

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
 1050 - 17th St., Suite #710, Denver, Co 80265 303-592-3022

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
 845' FSL, 1950' FWL, SE1/4, SW1/4, Sec. 1, T12S, R23E
 2 2/3' 6 1/4' At proposed prod. zone

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

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 845'

16. NO. OF ACRES IN LEASE
 10,092.71

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

13. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 2650'

19. PROPOSED DEPTH
 4700'

20. ROTARY OR CABLE TOOLS
 ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5907'

22. APPROX. DATE WORK WILL START*
 April 15, 1997

23. PROPOSED, CEMENTING AND CEMENTING PROGRAM

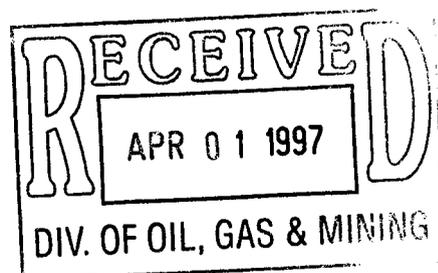
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT TO SURFACE
12 1/4	9 5/8	36	300	TO SURFACE
7 7/8	4 1/2	11.6	T.D.	CMT TOP TO COVER THE OIL SHALE

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

CONFIDENTIAL



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
 SIGNED WILLIAM A. RYAN TITLE PETROLEUM ENGINEER DATE Mar 25 1997

(This space for Federal or State office use)

PERMIT NO. 43-047-32871 APPROVAL DATE _____

APPROVED BY John R. Bay TITLE Petroleum Engineer DATE 5/27/97
 CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Bills Working Copy

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

FREEDOM ENERGY, INC.

Well location, HANGING ROCK FEDERAL "1" #1-14, located as shown in the SE 1/4 SW 1/4 of Section 1, T12S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 87 EAM LOCATED 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.



SCALE

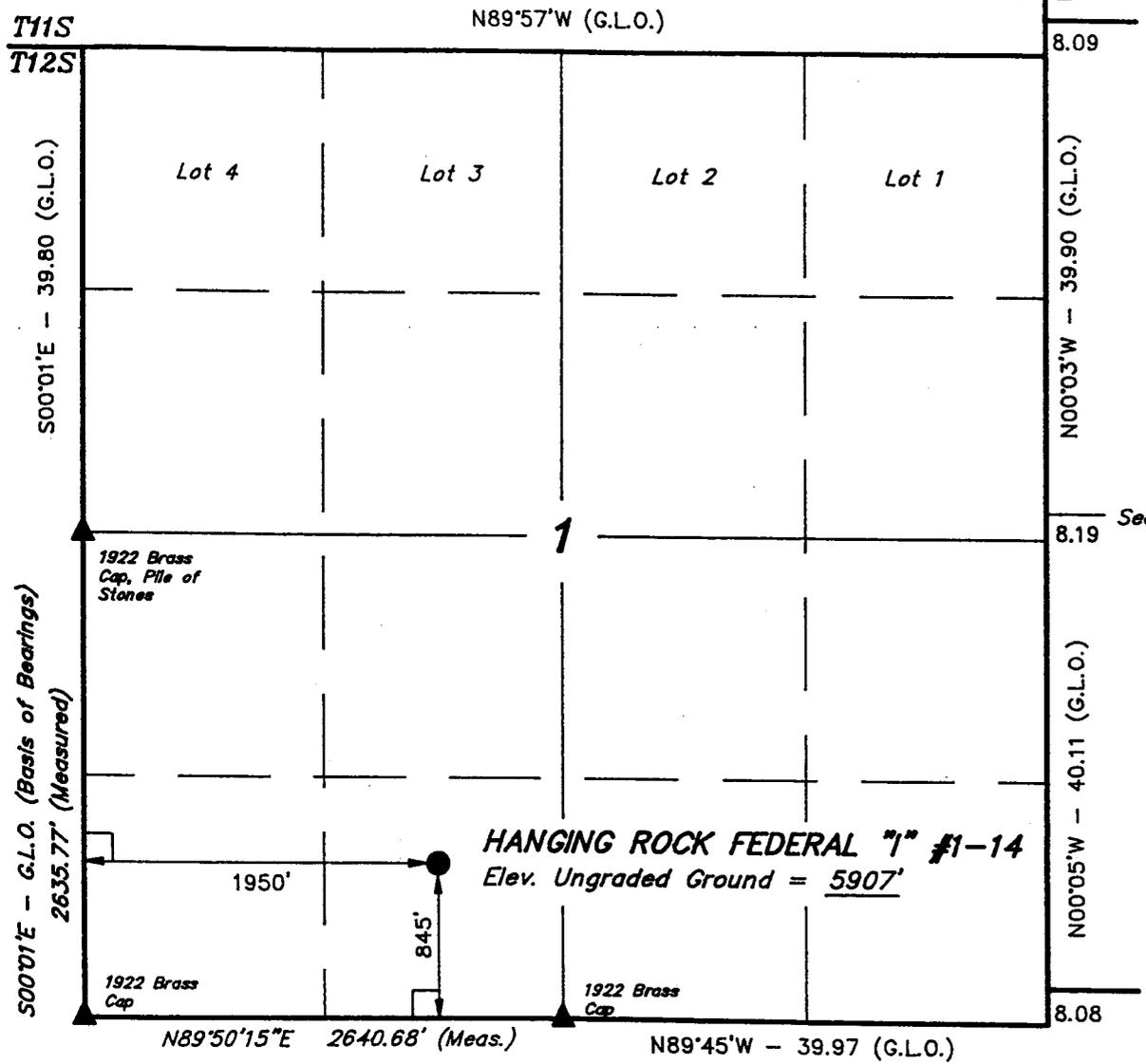
CERTIFICATE

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

Robert L. Gray
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

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

SCALE 1" = 1000'	DATE SURVEYED: 2-18-97	DATE DRAWN: 2-24-97
PARTY J.F. K.S. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE FREEDOM ENERGY, INC.	



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

SELF-CERTIFICATION STATEMENT

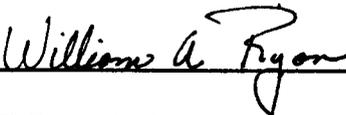
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

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

**Hanging Rock Federal I 1-14
SE 1/4, SW 1/4, Section 1, 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, BLM Bond #UT-1030.



**William A. Ryan
Agent
Rocky Mountain Consulting
350 S. 800 E.
Vernal UT 84078
801-789-0968 Office
801-823-6152 Cell
801-789-0970 Fax**

Ten Point Plan

Freedom Energy, Inc.
Hanging Rock Federal I
1-14

Surface Location SE 1/4, SW 1/4, Section 1, 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	5,907' G.L.
Oil Shale	500	5,407
Wasatch	2,632	3,275
Mesaverde formation	4,232	1,675
T.D.	4,632	1,275

3. Producing Formation Depth:

Formation objective include the Wasatch and its submembers.

Off Set Well Information:

Off set well: None

4. Proposed Casing :

<u>Hole</u> <u>Size</u>	<u>Casing</u> <u>Size</u>	<u>Weight/Ft.</u>	<u>Grade</u> <u>& Tread</u>	<u>Setting</u> <u>Depth</u>	<u>Casing</u> <u>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/LTC	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# Gilsonite/sk	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 2000 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	Water/Gel

7. Auxiliary Equipment:

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

8. Testing, Coring, Sampling and Logging:

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

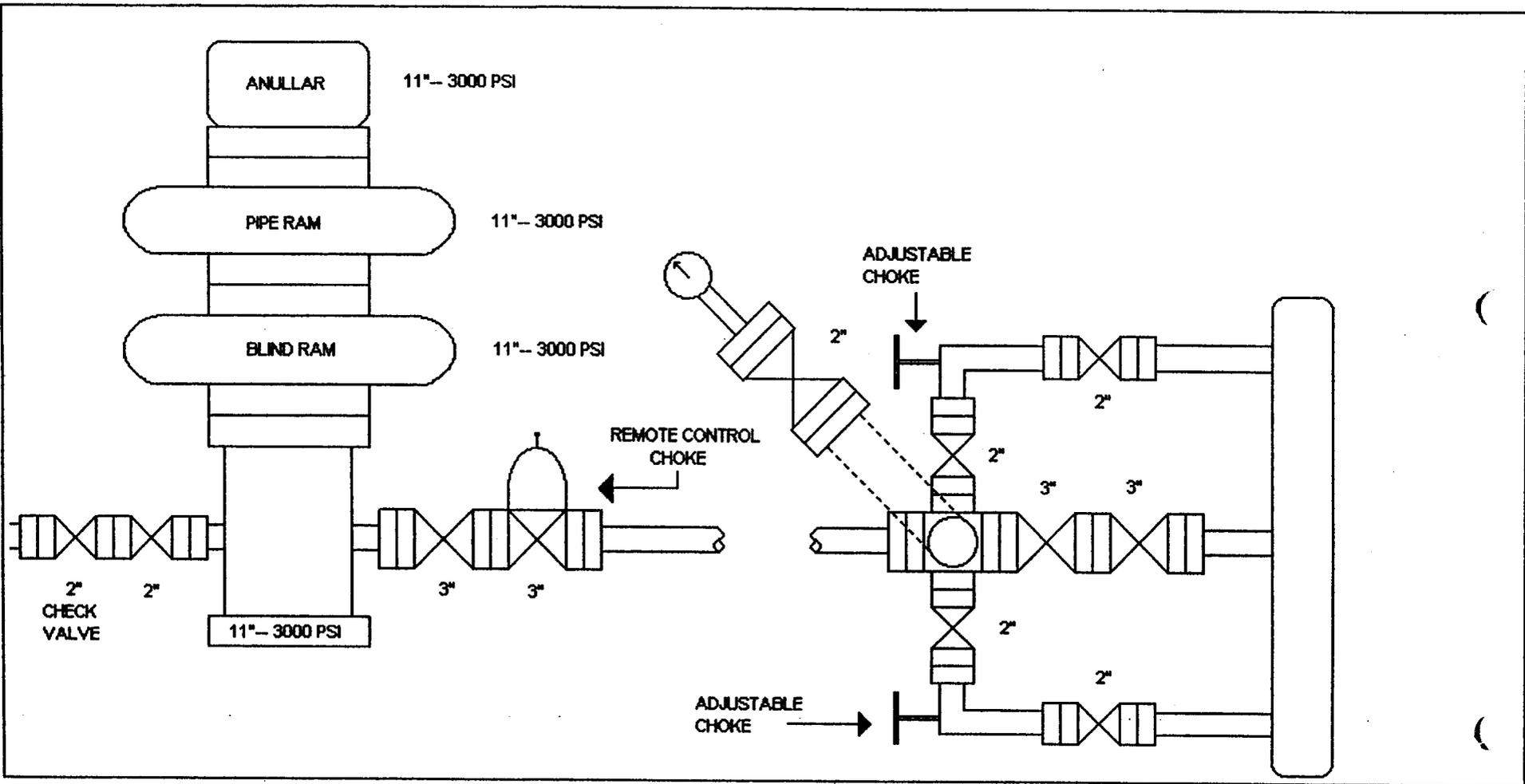
Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

