

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
 1980' FNL, 660' FEL, SE1/4, NE1/4, Sec. 11, T12S, R23E
 At proposed prod. zone

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

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'
 16. NO. OF ACRES IN LEASE 10,092.71

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2,100'
 19. PROPOSED DEPTH 4,500'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5991' GR.

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5. LEASE DESIGNATION AND SERIAL NO.
 UTU-47455
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 7. UNIT AGREEMENT NAME
 Hanging Rock
 8. FARM OR LEASE NAME
 Hanging Rock I
 9. WELL NO.
 11-8
 10. FIELD AND POOL, OR WILDCAT
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 SEC. 11, T 12 S, R 23 E.
 12. COUNTY OR PARISH UTAH
 13. STATE UT

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

20. ROTARY OR CABLE TOOLS
 ROTARY

22. APPROX. DATE WORK WILL START*
 Aug. 1, 1997

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36	300	TO SURFACE
7 7/8	4 1/2	17	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:

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

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

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

24. SIGNED WILLIAM A. RYAN TITLE Agent DATE June 16, 1997
William A. Ryan

(This space for Federal or State office use)

PERMIT NO. 43-047-32935 APPROVAL DATE _____

APPROVED BY John R. Baya TITLE Petroleum Engineer DATE 7/16/97
 CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

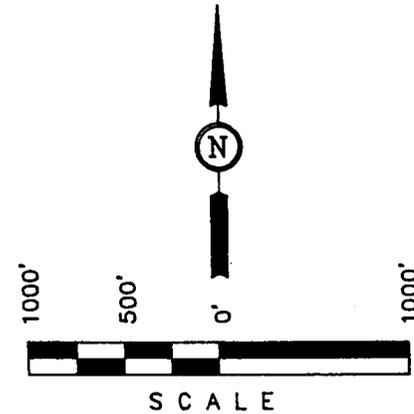
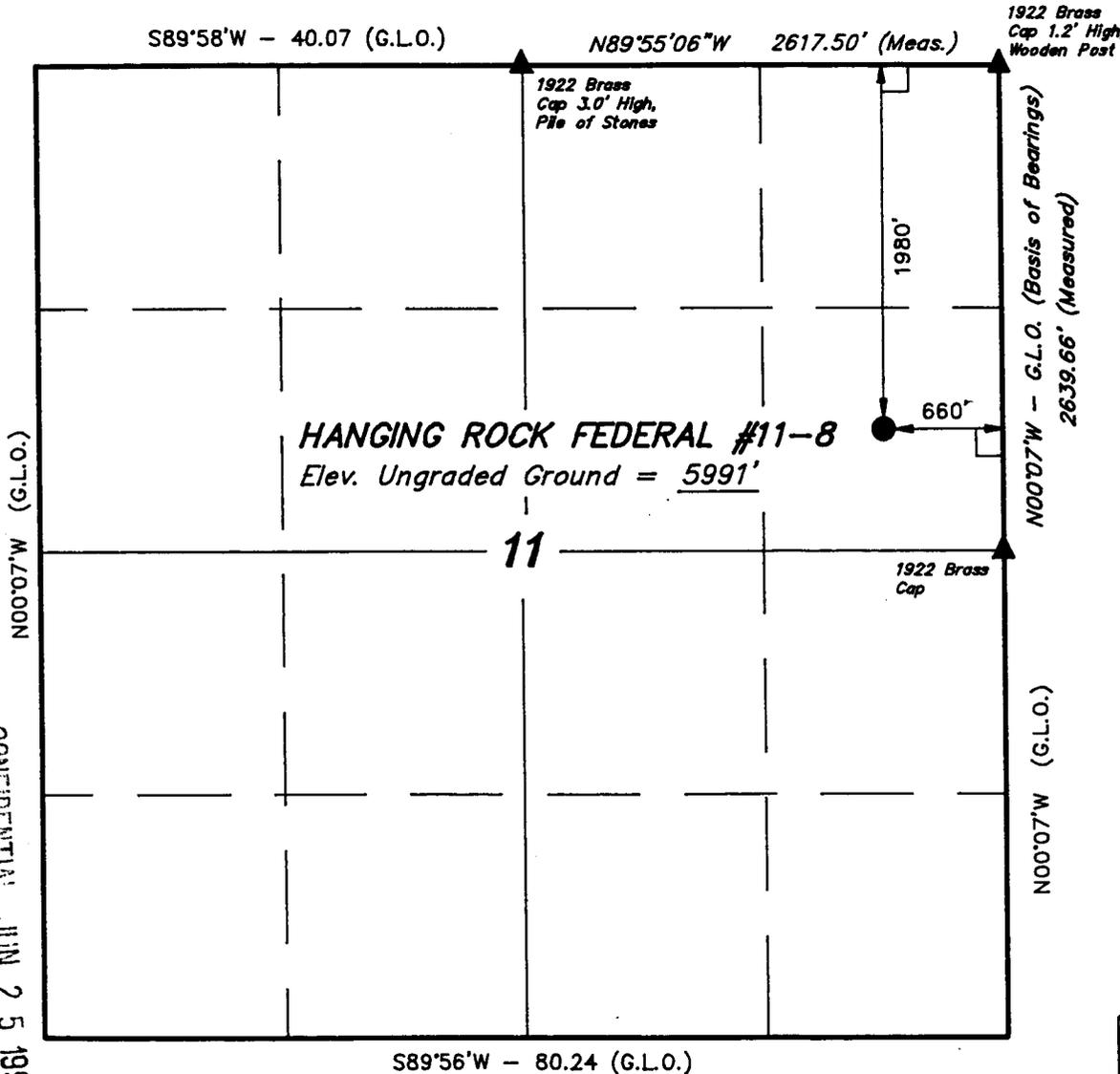
T12S, R23E, S.L.B.&M.

