

NOTICE OF STAKING
 (Not to be used in place of
 Application to Drill Form 9-331-C)

RMOGA
5/5/82

5. Lease Number
 U-57455

1. Oil Well **Gas Well** **Other**

6. If Indian, Allottee or Tribe Name
 -

2. Name of Operator
 Freedom Energy, Inc.

7. Unit Agreement Name
 Hanging Rock

3. Address of Operator or Agent
 1856 Balsam Ave. Greeley, Co. 80631

8. Farm or Lease Name
 Hanging Rock federal I

4. Surface Location of Well
 (Governmental 1/4 or 1/4 1/4)
 NW/4 660' FWL, 660' FNL Approx.
 Attach: Topographical or other acceptable map
 showing location, access road, and lease boundaries.

9. Well No.
 12-4

14. Formation Objective(s)
 Wasatch/Mesa Verde

15. Estimated Well Depth
 5200'

10. Field or Wildcat Name
 Wildcat

**11. Sec., T., R., M., or
 Blk and Survey or Area**
 Sec.12-T12S-R23E

12. County or Parish
 Uintah

13. State
 Utah

16. To Be Completed by Operator Prior to Onsite
 a. Location must staked
 b. Access Road Flagged
 c. Sketch and/or map of location, showing road, pad dimensions, reserve pit, cuts, and fills
 (To be provided at onsite)

17. To Be Considered By Operators Prior to Onsite
 a. H₂S Potential
 b. Private Surface Ownership
 c. Cultural Resources (Archaeology)
 d. Federal Right of Way

18. Additional Information
 TIGHT HOLE

19. Signed Paul Franks **Title** Vice-President **Date** 3-12-95

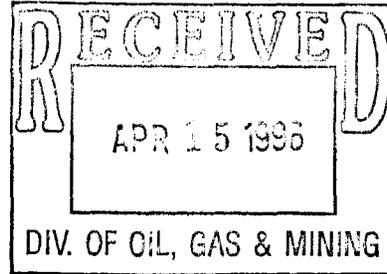


Office (801) 789-0968
Cellular (801) 823-6152

350 S. 800 E.
Vernal, UT 84078

April 14, 1996

Utah Division of Oil, Gas & Mining
Three Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203



Dear Sirs:

The operator respectfully requests a spacing exception for the proposed Hanging Rock Federal I 12-4, Sec. 12, T12S, R23E. The location was moved from the center of the quarter section at the time of the on site inspection with the BLM. The BLM determined that the location should be moved due to topographic and other considerations.

If you require addition information, please contact this office.

Sincerely,

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

William A. Ryan
Agent for Freedom Energy, Inc.

WAR/dmr

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
 Freedom Energy, Inc.

3. ADDRESS OF OPERATOR
 1433 - 17th St., Suite #300, Denver, Co 80202 303-292-2442

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 390
 274
 748' FNL, 1215' FWL, NW1/4, NW1/4, Sec. 12, T12S., R23E.
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 24.7 MILES SOUTH OF BONANZA, UT

16. NO. OF ACRES IN LEASE 10,082.71
 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 748 3500'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5915'

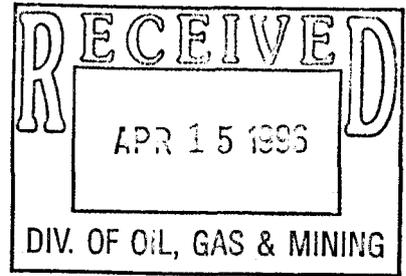
5. LEASE DESIGNATION AND SERIAL NO.
 U-57455
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 7. UNIT AGREEMENT NAME
 Hanging Rock
 8. FARM OR LEASE NAME
 Hanging Rock Federal I
 9. WELL NO.
 12-4
 10. FIELD AND POOL, OR WILDCAT
 11. SEC., T., R., M., OR BLEK. AND SURVEY OR AREA
 SEC. 12, T. 12 S., R. 23 E.
 12. COUNTY OR PARISH 13. STATE
 UTAH UT
 17. NO. OF ACRES ASSIGNED TO THIS WELL
 40
 20. ROTARY OR CABLE TOOLS
 ROTARY
 22. APPROX. DATE WORK WILL START*
 MAY 15, 1996

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#	300	TO SURFACE
7 7/8	5 1/2 4 1/2	11.6	T.D.	CMT TOP TO COVER THE OIL SHALE

OPERATOR REQUESTS PERMISSION TO DRILL THE SUBJECT WELL
 PLEASE SEE THE ATTACHED 10 POINT AND THE 13 POINT SURFACE
 USE PLAN.
 IF YOU REQUIRE ADDITIONAL INFORMATION PLEASE CONTACT:

WILLIAM A. RYAN
 350 S., 800 E.
 VERNAL, UTAH
 801-789-0968
 801-823-6152



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. WILLIAM A. RYAN PETROLEUM ENGINEER APRIL 10, 1996
 SIGNED *William A. Ryan* TITLE _____ DATE _____

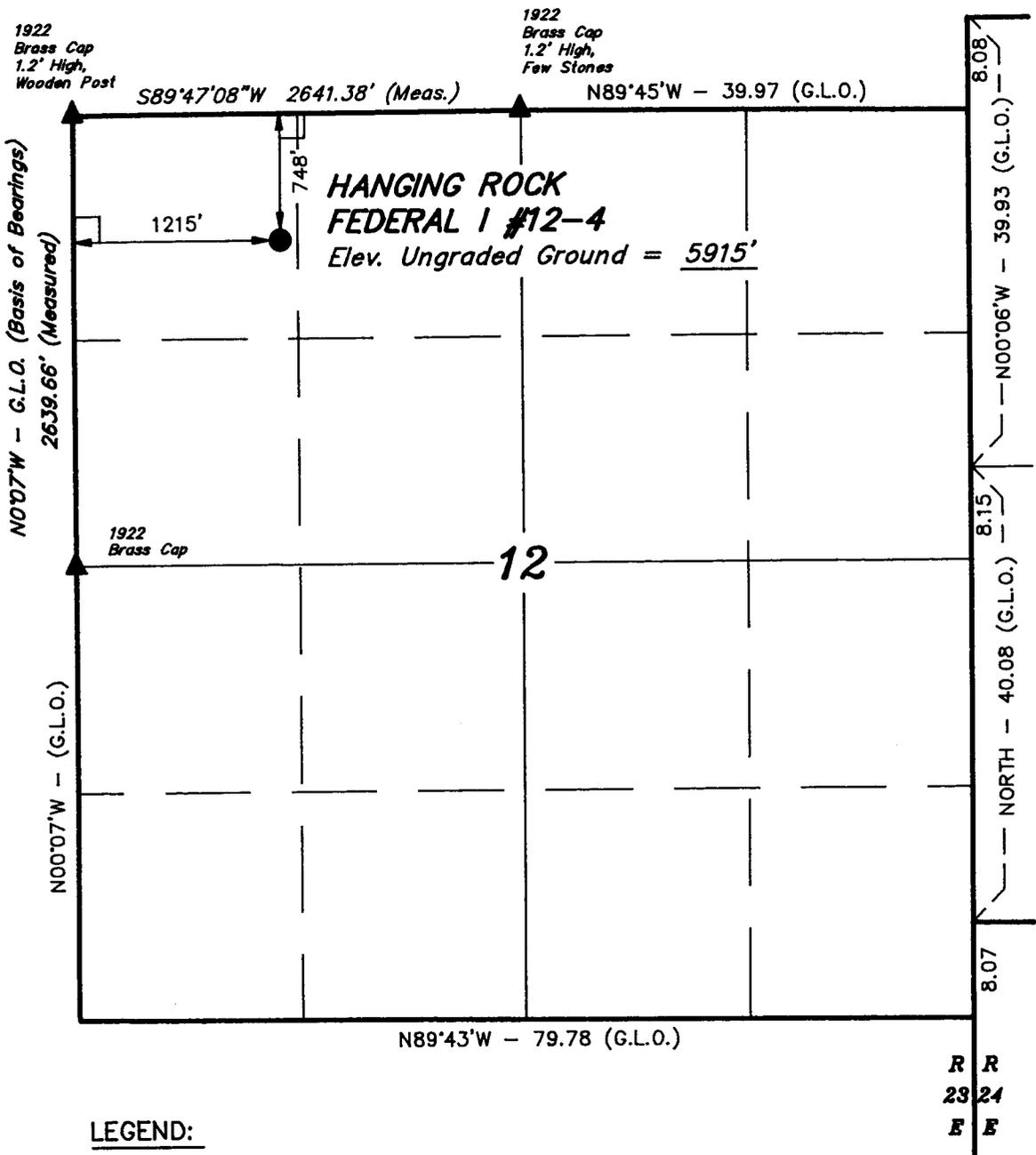
(This space for Federal or State office use)
 PERMIT NO. 43-047-32748 APPROVAL DATE _____
 APPROVED BY *J. A. Matthews* TITLE *Petroleum Engineer* DATE *5/8/96*
 CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

T12S, R23E, S.L.B.&M.

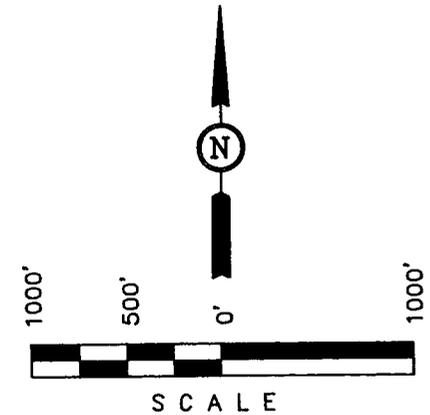
FREEDOM ENERGY, INC.

Well location, HANGING ROCK FEDERAL I #12-4, located as shown in the NW 1/4 NW 1/4 of Section 12, T12S, R23E, S.L.B.&M. Uintah County Utah.



BASIS OF ELEVATION

BENCH MARK 87EAM LOCATED NEAR A ROAD INTERSECTION IN THE SW 1/4 OF SECTION 1, T12S, R23E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5887 FEET.



CERTIFICATE

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

Robert L. Kay
REGISTERED LAND SURVEYOR
REGISTRATION NO. 181319
STATE OF UTAH

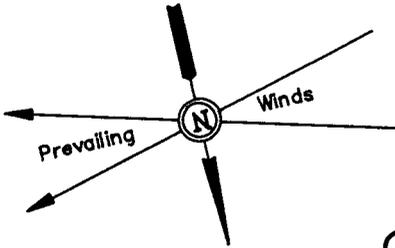
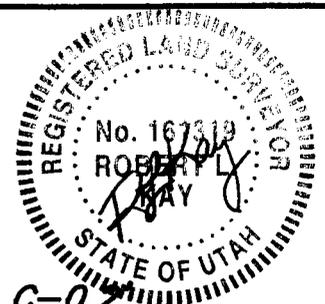
UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 3-30-96	DATE DRAWN: 4-1-96
PARTY B.B. C.G. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE FREEDOM ENERGY, INC.	

FREEDOM ENERGY, INC.

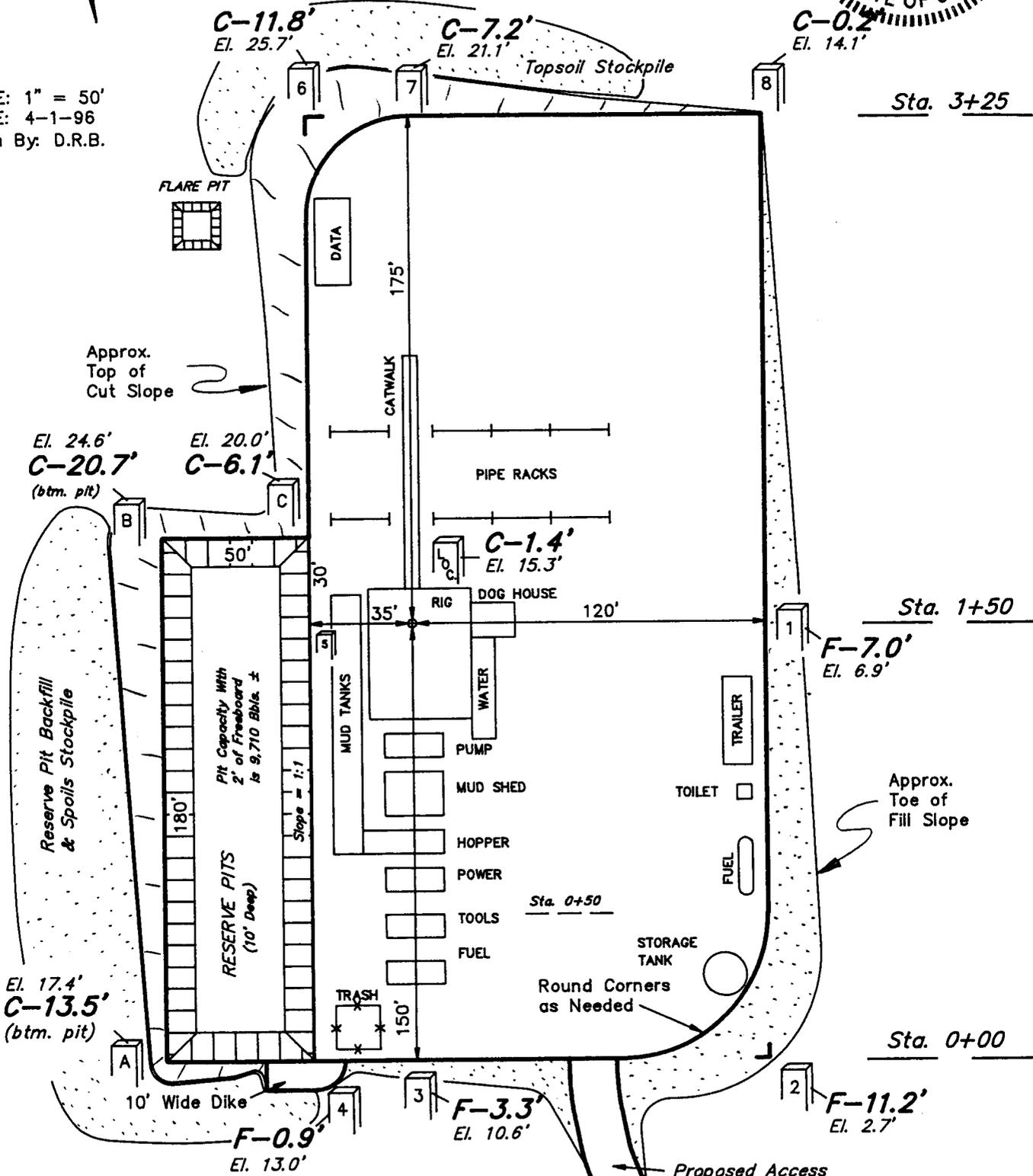
LOCATION LAYOUT FOR

HANGING ROCK FEDERAL I #12-4
SECTION 12, T12S, R23E, S.L.B.&M.
748' FNL 1215' FWL



SCALE: 1" = 50'
DATE: 4-1-96
Drawn By: D.R.B.

Sta. 3+25



Elev. Ungraded Ground at Location Stake = 5915.3'

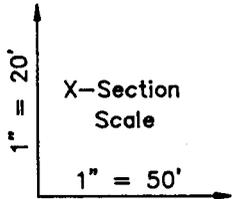
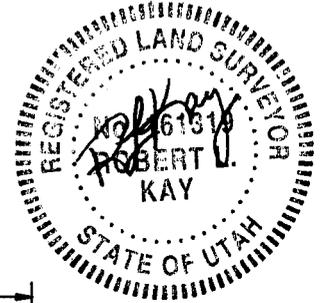
Elev. Graded Ground at Location Stake = 5913.9'

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

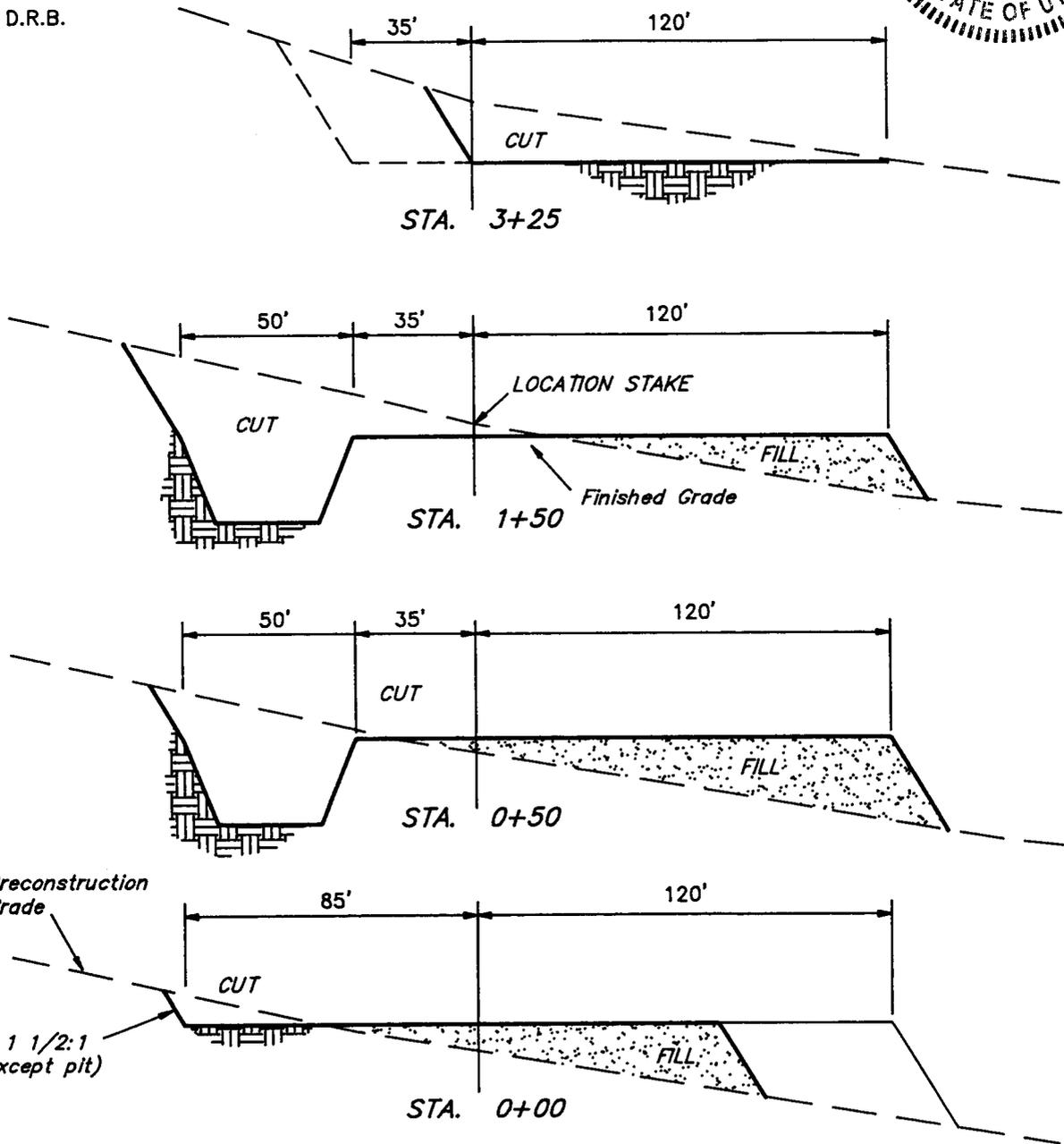
FREEDOM ENERGY, INC.

TYPICAL CROSS SECTIONS FOR

**HANGING ROCK FEDERAL I #12-4
SECTION 12, T12S, R23E, S.L.B.&M.
748' FNL 1215' FWL**



DATE: 4-1-96
Drawn By: D.R.B.