9. Abnormalities (including sour gas):

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

10. Drilling Schedule:

The anticipated starting date is April 15, 1997. Duration of operations expected to be 30 days.



FREEDOM ENERGY, INC.

13 POINT SURFACE USE PLAN

FOR WELL

HANGING ROCK FEDERAL I

1-14

LOCATED IN

SE 1/4, SW 1/4

SECTION 1, T. 12 S., R. 23 E., U.S.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: U-57455

SURFACE OWNERSHIP: FEDERAL

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, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

A proposed surface gas line will be constructed and tie into an existing 4" line. The existing line is adjacent to the location. Please see the attached location diagrams for pipe line location. There will be no additional surface disturbances required for the installation of a gathering line. The line will be a 2" or 4" steel line.

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

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter proving 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 permit # 49-1595. The distribution point is in Section 7, T11S, R25E. A second location may be used, it would be Rosewoods water station in Section 13, T11S, R23E. 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 unless the pit is blasted or soil conditions would warrant a pit liner.

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

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	24.8 ft.
G)	Max fill	14.2 ft.
H)	Total cut yds	10,740 cu. yds.
I)	Pit location	south side
J)	Top soil location	west and east side
K)	Access road location	east side
L)	Flare pit	south west corner

Please see the attached location diagram for additional details.

Please note that the reserve pit backfill and spoils stockpile has been moved on the location plats.

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:

Access road	Federal
Location	Federal
Pipe line	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 not been surveyed due to the snow on the ground. As soon as the snow melts an archeological survey will be conducted. A copy of that survey will be forwarded to your office as soon as the work has been performed.

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

D) Water:

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 west side of the location, between points C and 6 on the location plat. All fluids will be removed from the pit within 48 hours of occurrence.

13. 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

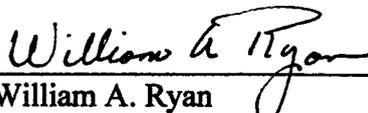
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable laws, regulations, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. 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 3/25/97


William A. Ryan
Petroleum Engineer
Rocky Mountain Consulting

Onsite Date:

Feb. 27, 1997

Participant on joint inspection:

William Ryan

Rocky Mountain Consulting

Byron Tolman

BLM

Statement of use of Hazardous Material

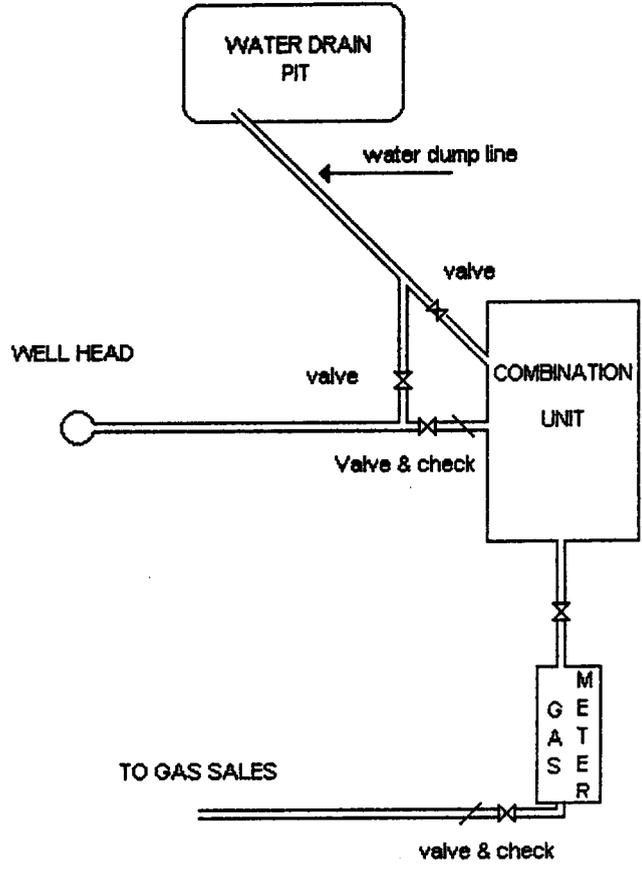
No chemical(s) from the EPA's Consolidated list of Chemicals subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) of 1986. will be used, produced, transported, stored, disposed, or associated with the proposed action, No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

William A Ryan
Agent for Freedom Energy
Rocky Mountain Consulting
350 S. 800 E.
Vernal Utah, 84078

Telephone
(801) 789-0968 office
(801) 823-6152 cellular
(801) 789-0970 fax

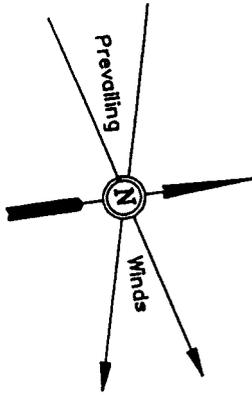
FREEDOM ENERGY INC.
TYPICAL
GAS WELL



FREEDOM ENERGY, INC.

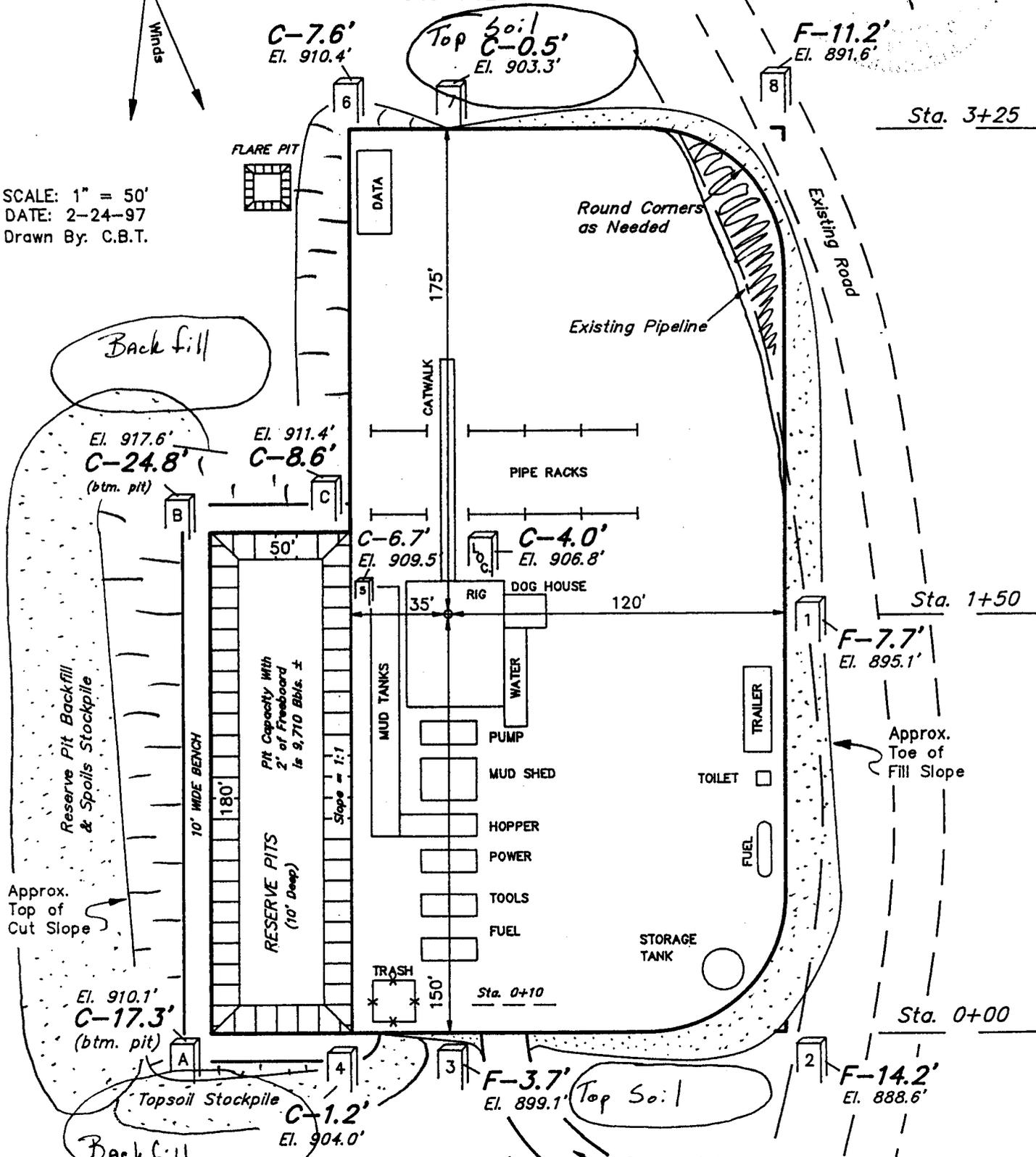
LOCATION LAYOUT FOR

HANGING ROCK FEDERAL "I" #1-14
SECTION 1, T12S, R23E, S.L.B.&M.
845' FSL 1950' FWL



[Handwritten Signature]

SCALE: 1" = 50'
DATE: 2-24-97
Drawn By: C.B.T.



