: 3:28 pm

From:

[Signature]

Date: 4/8/97

Number of Pages:

4

Fax Number:

(8d) 359-3940

(includes this page)

Remarks:

Jesha, I'm faxing you a letter
where United is Resigning as
unit operator effective 2/1/97

Please call with any
questions,

Thanks, Tommy

The information contained in this facsimile message is privileged and confidential information, intended for the use of the individual or entity indicated above. Any dissemination, distribution or copy of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone and return the original message to us via the U. S. Postal Service. Thank you.

UUC

UNITED UTILITIES CORPORATION
7670 Woodway Dr., Suite 340
Houston, Texas 77063
Phone: (713) 782-9093
Fax: (713) 782-9095

UNITED

UTILITIES INCORPORATED

April 8, 1997

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

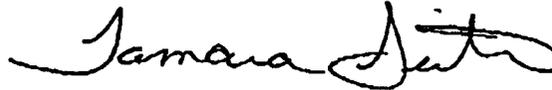
Re: Resignation of Unit Operator (Rainbow, Rockhouse & Upper Rockhouse)

Dear Lisha Cordova,

Per our conversation on April 7, 1997 United Utilities Corporation has resigned as Unit Operator effective February 1, 1997 and Rosewood Resources Inc. is now the new Operator effective February 1, 1997. Please find the Monthly Oil and Gas Production Report showing Well Name, API # and Location of the Wells so that you can properly update United Utilities and Rosewoods Accounts.

Thanks in advance and have a great day.

Sincerely,
United Utilities Corporation



Tamara Seiter
Senior Accountant
Revenue & Joint Interest Billing

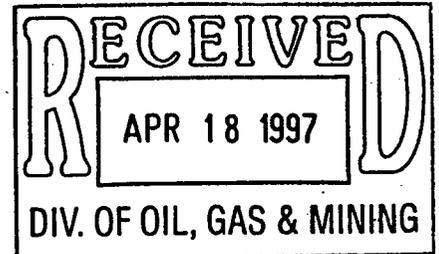
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COPY



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



IN REPLY REFER TO
UT-931

April 16, 1997

Rosewood Resources, Inc.
100 Crescent Court, Suite 500
Dallas, Texas 75201

Re: Rock House Unit
Uintah County, Utah

Gentlemen:

On April 10, 1997, we received an indenture dated March 1, 1997, whereby United Utilities Corporation resigned as Unit Operator and Rosewood Resources, Inc. was designated as Successor Unit Operator for the Rock House Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective April 16, 1997.

Your nationwide (Montana) oil and gas bond No. 0627 will be used to cover all operations within the Rock House Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ James A. Fouts

for Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: District Manager - Vernal (w/enclosure)
~~Division of Oil, Gas, & Mining~~
Minerals Adjudication Group U-932
File - Rock House Unit (w/enclosure)
MMS - Data Management Division
Agr. Sec. Chron
Fluid Chron