FREEDOM ENERGY, INC.

Well location, HANGING ROCK FEDERAL #11-8, located as shown in the SE 1/4 NE 1/4 of Section 11, T12S, R23E, S.L.B.&M. Uintah County Utah.

BASIS OF ELEVATION

BENCH MARK 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.



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.

REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH
 ROBERT E. KAY

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LEGEND:

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

UINTAH ENGINEERING & LAND SURVEYING		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(801) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 6-8-97	DATE DRAWN: 6-10-97
PARTY D.K. H.L. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE FREEDOM ENERGY, INC.	

SELF-CERTIFICATION STATEMENT

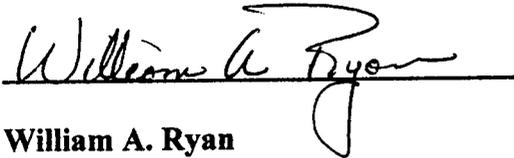
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

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

Hanging Rock Federal I #11-8
SE 1/4, NE 1/4, Section 11, T. 12 S., R. 23 E.
Lease UTU-47455
Uintah County, Utah

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

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



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

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Ten Point Plan

Freedom Energy, Inc.
Hanging Rock Unit
Hanging Rock Federal
I 11-8

Surface Location SE 1/4, NE 1/4, Section 11, 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	5,991' G.L.
Oil Shale	700	5,291
Wasatch	2,600	3,391
Mesaverde formation	4,500	1,491
T.D.	4,500	

3. Producing Formation Depth:

Formation objective include the Wasatch and its submembers.

Off Set Well Information:

Off set well: Gas Well	Hanging Rock Fed. 12-4	Sec. 12, T. 12 S., R. 23.E.
Off set well: Gas Well	Hanging Rock Fed. 1-14	Sec. 1, T. 12 S., R. 23.E.

4. Proposed Casing :

The dry hole driller will use 4-10' of drive pipe. The drive pipe will not be cemented and will not be pulled.

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

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Cement Program:

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

5. BOP and Pressure Containment Data:

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

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

6. Mud Program:

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

7. Auxiliary Equipment:

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

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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