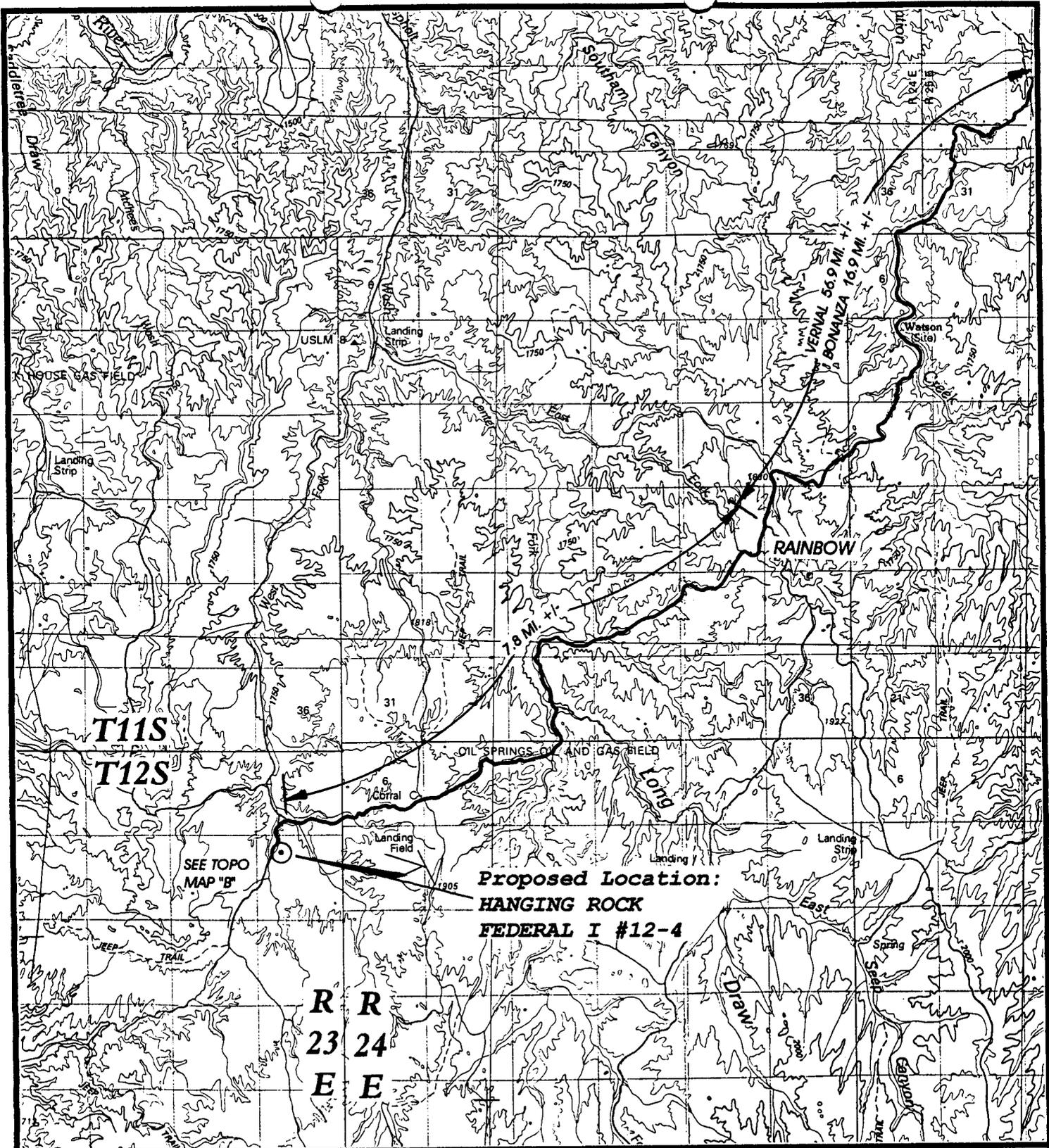


APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,100 Cu. Yds.
Remaining Location	= 7,140 Cu. Yds.
TOTAL CUT	= 8,240 CU.YDS.
FILL	= 5,590 CU.YDS.

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

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



T11S
T12S

Proposed Location:
HANGING ROCK
FEDERAL I #12-4

R R
23 24
E E

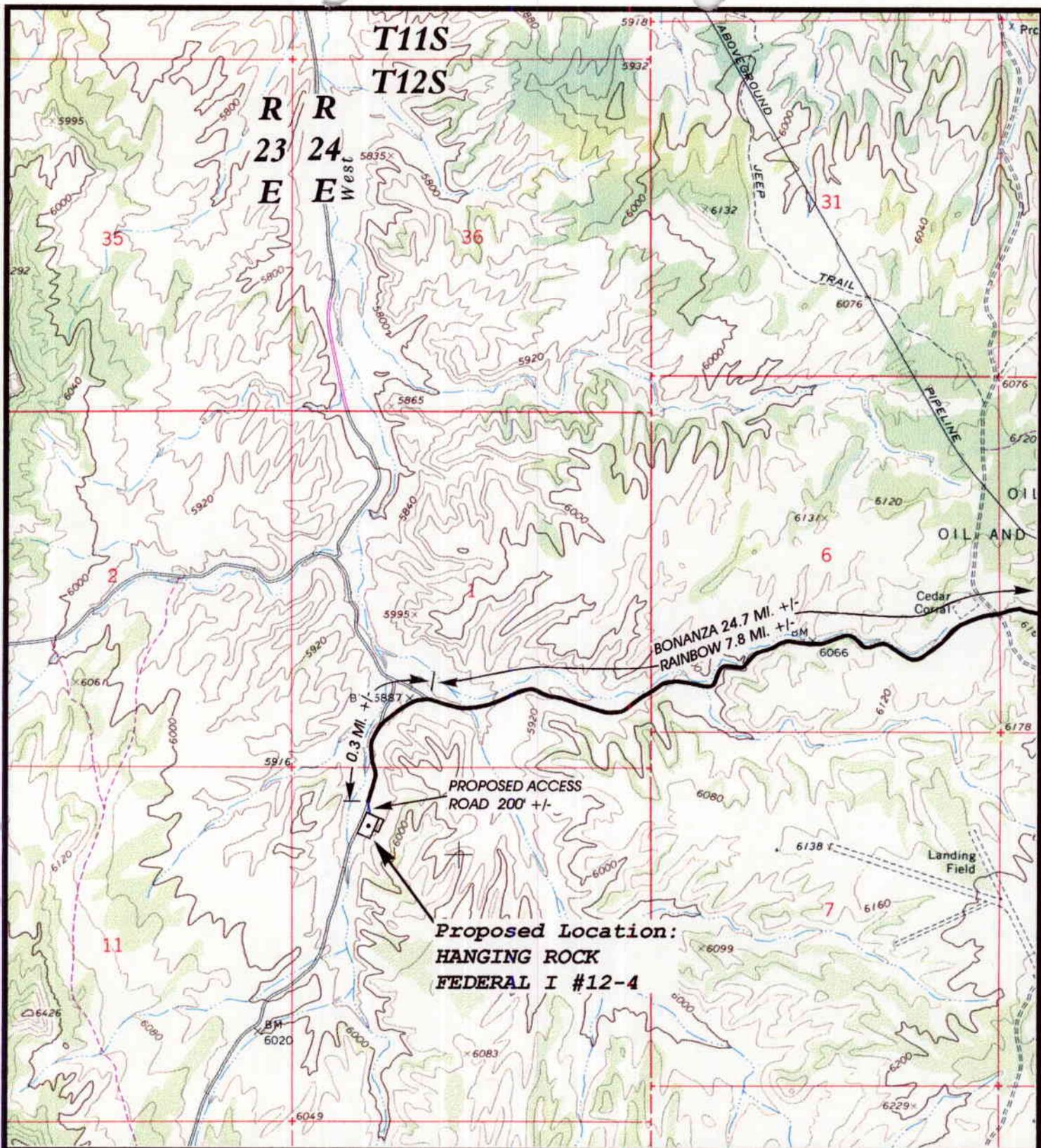
FREEDOM ENERGY, INC.

HANGING ROCK FEDERAL I #12-4
SECTION 12, T12S, R23E, S.L.B.&M.
748' FNL 1215' FWL

**TOPOGRAPHIC
MAP "A"**

DATE: 4-1-96
Drawn by: C.B.T.

U
E
E
L
S
U
I
N
T
A
H
E
N
G
I
N
E
E
R
I
N
G
&
L
A
N
D
S
U
R
V
E
Y
I
N
G
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



UELS

**TOPOGRAPHIC
MAP "B"**

DATE: 4-1-96
Drawn by: C.B.T.

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



SCALE: 1" = 2000

FREEDOM ENERGY, INC.

HANGING ROCK FEDERAL I #12-4
SECTION 12, T12S, R23E, S.L.B.&M.
748' FNL 1215' FWL

Ten Point Plan

Freedom Energy, Inc.
Hanging Rock Unit
Hanging Rock Federal
I 12-4

Surface Location NW 1/4, NW 1/4, Section 12, T. 12 S., R. 23 E.

1. Surface Formation:

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	5,915' G.L.
Oil Shale	700	5,215
Wasatch	2,600	3,315
Mesaverde formation	4,500	1,415
T.D.	5,200	715

3. Producing Formation Depth:

Formation objective include the Wasatch and its submembers.

Off Set Well Information:

Off set well: Gas Well Hanging Rock Fed. 1-16 Sec. 1, T. 12 S., R. 23.E.

4. Proposed Casing :

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

Cement Program:

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
9 5/8	Class "G" 2% Calcium 1/4 #/sk cello flake	200 sks.	1.18 cu. ft./sk.	15.6 lbs./gal.

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
4 1/2	Lead Class "G" 3 % salt 16% gell 10# sk/Gilsonite	200 sks	3.90 cu. ft./sk.	11.0 lbs./gal.
	Tail Class "G" 10% salt 10% gypsum 2% WR15 .4 lbs/sk FL 25	500 sks +/-	1.53 cu. ft./sk.	14.8 lbs./gal.

5. BOP and Pressure Containment Data:

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

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

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs/gal.</u>	<u>Viscosity Sec./Qt.</u>	<u>Fluid Loss MI/30 Mins.</u>	<u>Mud Type</u>
0-300	Air/Clear Water	----	No Control	Water/Gel
300-2000	Clear Water	----	No Control	Water/Gel
2000-T.D.	8.4-8.6	30	No Control	5% KCL

7. Auxiliary Equipment:

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

8. Testing, Coring, Sampling and Logging:

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

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

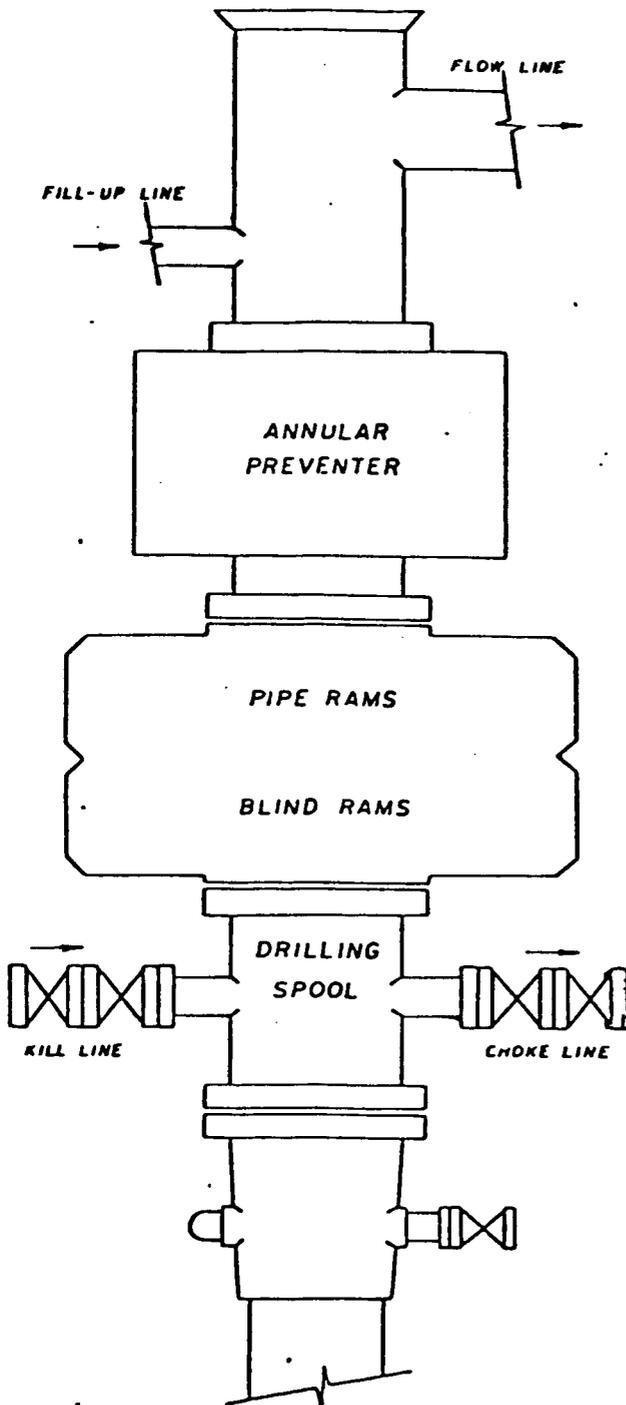
9. Abnormalities (including sour gas):

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

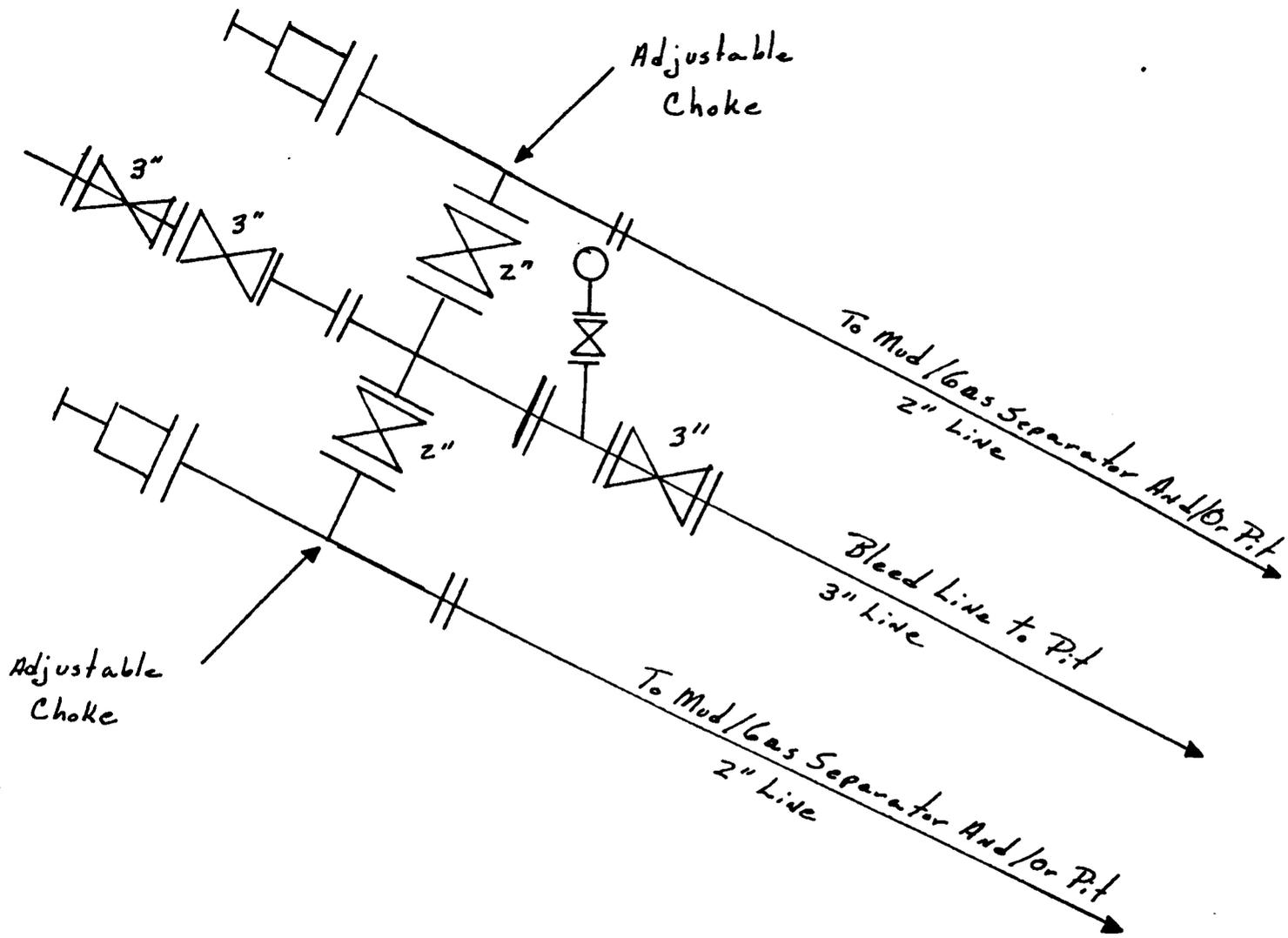
10. Drilling Schedule:

The anticipated starting date is May 15, 1996. Duration of operations expected to be 30 days.

BOP AND PRESSURE CONTAINMENT DATA



1. BOP equip shall consist of a double gate, hydraulically operated preventer with pipe & blind rams or two single ram type preventers, one equipped w/pipe rams, the other w/blind rams.
2. BOP's are to be well braced w/ hand controls extended clear of substructure.
3. Accumulator to provide closing pressure in excess of that required w/sufficient volume to operate all components.
4. Auxiliary equipment: Lower kelly cock, full opening stabbing valve, 2½" choke manifold, pit level indicator &/or flow sensors w/alarms.
5. All BOP equipment, auxiliary equipment stand pipe & valves & rotary hose to be tested to the rate pressure of the BOP's at time of installation & every 30 days thereafter. BOP's to be mechanically checked daily.
6. Modification of hook-up or testing procedure must be approved in writing on tour reports by wellsite representative.



3,000 Psi Choke Manifold Equipment *

* Note: Configuration May Vary

Bill Ryan
6/10/90

SELF-CERTIFICATION STATEMENT

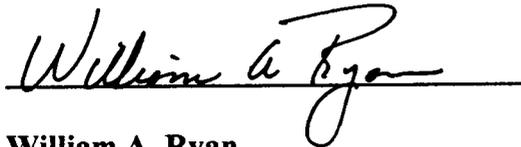
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that Freedom Energy, Inc., is considered to be the operator of the following well.

**Hanging Rock Federal I #12-4
NW 1/4, NW 1/4, Section 12, T. 12 S., R. 23 E.
Lease U-57455
Uintah County, Utah**

Freedom Energy, Inc., is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage is provided by Certificate of Deposit, held in Womens Bank, 821 17th Street, Denver, Colorado 80202; Account Number UT-1001

A handwritten signature in cursive script, reading "William A. Ryan", is written over a horizontal line.

**William A. Ryan
Agent
Rocky Mountain Consulting
350 S. 800 E.
Vernal UT 84078
801-789-0968
801-823-6152**

FREEDOM ENERGY, INC.
13 POINT SURFACE USE PLAN
FOR WELL
HANGING ROCK FEDERAL I
12-4
LOCATED IN
NW 1/4, NW 1/4
SECTION 12, T. 12 S., R. 23 E., U.S.B.&M.
UINTAH COUNTY, UTAH
HANGING ROCK UNIT
LEASE NUMBER: U-57455
SURFACE OWNERSHIP: FEDERAL

1. Existing Roads

To reach the Freedom Energy Inc., Hanging Rock Federal I # 12-4 well location, in section 12, T. 12 S., R. 23 E., from Bonanza, Utah:

Starting in Bonanza, Utah proceed south on the paved road for 4 miles. Turn south (left) on the Book cliffs road (dirt road). Proceed south 3.9 miles to the Greeks Corrals. Turn west (right) at the fork in the road. Proceed 8.3 miles to the Asphalt Wash sign. Stay to the south (left) of the sign. Proceed .7 miles to the Rainbow sign. Stay to the west (right) of the sign. This is also called the Kings Wells road. Proceed 7.8 miles to the fork in the road. This will be approximately 1/2 mile past the Freedom Energy well 1-16. Turn south (left) and proceed .3 miles to the proposed location.

All roads to the proposed location are State or County maintained roads.

Please see the attached map for additional details.

2. Planned access road

Approximately 100 feet of new road construction will be required.

The proposed road has been staked.

The road will be built to the following standards:

A) Approximate length	100 Ft.
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road flagged	Yes
K) Access road surface ownership	Federal

Newly constructed roads will be built using native soils from borrow pits on either or both sides of the road. The road will be crowned and ditched. Ditches will be constructed along either side where it is determined necessary to handle run off and minimize the possibility of erosion.

Please see the attached location plat for additional details.

No right of way will be required. Access from the Uintah County road will be on lease.

All Travel will be confined to existing access road right of ways.

Access road and surface disturbing activities will conform to standards outlined in the USGS publication (1978) surface operating standards for oil and gas development.

3. Location of existing wells

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

A) Producing wells

Gas well Hanging Rock Fed. 1-16 Sec. 1, T.12 S., R. 23 E.

B) Water wells None

C) Abandoned wells None

D) Temporarily abandoned wells None

E) Disposal wells None

F) Drilling wells None

G) Shut in wells None

H) Injection wells None

I) Monitoring or observation wells None

Please see the attached map for additional details.

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

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

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a desert brown color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is Desert Brown (10 YR 6/4).

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

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

All off lease storage, off lease measurement, comingling on lease or off lease, of production, will have prior written approval from the authorized officer.