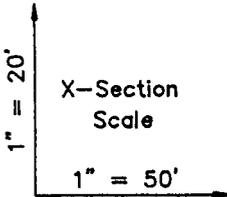
Elev. Ungraded Ground at Location Stake = 5906.8'
Elev. Graded Ground at Location Stake = 5902.8'

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

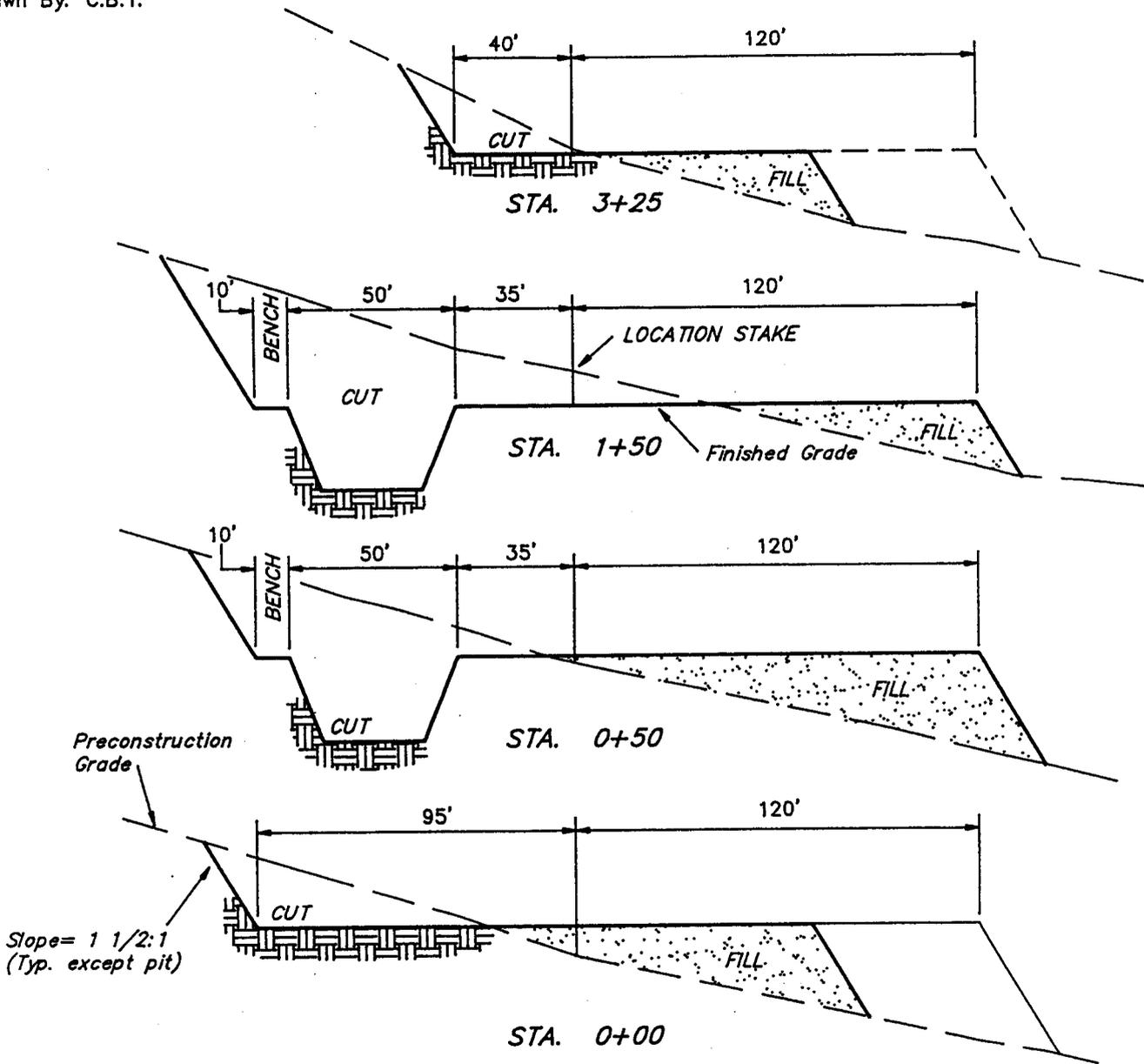
FREEDOM ENERGY, INC.

TYPICAL CROSS SECTIONS FOR

HANGING ROCK FEDERAL "1" #1-14
SECTION 1, T12S, R23E, S.L.B.&M.
845' FSL 1950' FWL



DATE: 2-24-97
Drawn By: C.B.T.

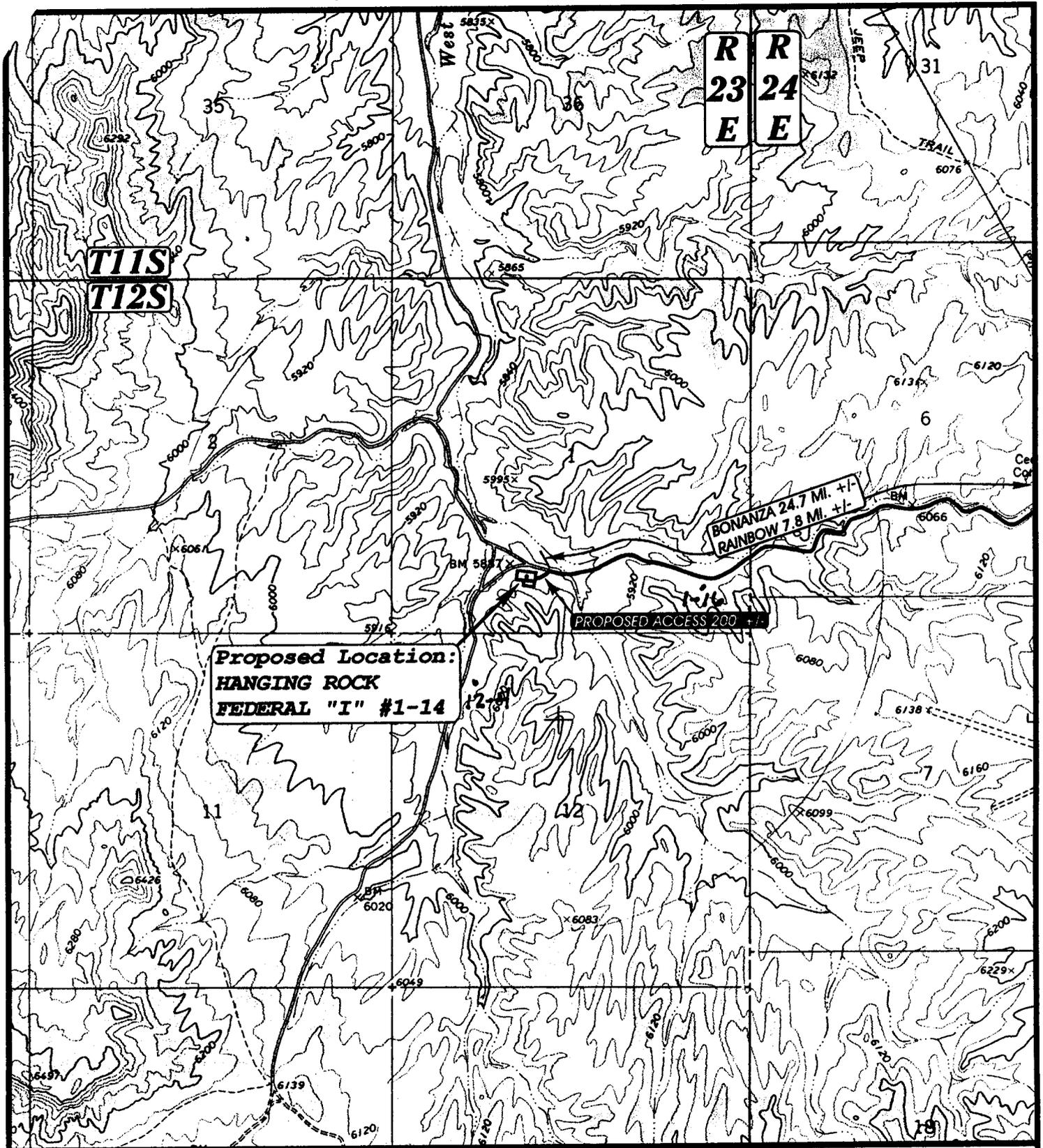


APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,100 Cu. Yds.
Remaining Location	= 9,640 Cu. Yds.
TOTAL CUT	= 10,740 CU.YDS.
FILL	= 7,950 CU.YDS.