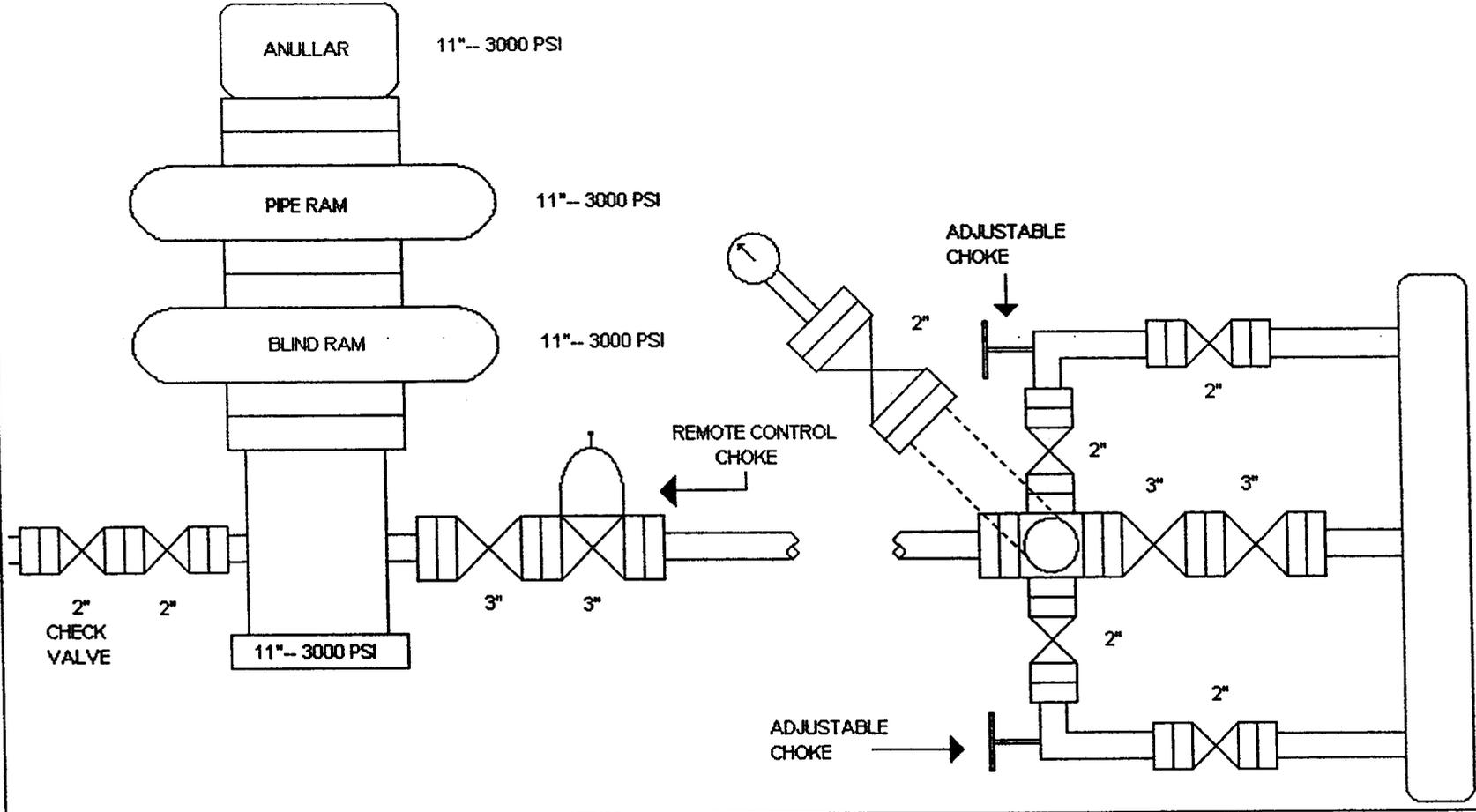
9. Abnormalities (including sour gas):

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 August 1, 1997. Duration of operations expected to be 30 days.

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FREEDOM ENERGY, INC.

13 POINT SURFACE USE PLAN

FOR WELL

HANGING ROCK FEDERAL I

11-8

LOCATED IN

SE 1/4, NE 1/4

SECTION 11, T. 12 S., R. 23 E., U.S.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-47455

SURFACE OWNERSHIP: FEDERAL

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1. Existing Roads

To reach the Freedom Energy Inc., Hanging Rock Federal I 11-8 well location, in Section 11, T 12 S, R 23 E, from Bonanza, Utah:

Starting in Bonanza, Utah proceed south on the paved road for 4 miles. Turn south (left) on the Book cliffs road (dirt road). Proceed south 3.9 miles to the Greeks Corrals. Turn west (right) at the fork in the road. Proceed 8.3 miles to the Asphalt Wash sign. Stay to the south (left) of the sign. Proceed .7 miles to the Rainbow sign. Stay to the west (right) of the sign. This is also called the Kings Wells road. Proceed 7.8 miles. Turn south and proceed 0.6 miles to the proposed access road.

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

Please see the attached map for additional details.

2. Planned access road

The proposed location will require 1500 feet of new road construction.

The proposed road has been staked.

The road will be built to the following standards:

A) Approximate length	1,500 Ft.
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road flagged	Yes
K) Access road surface ownership	Federal
L) All new construction on lease	Yes Hanging Rock Unit

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

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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.