A proposed surface gas line has been staked on the ground (yellow flagging). The proposed line is approximately one mile long. The line will follow the existing county road and end at the existing Freedom Energy Well 1-16 in Sec. 1, T. 12 S., R. 23 E. There will be no additional surface disturbances required for the installation of a gathering line. The line will be a 4" steel line. The line will be strung on the county road and boomed off the road.

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

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

5. Location and type of water supply

Water for drilling and cementing the subject well will be hauled by truck from Evacuation Creek. Water for completion will come from the same supply or Vernal City.

6. Source of construction materials

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

7. Methods for handling waste disposal

A) Pit construction and liners:

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

The reserve pit will not be lined.

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

B) Produced fluids:

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

C) Garbage:

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

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up

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

8. Ancillary facilities

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

9. Well-site layout

Location dimensions are as follow:

A)	Pad length	325 ft.
B)	Pad width	155 ft.
C)	Pit depth	10 ft.
D)	Pit length	180 ft.
E)	Pit width	50 ft.
F)	Max cut	20.7 ft.
G)	Max fill	11.2 ft.
H)	Total cut yds	8,240 cu. yds.
I)	Pit location	north east side
J)	Top soil location	south side
K)	Access road location	north side
L)	Flare pit	south east corner

Please see the attached location diagram for additional details.

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

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped and stockpiled. This will amount to approximately 1,000 cubic yards of material. Placement of the top soil is noted on the attached location plat. When all drilling and completion activities have been completed the unused portion of the location (the area outside the dead men.) will be recontoured and the topsoil spread over the disturbed area.

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

Any drainage rerouted during the construction activities shall be restored to its original line of flow or as near as possible.

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

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

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

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

A) Seeding dates:

After September 15, and before the ground freezes.

Seed will be broadcast or drilled at the time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage and the seed mixture will be proportionately larger (double the lbs. per acre).

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

11. Surface ownership:

Federal

12. Other information

A) Vegetation:

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

B) Dwellings:

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

C) Archeology:

The location has been surveyed and there are no archaeological, historical, or cultural sites near the proposed site. Please see the attached archaeological clearance map.

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

D) Water:

The nearest water is in the bottom of Asphalt Wash located 2 miles to the north.

E) Chemicals:

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

F) Notification:

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

H) Flare pit

The flare pit will be located a minimum of 30 feet from the reserve pit fence and 100 feet from the bore hole on the south and east side of the location, between points 5 and 6 on the location plat. All fluids will be removed from the pit within 48 hours of occurrence.

12. Lessees or Operator's representative and certification

A) Representative

Name:	William A. Ryan
Address:	Rocky Mountain Consulting 350 South, 800 East Vernal, Utah 84078
Telephone:	
Office	801-789-0968
Fax	801-789-0970
Cellular	801-823-6152

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable laws, regulations, and any applicable notices to lessees.

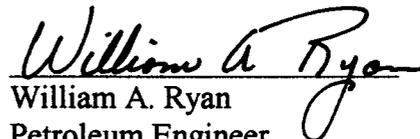
The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

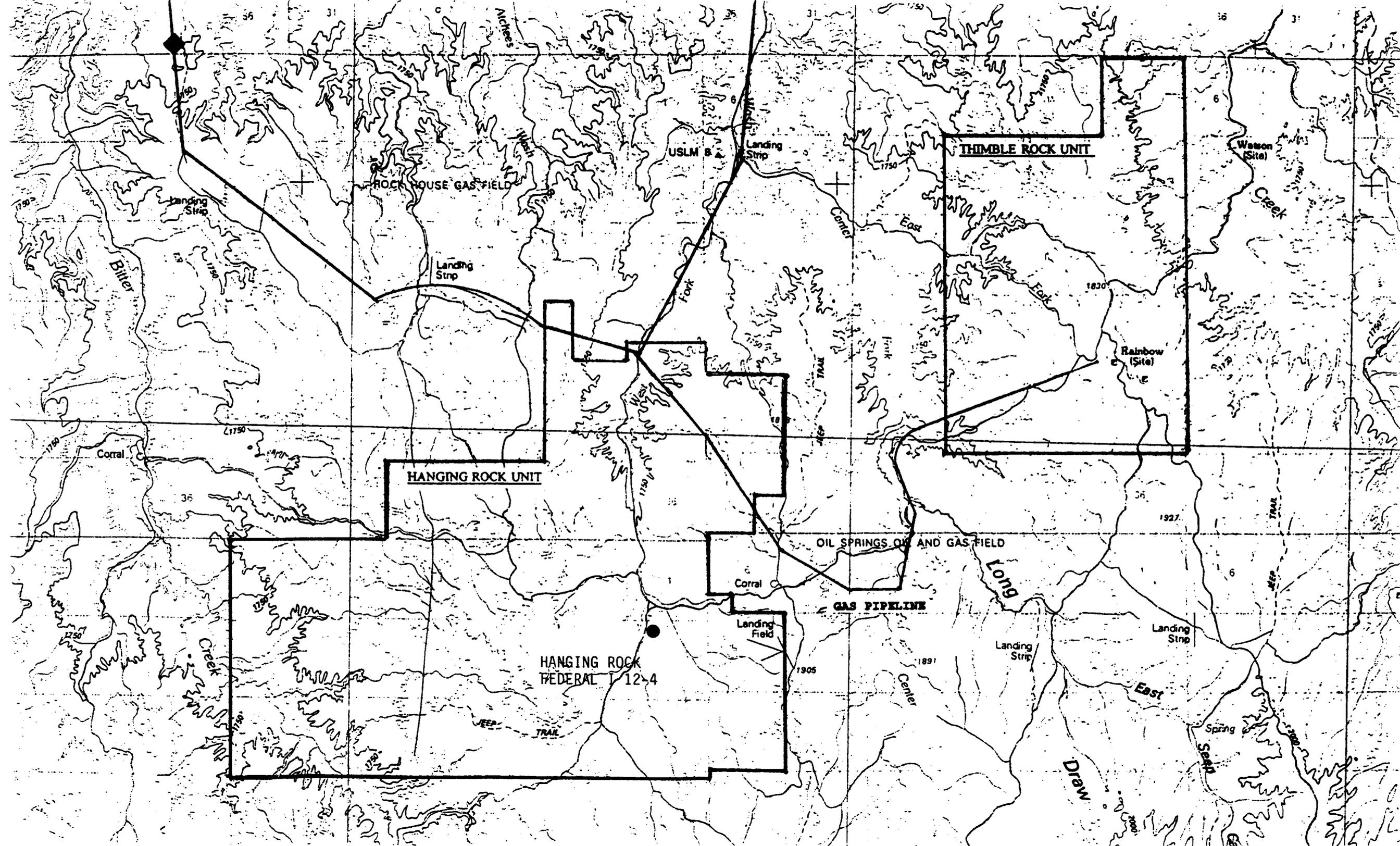
This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by Freedom Energy, Inc. and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date April 10, 1996


William A. Ryan
Petroleum Engineer
Rocky Mountain Consulting



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/15/96

API NO. ASSIGNED: 43-047-32748

WELL NAME: HANGING ROCK FED I 12-4
 OPERATOR: FREEDOM ENERGY INC (N3285)

PROPOSED LOCATION:

NWNW 12 - T12S - R23E
 SURFACE: 0748-FNL-1215-FWL
 BOTTOM: 0748-FNL-1215-FWL
 UINTAH COUNTY
 WILDCAT FIELD (001)

LEASE TYPE: FED
 LEASE NUMBER: U-57455

PROPOSED PRODUCING FORMATION: MSVD

MVRD

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

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Federal State Fee
 (Number UT-1001)
- Potash (Y/N)
- Oil shale (Y/N)
- Water permit
 (Number T 69928)
- RDCC Review (Y/N)
 (Date: _____)

LOCATION AND SITING:

- R649-2-3. Unit: HANGING ROCK
- R649-3-2. General.
- R649-3-3. Exception.
- Drilling Unit.
 Board Cause no: _____
 Date: _____

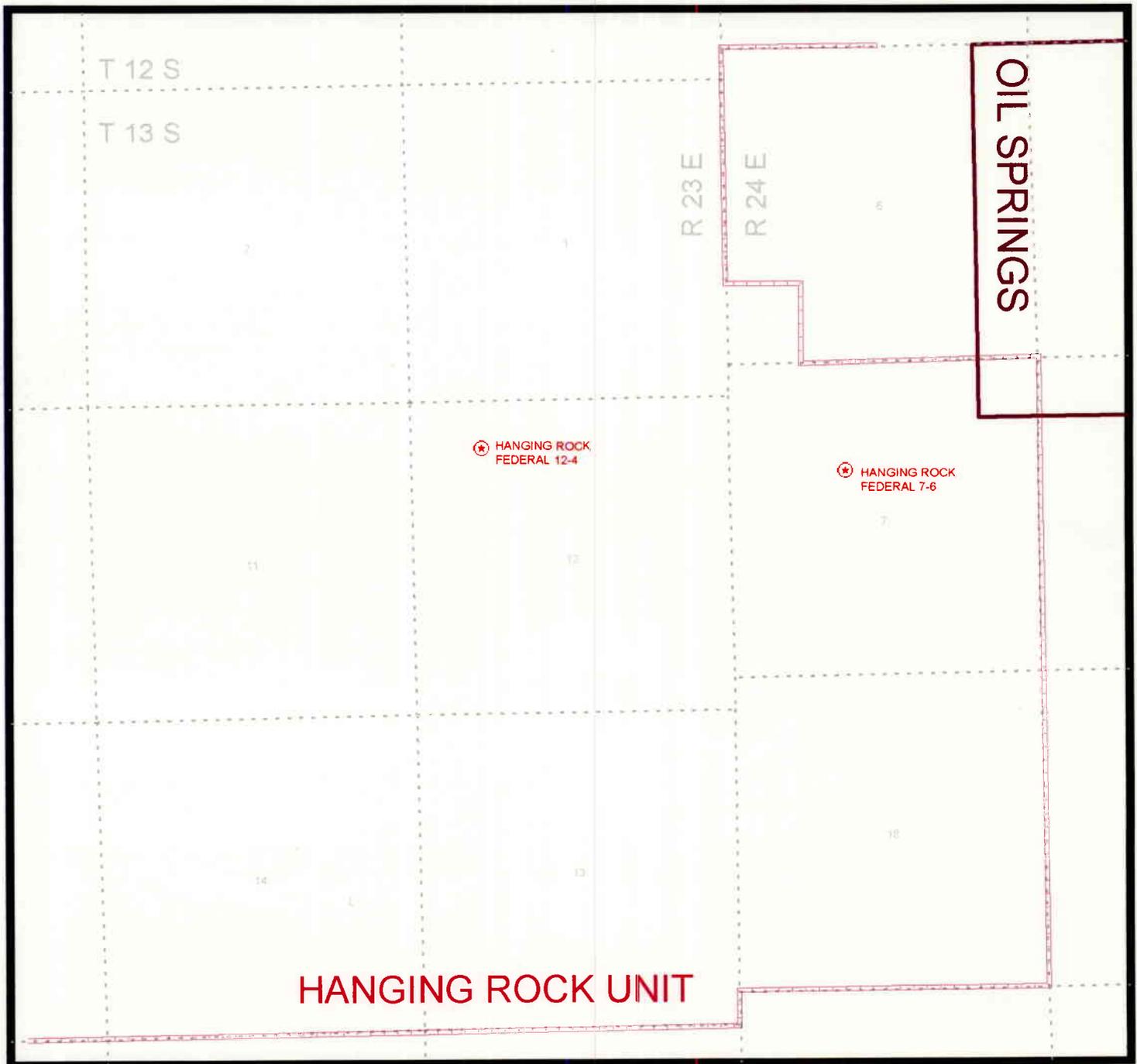
COMMENTS:

STIPULATIONS:

1. A WATER USE PERMIT NO. OR SPECIFIED

COMMERCIAL SOURCE WILL BE PROVIDED PRIOR TO COMMENCEMENT
OF DRILLING OPERATIONS, BY SUMMARY NOTICE.

**FREEDOM ENERGY
HANGING ROCK UNIT
SEC. 12, T12S, R23E, & SEC. 7, T12S, R24E
UINTAH COUNTY, UAC R649-2-3**



**PREPARED:
DATE: 15-APR-96**

STATE OF UTAH, DIV OF OIL, GAS & MINERALS

Operator: FREEDOM ENERGY INC	Well Name: HANGING ROCK FED I 1
Project ID: 43-047-32748	Location: SEC. 12 - T12S - R23E

Design Parameters:

Mud weight (8.60 ppg) : 0.447 psi/ft
 Shut in surface pressure : 1784 psi
 Internal gradient (burst) : 0.050 psi/ft
 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using air 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	4,500	4.500	11.60	J-55	ST&C	4,500	3.875		
	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	2010	4960	2.468	2010	5350	2.66	52.20	154	2.95 J

Prepared by : MATTHEWS, Salt Lake City, Utah
 Date : 05-28-1996
 Remarks :

Minimum segment length for the 4,500 foot well is 1,500 feet.
 SICP is based on the ideal gas law, a gas gravity of 0.69, and a mean gas temperature of 108°F (Surface 74°F , BHT 137°F & temp. gradient 1.400°/100 ft.)
 String type: Production
 The mud gradient and bottom hole pressures (for burst) are 0.447 psi/ft and 2,010 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 - (uniaxial) burst, 1.8 - API 8rd tension, 1.6 - buttress tension, 1.5 - body yield tension, and 1.6 - EUE 8rd tension. 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 1.07)

SELF-CERTIFICATION STATEMENT

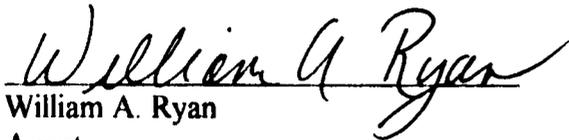
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that Freedom Energy, Inc., is considered to be the operator of the following well.

Hanging Rock Federal I #12-4
NW1/4, NW1/4, Section 12, T12S, R23E
Lease U-57455
Uintah County, Utah

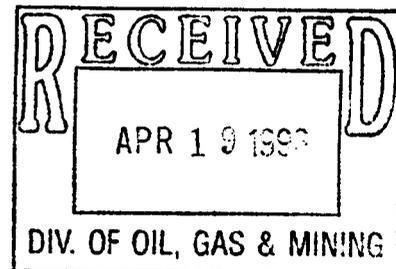
Freedom Energy, Inc., is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage is provided by Certificate of Deposit, BLM Bond #UT-1030.



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

801 789-0968
801 823-6152



ADDENDUM TO APD

Hanging Rock Federal I #12-4
NW 1/4, NW 1/4, Sec. 12, T12S, R23E
Lease U-57455
Uintah County, Utah

HAZARDOUS MATERIALS DECLARATION

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.

LOCATION AND TYPE OF WATER SUPPLY

Water for drilling and cementing the subject well will be hauled by truck from Evacuation Creek under Dalbo's Temporary Application Number T69928.



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)

May 28, 1996

Freedom Energy, Inc.
1433 17th Street Suite 300
Denver, Colorado 80202

Re: Hanging Rock Federal I 12-4 Well, 748' FNL, 1215' FWL,
NW NW, Sec. 12, T. 12 S., R. 23 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-32748.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. J. Firth', written over a printed name and title.

R. J. Firth
Associate Director

lwp

Enclosures

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

WAPD



Operator: Freedom Energy, Inc.
Well Name & Number: Hanging Rock Federal I 12-4
API Number: 43-047-32748
Lease: UTU-57455
Location: NW NW Sec. 12 T. 12 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.

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

SUBMIT IN ~~TRIPPLICATE~~
(Other instructions on
reverse side)

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

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
 Freedom Energy, Inc.

3. ADDRESS OF OPERATOR
 1433 - 17th St., Suite #300, Denver, Co 80202 303-292-2442

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface

748' ENL 1215' FWL, NW1/4, NW1/4, Sec. 12, T12S., R23E.
 At proposed prod. zone

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

24.7 MILES SOUTH OF BONANZA, UT

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)
 748'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 3500'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5915'

16. NO. OF ACRES IN LEASE
 10,000.71

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

20. ROTARY OR CASES/POOLS
 ROTARY

22. APPROX. DATE WORK WILL START*
 MAY 15, 1996

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#	300	TO SURFACE
7 7/8	5 1/2	17	T.D.	CMT TOP TO COVER THE OIL SHALE

OPERATOR REQUESTS PERMITION TO DRILL THE SUBJECT WELL
 PLEASE SEE THE ATTACHED 10 POINT AND THE 13 POINT SURFACE
 USE PLAN.
 IF YOU REQUIRE ADDITIONAL INFORMATION PLEASE CONTACT:

WILLIAM A. RYAN
 350 S., 800 E.
 VERNAL, UTAH
 801-789-0968
 801-823-6152

RECEIVED
 APR 12 1996

RECEIVED
 JUN 07 1996
 DIV. OF OIL, GAS & MINING

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. WILLIAM A. RYAN PETROLEUM ENGINEER APRIL 10, 1996
 SIGNED William A. Ryan TITLE _____ DATE _____

PERMIT NO. 43-0417-32748 APPROVAL DATE _____
 ASSISTANT DISTRICT MANAGER MINERALS

APPROVED BY Jay Kunkin TITLE _____ DATE MAY 29 1996
 CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL **CONDITIONS OF APPROVAL ATTACHED**

*Div O&M
 UT-080-6M-099*

*See Instructions On Reverse Side

ADDENDUM TO APD

Hanging Rock Federal I #12-4
NW 1/4, NW 1/4, Sec. 12, T12S, R23E
Lease U-57455
Uintah County, Utah

HAZARDOUS MATERIALS DECLARATION

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.

LOCATION AND TYPE OF WATER SUPPLY

Water for drilling and cementing the subject well will be hauled by truck from Evacuation Creek under Dalbo's Temporary Application Number T69928.

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Freedom Energy, Inc.

Well Name & Number: Hanging Rock I 12-4

API Number: 43-047-32748

Lease Number: U-57455

Location: NWNW Sec. 12 T. 12S 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 test | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - | within five (5) business days after new well begins, or resumes production, 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 the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report **ALL** water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit 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.

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 top of the Mahogany Oil Shale zone identified at **± 530 ft.** If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

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

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

5. Coring, Logging and Testing Program

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

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to **± 203 ft.** and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours prior to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9. d.) 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 after installation prior to delivery and quarterly thereafter unless prior approval is obtained. 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

Jerry Kenczka (801) 789-1190
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 OPERATIONS
Conditions of Approval (COAs)

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 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 lands it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or hazardous chemicals.

c. The following stipulations apply:

NESTING RAPTORS

~~At this Hanging Rock Unit Well 12-4 location the biologist reports the presence of nesting raptors. No Construction or Drilling will be allowed here from February 1 to July 15 in order to protect the raptors during their nesting season.~~

SURFACE USE PLAN OF OPERATIONS
Conditions of Approval (COAs)

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 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 lands it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or hazardous chemicals.

- c. The following stipulations apply:

NESTING RAPTORS

No Construction or Drilling will be allowed from February 1 to July 15 in order to protect raptors during their nesting season.

CONDITIONS OF APPROVAL FOR THE SURFACE GAS LINE

1. No blading will be allowed on surface pipelines unless the Vernal Field Office minerals staff are consulted and approval has been obtained prior to the blading.
2. Greg Darlington of the Vernal Office Minerals Staff will be notified 24 hours prior to the start of construction.
3. Surface lines will be either black or brown in color. The color of the pipeline should be similar to the color of the well pad facilities in the vicinity.
4. Pipeline construction will not occur during periods of wet soil conditions. Rutting can create severe soil erosion problems, especially on steep slopes. Operations should cease until soils are dry or frozen to avoid erosion rutting and related runoff problems.
5. The surface gas line shall not block or change the course of existing drainages. Drainage crossings will be designed to prevent damage to the flowline during periods of high seasonal and storm runoff in the area affected.
6. If cultural resources are found during construction, all work which could impact these resources will stop and the Vernal Field Office will be notified.
7. Vehicle use will be restricted to the pipeline route in off road areas. It will be authorized there as needed for construction and maintenance and operations on the lease.
8. The metering of all gas production will be done in accordance with Onshore Order No.