U-931:TAThompson:tt:April 16, 1997

WELL STATUS REPORTS
UTAH STATE OFFICE

INSPECTION ITEM	API NO.	WELL NUMBER	QTQT	SEC	TWN	RNG	WELL STATUS	LEASE NAME	OPERATOR
** INSPECTION ITEM 891007314C		ROCK HOUSE WS MV							
✓ 891007314C	430471580900S1	1	SESE	10	11S	23E	TA	UTU0779	UNITED UTILITIES CORPORAT
✓ 891007314C	430473271900S1	12	SWSE	9	11S	23E	PGW	UTU0779	UNITED UTILITIES CORPORAT
✓ 891007314C	430473252200S1	13	SWNW	10	11S	23E	PGW	UTU0779	UNITED UTILITIES CORPORAT
✓ 891007314C	430473252100S1	14	SWSW	10	11S	23E	PGW	UTU0779	UNITED UTILITIES CORPORAT
✓ 891007314C	430473273400S1	15	NWNW	9	11S	23E	PGW	UTU0779	UNITED UTILITIES CORPORAT
891007314C	430473276100X1	16	NWNW	15	11S	23E	ABD	UTU0780	UNITED UTILITIES CORPORAT
✓ 891007314C	430473276000S1	17	NESE	9	11S	23E	PGW	UTU0779	UNITED UTILITIES CORPORAT
✓ 891007314C	430473276200S1	18	NENE	16	11S	23E	PGW	STATE	UNITED UTILITIES CORPORAT
✓ 891007314C	430471581000S1	3	NWSE	11	11S	23E	PGW	UTU0778	UNITED UTILITIES CORPORAT
✓ 891007314C	430471581100S1	4	SENW	9	11S	23E	PGW	UTU0779	UNITED UTILITIES CORPORAT
✓ 891007314C	430473180600S1	44-14	SESE	14	11S	23E	ABD	UTU0779	UNITED UTILITIES CORPORAT
891007314C	430471581200S1	5A	SWSE	13	11S	23E	WSW	UTU0779	UNITED UTILITIES CORPORAT
✓ 891007314C	430471581500S1	8	SENE	23	11S	23E	TA	UTU0780	UNITED UTILITIES CORPORAT
** INSPECTION ITEM 891007314X		ROCK HOUSE X							
✓ 891007314X	430473275300S1	13-A	SWNW	10	11S	23E	POW	UTU0779	UNITED UTILITIES CORPORAT

*PNd; addl
rehab Ref.
by BLM*

*Referred Op. to
Water Rights*

OPERATOR CHANGE WORKSHEET

Routing	
1-CHK ✓	6-LET ✓
2-OLH ✓	7-KDR KAS ✓
3-DTSOTS ✓	8-SI ✓
4-VLD ✓	9-FILE ✓
5-RFP GEB ✓	

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed, effective: 2-1-97

TO: (new operator)	<u>ROSEWOOD RESOURCES INC</u>	FROM: (old operator)	<u>UNITED UTILITIES CORP.</u>
(address)	<u>100 CRESCENT COURT #500</u>	(address)	<u>7670 WOODWAY STE 340</u>
	<u>DALLAS TX 75201</u>		<u>HOUSTON TX 77063</u>
			<u>TAMARA SEITER</u>
Phone:	<u>(214)871-5710</u>	Phone:	<u>(713)782-9093</u>
Account no.	<u>N7510</u>	Account no.	<u>N6360</u>

WELL(S) attach additional page if needed: **ROCK HOUSE UNIT**

Name: **SEE ATTACHED**	API: <u>43-DA1-32719</u>	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

- Sec 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(Rec'd 4-8-97)*
- Sec 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(X BLM Aprv. 4-16-97)*
- N/A 3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company registered with the state? (yes/no) _____ If yes, show company file number: _____
- Sec 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of Federal and Indian well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- Sec 5. Changes have been entered in the **Oil and Gas Information System (3270)** for each well listed above. *(4-30-97)*
- Sec 6. **Cardex** file has been updated for each well listed above. *(5-5-97)*
- Sec 7. **Well file labels** have been updated for each well listed above. *(5-5-97)*
- Sec 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(4-30-97)*
- Sec 9. A folder has been set up for the **Operator Change** file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- JLC 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- N/A 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

BOND VERIFICATION - (~~FEE WELLS ONLY~~) *Trust Lands 80,000 Surety # 5836732 "Selico Ins. Co."*

- JLC 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
- JLC N/A 2. A copy of this form has been placed in the new and former operator's bond files.
- JLC 3. The FORMER operator has requested a release of liability from their bond (yes/no) , as of today's date 4-22-97. If yes, division response was made to this request by letter dated _____.

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- BTS 1. Copies of documents have been sent on 5/9/97 to Ed Bonner at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- N/A 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated _____ 19 __, of their responsibility to notify all interest owners of this change.

FILMING

- VB 1. All attachments to this form have been microfilmed. Today's date: 6-6-97.

FILING

- 1. Copies of all attachments to this form have been filed in each well file.
- 2. The original of this form, and the original attachments are now being filed in the Operator Change file.