Two surface gas pipe line routes have been flagged from the well. The first route follows the access road and will tie into a proposed 10" surface line. The second route follows the access road for 1,000 feet and then turns north. The line would tie into the 12-4 location in Section 12, T12S, R23E. 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 Rosewoods water station in Section 13, T11S, R23E. A second location may be used, it would be Evacuation Creek, permit # 49-1595. The distribution point is in Section 7, T11S, R25E. Water for completion will come from the same supply or Vernal City.

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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 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.

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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	19.6 ft.
G)	Max fill	5.2 ft.
H)	Total cut yds	6,520 cu. yds.
I)	Pit location	south side
J)	Top soil location	north east side
K)	Access road location	east side
L)	Flare pit	south side at corner B

Please see the attached location diagram for additional details.

Please note that the Flare pit has been moved on the location plats.

A berm will be used to direct water off the location into the drainage at corner #6.

A soil erosion containment structure will be constructed at the point on the access road where the access road crosses the section line

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.

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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 been surveyed. A copy of that survey will be forwarded to your office.

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

D) Water:

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.

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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 100 feet from the bore hole on the south side of the location. Please see the attached location diagram. 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.

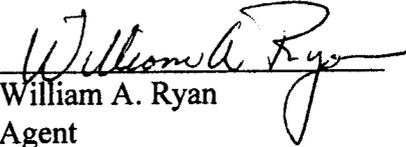
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This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

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.

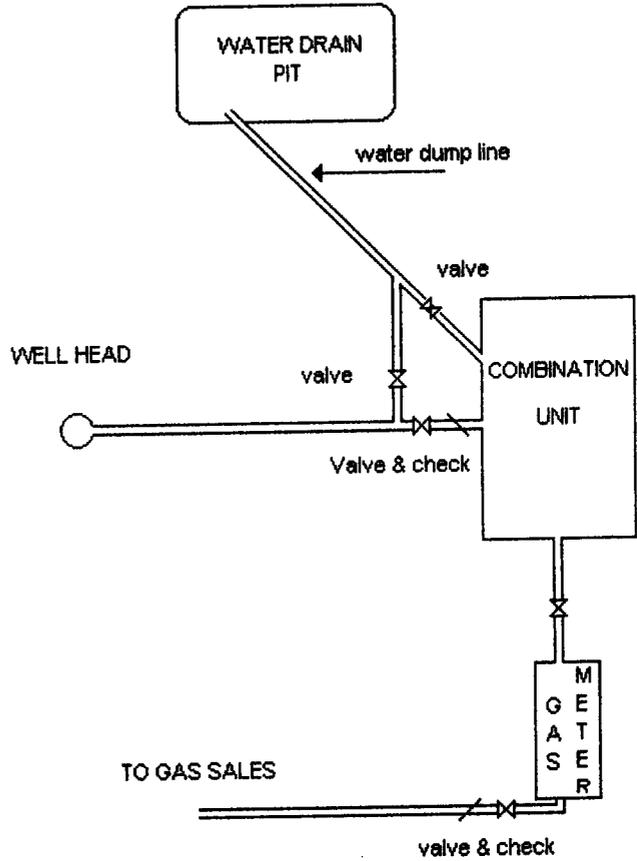
Date June 23, 1997


William A. Ryan
Agent
Rocky Mountain Consulting

Onsite Date:
Participant on joint inspection:
William Ryan
Byron Tolman

June. 12, 1997
Rocky Mountain Consulting
BLM

FREEDOM ENERGY INC.
TYPICAL
GAS WELL



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

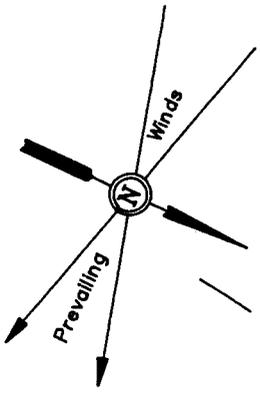
Telephone
(801) 789-0968 office
(801) 823-6152 cellular
(801) 789-0970 fax