OPERATOR FREEDOM ENERGY, INC.
ADDRESS 1050 17TH ST. STE. 710
DENVER, CO. 80265

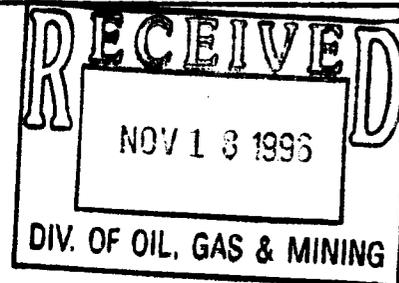
OPERATOR ACCT. NO. N 3285

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B (1)	99999	12036	48-047-32748	Hanging Rock Fed. F 12-4	NW	NW	12	12S	23E	UINTAH	11-12-96
WELL 1 COMMENTS: <i>(Entity added 11-18-96; unit well non P.A.)</i> fourth well in the Hanging Rock Federal Unit <i>LC</i>											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

- ACTION CODES** (See instructions on back of form)
- A - Establish new entity for new well (single well only)
 - B - Add new well to existing entity (group or unit well)
 - C - Re-assign well from one existing entity to another existing entity
 - D - Re-assign well from one existing entity to a new entity
 - E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)



Paul Franko
Signature
vice-president 11-14-96
Title Date
Phone No. 803 592-3022 ext. 303

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: FREEDOM ENERGY

Well Name: HANGING ROCK FEDERAL I 12-4

Api No. 43-047-32748

Section 12 Township 12S Range 23E County UINTAH

Drilling Contractor NABORS

Rig #: 908

SPUDDED:

Date: 11/18/96

Time: _____

How: DRY HOLE

Drilling will commence: _____

Reported by: D. HACKFORD

Telephone #: _____

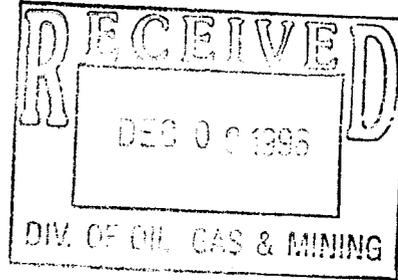
Date: 11/26/96 Signed: JLT



CONFIDENTIAL

December 3, 1996

State Division Oil, Gas & Mining
1594 W. N. Temple
Suite 1210
Box 145801
Salt Lake City, Utah 84114



Attn: Kristen

Dear Kristen,

Please keep the Freedom Energy Inc. Center Fork F #17-4 under Tight Hole status.

Freedom has also drilled three other wells which we would like to have placed under Tight Hole status.

They are:

Toby Federal F #6-15 43-047-32757
Hanging Rock F #7-6 43-047-32751
Hanging Rock I #12-4 43-047-32748

Sincerely,

Steve Shefte

CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.
U-57455

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

7. If Unit or CA, Agreement Designation

HANGING ROCK

8. Well Name and No. HANGING
ROCK FED. I 12-4

9. API Well No.
43-047-32748

10. Field and Pool, or Exploratory Area
WILDCAT

11. County or Parish, State
UINTAY COUNTY, UTAH

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
FREEDOM ENERGY, INC.

3. Address and Telephone No.
1050 17TH. ST. STE. 710, DENVER, CO. 80265 (303) 592-3022

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
748' FNL, 1215' FWL, NW/NW-SEC.12-T12S-R23E

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

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

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

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

DRILLING REPORT

TIGHT HOLE

RECEIVED
JAN 03 1997
DIV. OF OIL, GAS & MINING

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

Signed Paul Frank Title Vice-President Date 12-20-96

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

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.

FREEDOM ENERGY, INC.

**HANGING ROCK FEDERAL I 12-4
748' FNL, 1215' FWL
NW/NW SEC. 12-T12S-R23E
UINTAH COUNTY, UTAH**

**API# - 43-047-32748
LEASE # - U-57455
GL: 5915'
kB: 5927'**

DRECTIONS: SOUTH OF VERNAL ON HYWY 45, 40 MILES TO BLM (END OF PAVEMENT SIGN) 0 MILE MARKER. TURN LEFT, 3.8 MILES TO "Y" IN ROAD. BLM (ATCHEE RIDGE, RAINBOW SIGN), RIGHT 8.2 MILES TO "Y" IN ROAD. BLM (ASPHALT DRAW ALLOTMENT SIGN), LEFT .5 MILES TO "Y" IN ROAD. BLM (RAINBOW, KINGS WELL SIGN), RIGHT 8.5 MILES TO "Y" IN ROAD. LEFT .25 MILES. LOCATION ON LEFT SIDE OF ROAD.

11-06-96 MIRU Stubbs and Stubbs. Build location.

11-10-96 MIRU Bill Martin Jr. Rat Hole. Set conductor. Rig broke down. Wait on repairs.

11-13-96 Drill 210' 12-1/4" surface. SDFN.

11-14-96 Drill 12-1/4" hole to 307'. PU 8 jts. 9-5/8" 36# new casing. Set @ 303'. MIRU B.J. Services. Pump 20 bbls gel ahead. Cement with 185 sks. class "G" cement with 2% CaCl, 1/4#/sk. cello flakes. Yield- 1.14 cult./sk. 15.8-16.2#/gal. Disp. Good returns to pit. Bump plug. Float did not hold. Pressure up on plug. S.I.

11-26-96 MIRU Nabors Rig 908. Test BOP. Release crews.

12-12-96 Spud 12:30 a.m. 12-12-96. Drlg. @ 567'. Made 267' in 7 hrs. Drlg. with water. Bit#1: C54815, 7-7/8", Reed, HP53A, 15,15,15, In-303'. BHA: Bit, M.M., 17 D.C. (525') R.P.M.-60/100; WOB- 15m; P.P.-700psi; Drill cement & Float-6; RU- 7; Pu tools-3 NU- 1; Drlg.- 7; Cumm. Drlg.- 7 hrs.

12-13-96 DRLG. @ 1947'; 1380' in 22.5 hrs.; R.P.M.- 80/100; WOB- 25m; P.P.- 1000 psi.; Water; BHA: Bit, M.M., 20 D.C., (612') Ssurveys: 500'- 1 deg.; 1000'- 1 deg.; 1490'- 1 deg.; Drlg.- 22.5; Surveys- 1.5; Cumm. Drlg.- 29.5 hrs.

12-14-96 DRLG. @ 3060'. 1680' in 22.5 hrs. RPM- 80/100; WOB- 35m; PP- 1200 psi.; Wt.- 9.1; Visc.- 36; F.L.- 12.8; F.C.- 2/32; Ph.- 9.7; Chl.- 700; P.V.- 10; Y.P.- 5; Gels: Init- 2; 10 min.- 4; Solids- 5.2%; Water- 94.8%; Surveys: 2000'- 1 deg.; 2470'- 1 deg.; 3057'- 1-1/4 deg.; Drlg.- 22.5; Surveys- 1; R.S.- 1/2; Cumm. Drlg.- 52 hrs.

	D.R.			GAS:	Before During After		
	Before	During	After		Before	During	After
1894-1918	1	.5	1.1	25u.	80u.	20u.	
2292-2358	1.1	.3	.9	25u.	445u.	65u.	
2345-2358	.8	.4	.9	42u.	325u.	55u.	
2921-2968	1.2	.5	1.1	40u.	2280u.	100u.	

12-15-96 DRLG. @ 3767'; 707' in 23 hrs. RPM- 80/100; WOB- 35m; PP- 1600psi; Wt.- 9.4;
Visc- 36; FL- 12; FC- 2/32; Ph.- 9.7; Chl.- 500; P.V.- 11; Y.P.- 8; Gels: Init- 2
10 min.- 4; Solids- 7.6%; Water- 92.4%; Survey: 3440'- 1-3/4 deg. Drlg.- 23; Surveys- 1;
Cumm. Drlg.- 75hrs.

SHOWS: D.R. Before During After GAS: Before During After
3326-3328 2.4 .6 1 14u. 620u. 22u/

12-16-96 DRLG. ;@ 4290'; 523' in 17 hrs. WOB- 35m; RPM- 50/100; P.P.- 1100psi.; Wt.- 9.3;
Visc.- 34; F.L.- 10; F.C.- 2/32; Ph.- 9.7; Chl.- 800; P.V.- 8; Y.P.- 4; Gels: Init.- 1
10 min.- 2; Solids- 6.8%; Water- 93.2%; Surveys: 4000'- 2 deg.
Bit #1: C54815, 7-7/8", RTC, HP53A, 15-15-15, In- 302; Out- 3927'; 3625' in 82 hrs.
Bit #2: B41031, 7-7/8", RTC, HP53A, 15-15-15, In- 3927'; Drlg.- 17.5; Trip- 5; Ream- 1;
Surveys- .5; Cumm. Drlg.- 92.5 hrs.

12-17-96 Logging; T.D. @ 11:30 a.m. 12-16-96. Short trip 20 stds. Circ. Raise visc. to 45. TOO.H.
MIRU Schlumberer. Run DIL/ CND. Cut 11 sidewall cores. Run CMR tool. D.T.D.- 4420'.
L.T.D.- 4430'.

12-18-96 Finish logging 10:00 a.m. TIH. Circ. 1 hr. LDDP. Run casing. 74 jts- 4-1/2"- 11.6#-
J-55- LTC- landed @ 3229' k.b. PBT.D- 3142'. Set slips @ 3:00 a.m. 12-18-96. R.R.-
6:00 a.m.

COMPLETION

12-18-96 LDDP. Run casing. Guide shoe, 2 jts. 4-1/2"- J-55, float collar, 72 jts. 4-1/2" J-55, landed
@ 3229' k.b. PBT.D.- 3142' k.b. Circ. 1/2 hr. MIRU B.J. Services. Cement. Pump 20 bbls.
H2O ahead. Cement with 200 sks. class G, 16% gel., 3% salt, 10#/sk gilsonite. Yield-
3.93 cu.ft./sk. Pump 300 sks. class G, 10% A-10, .4% FI-25, .2% R-3, 10% salt, Yield-
1.53 cu.ft./sk. Disp. with 2% KCL. 1 Bump plug to 1500 psi. @ 1:00 a.m. Float held.
Set slips @ 3:00 a.m. R.R. - 6:00 a.m.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

3. Lease Designation and Serial No.
U-57455

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

HANGING ROCK

8. Well Name and No. HANGING
ROCK FED. I 12-4

9. API Well No.
43-047-32748

10. Field and Pool, or Exploratory Area
WILDCAT

11. County or Parish, State
UINTAY COUNTY, UTAH

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
FREEDOM ENERGY, INC.

3. Address and Telephone No.
1050 17TH. ST. STE. 710, DENVER, CO. 80265 (303) 592-3022

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
748' FNL, 1215' FWL, NW/NW-SEC.12-T12S-R23E

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

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

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

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

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

DRILLING REPORT

CONFIDENTIAL

TIGHT
HOLE

RECEIVED
JAN 03 1997
DIV. OF OIL, GAS & MINING

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

Signed Paul Franks

Title Vice-President

Date 12-20-96

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

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.

*See instruction on Reverse Side

MCR SPECIALTIES

- MO. MM
- BM. FM
- Q. CM
- SA. NC
- NS

MEASURING STATION INSPECTION REPORT

Contract With FREEDOM Parish or County WINTAH State UTAH
 Station Name HANGING ROCK FED 1-12-4 Field _____ Date 1-7-97
 Measuring Gas From _____ To _____ Sta. No. _____

Orifice Meter	Meter Calibration Test	Calibration Found OK <input type="checkbox"/> YES <input type="checkbox"/> NO	Calibration Left OK <input type="checkbox"/> YES <input type="checkbox"/> NO																																																												
MAKE <input type="checkbox"/> American <input type="checkbox"/> Barton <input type="checkbox"/> Emco <input type="checkbox"/> Foxboro <input checked="" type="checkbox"/> Other <u>Clifmock</u> Serial No.: <u>10855050</u> TYPE <input type="checkbox"/> Mercury <input checked="" type="checkbox"/> Bellows DIFF <input type="checkbox"/> 20" <input type="checkbox"/> 50" <input checked="" type="checkbox"/> 100" <input type="checkbox"/> Other STATIC <input type="checkbox"/> 0 - 100# <input type="checkbox"/> 0 - 500# <input checked="" type="checkbox"/> 0 - 1000# <input type="checkbox"/> 0 - 1500# <input type="checkbox"/> 0 - 2000# <input type="checkbox"/> 0 - 3000# <input type="checkbox"/> 0 - 4000# <input type="checkbox"/> Other CHART ROTATION <input type="checkbox"/> 24 Hour <input type="checkbox"/> 7 Day <input checked="" type="checkbox"/> 8 Day <u>16 Day</u>	Pen ARC: <input checked="" type="checkbox"/> OK <input type="checkbox"/> Reset Time LAG: <input checked="" type="checkbox"/> OK <input type="checkbox"/> Reset Friction Test: Before <u>HEADY</u> After <u>OK</u> Leaks Found: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Repaired: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Zero @ WP <u>+2.5</u> Zero @ AP <u>+2.5</u> W. P. Reset: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Diff Found: <u>7.8</u> Left: <u>2.5</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td rowspan="2" style="writing-mode: vertical-rl; transform: rotate(180deg);">U P</td> <td>WC</td> <td>0</td> <td>20</td> <td>40</td> <td>60</td> <td>80</td> <td>100</td> <td rowspan="2" style="writing-mode: vertical-rl; transform: rotate(180deg);">U P</td> <td>WC</td> <td>0</td> <td>20</td> <td>40</td> <td>60</td> <td>80</td> <td>100</td> </tr> <tr> <td>MTR</td> <td>0</td> <td>17.3</td> <td>38</td> <td>56</td> <td>74</td> <td>92</td> <td>MTR</td> <td>0</td> <td>20</td> <td>40</td> <td>60</td> <td>80</td> <td>100</td> </tr> <tr> <td rowspan="2" style="writing-mode: vertical-rl; transform: rotate(180deg);">D O W N</td> <td>WC</td> <td>90</td> <td>70</td> <td>50</td> <td>30</td> <td>10</td> <td>0</td> <td rowspan="2" style="writing-mode: vertical-rl; transform: rotate(180deg);">D O W N</td> <td>WC</td> <td>90</td> <td>70</td> <td>50</td> <td>30</td> <td>10</td> <td>0</td> </tr> <tr> <td>MTR</td> <td>86</td> <td>62</td> <td>44</td> <td>26</td> <td>8</td> <td>0</td> <td>MTR</td> <td>70</td> <td>70</td> <td>50</td> <td>30</td> <td>10</td> <td>0</td> </tr> </table>	U P	WC	0	20	40	60	80	100	U P	WC	0	20	40	60	80	100	MTR	0	17.3	38	56	74	92	MTR	0	20	40	60	80	100	D O W N	WC	90	70	50	30	10	0	D O W N	WC	90	70	50	30	10	0	MTR	86	62	44	26	8	0	MTR	70	70	50	30	10	0	
	U P	WC		0	20	40	60	80	100	U P		WC	0	20	40	60	80	100																																													
		MTR	0	17.3	38	56	74	92	MTR		0	20	40	60	80	100																																															
	D O W N	WC	90	70	50	30	10	0	D O W N	WC	90	70	50	30	10	0																																															
MTR		86	62	44	26	8	0	MTR		70	70	50	30	10	0																																																
ORIFICE CHANGE																																																															
INSTALL (SIZE) _____ (TIME) _____		REMOVE (SIZE) _____ (TIME) _____																																																													
ORIFICE INSPECTION																																																															
FOUND (SIZE) <u>1.500</u> (INSP) _____ YES/NO _____		COND GOOD FAIR POOR REJECT																																																													
VERIFY BORE MEASURE _____ CALIPER _____																																																															
TUBE (BORE) <u>4.000</u> FLANGE _____ PIPE TAP _____																																																															
FITTING FLANGE <u>SIMPLEX</u> JUNIOR _____ SENIOR _____																																																															
COND GOOD FAIR POOR REJECT																																																															
SPECIFIC GRAVITY _____																																																															
METHOD: RANAREX _____ OTHER _____																																																															
PROCUREMENT OF SAMPLES FOR ANALYSIS																																																															
SAMPLE GAS/DIST/OIL/WATER _____ SOURCE SAMPLE TEMP. _____ PSIG _____																																																															
DEW POINT DETERMINATION																																																															
DEW PT. TEMP. (HYD CARB) _____ (WATER) _____																																																															
LBS. WAT MNCF _____																																																															
TYPE DEHYDRATOR _____																																																															
SAMPLE POINT (TEMP.) _____ (PRES) _____																																																															

REMARKS:

TESTER WITNESS
 WITNESS SIGNATURE: _____ TESTER SIGNATURE: William Roberts
 FOR: _____ FOR: MCR SPECIALTIES

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0133
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

3. Lease Designation and Serial No.
U-57455

4. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
HANGING ROCK

8. Well Name and No. HANGING
ROCK FED. I 12-4

9. API Well No.
43-047-32748

10. Field and Pool, or Exploratory Area
WILDCAT

11. County or Parish, State
UINTAY COUNTY, UTAH

SUBMIT IN TRIPLICATE

CONFIDENTIAL

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
FREEDOM ENERGY, INC.

3. Address and Telephone No.
1050 17TH. ST. STE. 710, DENVER, CO. 80265 (303) 592-3022

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
748' FNL, 1215' FWL, NW/NW-SEC.12-T12S-R23E

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

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

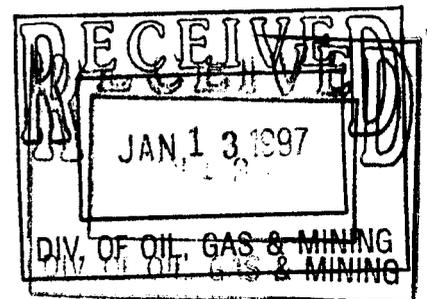
- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other NOTICE OF FIRST PRODUCE
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

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

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

THIS WELL WAS TURNED DOWN SALES LINE ON 1-06-97.

CONFIDENTIAL



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

Signed Paul Franko Title Vice-President Date 1-8-97
(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

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.

*See instruction on Reverse Side

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

Budget Bureau No. 1004-0137
Expires August 31, 1983

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL: Oil Well Gas Well Dry Other

2. TYPE OF COMPLETION: New Well Work Over Rekey Plug Back Diff. Rekey Other

3. NAME OF OPERATOR: FREEDOM ENERGY, INC.

4. ADDRESS OF OPERATOR: 1050 17TH ST. STE. 710 DENVER, CO. 80265 (303) 592-3072

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements):
At surface 748' FNL, 1215' FWL-SEC. 12-T12S-R23E
At top prod. interval reported below SAME
At total depth SAME

TIGHT HOLE
14. PERMIT NO. 43-047-32748
DATE ISSUED 4-10-96

6. LEASE DESIGNATION AND SERIAL NO. U-57455

7. IF INDIAN ALLOTTEE OR TRIBE NAME

8. UNIT AGREEMENT NAME HANGING ROCK

9. FARM OR LEASE NAME HANGING ROCK FED I

10. WELL NO. 12-4

11. FIELD AND POOL OR WILDCAT

12. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA SEC. 12-T12S-R23E

13. COUNTY OR PARISH UINTAH

14. STATE UTAH

15. DATE SPUDDED 11-13-96 16. DATE T.D. REACHED 12-16-96 17. DATE COMPL. (Ready to prod.) 1-6-97 18. ELEVATIONS (DP, RKB, BT, GR, ETC.) 5927' RKB 19. ELEV. CASINGHEAD 5915' GL

20. TOTAL DEPTH, MD & TVD 4430' 21. PLUG BACK T.S., MD & TVD 3140' RKB 22. IF MULTIPLE COMPL. HOW MANY? N/A 23. INTERVALS DRILLED BY ROTARY TOOLS CABLE TOOLS

24. PRODUCING INTERVAL(S) OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) 2928-2964' TVD WSTC per Paul Franks
25. WAS DIRECTIONAL SURVEY MADE YES

26. TYPE ELECTRIC AND OTHER LOGS RUN DIL/CNDL/GR/SP CBL 1-22-97
27. WAS WELL CORED SIDEWALL CORE

CONFIDENTIAL
JAN 22 1997

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	AMOUNT PULLED
9-5/8"	36#	303' GL	12-1/4"	185 SKS CLASS G
4-1/2"	11.6#	3229'	7-7/8"	500 SKS CLASS G

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)
N/A				

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	2903'	2903'

31. PREPARATION RECORD (Interval, size and number)
2928'-2946', 18', 4 S.P.F. 72 SHOTS
2951'-2964', 13', 4 S.P.F. 52 SHOTS

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
DEPTH INTERVAL (MD) N/A
AMOUNT AND KIND OF MATERIAL USED

33. PRODUCTION

DATE FIRST PRODUCTION 1-6-97 Per Sunday
PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)
WELL STATUS (Producing or Shut-in) Producing per Paul Franks

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

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

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) 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 Paul Franks TITLE Vice-President DATE 1-20-97

(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.