COMMENTS

970418 Bm/SF. Appr. 4-16-97 et. same.

ROSEWOOD RESOURCES , INC.
DAILY COMPLETION REPORT
ROCKHOUSE # 12 WORKOVER

Nov. 20, 1997

MIRU Pool Well Service. Caluco set blanking plug in F Nipple (3705' SLM). blew tbg down. ND tree, NU BOPE. RU Cudd snubbing unit. Stripped and snubbed OOH w/ 124 jts 2 3/8" tbg. Baker F nipple w/ plug in place, 1 jt tbg. Tally = 3737'. LD snubbing unit. closed BOP SDFN.

DC \$ 10,143.

CUM. Cost \$ 10,143.

Nov. 21, 1997

SIP 560 psi. RU schlumberger. Set 4 1/2" 10 K CIBP @ 5030'. Dump bailed 20' cement on top of plug. PBTD 5010'. RU Cudd snubbing unit. TIH w/ rupture disc sub, 1 jt 2 3/8" tbg. Otis "XN" Nipple, 153 jts 2 3/8" tbg. Landed @ 4663'. RD snubbing unit. ND BOPE, NU tree. Equalized pressure from csg to tbg. Dropped 7/8" x 5' bar to rupture disk. Cudd pumped 70,000 SCF N2 to unload 46 bbls wtr. Left flowing to frac tank on 14/64" choke overnight. 340 psi Tbg. 540 psi on csg.

DC \$ 11,439.

CUM. Cost \$ 21,582.

Nov. 22, 1997

Flowing up csg on 14/64" choke 560 psi FCP, 360 psi SITP, dry gas no fluid recovery overnight. Hooked up tbg to flowline, dropped soap sticks. Left flowing to frac tank on 32/64" choke.

Nov. 23, 1997

FTP 460 psi, SICP 560 psi. Rec 97 bbls water overnight. POL @ 850 MCFD.

DEC 29 1997

SUNDRY NOTICES AND REPORTS ON WELLS

DIV. OF OIL, GAS & MINING

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 Number:

UTU-0779

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name:

Rockhouse Unit

8. Well Name and Number:

Rockhouse Federal 12

9. API Well Number:

43-047-32719

10. Field and Pool, or Wildcat:

Rockhouse

1. Type of Well: OIL GAS OTHER:

2. Name of Operator:

Rosewood Resources Inc.

3. Address and Telephone Number:

100 Crescent Ct. Ste 500 Dallas, Tx 75201 (214) 871-5700

4. Location of Well

Footages: 921 FSL 2462 FEL

County: Uintah

QQ, Sec., T., R., M.: SWSE Sec. 9 T119 R23E

State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT (Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other _____
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start _____

SUBSEQUENT REPORT (Submit Original Form Only)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other _____
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion 11/22/97

Report results of Multiple Completions and Recompletions 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 depths for all markers and zones pertinent to this work.)

11/20/97 MIRU Pool Well Service. Snubbed tubing out of hole.
 11/21/97 Schlumberger set LIBP @ 5030. Dump bailed 20' cement on top. Snubbed tubing in hole to 4663. Left flowing to tank overnight.
 11/22/97 Flowing to tank for cleanup. RD Pool Well Service.
 11/23/97 Return to Production @ 850 MCF/D, FTP 460 psig, SICP 560 psig.
 Daily report attached.

13.

Name & Signature:

James McQuillen

JAMES McQuillen

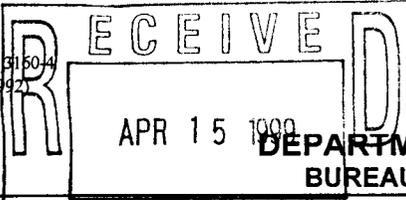
Title:

Prod. Engr.

Date:

12/16/97

(This space for State use only)



SUBMIT IN ORIGINAL*
(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DEPARTMENT OF COMMERCE
COMPLETION REPORT AND LOG*

1a. TYPE OF WORK

1b. TYPE OF WELL

UNL WELL GAS WELL DRY Other _____

NEW WELL WORK OVER DEEP EN PLUG BACK DIFF RESVR Other Squeezed Cement

Other **Recompletion**

5. LEASE DESIGNATION AND SERIAL NO.
UTU-63030C

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
ROCK HOUSE UNIT

8. FARM OR LEASE NAME, WELL NO.
ROCK HOUSE UNIT #12

2. NAME OF OPERATOR
ROSEWOOD RESOURCES, INC.

9. API WELL NO.
43-047-32719

3. ADDRESS AND TELEPHONE NO.
P. O. BOX 1668, VERNAL, UT 84078 435-789-0414

10. FIELD AND POOL OR WILDCAT

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*
At Surface
921' FSL 2462' FEL SW/SE
At top prod. Interval reported below