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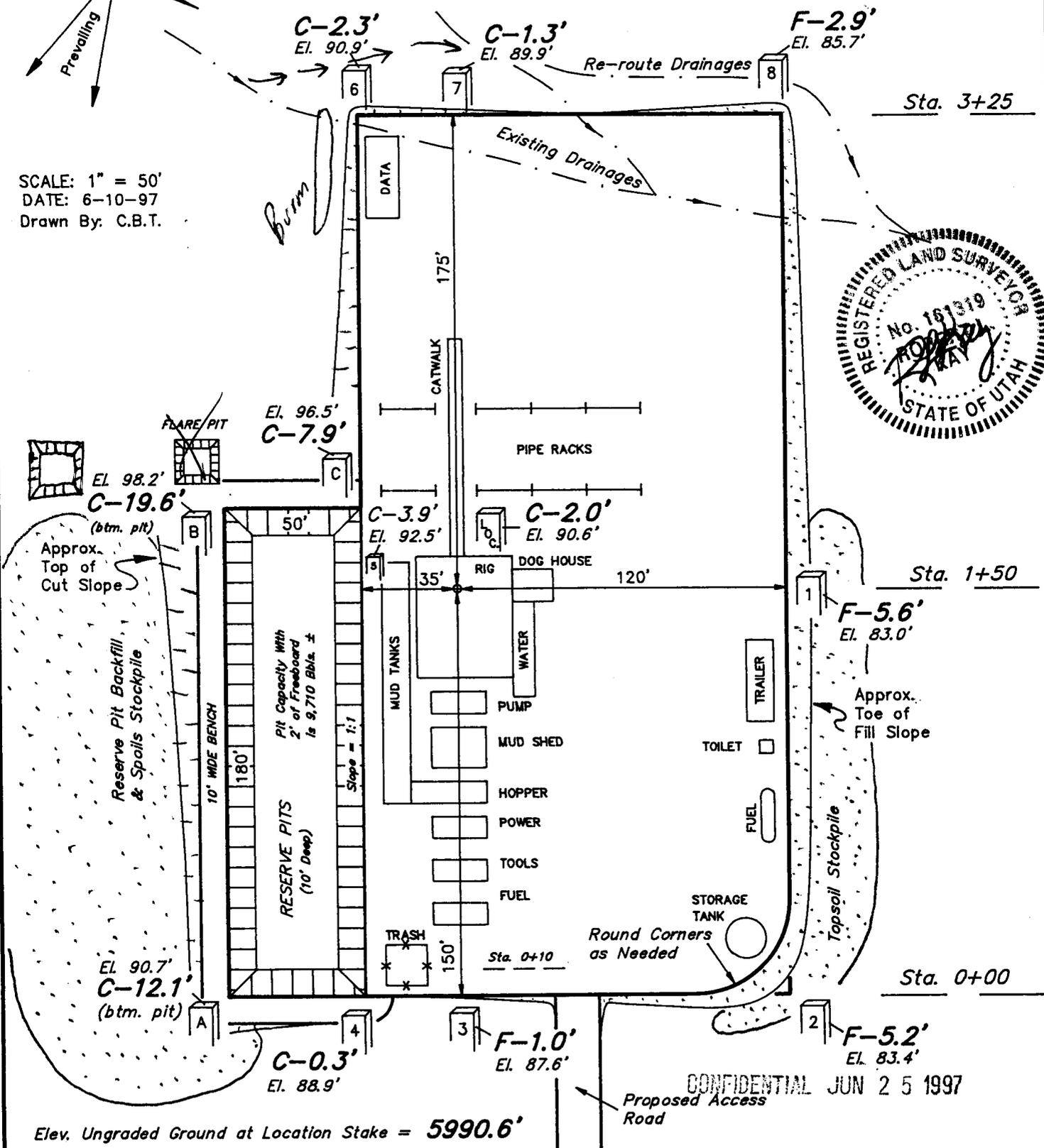
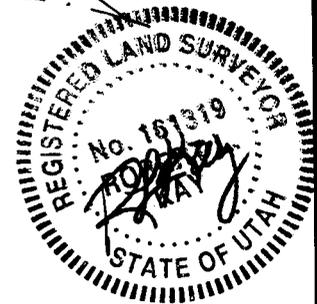
FREEDOM ENERGY, INC.

LOCATION LAYOUT FOR

HANGING ROCK FEDERAL #11-8
SECTION 11, T12S, R23E, S.L.B.&M.
1980' FNL 660' FEL



SCALE: 1" = 50'
DATE: 6-10-97
Drawn By: C.B.T.