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

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



**Proposed Location:
HANGING ROCK
FEDERAL "I" #1-14**

**R R
23 24
E E**

**T11S
T12S**

**BONANZA 24.7 MI. +/-
RAINBOW 7.8 MI. +/-**

PROPOSED ACCESS 200 +/-

UELS

**TOPOGRAPHIC
MAP "B"**

**DATE: 2-24-97
Drawn by: J.L.G.**



**FREEDOM ENERGY, INC.
HANGING ROCK FEDERAL "I" #1-14
SECTION 1, T12S, R23E, S.L.B.&M.
845' FSL 1950' FWL**

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

SCALE: 1" = 2000'

T11S

T12S

5865

5920

5840

5995x

BM 5887 X

SEE DETAIL "A"

Proposed Location:
HANGING ROCK
FEDERAL "I" #1-14

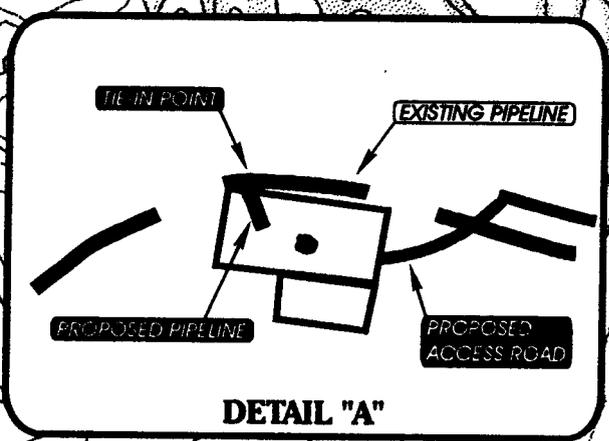
6000

5920

6000

R R
23 24
E E

APPROXIMATE TOTAL PIPELINE DISTANCE = 100' +/-



UELS

TOPOGRAPHIC
MAP "C"

--- Existing Pipeline
- - - Proposed Pipeline



FREEDOM ENERGY, INC.

HANGING ROCK FEDERAL "I" #1-14
SECTION 1, T12S, R23E, S.L.B.&M.

DATE: 2-24-97
Drawn by: J.L.G.

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

SCALE: 1" = 1000'

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/01/97

API NO. ASSIGNED: 43-047-32871

WELL NAME: HANGING ROCK FEDERAL I 1-14
OPERATOR: FREEDOM ENERGY INC. (N3285)

PROPOSED LOCATION:
SESW 01 - T12S - R23E
SURFACE: 0845-FSL-1950-FWL
BOTTOM: 0845-FSL-1950-FWL
UINTAH COUNTY
UNDESIGNATED FIELD (002)

LEASE TYPE: FED
LEASE NUMBER: U - 57455

PROPOSED PRODUCING FORMATION: MVRD

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

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Federal State Fee
(Number 47-1030)
 Potash (Y/N)
 Oil shale (Y/N)
 Water permit
(Number 49-1595)
 RDCC Review (Y/N)
(Date: _____)

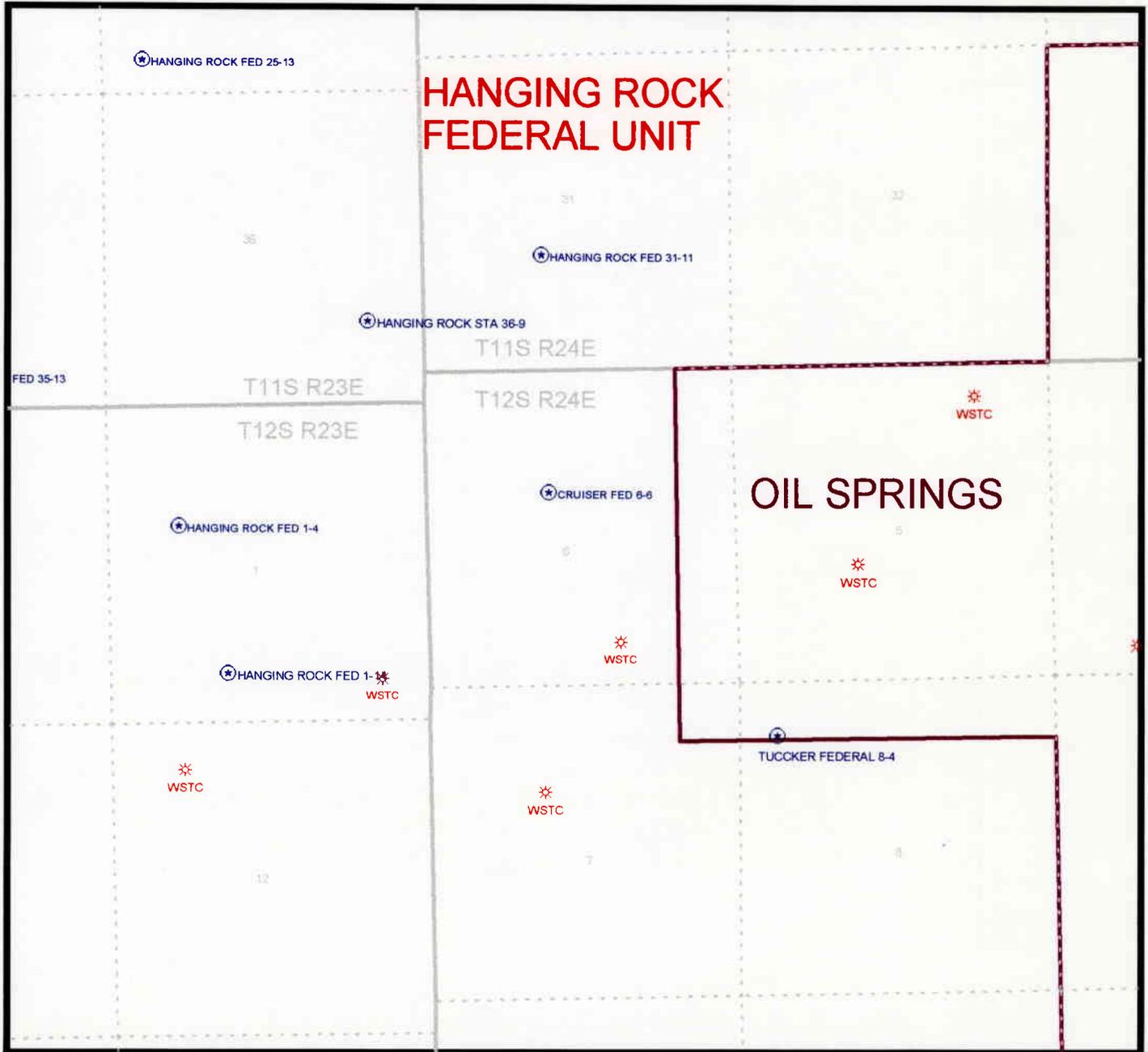
LOCATION AND SITING:

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

COMMENTS: _____

STIPULATIONS: _____

OPERATOR: FREEDOM ENERGY (N3285)
FIELD: UNDESIGNATED (002)
SEC, TWP, RNG: 36, 1, 8, T11 & 12 S R23 & 24 W
COUNTY: UINTAH
UAC: R649-2-3



PREPARED:
DATE: 2-APR-97

OPERATOR FREEDOM ENERGY, INC.

OPERATOR ACCT. NO. N 3285

ADDRESS 1050 17TH. ST. STE. 710

DENVER, CO. 80265

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	11889	43-047-32871	HANGING ROCK FEDERAL I 1-14	SE/SW 1	12S	23E	UINTAH	5-2-97		
WELL 1 COMMENTS: 5TH WELL IN HANGING ROCK UNIT <i>Entity added 5-28-97. See (Hanging Rock "wstc-murd PA. "B")</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.

Paul Frank
Signature
VICE-PRESIDENT
Title
5-12-97
Date
Phone No. (303) 592-3022

UNITED 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 reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

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

3. Lease Designation and Serial No.
U-57455

4. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
HANIGING ROCK

8. Well Name and No.
Fed. I 1-14 Hanging Rock

9. API Well No.
43-047-32871

10. Field and Pool, or Exploratory Area
WILD CAT

11. County or Parish, State
UINTAH 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

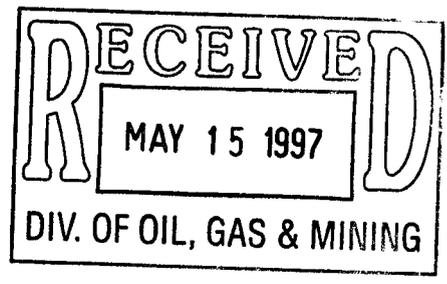
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
845' FSL, 1950' FWL, SE/SW SEC.1-T12S-R23E

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input 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 DRLG. REPORT
	<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

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 ENCLOSED



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

Signed Paul J. Franko Title VICE-PRESIDENT Date 5-12-97

(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.

FREEDOM ENERGY, INC.

**HANGING ROCK FEDERAL I 1-14
845' FSL, 1950' FWL
SE/SW SEC.1-12S-R23E
UINTAH COUNTY, UTAH**

**API# 43-047-32871
LEASE # U-57455
GL: 5907'
KB: 5919'**

DIRECTIONS: SOUTH OF VERNAL ON HWY 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 8.3 MILES, LEFT SIDE OF ROAD.