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	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Green River	Surface	2468'	Interbedded shale, sandstone, and limestone	Uteland Butte	2360'	
Wasatch	2468'	4000'	Interbedded shale and sandstone			
Mesaverde	4000'	4430' TD	Interbedded shale, sandstone, and coal			

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

3. Lease Designation and Serial No.
U-57455

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

CONFIDENTIAL

7. If Unit or CA, Agreement Designation
HANGING ROCK

8. Well Name and No. HANGING
ROCK FED. I 12-4

9. API Well No.
43-047-32748

10. Field and Pool, or Exploratory Area
WILDCAT

11. County or Parish, State
UINTAY COUNTY, UTAH

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
FREEDOM ENERGY, INC.

3. Address and Telephone No.
1050 17TH. ST. STE. 710, DENVER, CO. 80265 (303) 592-3022

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
748' FNL, 1215' FWL, NW/NW-SEC.12-T12S-R23E

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

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other COMP. FIRST PROD.

- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

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

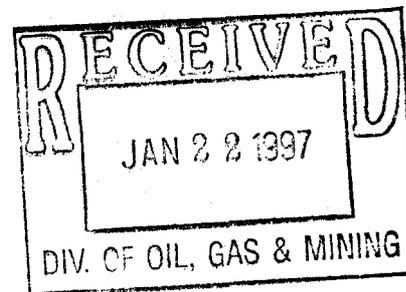
5. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to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

FIRST PRODUCTION: 3:30 P.M. 1-06-97

METER CALIBRATION REPORT

COMPLETION REPORT

CONFIDENTIAL



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

Signed Paul Frank

Title VICE-PRESIDENT

Date 1-18-97

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

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.

*See Instruction on Reverse Side

FREEDOM ENERGY, INC.

**HANGING ROCK FEDERAL I 12-4
748' FNL, 1215' FWL
NW/NW SEC. 12-T12S-R23E
UINTAH COOUNTY, UTAH**

**API# - 43-047-32748
LEASE # - U-57455
G.L.- 5915'
K.B.- 5927'**

DIRECTIONS: SOUTH OF VERNAL ON HYWY 45, 40 MILES TO BLM (END OF PAVEMENT SIGN) 0 MILE MARKER. TURN LEFT 3.8 MILES TO "Y" IN ROAD. BLM (ATCHEE RIDGE, RAINBOW SIGN). RIGHT 8.2 MILES TO "Y" IN ROAD. BLM (ASPHALT DRAW ALLOTMENT SIGN). LEFT .5 MILES TO "Y" IN ROAD. BLM (RAINBOW, KINGS WELL SIGN). RIGHT 8.5 MILES TO "Y" IN ROAD. LEFT .25 MILES. LOCATION ON LEFT SIDE OF ROAD.

11-06-96 MIRU Stubbs and Stubbs. Build location.

11-10-96 MIRU Bill Martin Jr. Rat Hole. Set conductor. Rig broke down. Wait on repairs.

11-13-96 Drill 210' of 12-1/4" surface. SDFN.

11-14-96 Drill 12-1/4" hole to 307'. PU 8 jts. 9-5/8" 36# new casing. Set @ 303'. MIRU B.J. Services. Pump 20 bbls of gel ahead. Cement with 185 sks. Class "G" cement with 2% CaCl, 1/4#/sk. Cello flakes. Yield 1.14 cu.ft./sk. 15.8-16.2#/gal. Disp. Good returns to pit. Bump plug. Float did not hold. Pressure up on plug. S.I.

11-26-96 MIRU Nabors Rig 908.. Test BOP. Release crews.

12-12-96 Spud 12:30 a.m. 12-12-96. Drlg. @ 567'. Made 267' in 7 hrs. Drlg. With water. Bit #1: C54815, 7-7/8", Reed, HP53A, 15,15,15, In- 303'. BHA: Bit, M.M., 17 D.C.,(525') R.P.M.- 60/100; WOB: 15m.; P.P.- 700 psi.; Drill cement & float- 6; RU-7; PU Tools- 3; NU- 1; Drlg.- 7; Cumm. Drlg.- 7 hrs.

12-13-96 Drlg. @ 1947'. 1380' in 22.5 hrs. RPM- 80/100; WOB- 25m; PP- 1000 psi.; Water; BHA: Bit, M.M., 20 d.c.,(612'). Surveys: 500'- 1 deg.; 1000'- 1 deg.; 1490'- 1 deg.; Drlg.- 22.5; Surveys- 1.5; Cumm. Drlg.- 29.5 hrs.

12-14-96 Drlg. @ 3060'. 1680' in 22.5 hrs. RPM- 80/100; WOB- 35m.; PP- 1000 psi.; Wt.- 9.1; Visc.- 36; FL- 12.8; FC-2/32; PH- 9.7; Chl.- 700; PV- 10; YP- 5; Gels: Init- 2; 10 min.- 4; Solids- 5.2%; Water- 94.8%; Surveys: 2000'- 1 deg.; 2470'- 1 deg.; 3057'- 1-1/4 deg.; Drlg.- 22.5; Surveys- 1; RS- 1/2; Cumm. Drlg.- 52 hrs.

SHOWS:	D.R.	Before	During	After	GAS:	Before	During	After
1894-1918		1	.5	1.1		25u.	80u.	20u.
2292-2358		1.1	.3	.9		25u.	445u.	65u.
2345-2358		.8	.4	.9		42u.	325u.	55u.
2921-2968		1.2	.5	1.1		40u.	2280u.	100u.

12-15-96 Drlg. @ 3767'; 707' in 23 hrs. RPM- 80/100; WOB- 35m; PP- 1600 psi.; Wt.- 9.4; Visc.- 36; FL- 12; FC- 2/32; PH- 9.7; Chl.- 500; PV- 11; YP- 8; Gels: Init- 2; 10 min- 4; Solids- 7.6%; Water- 92.4%; Surveys: 3440'- 1-3/4 deg.; Drlg.- 23; Surveys- 1; Cumm. Drlg.- 75hrs.

SHOWS:	D.R.	Before	During	After	GAS:	Before	During	After
3326-3328		2.4	.6	1		14u.	620u.	

12-16-96 Drlg. @ 4290'; 523' in 23 hrs. WOB- 35m; RPM- 50/100; PP- 1100 psi; Wt.- 9.3; Visc.- 34; FL- 10; FC- 2/32; PH- 9.7; Chl.- 800; PV- 8; YP- 4; Gels: Init.- 1; 10 min.-2; Solids- 6.8%; Water- 93.2%; Surveys: 4000'- 2 deg. Bit #1: C54815, 7-7/8", RTC, HP53A, 15-15-15, In- 302'; Out- 3927'; 3625' in 82 hrs. Bit #2: B41031, 7-7/8", RTC, HP53A, 15-15-15, In- 3927'; Drlg.- 17.5; Trip- 5; Ream- 1; Surveys-.5; Cumm. Drlg.- 92.5 hrs.

12-17-96 Logging; T.D. @ 11:30 a.m. 12-16-96. Short trip 20 stds. Circ. Raise visc. To 45. TOO. MIRU Schlumberger. Run DIL/CND. Cut 11 sidewall cores. 2311'; 2353'; 2930'; 2942'; 2952'; 2958'; 3328'; 3816'; 3830'; 4017'; 4024'; Run CMR tool. D.T.D.- 4420'; L.T.D.- 4430'. Survey: 4420'- 2 deg.; Drlg.- 4.5; Trip- 4; Survey- .5; C&C- 2.5; Log- 12; Cumm. Drlg.- 97.

12-18-96 Finish logging 10:00 a.m. TIH. Circ. 1 hr. LDDP. Run casing. 74 jts. 4-1/2"- 11.6#, J-55,LTC. Landed @ 3229'K.B. PBTD- 3142'. Set slips @ 3:00 a.m. 12-18-96. R.R.- 6:00 a.m.

COMPLETION

12-18-96 Run casing. Guide shoe, 2 jts. 4-1/2"- J-55, float collar, 72 jts. 4-1/2", J-55, landed @ 3229' K.B. PBTD- 3142' K.B. Circ. ½ hr. MIRU B.J. Services. Cement. Pump 20 bbls. H2O ahead. Cement with 200 sks. Class G, 16% gel., 3% salt, 10#.sk. Gilsonite. Yield- 3.93 cu.ft./sk. Pump 300 sks. Class G, 10% A-10, .4% Fl-25, .2% R-3, 10% salt. Yield- 1.53 cu.ft./sk. Disp. With 2% KCL. Bump plug to 1500 psi. @ 1:00 a.m. Float held. Set slips @ 3:00 a.m. R.R.- 6:00a.m

12-30-96 MIRU Duco Well Service. Spot pump and tank. PU 3-7/8" bit. PU, rabbit, and tally tubing in hole. Tag PBTD @ 3140' k.b. (100 jts.) TOO. NU BOP. S.I.

12-31-97 MIRU Schlumberger. Run CBL/VDL/GR from LTD. @ 3140' to surface. Showed some ratty bond. Rerun bond with 1000 psi. Bond improved. Perf. Wasatch- 2951'-2964', 13', 4 s.p.f., 3-1/2- 37-J charges. Perf. 2928'-2946', 18', 4 s.p.f., 3-1/2"- 37J charges. Well unloading full 2" stream of water.. Gun was Stuck 16' uphole. Pressure up on casing to 1500 psi. Gun moved down hole. TOO with gun. Open to rig tank. Well unloaded for 12 min. and stopped flowing. Light blow for 15 min. and started unloading fluid. Light mist of water after 30 min. Well blowing dry gas after 1 hr. Well flowing on 24/64" choke @ 750 psi. S.I.

01-10-97 Well S.I. Waiting on production packer.

01-02-97 Well S.I. Waiting on production packer.

01-03-96 C.P.- 1200 psi. MIRU Schlumberger. Set 4-1/2" Elder Model E-1 Permanent production packer @ 2903' k.b. EOT @ 2925' k.b. Blow down well. PU. Seal assembly, 1 jt. 2-3/8" tubing, Otis X nipple, (1.875") 91 jts. Tubing, 10' pup, 4' pup. Sting into production packer. Tbg. landed with 8,000# on packer. ND BOP. NU well head. MIRU Northern Lights. Retrieve plug in tubing. Retrieve plug in packer. T.P. 1200psi. S.I. Will rig down Duco in a.m.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

3. Lease Designation and Serial No.
U-57455

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
HANGING ROCK

8. Well Name and No.
HANGING ROCK FED. I 12-4

9. API Well No.
43-047-32748

10. Field and Pool, or Exploratory Area
WILDCAT

11. County or Parish, State
UINTAY COUNTY, UTAH

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

CONFIDENTIAL

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
FREEDOM ENERGY, INC.

3. Address and Telephone No.
1050 17TH. ST. STE. 710, DENVER, CO. 80265 (303) 592-3022

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
748' FNL, 1215' FWL, NW/NW-SEC.12-T12S-R23E

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

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other GAS ANALYSIS

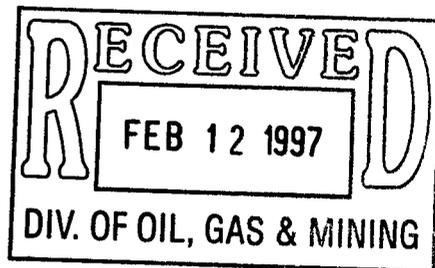
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

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

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

ENCLOSED: GAS ANALYSIS

CONFIDENTIAL



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

Signed _____ Title VICE-PRESIDENT Date 2-10-97
(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

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.

*See Instruction on Reverse Side

ANALYTICAL SERVICES

RT # 2 P.O. BOX 2809
ROOSEVELT, UTAH 84066

**CERTIFICATE OF ANALYSIS
HYDROCARBONS BY GC**

REPORT DATE: 1-28-97

LAB NUMBER: 97012501

COMPANY: FREEDOM ENERGY

LOCATION:

DATE	TIME	SAMPLE PRES(P.SI)	TEMP(DEG F)	SOURCE
1-20-97		500		HARLING ROCK FLD 12-4
NAME		MOLE %	GPM	VOLUME %
N2		0.335		
O2		0.099		
METHANE		94.348		
CO2		0.040		
ETHANE		3.700		
PROPANE		0.627	0.172	35.711
ISOBUTANE		0.227	0.074	15.378
NBUTANE		0.169	0.053	11.014
I-PENTANE		0.082	0.030	6.236
NPENTANE		0.000	0.000	0.000
HEXANES +		0.373	0.153	31.661
TOTALS		100	.4827107	100

BTU PER CU.FT. (30 IN. 60 F. DRY) = 1073

BTU PER CU.FT. (30 IN. 60 F. SAT) = 1054

CALCULATED SPECIFIC GRAVITY OF GAS = 0.5975

COMPRESSIBILITY (Z) FACTOR = 0.9978

DATE	RUN #	ANALYSIS CYLINDER #	SAMPLER	ANALYST
1-25-97	1			GWP

OTHER INFO :

HANGING ROCK UNIT

Uintah County, Utah

EFFECTIVE: NOVEMBER 22, 1994

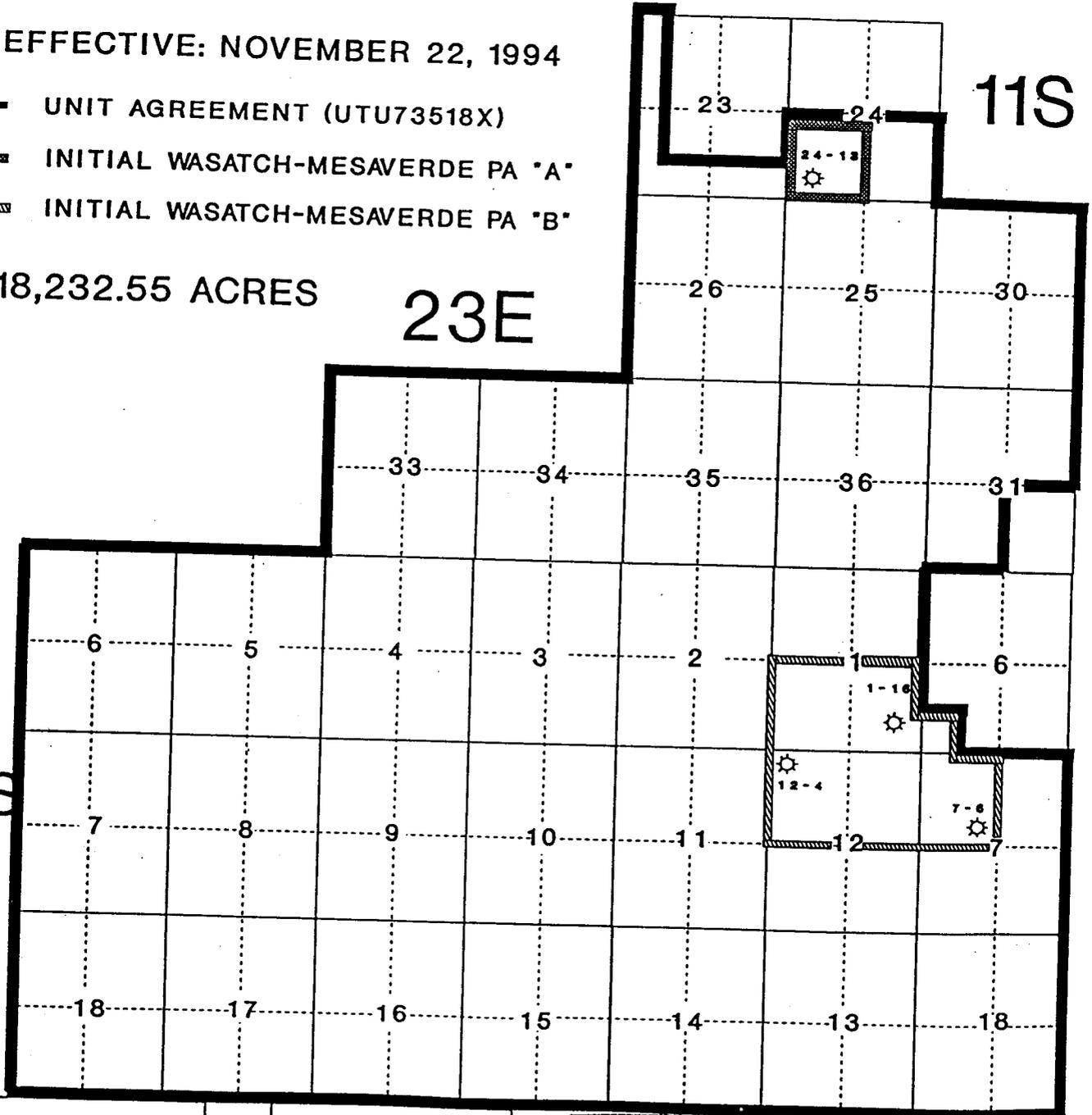
-  UNIT AGREEMENT (UTU73518X)
-  INITIAL WASATCH-MESAVERDE PA "A"
-  INITIAL WASATCH-MESAVERDE PA "B"

18,232.55 ACRES

23E

11S

12S



WSTC-MSVD "A"
ALLOCATION
FEDERAL 100%
160.00 Acres

WSTC-MSVD "B"
ALLOCATION
FEDERAL 100%
826.76 Acres

RECEIVED
FEB 27 1997

24E

DIV. OF OIL, GAS & MINING

OPERATOR FREEDOM ENERGY INC

OPERATOR ACCT. NO. N 3285

ADDRESS _____

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
C	12036	11889	43-047-32751	HANGING ROCK ED F 7-6	SEnw	7	12S	24E	UINTAH	11-3-96	2/97
WELL 1 COMMENTS: *PLEASE (HANGING ROCK U/WSTC-MVRD "B") EXPANDED 2/97 TO INCLUDE THESE WELLS; OPERATOR NOTIFIED ME TO CORRECT ENTITY DIFFERENCE.											
C	12036	11889	43-047-32748	HANGING ROCK FEDERAL I 12-4	NWNW	12	12S	23E	UINTAH	11-12-96	2/97
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

LISHA CORDOVA (DOGM)

Signature

ADMIN. ANALYST

Title

5-14-97

Date

Phone No. () _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
U-57455

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
HANGING ROCK FED. 1 12-4

9. API Well No.
43-047-32748

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State
Uintah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

CONFIDENTIAL

2. Name of Operator

FREEDOM ENERGY, INC.

3. Address and Telephone No.

1050 17TH. ST. STE. 710 DENVER, CO. 80265 (303) 592-3022

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

748' FNL, 1215' FWL, NW/NW SEC. 12-T12S-R23E

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

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

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

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

THE RESERVE PIT WAS BACKFILLED ON 5-02-97
REQUEST APPROVAL FOR AN UNLINED PIT UNDER ONSHORE OIL AND GAS ORDER 43 CFR 3160 ORDER #7
DUMP LINE FROM SEPARATOR AND BLOW DOWN LINE TO PIT. DIMENSIONS WILL BE 15' X 10' X 15'.
WELL PRODUCES (NO WATER). NO SURFACE WATER OR WATER WELLS WITHIN A 1 MILE RADIUS.
AVERAGE MONTHLY PRECIPITATION IS LESS THAN 1 INCH. PIT WILL BE FENCED AS FOLLOWS.
THIRTY NINE INCH NET WIRE FENCE WITH 1 STRAND OF BARBED WIRE ABOVE NET FENCE.
NET WIRE WILL BE NO MORE THAN 2 INCHES ABOVE GROUND. CORNER POSTS WILL BE BRACED.

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

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

Signed Paul Franks

Title Vice-President

FOR RECORD ONLY

Date 05-13-97

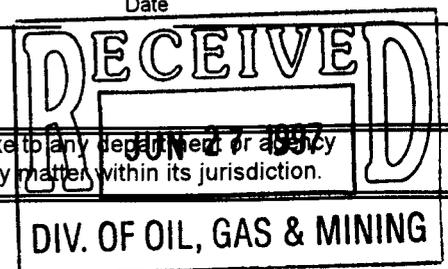
(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any: _____



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.

*See Instructions on Reverse Side

UNIT STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir. Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No. U-57455

6. If Indian, Allottee or Tribe Name N/A

7. If Unit or CA, Agreement Designation

HANGING ROCK

8. Well Name and No.

HANGING ROCK FED. I 12-4

9. API Well No.

43-047-32748

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Uintah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

CONFIDENTIAL

2. Name of Operator

FREEDOM ENERGY, INC.

3. Address and Telephone No.

1050 17TH. ST. STE. 710 DENVER, CO. 80265 (303) 592-3022

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

748'FNL, 1215' FWL, NW/NW SEC.12-T12S-R23E

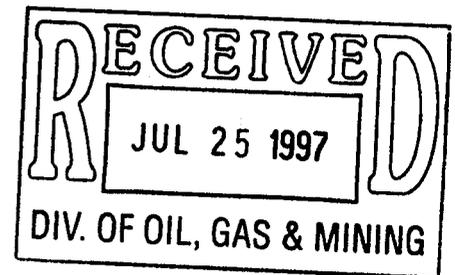
12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Abandonment, Recompletion, Plugging Back, Casing Repair, Altering Casing, Other METER CALIBRATION, Change of Plans, New Construction, Non-Routine Fracturing, Water Shut-Off, Conversion to Injection, and Dispose Water.