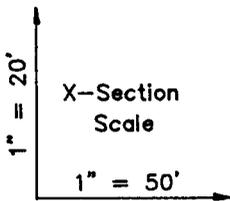
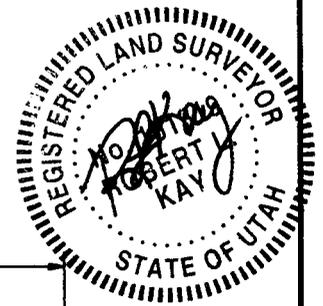


Elev. Ungraded Ground at Location Stake = 5990.6'

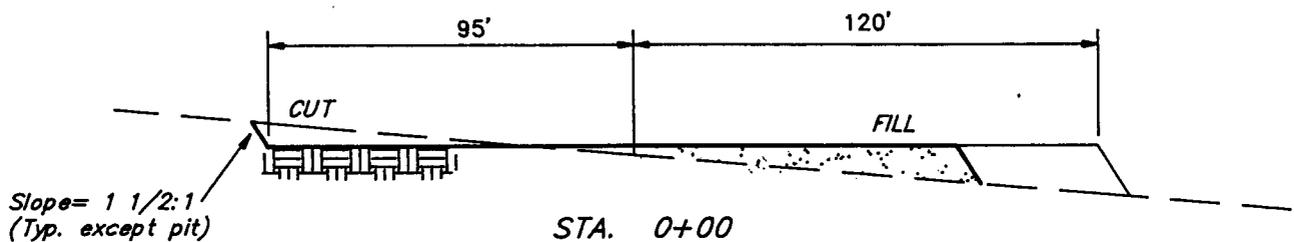
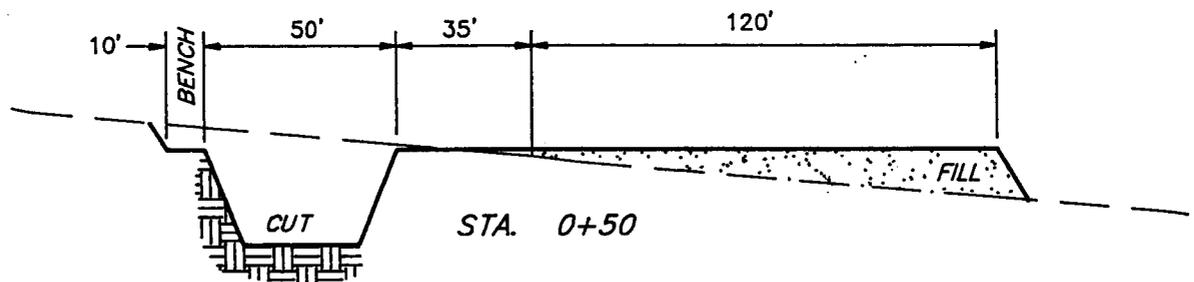
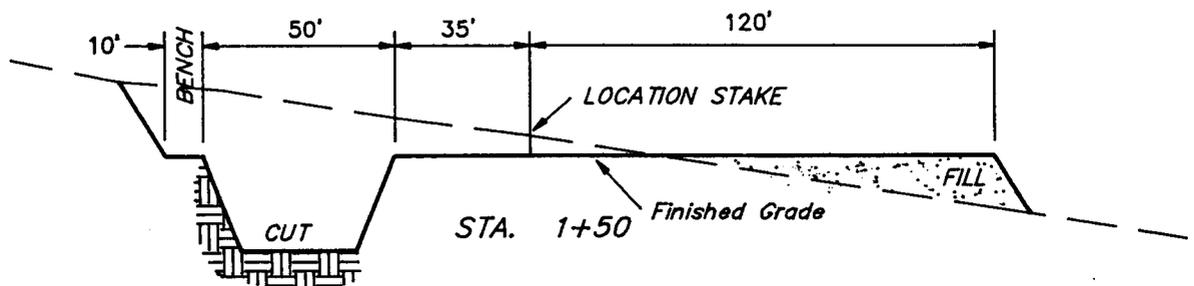
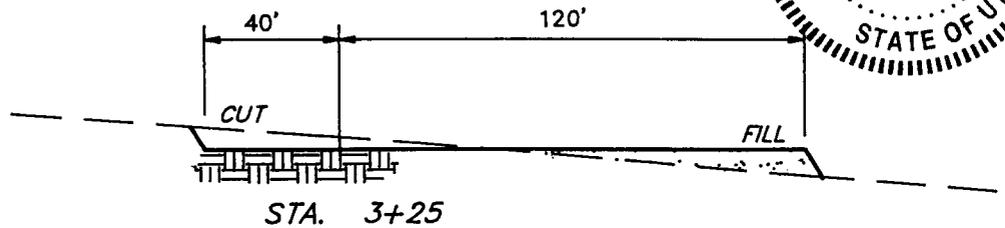
Elev. Graded Ground at Location Stake = 5988.6'

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

FREEDOM ENERGY, INC.
TYPICAL CROSS SECTIONS FOR
HANGING ROCK FEDERAL #11-8
SECTION 11, T12S, R23E, S.L.B.&M.
1980' FNL 660' FEL



DATE: 6-10-97
 Drawn By: C.B.T.