04-24-97 MIRU Stubbs and Stubbs. Build location.

05-02-97 MIRU Bill Jr's. Rathole. Spud surface @ 9:00 a.m. 5-2-97. Drill 315' 12-1/4" hole.
D.C. \$11,000 C.C. \$11,000

05-04-97 Run casing. 7 jts. 9-5/8", 36#, j-55, STC, landed @ 310'. Ran guide shoe and insert float on top of first jt. Ran 7 centralizers, one on each jt. MIRU B.J. Services. Cement as follows. Pump 10 bbls. gel ahead. Pump 5 bbls. H2O, cement with 165 sks. class G, 2% CaCL, 1/4#/sk cello flakes. Yield- 1.14 cu.ft./sk. Mixed @ 15.8# per gal. Cement to surface with 12 bbls. remaining in flush. Good returns. Cut off casing. Weld on 9-5/8", 3M, head. MIRU Nabors Rig 908.
D.C. \$18,238 C.C. \$29,238

05-05-97 DRLG. @ 1093'. 756' in 11.25 hrs. RPM- 60/100, WOB- 35m, PP- 500 psi., St. Wt.- 50m, drlg with water. BHA- Bit, M.M., 18 D.C., 560'. Bit #1: 7-7/8", Reed, HP53A, 14,14,15, In- 337', 756' in 11.25 hrs. Surveys- 500'- 3/4 deg. 1000'- 1 deg. Drlg.- 11.25, Trip- 2, Surveys- 1, NU- 2, RR- .25, PU Tools- 3, W.O. Cement- 4.5 Cumm. Drlg.- 11.25
Compleat BOP test. P.U. d.c.s. Tag cement @ 268'. Drill cement and float. Drill out of shoe @ 8:00 p.m. 5-4-97.
D.C. \$16,105 C.C. \$45,343

05-06-97 DRLG. @ 2547'. 1454' in 22.5 hrs. RPM- 60/100, WOB- 35m, PP-650/850, St. Wt.- 60m, Visc.- 38, Wt.- 8.8, FL- 12.4, FC- 2/32, PH- 9.5, Chl.- 3800, PV- 10, YP- 10, Gels- 3, 10 min.- 8, Solids- 3.4%, Water- 96.6%. Surveys- 1580'- 1-3/4 deg., 2000'- 3/4 deg. Drlg.- 22.5, Surveys- 1.5, Cumm. Drlg.- 33.75 hrs.
D.C. \$28,620 C.C. \$73,963

05-07-97 DRLG. @ 3445'. 898' in 22.5 hrs. RPM- 60/100, WOB- 25/30m, PP- 900/1100, St. Wt.- 66m. Visc. - 36, Wt.- 8.9, FL- 12.4, FC- 2/32, Ph.-9.5, Chl.- 2800, PV- 10, YP- 10, Gels-2, 10 min- 5, Solids- 6.3%, Water- 93.7%. Surveys- 3000'- 3-1/2 deg. 3150'- 2-3/4 deg. Drlg.- 22.5, Surveys- .75, R.S.- .75, Cumm. Drlg.- 56.25
D.C. \$17,590 C.C. \$91,553

05-08-97 DRLG. @ 4130'. 685' in 22 hrs. RPM- 60/100, WOB- 28/30m, PP- 1100/1400, St. Wt.- 71m. Visc.-36, Wt.- 9.1, FL- 8.8, FC- 2/32, Ph- 9.8, Chl.- 4900, PV- 10, YP-5, Gels- 2, 10 min.- 3, Cal.- 80, Solids- 5.4%, Water- 94.6%. Surveys- 3400'- 3 deg., 3710'- 4-1/2 deg. 3990'- 5 deg. Cumm. Drlg.- 78.25
D.C. \$14,906 C.C. \$106,459

05-09-97 Logging. TD @ 5:00 p.m. 5-8-97 @ 4450'. Made 320' in 9.5 hrs. Circ. 1/2 hr. Short trip. Circ. 1 hr. TOOH. MIRU Schlumberger @ 10:30 p.m. Run Array Induction/GR/SP CNL/CMR. DTD- 4450'. LTD- 4448'. WT.- 9.2, Visc.- 38, FL- 9.2, FC- 2/32, Chl- 4800, PV- 12, YP- 7, Gels- 2, 10 min.- 4, Calc.- 80, Solids- 6%, Water- 94%. Bit #1- Reed HP53A, 14-14-15, In- 337', Out 4450'. 4113' in 87.75 hrs. Survey- 4420'- 5-3/4 deg. Drlg.- 9.5, Trip- 3.75, Survey- .25, RS- .5, Logging- 8.5, C&C- 1.5. Cumm. Drlg.- 87.75
D.C. \$10,108 C.C. \$116,567

05-10-97 R.D. loggers. TIH. Circ. 1 hr. LDDP. Run casing. 105 jts, 4-1/2", 11.6#, J-55, LTC, 8rd, new, landed @ 4448' k.b. MIRU B.J. Services. Cement. Bump plug @ 10:00 p.m. Set slips. R.R. 1:00 a.m. 5-10-97.
D.C. \$20,535 C.C. \$137,102

COMPLETION

05-10-97 Run casing. 105 jts. 4-1/2", 11.6#, J-55, LTC, 8rd, new, landed @ 4448' k.b. PBTD- 4433'. Ran guide shoe, shoe jt., float, 104 jts. casing. Circ. 45 min. MIRU B.J. Services. Cement as follows. Pump 20 bbls. H2O ahead, 250 sks. class G, 16% gel., 10 lb./sk. gilsonite, yield- 3.92 cu.ft./sk. Pump 380 sks. class G, 10% gypsum, .4% FL-25, .2% R-3, 10% salt. Yield- 1.53 cu.ft./sk. Disp. with 68.5 bbls. 2% cla-treat. Bump plug to 1500 psi. @ 10:00 p.m. Float held. Set slips. R.R. 1:00 a.m. 5-10-97
C.D.C. \$40,600 C.C.C.- \$40,600 C.D.C.- \$137,102 C.W.C.- \$177,702

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-01252-A

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 I 1-14

9. API Well No.

43-047-32871

10. Field and Pool, or Exploratory Area

WILDCACT

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

type in oher description here

2. Name of Operator

FREEDOOM 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)

**845 FSL 1950 FWL SE 12 23
1980 FSL, 1980 FWL, NE/SW SEC. 11-T1S-R24E.**

CONFIDENTIAL

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 **TEST WASATCH**
- 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.)*

RUN CBL/VDL/GR FROM T.D. TO SURFACE. PERF. AND TEST THE FOLLOWING ZONES.

MesaVerde: 4235-4240'-5'-4 s.p.f.; Wasatch: 3958'-3964'- 6'-4 s.p.f.; 2745'-2747'-2'- 4 s.p.f.; 2682'-2689'-7'-1 s.p.f. 2660'-2670'-10'-4 s.p.f.; 2567'-2576'-9'- 4s.p.f.

Each zone will be tested individually with a R.B.P. and Pacher. If zone produces water the formation will be isolated with a CIBP or cemented off.

Possible break down with 500 gal. 7-1/2% HCL with additives. Will decide on further stimulation (frac) after acid job.

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

Signed

Paul Franko

Title **VICE-PRESIDENT**

Date **05/14/97**

(This space for Federal or State office use)

Approved by

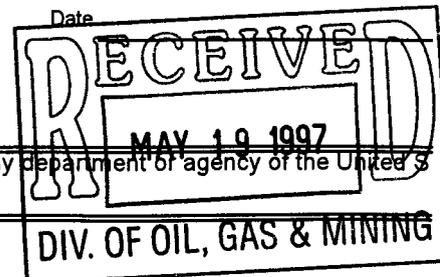
Title

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 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

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

SUNDRY NOTICES AND REPORTS ON WELLS

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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 I 1-14

9. API Well No.
43-047-32871

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)

1980' FSL, 1980' FWL, NE/SW SEC.31-T11S-R24E.

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>Test Wasatch</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.)*

RUN CBL/VDL/GR FROM T.D. TO SURFACE. PERF. AND TEST THE FOLLOWING ZONES.

MesaVerde: 4235-4240'-5'-4 s.p.f.; Wasatch: 3958'-3964'- 6'-4 s.p.f.; 2745'-2747'-2'- 4 s.p.f.; 2682'-2689'-7'-1 s.p.f. 2660'-2670'-10'-4 s.p.f.; 2567'-2576'-9'- 4s.p.f.

Each zone will be tested individually with a R.B.P. and Packer. If zone produces water the formation will be isolated with a CIBP or cemented off.

Possible break down with 500 gal. 7-1/2

Location info. is still wrong.

de on further stimulation (frac) after acid job.

CORRECTION ON SUNDRY DATEL

1BER. CORRECT NUMBER: U-57455

14. I hereby certify that the foregoing is true ar

Signed Paul Frank

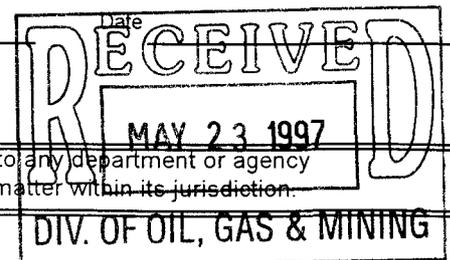
Title Vice-President

Date 05/21/97

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any: _____

Title _____



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*See Instructions on Reverse Side

UNITED 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 I 1-14

9. API Well No.

43-047-32871

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Uintah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well

CONFIDENTIAL

- 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)

1980' FSL, 1980' FWL, NE/SW SEC.31-T11S-R24E.