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

ENCLOSED: METER TEST REPORT

CONFIDENTIAL



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

Signed Paul Franks

Title Vice-President

Date 05/23/97

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

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.

ORIFICE METER TEST REPORT

CO. Freedom Energy Inc. DATE 3-27-97
 GAS FR. Freedom FED LEASE U-60108
 GAS TO Rosewood STA. NO. 24-13
 WELL NAME Hanging Rock Fld. #24-13 LGL/DESC SWSW 524-T11S-R23E
 CITY Utah STATE UT FIELD Tree Stem

ORIFICE METER

Make & No. Barton 418009 Model: 202E WP: 2500 Mercury Bellows
 Range: Diff. 100" Static 1000 # Cycle: 16-Day Static Set: Gauge Absolute
 Pen Arc Adj. Time Lag @ Zero 4 Hrs. Chart Time _____ Correct Time _____
 Friction: Free-Yes No Leaks: Yes No Repairs: Yes No Zero: W.P. _____ A.P. 12.3
 Meter Recording Found: Diff: _____ Static: _____ Left: Diff _____ Static _____
 While Testing: Gas was passing Yes No Flow Rate Changed: Yes No

5.88 STATIC TEST 5.86

TG or DW GA or Ab	Found			Left		
	<u>9.88</u>	<u>3.31</u>	<u>0</u>	<u>0</u>	<u>3.31</u>	<u>9.88</u>
<u>1002.0</u>	<u>345.7</u>	<u>12.3</u>	<u>12.3</u>	<u>343.3</u>	<u>1000.3</u>	

Corrected Chart Reading From: _____ Rts. To: _____ Rts.

DIFFERENTIAL TEST (Include Test at Flow Rate)

3.6 3.6

Diff Up WC/PK	Found			Left		
	<u>0</u>	<u>49</u>	<u>100</u>			
<u>0</u>	<u>49</u>	<u>100</u>				
<u>72.2</u>	<u>12.9</u>	<u>0</u>				
<u>72.2</u>	<u>12.9</u>	<u>0</u>				

Corrected Chart Reading From: _____ Rts. To: _____ Rts.

METER TUBE

U.S.I.D. 3.068 Unlevel Pitted OK
 Fitting: Sr. Jr. Taps: Flange Pipe

THERMOMETER

Make & No. Same Range 0-150
 Ind. or Rec. Test 20 ° Found 20 ° Left 20 °

DEW POINT

Dew Point Temp _____ ° F Test Psig: _____
 Water Content _____ Lbs/MMCF _____
 Meter Diff. _____ Ins. Psig. _____
 BTU @ _____ PSIA & _____ F Wet-Dry

ORIFICE PLATE

I.D. 500 Type paddle Seal: Good Bad
 Surf. Clean: Yes No U.S. Edge: Sharp Yes No
 Centered: Yes No Warped: Sharp Yes No

Remarks: _____

Company L.M.P.
 Tester DR Witness _____

ORIFICE PLATE CHANGE
 OUT _____ x _____
 IN _____ x _____
 CHART CHANGED Yes No
 TIME OF CHANGE: _____
 GAS GRAVITY
 RANAREX

ORIFICE CONSTANT		5
BASIC ORIFICE FLOW	F b	
REV. NOLDS NUMBER	F r	4
SUPER COMPRESSIBILITY	F PV	
PRESS BS	F P B	3
FLOW TEMP ° F	F L L	
SPECI GRAV	F g	2
SQ. RT. CHART FACTOR	C S	
1 HR. COEFF		1
24 HR. COEFF SCF/D		
COEFF MCF/D		0



December 17, 1997

Bureau of Land Management
324 South State Street
Salt Lake City, Utah 84111

Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Re: Release and Waiver of Confidentiality

Gentlemen:

Please be advised that Brent A. Bohman and other members of the law firm of Pruitt, Gushee & Bachtell are hereby authorized to review and copy any records in your possession pertaining to Freedom Energy, Inc.'s interests within Township 11 South, Ranges 22, 23, and 24 East, and Township 12 South, Ranges 23 and 24 East, in Uintah County. For purposes of this release and waiver of confidentiality, an executed facsimile copy of this letter should be treated in all respects as an original.

Should you have any questions or concerns, please do not hesitate to contact me at (303)592-3022, ext. 303.

Very truly yours,

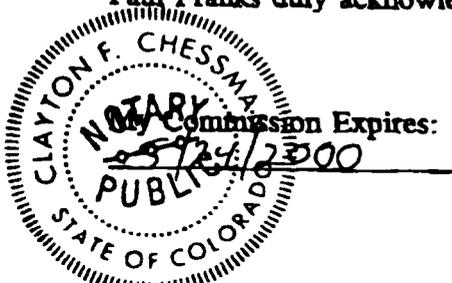
FREEDOM ENERGY, INC.

Paul Franks

Paul Franks
Vice President

STATE OF COLORADO)
) : ss.
COUNTY OF Denver)

On the 17th day of December, 1997, personally appeared before me, Paul Franks, and after being by me duly sworn did say that he is the Vice President of Freedom Energy, Inc. and that said instrument was signed on behalf of said corporation by authority of its by-laws and said Paul Franks duly acknowledged to me that said corporation executed the same.



Clayton F. Chessman
Notary Public
Residing at: Denver, CO

TRANSACTION REPORT

P. 01

DEC-18-97 THU 03:30 PM

SEND (M)

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
DEC-18	03:29 PM	5318468	45"	1	SEND	(M) OK	037	
TOTAL						45S PAGES:	1	

Dec-17-97 01:06P Freedom Energy, Inc. 303-592-2988

P. 02
4004



43-047-32748

December 17, 1997

Bureau of Land Management
324 South State Street
Salt Lake City, Utah 84111

Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Re: Release and Waiver of Confidentiality

Gentlemen:

Please be advised that Brent A. Bohman and other members of the law firm of Pruitt, Gushce & Bachtell are hereby authorized to review and copy any records in your possession pertaining to Freedom Energy, Inc.'s interests within Township 11 South, Ranges 22, 23, and 24 East, and Township 12 South, Ranges 23 and 24 East, in Uintah County. For purposes of this release and waiver of confidentiality, an executed facsimile copy of this letter should be

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
 1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

UTAH ACCOUNT NUMBER: N3285

FREEDOM ENERGY INC
 1050 17TH ST STE 710
 DENVER CO 80265

REPORT PERIOD (MONTH/YEAR): 12 / 97

AMENDED REPORT (Highlight Changes)

Well Name API Number Entity Location	Producing Zone	Well Status	Days Oper	Production Volumes		
				OIL(BBL)	GAS(MCF)	WATER(BBL)
✓ HANGING ROCK FEDERAL 24-13 4304732603 11723 11S 23E 24	WSTC			UTU66408	Hanging Rock Unit	
✓ THIMBLE ROCK FEDERAL 23-15 4304732604 11759 11S 24E 23	MVRD			U66761	Thimble Rock Unit	
✓ HANGING ROCK FEDERAL I 1-16 4304732679 11889 12S 23E 1	WSTC			U57455	Hanging Rock Unit	
✓ HANGING ROCK FEDERAL I 12-4 4304732748 11889 12S 23E 12	WSTC			U57455	"	
✓ HANGING ROCK FEDERAL F 7-6 4304732751 11889 12S 24E 7	WSTC			UTU66426	"	
✓ HANGING ROCK FEDERAL I 1-14 4304732871 11889 12S 23E 1	WSTC			U57455	"	
Y FEDERAL F 6-15 4304732757 12037 12S 24E 6	WSTC			U08424A		
CENTER FORK F 17-4 4304732750 12038 12S 24E 17	WSMVD			UTU75206		
TUCKER FEDERAL F 8-4 4304732872 12125 12S 24E 8	WSTC			UTU70239		
TOTALS						

COMMENTS: _____

I hereby certify that this report is true and complete to the best of my knowledge. Date: _____
 Name and Signature: _____ Telephone Number: _____

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

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-57455

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation

UTU-73518X

8. Well Name and No.
HANGING ROCK FED. I 12-4

9. API Well No.
43-047-32748

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State

Uintah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator
FREEDOM ENERGY, INC.

3. Address and Telephone No.
1050 17TH. ST. STE. 710 DENVER, CO. 80265 (303) 592-3022

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
748' FNL, 1215' FWL, NW.NW SEC.12-T12S-R23E

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

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

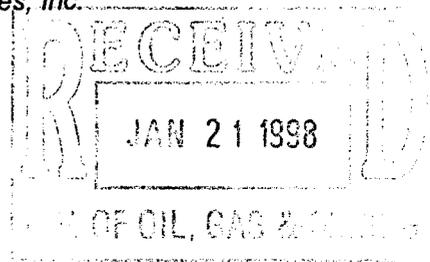
TYPE OF ACTION

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

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

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

Please be advised that Rosewood Resources, Inc., Ste. 500, 100 Crescent Court, Dallas, Texas, 75201, is considered to be the operator of the Hanging Rock Fed. I 12-4, NW/NW Sec.12-T12S-R23E; Lease # UTU-57455 Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Rosewood Resources, Inc. Bond # UT-0627



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

Signed Paul Frank

Title Vice-President

Date 01/01/98

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

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.

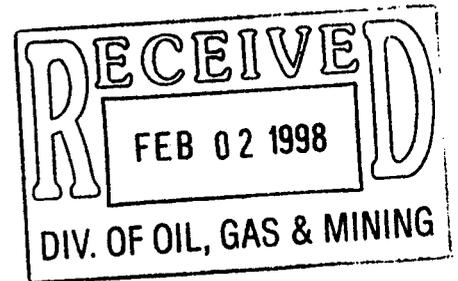
***See Instructions on Reverse Side**



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

January 30, 1998

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

Re: Hanging Rock Unit
Uintah County, Utah

Gentlemen:

On January 28, 1998, we received an indenture dated January 21, 1998, whereby Freedom Energy, Inc. resigned as Unit Operator and Rosewood Resources, Inc. was designated as Successor Unit Operator for the Hanging Rock 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 January 30, 1998. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under Hanging Rock Unit Agreement.

Your nationwide (Montana) oil and gas bond No. 0627 will be used to cover all operations within the Hanging Rock 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/ Robert A. Henricks

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 - Hanging Rock Unit (w/enclosure)
MMS - Data Management Division
Agr. Sec. Chron
Fluid Chron

U-931:TAThompson:tt:1/30/98

Well Status Report
Utah State Office
Bureau of Land Management

Lease	Api Number	Well Name	QTR	Section	Township	Range	Well Status	Operator
** Inspection Item: UTU73518A								
UTU66408	4304732603	HANGING ROCK 24-13	SWSW	24	T11S	R23E	PGW	FREEDOM ENERGY INCORPORATED
** Inspection Item: UTU73518B								
UTU57455	4304732748	HANGING ROCK 12-4	NWNW	12	T12S	R23E	PGW	FREEDOM ENERGY INCORPORATED
UTU66426	4304732751	HANGING ROCK 7-6	SESW	7	T12S	R24E	PGW	FREEDOM ENERGY INCORPORATED
UTU57455	4304732679	HANGING ROCK I 1-16	SESE	1	T12S	R23E	PGW	FREEDOM ENERGY INCORPORATED
UTU57455	4304732871	I 1-14	SESW	1	T12S	R23E	PGW	FREEDOM ENERGY INCORPORATED
** Inspection Item: UTU73518X								
UTU01252A	4304732854	HANGING ROCK 31-11	NESW	31	T11S	R24E	ABD	FREEDOM ENERGY INCORPORATED Pd 5/97

*980204 Change includes wells in drilling status (see attached list). BLM does not list them on this form; however change applies to these wells also. (per Terese Thompson/BLM).
J
Jee

HANGING ROCK UNIT

Uintah County, Utah

EFFECTIVE: NOVEMBER 22, 1994

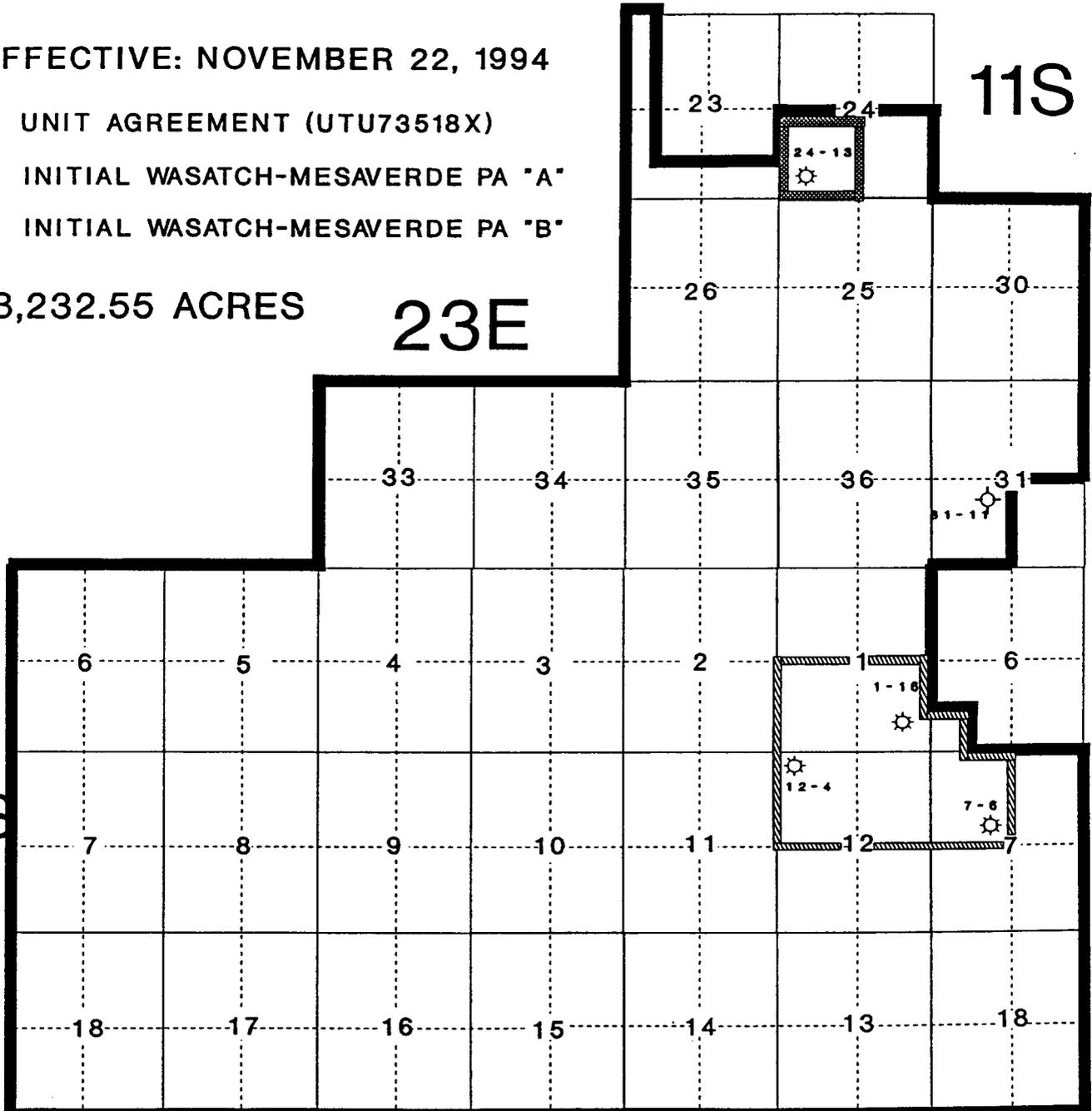
-  UNIT AGREEMENT (UTU73518X)
-  INITIAL WASATCH-MESAVERDE PA "A"
-  INITIAL WASATCH-MESAVERDE PA "B"

18,232.55 ACRES

23E

11S

12S



<p>WSTC-MSVD "A" ALLOCATION</p> <p>FEDERAL 100% 160.00 Acres</p>
--

<p>WSTC-MSVD "B" ALLOCATION</p> <p>FEDERAL 100% 826.76 Acres</p>
--

24E



February 5, 1998

Lisha Cordova
 Utah Dept. of Natural Resources
 Division of Oil, Gas, and Mining
 P. O. Box 145801
 Salt Lake City, UT 84114-5801

Re: Transfer of Operations from Freedom Energy, Inc. to Rosewood
 Uintah County, Utah

Dear Ms. Cordova:

This letter will confirm that Rosewood Resources, Inc. has taken over operations from Freedom Energy, Inc. in the wells listed below.

<u>Well Name</u>	<u>Property Location</u>	
	<u>All In Uintah Co. Utah</u>	
1. Hanging Rock "H" #24-13	SW SW	Sec. 24-11S-24E
2. Hanging Rock "I" #1-16	SE SE	Sec. 01-12S-23E
3. Hanging Rock "F" #7-6	SE NW	Sec. 07-12S-24E
4. Hanging Rock "I" #12-4	NW NW	Sec. 12-12S-23E
5. Hanging Rock "I" #1-14	SE SW	Sec. 01-12S-23E
6. Toby Federal "F" #6-15	SW SE	Sec. 06-12S-24E
7. Tucker Federal "F" #8-4	NW NW	Sec. 08-12S-24E
8. Center Fork "F" #17-4	NW NW	Sec. 17-12S-24E
9. Thimble Rock #23-15	SE SE	Sec. 23-11S-24E

Thank you for updating your records accordingly. Please let me know if you need any further information. If you need to send any requests to me by fax, my fax number is (214) 999-5757.

Sincerely,

ROSEWOOD RESOURCES, INC.

Janet Hambright
 Paralegal (214) 871-5718

OPERATOR CHANGE WORKSHEET

Routing	
1- JEF ✓	6- JHC ✓
2- GLH ✓	7- KAS ✓
3- DTS ✓	8- SI ✓
4- VLD ✓	9- FILE ✓
5- JRB ✓	

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: 1-30-98

TO: (new operator)	<u>ROSEWOOD RESOURCES INC</u>	FROM: (old operator)	<u>FREEDOM ENERGY INC</u>
(address)	<u>100 CRESCENT COURT #500</u>	(address)	<u>1050 17TH ST STE 710</u>
	<u>DALLAS TX 75201</u>		<u>DENVER CO 80265</u>
Phone:	<u>(214)871-5718</u>	Phone:	<u>(303)592-3022</u>
Account no.	<u>N7510</u>	Account no.	<u>N3285</u>

WELL(S) attach additional page if needed: **HANGING ROCK UNIT & THIMBLE ROCK UNIT**

Name: **SEE ATTACHED**	API: <u>43-047-32748</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: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

- lec* 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(rec'd 1-21-98)*
- lec* 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(Ref. 1-21-98) (Ref. 2-3-98) (rec'd 2-5-98)*
- 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: _____
- lec* 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.
- lec* 5. Changes have been entered in the **Oil and Gas Information System (3270)** for each well listed above. *(2-3-98)*
- lec* 6. **Cardex** file has been updated for each well listed above. *(2-4-98)*
- lec* 7. **Well file labels** have been updated for each well listed above. *(2-4-98)*
- lec* 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. *(2-3-98)*
- lec* 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

- Sec 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)

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

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- N/A/Sec 1. Copies of documents have been sent on _____ to _____ at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- N/A/Sec 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

- VS 1. All attachments to this form have been microfilmed. Today's date: 3.2.98.

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

980202 Bim/SL Aprv. eff. 1-30-98; includes wells in "Drilling Status" on separate list.

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.

Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.

UTU-57455

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

HANGING ROCK

8. Well Name and No.

HANGING ROCK I #12-4

9. API Well No.

43-047-32748

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

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

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

NENW SECTION 12, T12S, R23E

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

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

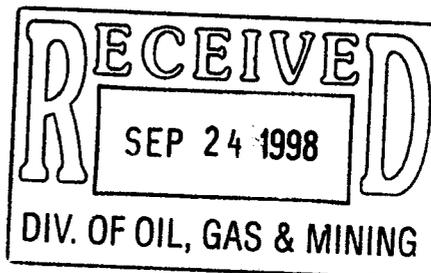
TYPE OF ACTION

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

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

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

Produced water will be tanked on location and then trucked to the state approved TU & FRUM Disposal Facility located in Section 12, T5S, R19E, Uintah County. Produced water will be reported on the Monthly MMS-3160 from.