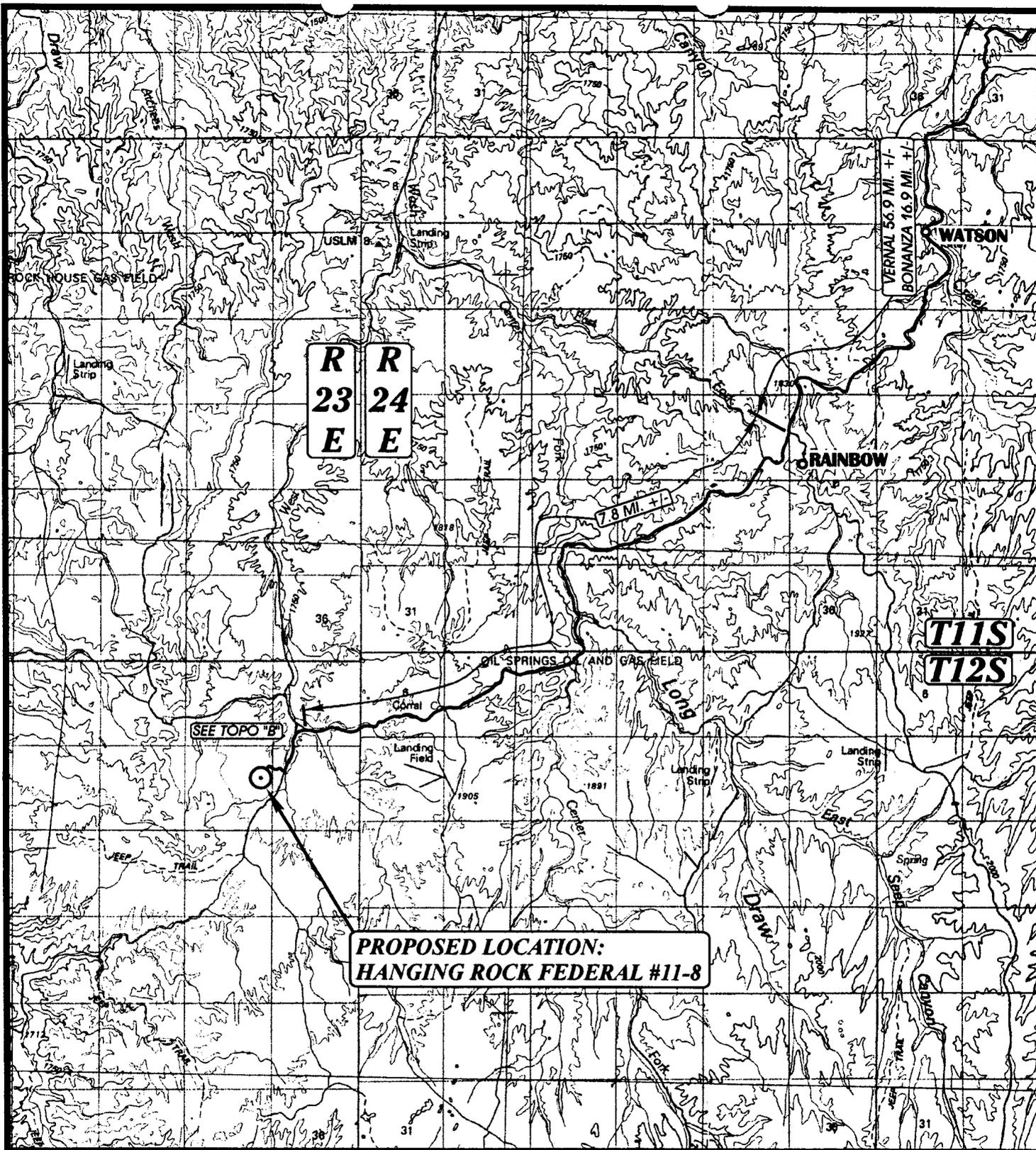
APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,100 Cu. Yds.
Remaining Location	=	5,420 Cu. Yds.
TOTAL CUT	=	6,520 CU.YDS.
FILL	=	3,950 CU.YDS.