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 Test Wasatch, 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.)*

RUN CBLVDL/GR FROM T.D. TO SURFACE. PERF. AND TEST THE FOLLOWING ZONES.

MesaVerde: 4235-4240'-5'-4 s.p.f.; Wasatch: 3958'-3964'- 6'-4 s.p.f.; 2745'-2747'-2'- 4 s.p.f.; 2682'-2689'-7'-1 s.p.f. 2660'-2670'-10'-4 s.p.f.; 2567'-2576'-9'- 4s.p.f.

Each zone will be tested individually with a R.B.P. and Packer. If zone produces water the formation will be isolated with a CIBP or cemented off.

Possible break down with 500 gal. 7-1/2% HCL with additives. Will decide on further stimulation (frac) after acid job.

CORRECTION ON SUNDRY DATED 5/14/97. WRONG LEASE NUMBER. CORRECT NUMBER: U-57455

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

Signed

Paul Frank

Title Vice-President

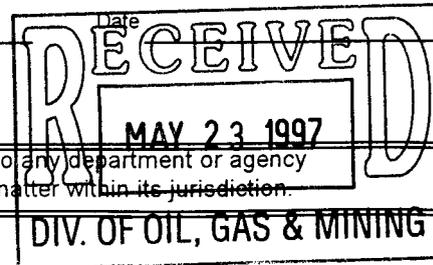
Date 05/21/97

(This space for Federal or State office use)

Approved by

Title

Conditions of approval, if any:



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*See Instructions on Reverse Side



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

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

May 27, 1997

Freedom Energy, Inc.
1050 17th Street, Suite 710
Denver, Colorado 80265

Re: Hanging Rock Federal I 1-14 Well, 845' FSL, 1950' FWL,
SE SW, Sec. 1, 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 43-047-32871.

Sincerely,

A handwritten signature in cursive script that reads "Lowell P. Braxton".

Lowell P. Braxton
Deputy Director

lwp

Enclosures

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

Operator: Freedom Energy, Inc.
Well Name & Number: Hanging Rock Federal I 1-14
API Number: 43-047-32871
Lease: U-57455
Location: SE SW Sec. 1 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)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact John R. Baza (801)538-5334 or Mike Hebertson at (801) 538-5333.

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

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

Hanging Rock

8. Well Name and No.

Hanging Rock 1 1-14

9. API Well No.

43-047-32871

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)

845' FSL, 1950' FWL, SE/SW SEC.1-T12S-R23E

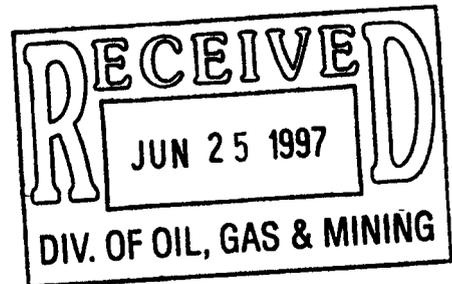
12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent <input checked="" type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <u>FIRST PRODUCTION</u> <small>(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)</small>
	<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

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.)*

FIRST PRODUCTION: TURN DOWN LINE 2:00 P.M. 6-18-97 ON 28/64" CHOKE.

CONFIDENTIAL



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

Signed *Paul Franks*

Title *Vice-President*

Date *06/23/97*

(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.

***See Instructions on Reverse Side**

(See other instructions on reverse side)

OMB NO. 1004-0137

Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2. LEASE DESIGNATION AND SERIAL NO

U-57455

3. IF INDIAN ALLOTTEE OR TRIBE NAME

N/A

4. UNIT AGREEMENT NAME

HANGING ROCK

5. FARM OR LEASE NAME, WELL NO

HANGING ROCK FEDERAL I

6. API WELL NO

1-14

7. FIELD AND POOL OR WILDCAT

WILDCAT

8. SEC. T. R. M. OR BLOCK AND SURVEY OR AREA

SEC. 1-T12S-R23E

9. COUNTY OR PARISH

UINTAH

10. STATE

UTAH

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK
OIL WELL GAS WELL DRY Other _____

1b. TYPE OF WELL
NEW WORK DEEP- PLUG DIFF. Other _____
WELL OVER EN BACK RESVR.

1. NAME OF OPERATOR
FREEDOM ENERGY, INC.

2. ADDRESS AND TELEPHONE NO
1050 17TH. ST. STE. 710 DENVER, CO. 80265 (303) 592-3022

3. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*

At Surface
845' FSL, 1950' FWL, SE/SW SEC. 1-T12S-R23E
At top prod. Interval reported below
SAME

CONFIDENTIAL

At total depth
SAME

14. PERMIT NO 43-047-32871 DATE ISSUED 4-27-97

12. COUNTY OR PARISH UTAH 13. STATE UTAH

15. DATE SPLODDED 5-2-97 16. DATE F.D. REACHED 5-8-97 17. DATE COMPL. (Ready to prod.) 6-2-97 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 5919' RKB 19. ELEV. CASINGHEAD 5907' GL

20. TOTAL DEPTH, MD & TVD 21. PLUG, BACK F.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS, ROTARY TOOLS, DRILLED BY 24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*

4448' MD 4448' TV 4433' MD 4433' TVD 5 10-4448' N/A

2744-2749' TVD 2668-2673' TVD 2567-2576' TVD WSTC
2682-2689' TVD 2660-2664' TVD

25. WAS DIRECTIONAL SURVEY MADE YES

27. WAS WELL CORED NO

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

CASING SIZE/GRADE	WEIGHT, LB./FT	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
9-5/8" J-55	36#	310' G.L.	12-1/4"	SURFACE 165 SKS. CLASS G	N/A
4-1/2" J-55	11.6#	4448' K.B.	7-7/8"	SURFACE 630 SKS CLASS G	N/A

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A					2-3/8"	2732' K.B.	N/A

31. PERFORMANCE RECORD (Interval, size and number) 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

INTERVAL	SIZE	NUMBER	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4235-4240', 5', 4 S.P.F.	2744-2749', 5', 4 S.P.F.	2567-2576', 9'	N/A	
4011-4015', 4', 4 S.P.F.	2682-2689', 7', 3 S.P.F.	4S.P.F.		
3958-39 18', 4 S.P.F.	2668-2673', 5', 4 S.P.F.			
CIBP@ 3940'	2660-2664', 4', 4S.P.F.	.38"		

CONFIDENTIAL

33. PRODUCTION

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

DATE OF TEST 6-2-97 HOURS TESTED CHOKE SIZE TEST PERIOD PROD'N FOR OIL--BBL. GAS--MCF WATER--BBL. GAS-OIL RATIO #DIV/0!

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

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) VENTED TEST WITNESSED BY PAUL FRANKS

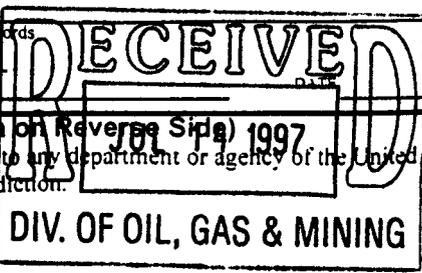
35. LIST OF ATTACHMENTS CBLVDLGR PERIOD EXPIRED ON 12-31-98

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

SIGNED _____ TITLE VICE-PRESIDENT 6/10/97

*(See Instructions and Spaces for Additional Data on Reverse Side) 1997

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



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

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Green River	Surface	2482'	Interbedded shale, sandstone, and limestone	Uteland Butte	2375'	
Wasatch	2482'	4002'	Interbedded shale, and sandstone			
Mesaverde	4002'	4448' TD	Interbedded shale, sandstone, and coal			

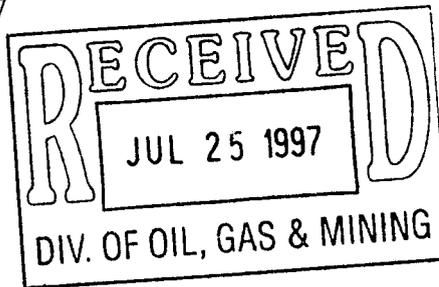
CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL



JULY 23, 1997



Ms. Vicky Dyson
Division of Oil, Gas, and Mining
1594 West North Temple, Ste. 1210
Box 145801
Salt Lake City, Utah 84114-5801

Re: Hanging Rock Fed. I 1-14, API # 43-047-32871 and Tucker Fed. F 8-4, API # 43-047-32872

Dear Vicky,

Enclosed are the **Array Induction/CNDL/GR/SP** logs for the above mentioned wells.
If you need any other information please call.

Sincerely,

Paul Franks
Vice-President

CONFIDENTIAL

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

43-047-32871



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



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

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

Very truly yours,

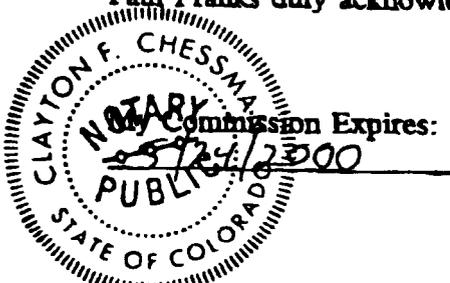
FREEDOM ENERGY, INC.