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

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

Signed

Lucy Rene

Title Administrative Assistant

Date 09/21/98

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
See Attached

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:

2. NAME OF OPERATOR:
MCELVAIN OIL & GAS PROPERTIES, INC.

9. API NUMBER:

3. ADDRESS OF OPERATOR:
1050 17th Street CITY **Denver** STATE **CO** ZIP **80265**

PHONE NUMBER:
(303) 893-0933

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>5/1/2002</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

McElvain Oil & Gas Properties, Inc. will take over as operator of the attached wells from Rosewood - effective 5/1/2002.

Bond # RLB0004154

Operator # N2100

RECEIVED

APR 29 2002

DIVISION OF
OIL, GAS AND MINING

Name Gary Tarabza

Title vice President Rosewood Resources, Inc

Signature *Gary Tarabza*

Date 4/23/02

NAME (PLEASE PRINT) John D. Steuble

TITLE Engineering Manager Mcelvain O & G Properties

SIGNATURE *John D. Steuble*

DATE 4/12/02

(This space for State use only)

API #	FED #	POOL #	COUNTY	LEGAL	WELL NAME
43-047-32871	UTU-57455	OIL SPRINGS	UNITAH	1 12S 23E SESW	HANGING ROCK FED I # 1-14 WS
43-047-32855	UTU-57455	OIL SPRINGS	UNITAH	1 12S 23E NWNW	HANGING ROCK I # 1-4 WS
43-047-32679	UTU-57455	OIL SPRINGS	UNITAH	1 12S 23E SESE	HANGING ROCK FED I # 1-16
43-047-33098	UTU-57455	OIL SPRINGS	UNITAH	10 12S 23E NESW	HANGING ROCK I # 10-13 WS
43-047-32935	UTU-57455	OIL SPRINGS	UNITAH	11 12S 23E SENE	HANGING ROCK I # 11-8 (WSMVD)
43-047-32936	UTU-57455	OIL SPRINGS	UNITAH	12 12S 23E NWNE	HANGING ROCK I # 12-2
43-047-33096	UTU-57455	OIL SPRINGS	UNITAH	12 12S 23E NWSW	HANGING ROCK I # 12-12 WS
43-047-33101	UTU-57455	OIL SPRINGS	UNITAH	12 12S 23E NESE	HANGING ROCK I # 12-9 WS
43-047-32748	UTU-57455	OIL SPRINGS	UNITAH	12 12S 23E NWNW	HANGING ROCK I # 12-4
43-047-33099	UTU-57455	OIL SPRINGS	UNITAH	15 12S 23 E SWNE	HANGING ROCK I # 15-7
43-047-33100	UTU-66426	OIL SPRINGS	UNITAH	7 12S 24E NWSE	HANGING ROCK F # 7-10
43-047-32937	UTU-66426	OIL SPRINGS	UNITAH	7 12S 24E SENE	HANGING ROCK F # 7-8
43-047-32751	UTU-66426	OIL SPRINGS	UNITAH	7 12S 24E SENW	HANGING ROCK F # 7-6
43-047-32872	UTU-70239	OIL SPRINGS	UNITAH	8 12S 24E NWNW	TUCKER FEDERAL F # 8-4
43-047-32993	UTU-70239	OIL SPRINGS	UNITAH	8 12S 24E NWNE	TUCKER FEDERAL F # 8-2
43-047-33132	UTU-73019	BUCK CANYON	UNITAH	5 12S 22E SENW	ROSEWOOD # 5-6
43-047-32604	UTU-66761	ASPHALT WASH	UNITAH	23 11S 24E SESE	THIMBLE ROCK FED # 23-15
43-047-32757	UTU-08424-A	OIL SPRINGS	UNITAH	6 12S 24E SWSE	TOBY FEDERAL F # 6-15
43-047-32840	UTU-65355	BUCK CANYON	UNITAH	19 11S 22E NESE	ROSEWOOD FED # 28-8
43-047-32603	UTU-66408	ROCK HOUSE	UNITAH	24 11S 23E SWSW	HANGING ROCK # 24-13
43-047-32750	UTU-75206	OIL SPRINGS	UNITAH	17 12S 24E NWNW	CENTER FORK FED # 17-4
43-047-33186	UTU-66409	ROCK HOUSE	UNITAH	22 11S 23E SESE	ROSEWOOD FED H # 22-16



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-922

June 18, 2002

McElvain Oil & Gas Properties, Inc.
Attn: Mona Binion
1050 17th Street, Suite 1800
Denver, Colorado 80265

Re: Hanging Rock Unit
Uintah County, Utah

Gentlemen:

We received an indenture dated May 1, 2002, whereby Rosewood Resources, Inc. resigned as Unit Operator and McElvain Oil & Gas Properties, Inc. was designated as Successor Unit Operator for the Hanging Rock 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 June 18, 2002. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Hanging Rock Unit Agreement.

Your statewide (Utah) oil and gas bond No. 1268 will be used to cover all operations within the Hanging Rock 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/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)
Division of Oil, Gas & Mining
Minerals Adjudication Group U-942
File - Hanging Rock Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT922:TAThompson:tt:6/18/02

Results of query for MMS Account Number UTU73518B

Production	API Number	Operator	Well Name	Well Status	Lease or CA Number	Inspection Item	Township	Range	Section	Quarter/Quart
Production	4304732679	ROSEWOOD RESOURCES INC	HANGING ROCK I 1-16	PGW	UTU57455	UTU73518B	12S	23E	1	SESE
Production	4304732748	ROSEWOOD RESOURCES INC	HANGING ROCK 12-4	PGW	UTU57455	UTU73518B	12S	23E	12	NWNW
Production	4304732751	ROSEWOOD RESOURCES INC	HANGING ROCK 7-6	PGW	UTU66426	UTU73518B	12S	24E	7	SENW
Production	4304732871	ROSEWOOD RESOURCES INC	I 1-14	PGW	UTU57455	UTU73518B	12S	23E	1	SESW
Production	4304732935	ROSEWOOD RESOURCES INC	I 11-8	PGW	UTU57455	UTU73518B	12S	23E	11	SENE
Production	4304732936	ROSEWOOD RESOURCES INC	I 12-2	PGW	UTU57455	UTU73518B	12S	23E	12	NWNE
Production	4304732937	ROSEWOOD RESOURCES INC	F 7-8	PGW	UTU66426	UTU73518B	12S	24E	7	SENE
Production	4304733100	ROSEWOOD RESOURCES INC	F 7-10	PGW	UTU66426	UTU73518B	12S	24E	7	NWSE

Results of query for MMS Account Number UTU73518A

Production	API Number	Operator	Well Name	Well Status	Lease or CA Number	Inspection Item	Township	Range	Section	Quarter/Quart
Production	4304732603	ROSEWOOD RESOURCES INC	HANGING ROCK 24-13	PGW	UTU66408	UTU73518A	11S	23E	24	SWSW

DISCLAIMER for online data: No warranty is made by the BLM for use of the data for purposes not intended by the BLM.

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW ✓
3. FILE

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **05-01-2002**

FROM: (Old Operator):	TO: (New Operator):
ROSEWOOD RESOURCES INC	MCELVAIN OIL & GAS PROPERTIES INC
Address: P O BOX 1668	Address: 1050 17TH STREET, STE 1800
VERNAL, UT 84078	DENVER, CO 80265-1801
Phone: 1-(435)-789-0414	Phone: 1-(303)-893-0933
Account No. N7510	Account No. N2100

CA No. Unit: HANGING ROCK

WELL(S)

NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
HANGING ROCK FEDERAL 24-13	24-11S-23E	43-047-32603	11723	FEDERAL	GW	P
HANGING ROCK FEDERAL I 1-14	01-12S-23E	43-047-32871	11889	FEDERAL	GW	P
HANGING ROCK FEDERAL I 1-16	01-12S-23E	43-047-32679	11889	FEDERAL	GW	P
HANGING ROCK FEDERAL I 11-8	11-12S-23E	43-047-32935	12306	FEDERAL	GW	P
HANGING ROCK I 12-2	12-12S-23E	43-047-32936	11889	FEDERAL	GW	P
HANGING ROCK FEDERAL I 12-4	12-12S-23E	43-047-32748	11889	FEDERAL	GW	P
HANGING ROCK FEDERAL F 7-6	07-12S-24E	43-047-32751	11889	FEDERAL	GW	P
HANGING ROCK FEDERAL F 7-8	07-12S-24E	43-047-32937	12305	FEDERAL	GW	P
HANGING ROCK F 7-10	07-12S-24E	43-047-33100	12400	FEDERAL	GW	P

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 04/29/2002
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 04/29/2002
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 07/03/2002
- Is the new operator registered in the State of Utah: YES Business Number: 5078926-0143
- If **NO**, the operator was contacted on: N/A
- (R649-9-2) Waste Management Plan received on: IN PLACE

6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change,

or operator change for all wells listed on Federal or Indian leases on: 06/18/2002

7. Federal and Indian Units:

The BLM or BIA has approved the successor of unit operator for wells listed on: 06/18/2002

8. Federal and Indian Communization Agreements ("CA"):

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

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

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 07/03/2002
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 07/03/2002
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: N/A

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UT 1268

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: N/A

FEE WELL(S) BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

43-047-32748
12 RS 23e
FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
UTU-57455
6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. N/A
2. Name of Operator McElvain Oil & Gas Properties, Inc.		8. Well Name and No. Refer to attachment for list of wells
3a. Address 1050 17th Street, Suite 1800, Denver, CO 80265		9. API Well No. Refer to attachment for list of wells
3b. Phone No. (include area code) (303) 893-0933		10. Field and Pool or Exploratory Area Oil Springs
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Refer to attachment for list of wells		11. Country or Parish, State Uintah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Install pipeline to</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>consolidate</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>compression</u>

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

McElvain Oil & Gas Properties, Inc. would like to consolidate the gas compression and gas gathering for 3 wells in our Hanging Rock Field area into what we will refer to as our "West Hanging Rock Field Central Compression System". We propose to upgrade our current gas gathering layout to allow for common/central compression of our Hanging Rock Federal I 1-14, Hanging Rock Federal I 12-4 and Hanging Rock I 11-8 wells. This can be accomplished with minimal additional surface disturbance by constructing two segments of 4" welded steel pipe. Both of the constructed pipeline segments (± 968 feet and ± 1,181 feet) will lie along the existing road right-of-way. This new pipeline, situated on a single federal lease, will consolidate the gas compression for these 3 producing wells through the wellhead compressor currently located on our Hanging Rock Federal I 1-14 well pad. Royalty ownership is identical for all 3 wells and consists of only 1 owner, the U.S. Minerals Management Service. A map is attached indicating well spots and the pertinent proposed and existing pipe lines. Also attached is a detailed letter explaining the proposed project and a list of wells that will make up the "West Hanging Rock Field Central Compression System."

SENT TO OPERATOR
DATE: 3-14-07
BY: PM

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Barbara Martin	Title Engineer
Signature	Date 02/16/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

CONDITIONS OF APPROVAL, IF ANY, ARE ATTACHED. APPROVAL OF THIS NOTICE DOES NOT WARRANT OR GUARANTEE THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 2/16/07
BY: [Signature]

Federal Approval Of This Action Is Necessary

RECEIVED
FEB 21 2007

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for anyone who 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.

(Instructions on page 2)

McELVAIN OIL & GAS PROPERTIES, INC.

1050 17TH STREET

SUITE 1800

DENVER, COLORADO 80265

BARBARA MARTIN
ENGINEER
E-MAIL: BARBARAM@MCELVAIN.COM

TELEPHONE 303/893-0933 EXT. 345
FAX 303/893-0914

February 16, 2007

McElvain Oil & Gas Properties, Inc. would like to consolidate the gas compression and gas gathering for 3 wells in our Hanging Rock Field area into what we will refer to as our "West Hanging Rock Field Central Compression System". We propose to upgrade our current gas gathering layout to allow for common/central compression of our Hanging Rock Federal I 1-14, Hanging Rock Federal I 12-4 and Hanging Rock I 11-8 wells. This can be accomplished with minimal additional surface disturbance by constructing two segments of 4" welded steel pipe. Both of the constructed pipeline segments (\pm 968 feet and \pm 1,181 feet) will lie along the existing road right-of-way. This new pipeline, situated on a single federal lease, will consolidate the gas compression for these 3 producing wells through the wellhead compressor currently located on our Hanging Rock Federal I 1-14 well pad. Common compression will provide several operational efficiencies, lower operating costs, and result in an increase in gas reserves by lowering each well's productive economic limit. Environmentally, the proposed consolidation will allow for the removal of 2 wellhead compressors on the 12-4 and 11-8 wells and result in the reduction of area gas emissions.

Miscellaneous notes on this proposed project are as follows:

- The entire "West Hanging Rock Field Central Compression System" is situated on a single federal lease (# UTU-57455).
- Royalty ownership is identical for all 3 wells. There is only one royalty owner, the United States' Minerals Management Service.
- A central delivery point (CDP) meter will be installed on our Hanging Rock Federal I 1-14 well pad location. This CDP will act as the sales meter for the West Hanging Rock Field Central Compression System. Allocation of all CDP sales volumes will be based upon the 3 allocation meters located at each of the 3 respective well pads.
- Three wellhead compressors are currently operating on each of the 3 wells. Consolidation of the current 3 well and 3 compressor system into a 3 well 1 compressor system will result in the removal of onsite compression from the Hanging Rock Federal 12-4 and 11-8 wells and reduce area gas emissions by 10 - 12 tons/year.
- The existing gas compressor on our Hanging Rock Federal 1-14 will become our "West Hanging Rock Field Central Compression System". This remaining compressor can easily handle the estimated 200 - 300 MCFGD of combined production from the Hanging Rock Federal 1-14, 12-4 and 11-8 wells. There is no need for a compressor change-out and there will be no increase in gas emissions from the Hanging Rock Federal 1-14 well pad.
- Pipe line installation is estimated to take 5 days and can be conducted from the existing road right-of-way. The pipeline segment from the Hanging Rock 11-8 tie-in to Hanging Rock 12-4 tie-in will lie above ground. The pipeline segment from the Hanging Rock 1-14 well pad to the Canyon Gas Resources' pipeline tie-in will involve an underground county road crossing but will primarily lie above ground. Please see the attached plat.
- The pipe line route was surveyed and an on-site review was subsequently conducted by McElvain's Ivan Sadlier and the BLM's Amy Torres and Holly Villa.

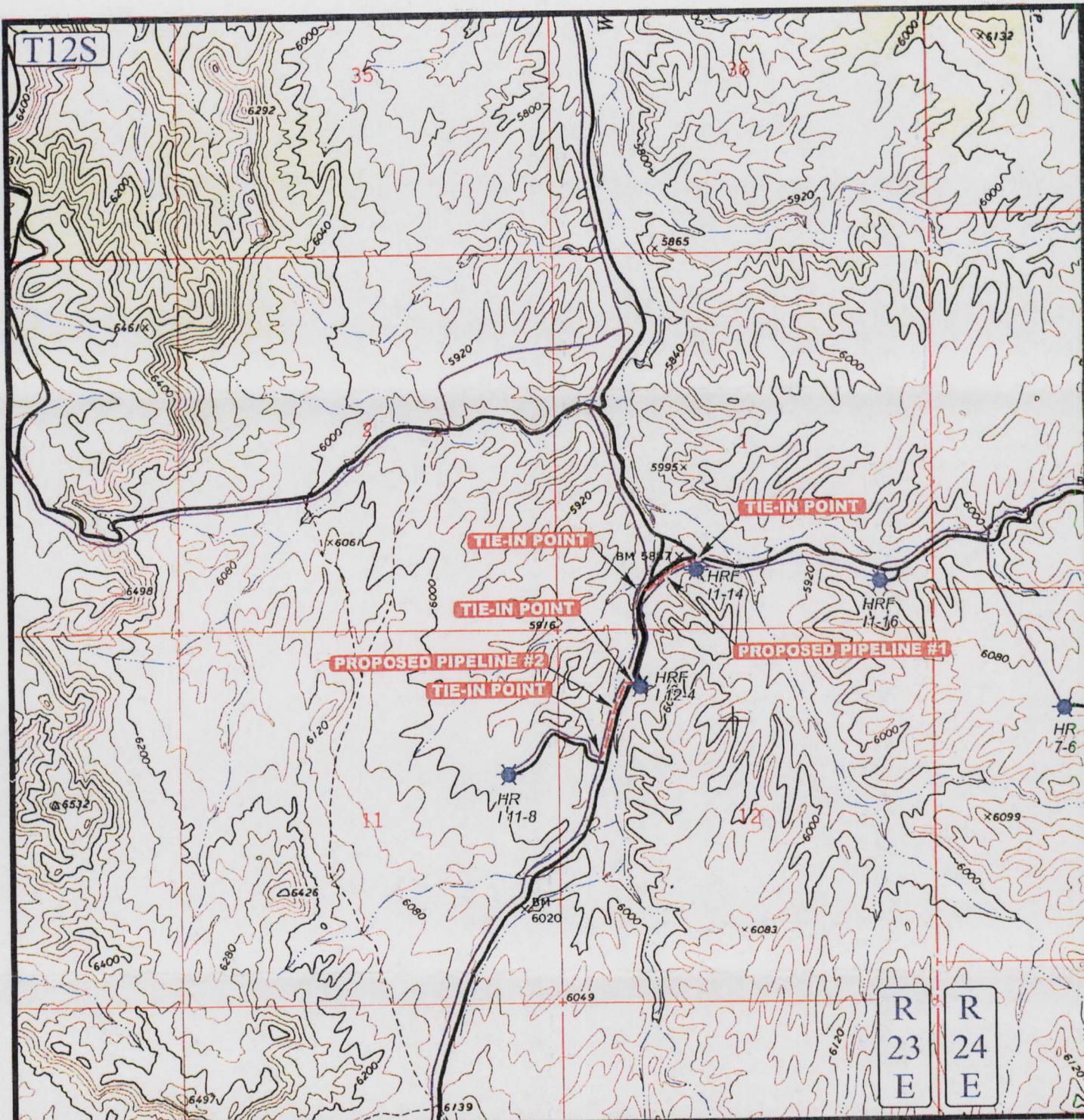
Sincerely,



Barbara Martin

McElvain Oil and Gas Properties, Inc.
Proposed Well Connects to West Hanging Rock Central Compression System

<u>Lease Number</u>	<u>Well Name</u>	<u>API #</u>	<u>Well Location</u>	<u>Station/Meter Number</u>	<u>Remarks</u>
UTU-57455	Hanging Rock Federal I #1-14	43-047-32871	SESW Sec. 1. T12S-R23E	10025	Proposed Addition to West Hanging Rock Central Compression System
UTU-57455	Hanging Rock Federal I #12-4	43-047-32748	NWNW Sec.12. T12S-R23E	50285	Proposed Addition to West Hanging Rock Central Compression System
UTU-57455	Hanging Rock I #11-8	43-047-32935	SENE Sec. 11. T12S-R23E	50234	Proposed Addition to West Hanging Rock Central Compression System



APPROXIMATE TOTAL PIPELINE #2 DISTANCE = 1,181' +/-

APPROXIMATE TOTAL PIPELINE #1 DISTANCE = 968' +/-

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS



McElvain Oil & Gas Properties, Inc.

West Hanging Rock Central Compression
SECTIONS 1 & 12, T12S, R23E, S.L.B.&M.



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

**TOPOGRAPHIC
MAP**

8 17 06
MONTH DAY YEAR

D
TOPO

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 1-29-07

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
UTU-57455

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

3a. Address
1050 17th Street, Suite 1800, Denver, CO 80265

3b. Phone No. (include area code)
(303) 893-0933

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Refer to attachment for list of wells

7. If Unit of CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
West Hanging Rock Central Compression

9. API Well No.
Refer to attachment for list of wells

10. Field and Pool or Exploratory Area
Oil Springs

11. Country or Parish, State
Uintah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Add HRF 11-9 to
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	West Hanging Rock
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Central Compression

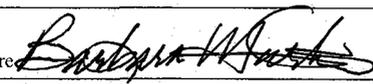
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

McElvain Oil & Gas Properties, Inc. was given approval on May 9, 2007 to lay pipeline to consolidate the gas compression and gas gathering for 3 wells in our Hanging Rock Field area into what we will refer to as our "West Hanging Rock Field Central Compression System". We propose to add the Hanging Rock Federal 11-9 to this upgrade. This would allow for common/central compression of our Hanging Rock Federal I 1-14, Hanging Rock Federal I 12-4, Hanging Rock I 11-8 and Hanging Rock Federal 11-9 wells. This can be accomplished with no additional surface disturbance by constructing one segment of 3"- 4" welded steel pipe. The constructed pipeline segment (± 1950 feet) will lie along the existing road right-of-way. Attached is a map, list of wells and detailed letter explaining the proposed project that will make up the "West Hanging Rock Field Central Compression System."

**Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only**

14. I hereby certify that the foregoing is true and correct.
Name (Printed/Typed)
Barbara Martin

Title Engineer

Signature 

Date 10/11/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice 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.

Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

OCT 15 2007

DM. OF OIL, GAS & MINING

McELVAIN OIL & GAS PROPERTIES, INC.

1050 17TH STREET

SUITE 1800

DENVER, COLORADO 80265

BARBARA MARTIN
ENGINEER
E-MAIL: BARBARAM@MCELVAIN.COM

TELEPHONE 303/893-0933 EXT. 345
FAX 303/893-0914

October 11, 2007

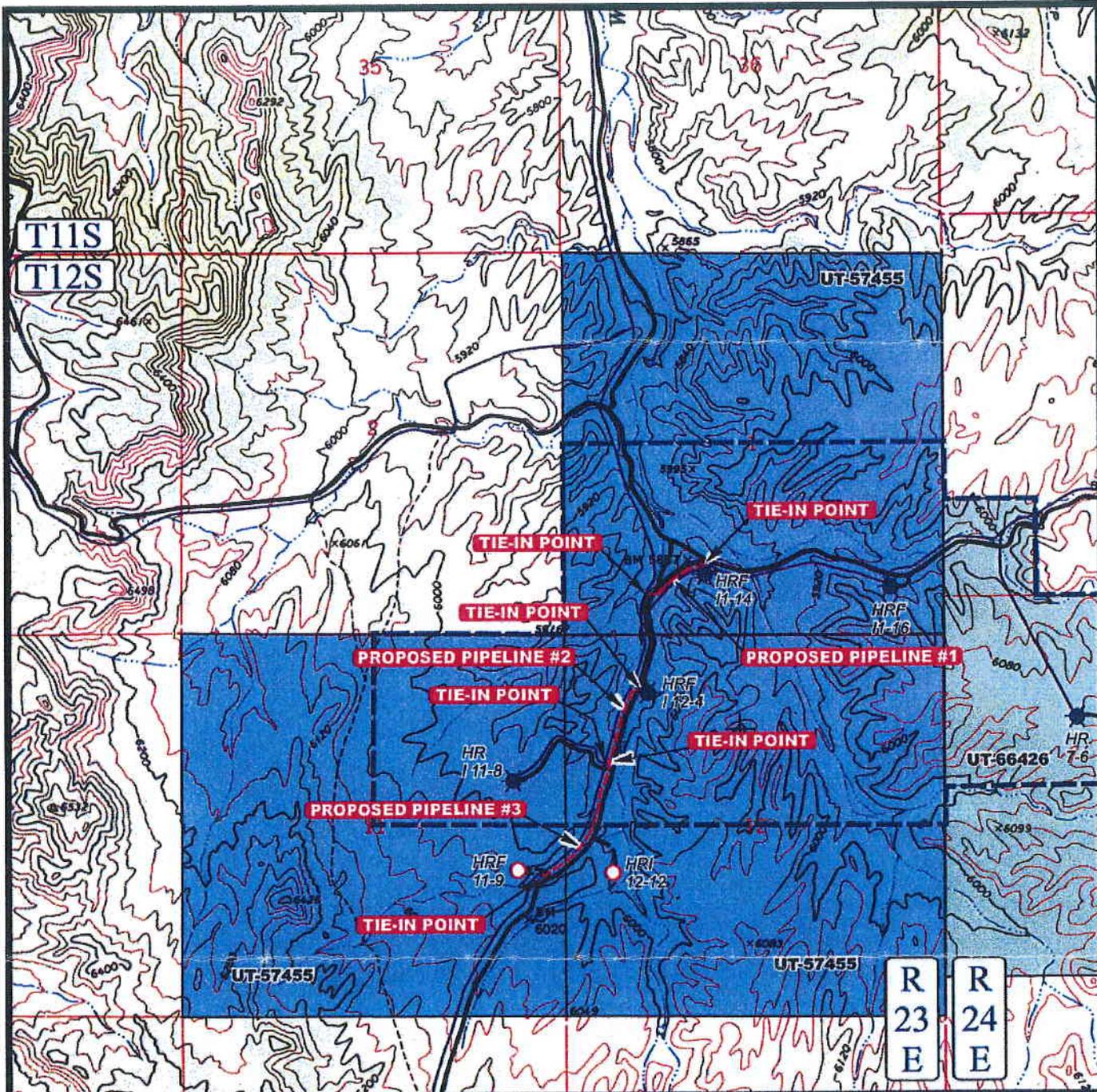
McElvain Oil & Gas Properties, Inc. was given approval on May 9, 2007 to lay pipeline to consolidate the gas compression and gas gathering for 3 wells in our Hanging Rock Field area into what we will refer to as our "West Hanging Rock Field Central Compression System". We propose to add the Hanging Rock Federal 11-9 to this upgrade. This would allow for common/central compression of our Hanging Rock Federal I 1-14, Hanging Rock Federal I 12-4, Hanging Rock I 11-8 and Hanging Rock Federal 11-9 wells. This can be accomplished with no additional surface disturbance by constructing one segment of 3"- 4" welded steel pipe. The constructed pipeline segment (\pm 1950 feet) will lie along the existing road right-of-way. This new pipeline, situated on a single federal lease, will consolidate the gas compression for these 4 producing wells through the wellhead compressor currently located on our Hanging Rock Federal I 1-14 well pad. Common compression will provide several operational efficiencies, lower operating costs, and result in an increase in gas reserves by lowering each well's productive economic limit. Miscellaneous notes on this proposed project are as follows:

- The entire "West Hanging Rock Field Central Compression System" is situated on a single federal lease (# UTU-57455).
- Royalty ownership is identical for all 4 wells. There is only one royalty owner, the United States' Minerals Management Service.
- Gas sales volumes and associated sales revenues attributable to each of the 4 wells behind this CDP meter will be determined and/or allocated as follows:
 - Non-Unit well in Section 11 (Hanging Rock Fed 11-9) will be paid on a "lease basis". The reported gas volume and the associated revenue settlement for each non-unit well will be determined by direct measurement from non-unit individual well-site meter. The non-unit well-site measured meter volume of this well will be defined as the "aggregate lease basis" volume.
 - Unit wells in Section 11, 12 & 1 (HRF I 11-8, HRF I 12-4 & HRF I 1-14) will be paid according to their allocated share of the "Unit basis" volume. "Unit basis" volume is defined as "CDP meter volume minus aggregate lease basis volume". Each unit well will utilize its existing well-site meter as an "allocation meter" to determine its proportionate share of the "Unit basis" volume.
- Pipe line installation is estimated to take 1 day and can be conducted from the existing road right-of-way. The pipeline segment from the Hanging Rock 11-8 tie-in to Hanging Rock Fed 11-9 will lie above ground.

Sincerely,



Barbara Martin



APPROXIMATE TOTAL PIPELINE #3 DISTANCE = 1,950' +/-

APPROXIMATE TOTAL PIPELINE #2 DISTANCE = 1,181' +/-

APPROXIMATE TOTAL PIPELINE #1 DISTANCE = 968' +/-

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS



McElvain Oil & Gas Properties, Inc.
West Hanging Rock Central Compression
SECTIONS 1 & 12, T12S, R23E, S.L.B.&M.



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

TOPOGRAPHIC MAP

8 17 06
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 10-11-07



McElvain Oil and Gas Properties, Inc.
Proposed Well Connects to West Hanging Rock Central Compression System

<u>Lease Number</u>	<u>Well Name</u>	<u>API #</u>	<u>Well Location</u>	<u>Station/Meter Number</u>	<u>Remarks</u>
UTU-57455	Hanging Rock Federal I #1-14	43-047-32871	SESW Sec. 1, T12S-R23E	10025	Proposed Addition to West Hanging Rock Central Compression System
UTU-57455	Hanging Rock Federal I #12-4	43-047-32748	NWNW Sec.12, T12S-R23E	50285	Proposed Addition to West Hanging Rock Central Compression System
UTU-57455	Hanging Rock I #11-8	43-047-32935	SENE Sec. 11, T12S-R23E	50234	Proposed Addition to West Hanging Rock Central Compression System
UTU-57455	Hanging Rock Federal #11-9	43-047-34730	NESE Sec. 11, T12S-R23E	70184	Proposed Addition to West Hanging Rock Central Compression System

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
UTU-57455

6. If Indian, Allottee or Tribe Name
na

7. If Unit or CA/Agreement, Name and/or No.
Hanging Rock Unit (UTU-073518X)

8. Well Name and No.
Hanging Rock Federal # 12 - 4

9. API Well No.
43-047-32748

10. Field and Pool, or Exploratory Area
Oil Springs

11. County or Parish, State
Uintah County, Utah

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **McElvain Oil & Gas Properties, Inc.**

3a. Address
1050 - 17th Street, Suite 2500 Denver, Colorado 80265

3b. Phone No. (include area code)
303.893.0933

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
748' FNL & 1,215' FWL (NWNW) Sec. 12, T12S-R23E SLB&M

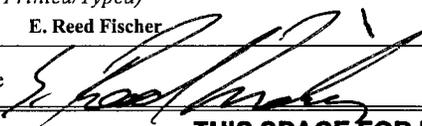
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The referenced well had been shut-in for longer than 90 days. This sundry notice is submitted to notify the BLM of the resumption of production. The well resumed production on Monday, July 12, 2010 and is now selling gas.

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

Name (Printed/Typed) E. Reed Fischer	Title Senior Operations Engineer
Signature 	Date 07/12/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice 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.		
Office _____		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

RECEIVED

JUL 15 2010

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
 1. CDW

Change of Operator (Well Sold)

X - Operator Name Change

The operator of the well(s) listed below has changed, effective: 8/11/2011

FROM: (Old Operator): N2100-McElvain Oil & Gas Properties, Inc. 1050 17th Street, Suite 2500 Denver, CO 80265 Phone: 1 (303) 893-0933	TO: (New Operator): N3795-McElvain Energy, Inc. 1050 17th Street, Suite 2500 Denver, CO 80265 Phone: 1 (303) 893-0933
--	---

CA No.		Unit:		HANGING ROCK				
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST - 9 Wells								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/30/2011
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/30/2011
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/30/2011
- Is the new operator registered in the State of Utah: _____ Business Number: 8078926-0143
- (R649-9-2)Waste Management Plan has been received on: _____
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 8/31/2011
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 8/31/2011
- Bond information entered in RBDMS on: n/a
- Fee/State wells attached to bond in RBDMS on: n/a
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 8/30/2011

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: COB000010
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number n/a
- The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: 8. WELL NAME and NUMBER: SEE ATTACHED LIST
2. NAME OF OPERATOR: McElvain Oil & Gas Properties, Inc. <i>N2100</i>		9. API NUMBER:
3. ADDRESS OF OPERATOR: 1050 17th St, Suite 2500 CITY Denver STATE CO ZIP 80265	PHONE NUMBER: (303) 893-0933	10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT <small>(Submit in Duplicate)</small> Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input checked="" type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input type="checkbox"/> SUBSEQUENT REPORT <small>(Submit Original Form Only)</small> Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

McElvain Oil & Gas Properties, Inc. has changed it's name to McElvain Energy, Inc. Effective August 11, 2011.
 This is ONLY a name change. *N3795*

Our BLM Bond # is COB - 000010

Attached is a well list.

NAME (PLEASE PRINT) <u>Deborah Powell</u>	TITLE <u>Eng Tech Manager</u>
SIGNATURE <u><i>Deborah Powell</i></u>	DATE <u>8/29/2011</u>

(This space for State use only)

APPROVED *8/31/2011*

Earlene Russell
 Division of Oil, Gas and Mining
 Earlene Russell, Engineering Technician

RECEIVED
AUG 30 2011
 DIV. OF OIL, GAS & MINING

Hanging Rock Unit Wells

HANGING ROCK FEDERAL 24-13	24	110S	230E	4304732603	11723	Federal	GW	P	UTU-66408
HANGING ROCK FEDERAL I 1-16	01	120S	230E	4304732679	11889	Federal	GW	P	UTU-57455
HANGING ROCK FEDERAL I 12-4	12	120S	230E	4304732748	11889	Federal	GW	P	UTU-57455
HANGING ROCK FEDERAL F 7-6	07	120S	240E	4304732751	11889	Federal	GW	P	UTU-66426
HANGING ROCK FEDERAL I 1-14	01	120S	230E	4304732871	11889	Federal	GW	P	UTU-57455
HANGING ROCK I 11-8	11	120S	230E	4304732935	12306	Federal	GW	P	UTU-47455
HANGING ROCK FED F 7-8	07	120S	240E	4304732937	12305	Federal	GW	S	UTU-66426
HANGING ROCK F 7-10	07	120S	240E	4304733100	12400	Federal	GW	P	UTU-66426
HANGING ROCK FED 7-2	07	120S	240E	4304735084	14019	Federal	GW	P	UTU-66426

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
 CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **8/1/2014**

FROM: (Old Operator): McElvain Energy, Inc. N3795 1050 17th Street, Suite 2500 Denver, CO 80265 303-893-0933	TO: (New Operator): Onshore Royalties, LLC N4140 P.O. Box 2326 Victoria, TX 77902 361-570-1600
---	--

WELL NAME	CA No.	SEC	TWN	RNG	API NO	Unit:	Haning Rock	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List											

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/14/2014
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/14/2014
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/15/2014
- Is the new operator registered in the State of Utah: _____ Business Number: 9116573-0161
- (R649-9-2)Waste Management Plan has been received on: N/A
- Inspections of LA PA state/fee well sites complete on: N/A
- Reports current for Production/Disposition & Sundries on: 8/15/2014
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM Not Yet BIA N/A
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: Not Yet
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 9/15/2014
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/15/2014
- Bond information entered in RBDMS on: N/A
- Fee/State wells attached to bond in RBDMS on: N/A
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A
- Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000644
- Indian well(s) covered by Bond Number: N/A
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number N/A
- The **FORMER** operator has requested a release of liability from their bond on: N/A

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

McElvain Energy, Inc N3795 to Onshore Royalties, LLC. N4140
 Effective 8/1/2014

Well Name	Section	TWN	RNG	API Number	Entity	Mineral Lease	Well Type	Well Status	Unit
HANGING ROCK FEDERAL 24-13	24	110S	230E	4304732603	11723	Federal	GW	P	HANGING ROCK
HANGING ROCK FEDERAL I 1-16	1	120S	230E	4304732679	11889	Federal	GW	P	HANGING ROCK
HANGING ROCK FEDERAL I 12-4	12	120S	230E	4304732748	11889	Federal	GW	P	HANGING ROCK
HANGING ROCK FEDERAL F 7-6	7	120S	240E	4304732751	11889	Federal	GW	P	HANGING ROCK
TOBY FEDERAL F 6-15	6	120S	240E	4304732757	12037	Federal	GW	P	
HANGING ROCK FEDERAL I 1-14	1	120S	230E	4304732871	11889	Federal	GW	P	HANGING ROCK
TUCKER FEDERAL F 8-4	8	120S	240E	4304732872	12125	Federal	GW	P	
HANGING ROCK I 11-8	11	120S	230E	4304732935	12306	Federal	GW	P	HANGING ROCK
HANGING ROCK F 7-10	7	120S	240E	4304733100	12400	Federal	GW	P	HANGING ROCK
HANGING ROCK FED 11-9	11	120S	230E	4304734730	14017	Federal	GW	P	
HANGING ROCK I-8	1	120S	230E	4304736042	15514	Federal	GW	P	
TUCKER FED 8-6	8	120S	240E	4304736837	15513	Federal	GW	P	
CENTER FORK F 17-4	17	120S	240E	4304732750	12038	Federal	GW	S	
ROSEWOOD FED 28-8	28	110S	220E	4304732840	12442	Federal	GW	S	
HANGING ROCK FED I 1-4	1	120S	230E	4304732855	12389	Federal	GW	S	
HANGING ROCK FED F 7-8	7	120S	240E	4304732937	12305	Federal	GW	S	HANGING ROCK
TUCKER FEDERAL F 8-2	8	120S	240E	4304732993	12386	Federal	GW	S	
TUCKER FED 8-12	8	120S	240E	4304734729	13740	Federal	GW	S	
HANGING ROCK FED 7-2	7	120S	240E	4304735084	14019	Federal	GW	S	HANGING ROCK
TUCKER FED 8-10	8	120S	240E	4304739187	16399	Federal	GW	S	
HANGING ROCK FED 1-2	1	120S	230E	4304739430	16400	Federal	GW	S	

RECEIVED

AUG 14 2014

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR: McElvain Energy, Inc. N3795

3. ADDRESS OF OPERATOR: 1050 17th St, Suite 2500 CITY Denver STATE CO ZIP 80265 PHONE NUMBER: _____

4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: _____

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____

7. UNIT or CA AGREEMENT NAME: _____

8. WELL NAME and NUMBER: Attached

9. API NUMBER: _____

10. FIELD AND POOL, OR WILDCAT: _____

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

McElvain Energy, Inc. current operator of the attached wells, has sold all wells on the attached list to:

Onshore Royalties, LLC
P.O. Box 2326
Victoria, TX 77902
N4140
Utah Operator # N4140
Effective 8/1/2014

McElvain Energy, Inc.
Steven W. Shefte
Steven W. Shefte
Vice President -COO

Michael Hahn
Onshore Royalties, LLC.
Michael Hahn
Operations Manager

BLM Bond: UTB000644

NAME (PLEASE PRINT) Deborah Powell TITLE Eng Tech Manager

SIGNATURE *Deborah Powell* DATE 8/13/2014

(This space for State use only)

APPROVED

SEP 15 2014

DIV. OIL GAS & MINING
BY: *Rachel Medina*

State of Utah
 Department of Natural Resources
 Division of Oil, Gas & Mining

Change of Operator From McElvain Energy, LLC (N3795)
 To: Onshore Royalties, LLC (N4140)

Well Name	API	Legal	Status	Well Type	Utah ID	BLM ID
Center Fork F 17-4	43-047-32750	T12S R24E Sec 17 NWNW	S	GW	12038	UTU75206
Hanging Rock Fed 11-9	43-047-34730	T12S R23E Sec 11 NESE	P	GW	14017	UTU57455
Hanging Rock Fed 1-2	43-047-39430	T12S R23E Sec 1 NWNE	S	GW	16400	UTU57455
Hanging Rock Fed 1-8	43-047-36042	T12S R23E Sec 1 SENE	P	GW	15514	UTU57455
Hanging Rock Fed 7-2	43-047-35084	T12S R24E Sec 7 NWNE	S	GW	14019	UTU73518B
Hanging Rock Fed I 1-14	43-047-32871	T12S R23E Sec 1 SESW	P	GW	11889	UTU73518B
Hanging Rock Fed 24-13	43-047-32603	T11S R23E Sec 24 SWSW	P	GW	11723	UTU73518A
Hanging Rock Fed 7-6	43-047-32751	T12S R24E Sec 7 SENW	P	GW	11889	UTU73518B
Hanging Rock Fed 7-8	43-047-32937	T12S R24E Sec 7 SENE	S	GW	12305	UTU73518B
Hanging Rock Fed F 7-10	43-047-33100	T12S R24E Sec 7 NWSE	P	GW	12400	UTU73518B
Hanging Rock Fed I 1-16	43-047-32679	T12S R23E Sec 1 SESE	P	GW	11889	UTU73518B
Hanging Rock Fed I 11-8	43-047-32935	T12S R23E Sec 11 SENE	P	GW	12306	UTU73518B
Hanging Rock Fed I 1-4	43-047-32855	T12S R23E Sec 1 NWNW	S	GW	12389	UTU57455
Hanging Rock Fed I-12-4	43-047-32748	T12S R23E Sec 12 NWNW	P	GW	11889	UTU73518B
Rosewood Fed 28-8	43-047-32840	T11S R22E Sec 28 SENE	S	GW	12442	UTU65355
Toby Federal F 6-15	43-047-32757	T12S R24E Sec 6 SWSE	P	GW	12037	UTU08424A
Tucker Fed 8-10	43-047-39187	T12S R24E Sec 8 NWSE	S	GW	16399	UTU70239
Tucker Fed 8-12	43-047-34729	T12S R24E Sec 8 NWSW	S	GW	13740	UTU70239
Tucker Fed 8-6	43-047-36837	T12S R24E Sec 8 SENW	P	GW	15513	UTU70239
Tucker Fed F 8-2	43-047-32993	T12S R24E Sec 8 NWNE	P	GW	12386	UTU70239
Tucker Fed F 8-4	43-047-32872	T12S R24E Sec 8 NWNW	P	GW	12125	UTU70239