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SEC. 9, T11S, R23E SLB & M

14. PERMIT NO. **UT080-5M-201** DATE ISSUED **8/3/95**

12. COUNTY OR PARISH **UINTAH** 13. STATE **UTAH**

15. DATE SPUDDED **11/29/95** 16. DATE T.D. REACHED **2-25-99** 17. DATE COMPL. (Ready to prod.) **3/23/99** 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* **Lucy Neme / (C.H.V) 4/22/99** 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD MD TVD **5030'** 21. PLUG, BACK T.D., MD & TVD TD **CIBP** 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY **----->** 23. INTERVALS ROTARY TOOLS 23. INTERVALS CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
WASATCH 4409' - 4676'

25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN

27. WAS WELL CORED

23. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	4665"	

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3791' -97'	Squeezed w/5 bbls cement

33.* PRODUCTION

DATE FIRST PRODUCTION PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) **Flowing** WELL STATUS (Producing or shut-in) **Producing**

DATE OF TEST HOURS TESTED CHOKE SIZE PROD'N. FOR TEST PERIOD OIL—BBL. GAS—MCF. WATER—BBL. GAS-OIL RATIO

FLOW. TUBING PRESS. CASING PRESSURE CALCULATED 24-HOUR RATE OIL—BBL. GAS—MCF. WATER—BBL. OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) **Sales/fuel** TEST WITNESSED BY

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Lucy Neme TITLE **ADMINISTRATIVE ASSISTANT** DATE **4/13/99**

*(See Instructions and Spaces for Additional Data on Reverse Side)

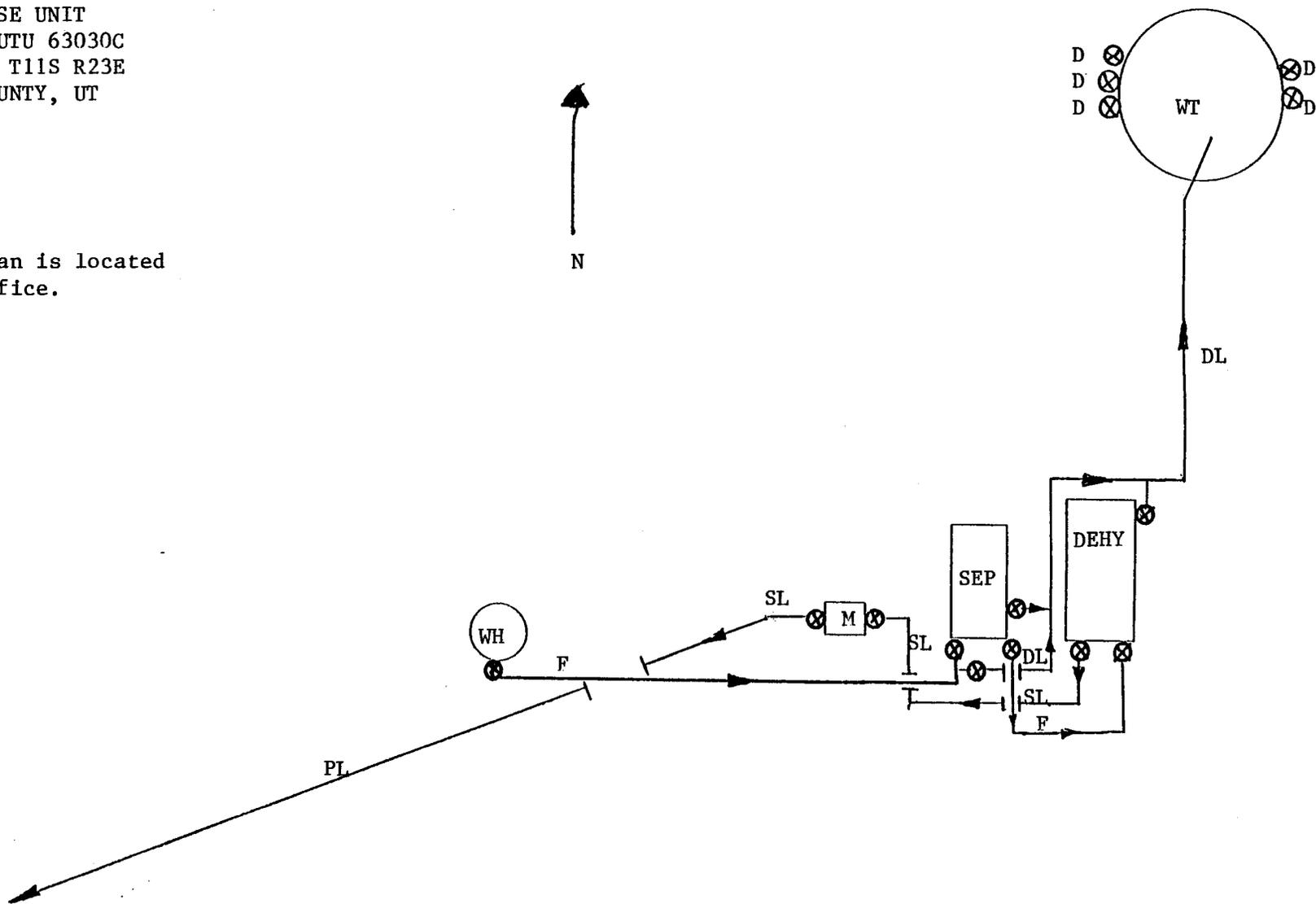
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