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

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:

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

UTAH ACCOUNT NUMBER: N3285

REPORT PERIOD (MONTH/YEAR): 12 / 97

AMENDED REPORT (Highlight Changes)

Well Name			Producing Zone	Well Status	Days Oper	Production Volumes		
API Number	Entry	Location				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.
U-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 I 1-14

9. API Well No.
43-047-32871

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

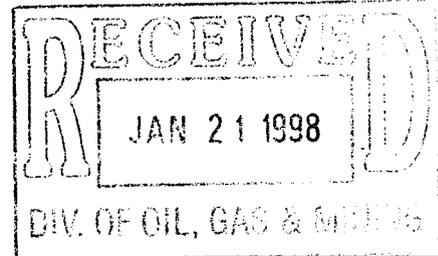
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

845' FSL, 1950' FWL, SE/SW SEC. 1-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"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other CHANGE OF OPERATOR (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)
	<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

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 1-14, SE/SW Sec. 1-T12S-R23E; Lease # U-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: _____

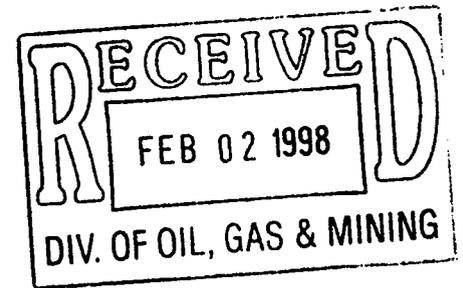
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*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 <i>PA'd 5/97</i>

*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 Teresa Thompson/BLM). *J fee*

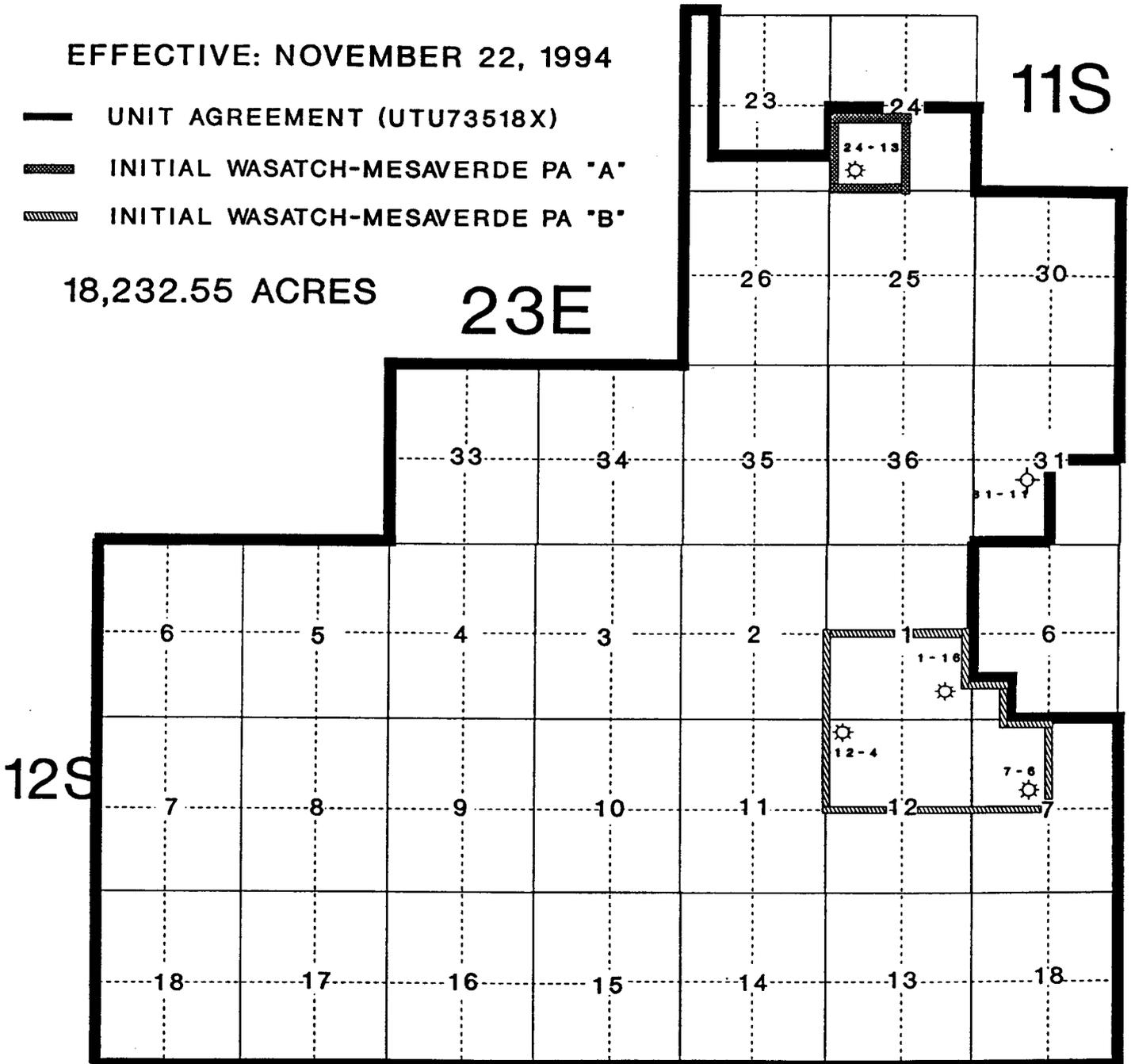
HANGING ROCK UNIT

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

24E

WSTC-MSVD "A"
ALLOCATION

FEDERAL 100%
160.00 Acres

WSTC-MSVD "B"
ALLOCATION

FEDERAL 100%
826.76 Acres

**ROSEWOOD
RESOURCES**

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:

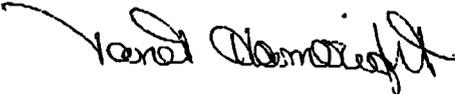
This letter will confirm that Rosewood Resources, Inc. has taken over operations from Freedom Energy, Inc. in the wells listed below.

<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 Hambricht
Paralegal (214) 871-5718

Rosewood Resources, Inc.
Suite 500
100 Crescent Court
Dallas, Texas 75201
214 871 5700
214 871 5110 (Fax)

OPERATOR CHANGE WORKSHEET

Routing	
1- <u>GLH</u>	6- <u>GLH</u>
2- <u>GLH</u>	7- <u>KAS</u>
3- <u>DTS</u>	8- <u>SI</u>
4- <u>VLD</u>	9- <u>FILE</u>
5- <u>JRB</u>	

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>42-047-32871</u>	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

- Yes 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)*
- Yes 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: _____
- Yes 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.
- Yes 5. Changes have been entered in the **Oil and Gas Information System (3270)** for each well listed above. *(2-3-98)*
- Yes 6. **Cardex** file has been updated for each well listed above. *(2-4-98)*
- Yes 7. Well file labels have been updated for each well listed above. *(2-4-98)*
- Yes 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)*
- Yes 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

- Jec 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/Jec 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/Jec 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/Jec 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

- JS 1. All attachments to this form have been microfilmed. Today's date: 8.6.98.

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

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 checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: See Attached
2. NAME OF OPERATOR: MCELVAIN OIL & GAS PROPERTIES, INC.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1050 17th Street CITY Denver STATE CO ZIP 80265		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		8. WELL NAME and NUMBER:
PHONE NUMBER: (303) 893-0933		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT: COUNTY: 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: 5/1/2002	<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 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 Taralba

Title vice President Rosewood Resources, Inc

Signature Gary Taralba

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	UINITAH	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	SESW
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

43-047-32871
1125 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

Oil Well Gas Well 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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
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 Install pipeline to consolidate compression
	<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 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. 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 *Barbara Martin*

Date 02/16/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING

Federal Approval of This Action is Necessary

DATE: 3/14/07

BY: *Barbara Martin*

RECEIVED
FEB 21 2007

Conditions of approval, if any, are attached. Approval of this notice does not warrant that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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

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.

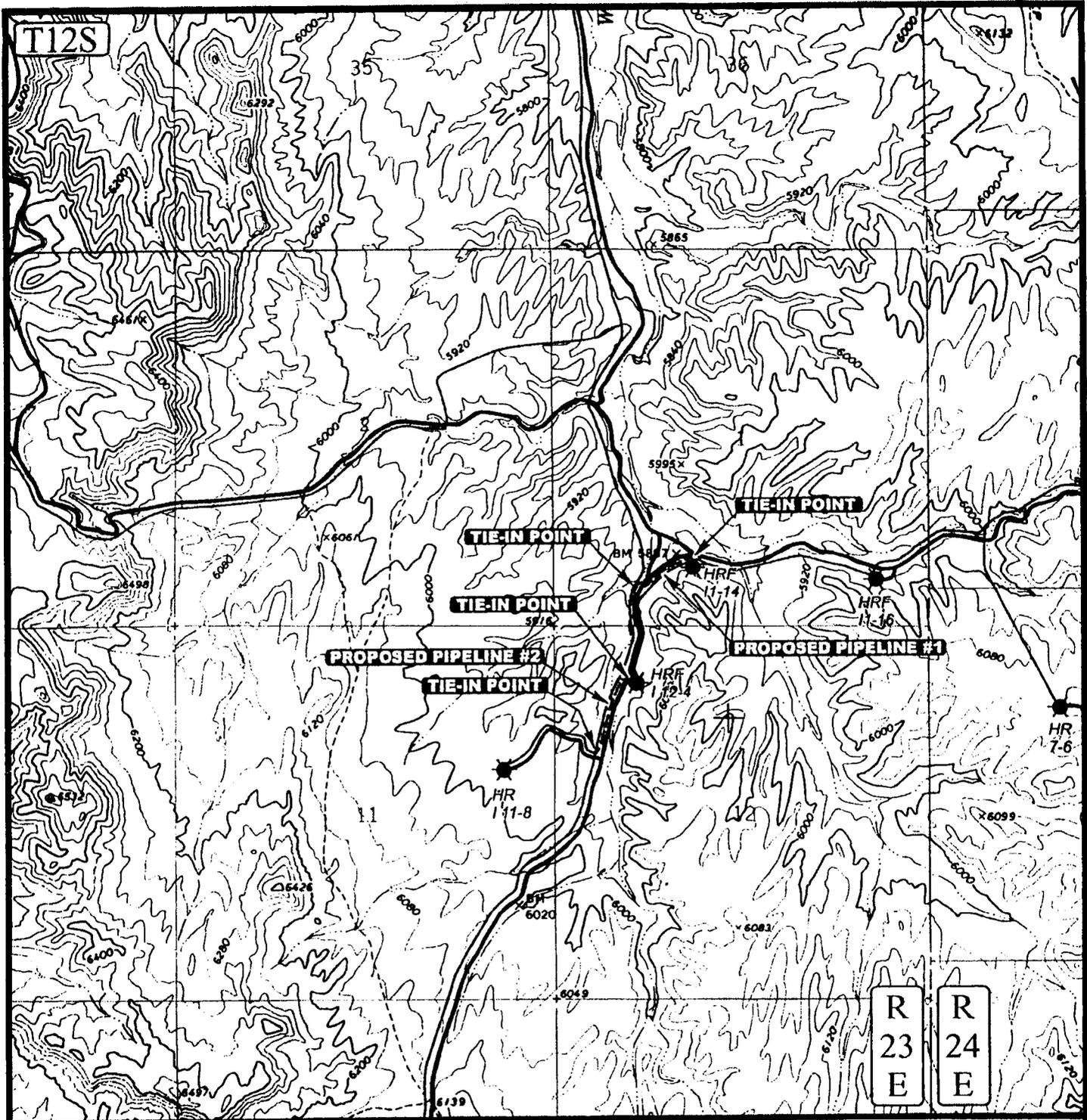
Sincerely,



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.

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

TOPOGRAPHIC	8	17	06
MAP	MONTH	DAY	YEAR
SCALE: 1" = 2000'	DRAWN BY: J.L.G.		REVISED: 1-29-07

D
TOPO

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.)

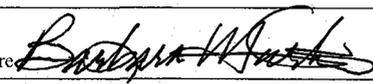
McElvain Oil & Gas Properties, Inc. was given approval on May 9, 2007 to lay pipeline to consolidate the gas compression and gas gathering for 3 wells in our Hanging Rock Field area into what we will refer to as our "West Hanging Rock Field Central Compression System". We propose to add the Hanging Rock 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 _____

Office _____

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.

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

DIV. 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

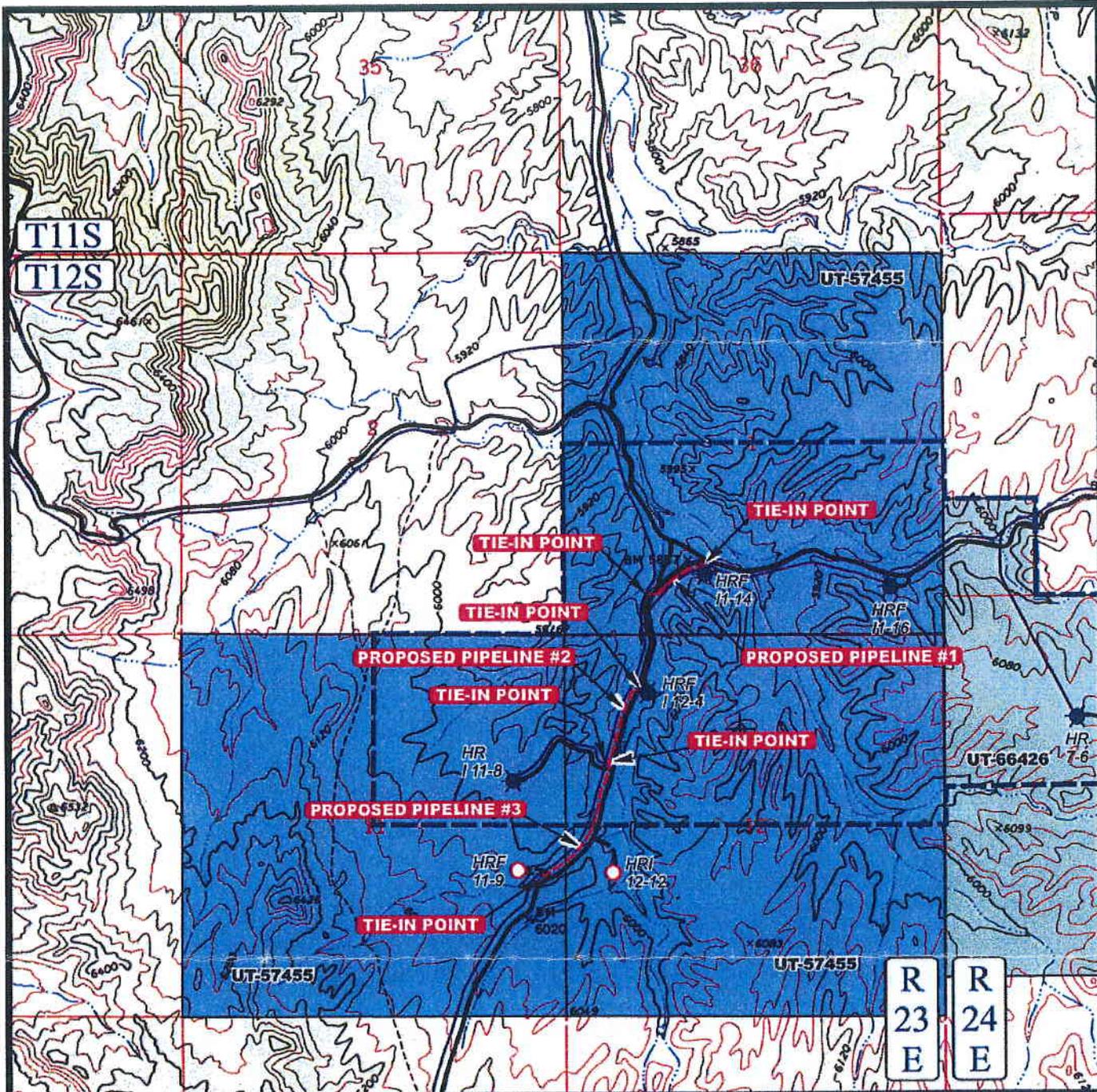
McElvain Oil & Gas Properties, Inc. was given approval on May 9, 2007 to lay pipeline to consolidate the gas compression and gas gathering for 3 wells in our Hanging Rock Field area into what we will refer to as our "West Hanging Rock Field Central Compression System". We propose to add the Hanging Rock 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

D
 TOPO

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.

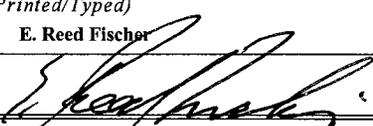
SUBMIT IN TRIPLICATE- Other instructions on reverse side.		5. Lease Serial No. UTU-57455
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name na
2. Name of Operator McElvain Oil & Gas Properties, Inc.		7. If Unit or CA/Agreement, Name and/or No. Hanging Rock Unit (UTU-073518X)
3a. Address 1050 - 17th Street, Suite 2500 Denver, Colorado 80265	3b. Phone No. (include area code) 303.893.0933	8. Well Name and No. Hanging Rock Federal # 1 - 14
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 845' FSL & 1,950' FWL (SESW) Sec. 1, T12S-R23E SLB&M		9. API Well No. 43-047-32871
		10. Field and Pool, or Exploratory Area Oil Springs
		11. County or Parish, State Utah County, Utah

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 recomplate 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 _____ 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.	Title _____ Office _____	Date _____
--	-----------------------------	------------

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

DIV. OF OIL, GAS & MINING

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
--	---

WELL NAME	CA No.	Unit:	HANGING ROCK					
	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:
2. NAME OF OPERATOR: McElvain Oil & Gas Properties, Inc. N2100		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1050 17th St, Suite 2500 CITY Denver STATE CO ZIP 80265		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		8. WELL NAME and NUMBER: SEE ATTACHED LIST
PHONE NUMBER: (303) 893-0933		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"/> 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. 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

(See Instructions on Reverse Side)

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
DIV. OF OIL, GAS & 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 <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: McElvain Energy, Inc. N3795		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1050 17th St, Suite 2500 CITY Denver STATE CO ZIP 80265		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		8. WELL NAME and NUMBER: Attached
PHONE NUMBER:		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"/> COMMMINGLE 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

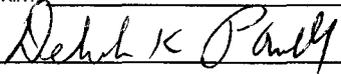
McElvain Energy, Inc.

Steven W. Shefte
Vice President -COO

Onshore Royalties, LLC.

Michael Hahn
Operations Manager

BLM Bond: UTB000644

NAME (PLEASE PRINT) Deborah Powell	TITLE Eng Tech Manager
SIGNATURE 	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