ROSEWOOD RESOURCES, INC.
Vernal, Utah

43.047.32719

ROCK HOUSE UNIT FEDERAL #12
ROCK HOUSE UNIT
AGREEMENT # UTU 63030C
SW/SE SEC. 9 T11S R23E
UINTAH COUNTY, UT

Site Security Plan is located
in the Vernal Office.



LEGEND

F	FLOWLINE
DL	DUMP\BLOWDOWN LINE
CL	CONDENSATE LINE
SL	SALES LINE
PL	WILDHORSE PIPELINE
WH	WELLHEAD
SEP	SEPARATER
ST	STORAGE TANK
WT	WATER TANK
⊗	VALVE
A ⊗	SEALED CL VALVE
B ⊗	SEALED SALES VALVE
D ⊗	SEALED DRAIN VALVE
M	GAS METER
PU	PUMPING UNIT
DEHY	GAS DEHYDRATER
COMP	GAS COMPRESSOR
C ⊗	EQUALIZER LINE

ATTACHMENT TO PRECEDING SITE FACILITY DIAGRAMS

General sealing of valves - sales are by tank gauging.

Production Phase: All drain valves (D) and sales valves (B) are sealed closed. The fill valve (A) and equalizer valve (C) are open and unsealed on the producing tank. The equalizer valve (C) on another tank is open and unsealed to allow production to flow to a spare tank in the event of an upset.

Sales Phase: The tank from which sales are being made will be isolated by sealing close the fill line (A), equalizer line (C), and drain valve (D) prior to shipping. After these valves are sealed closed, the top gauge will be taken. The sales valve (B) on the isolated sales tank will be broken and opened for sales. After sales, the sales valve (B) is sealed closed and the closing gauge is taken. The fill valve (A) and equalizer valve (C) seals are broken and the valves opened, when production is turned back into this tank.

Draining Phase: The tank being drained will be isolated by sealing closed the sales valve (B) and the other drain valves (D) on the other tanks. The top gauge will be taken prior to opening the drain valve (D). The water is drained off and the drain valve (D) is sealed closed and the top gauge is retaken.

<u>Sealed Valves</u>	<u>Producing</u>	<u>Shipping</u>	<u>Draining</u>
A-Fill Valve	open	closed	open
B-Shipping Valve	closed	open	closed
C-Equalizer Valve	open	closed	open
D-Drain Valve	closed	closed	open
E-Hot-oil Valve	closed	closed	closed