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

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



**PROPOSED LOCATION:
HANGING ROCK FEDERAL #11-8**

LEGEND:

○ PROPOSED LOCATION

FREEDOM ENERGY, INC.

**HANGING ROCK FEDERAL #11-8
SECTION 11, T12S, R23E, S.L.B.&M.
1980' FNL 660' FEL**

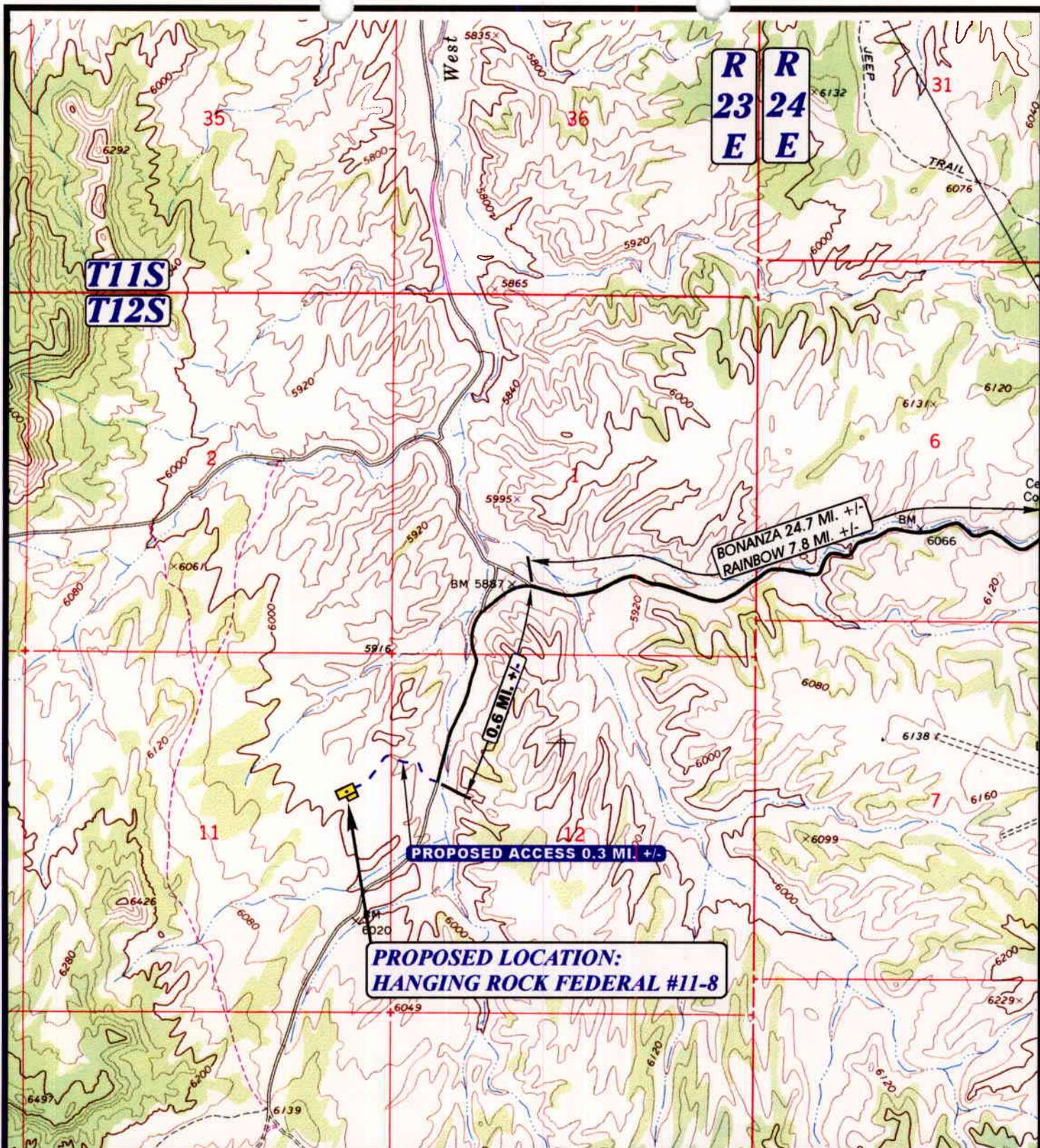


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(801) 789-1017 * FAX (801) 789-1018
Email: uels@easilink.com



TOPOGRAPHIC 6 9 97
MAP MONTH DAY YEAR
SCALE: 1 : 100,000 DRAWN BY: D.COX REVISED: 00-00-00





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



FREEDOM ENERGY, INC.

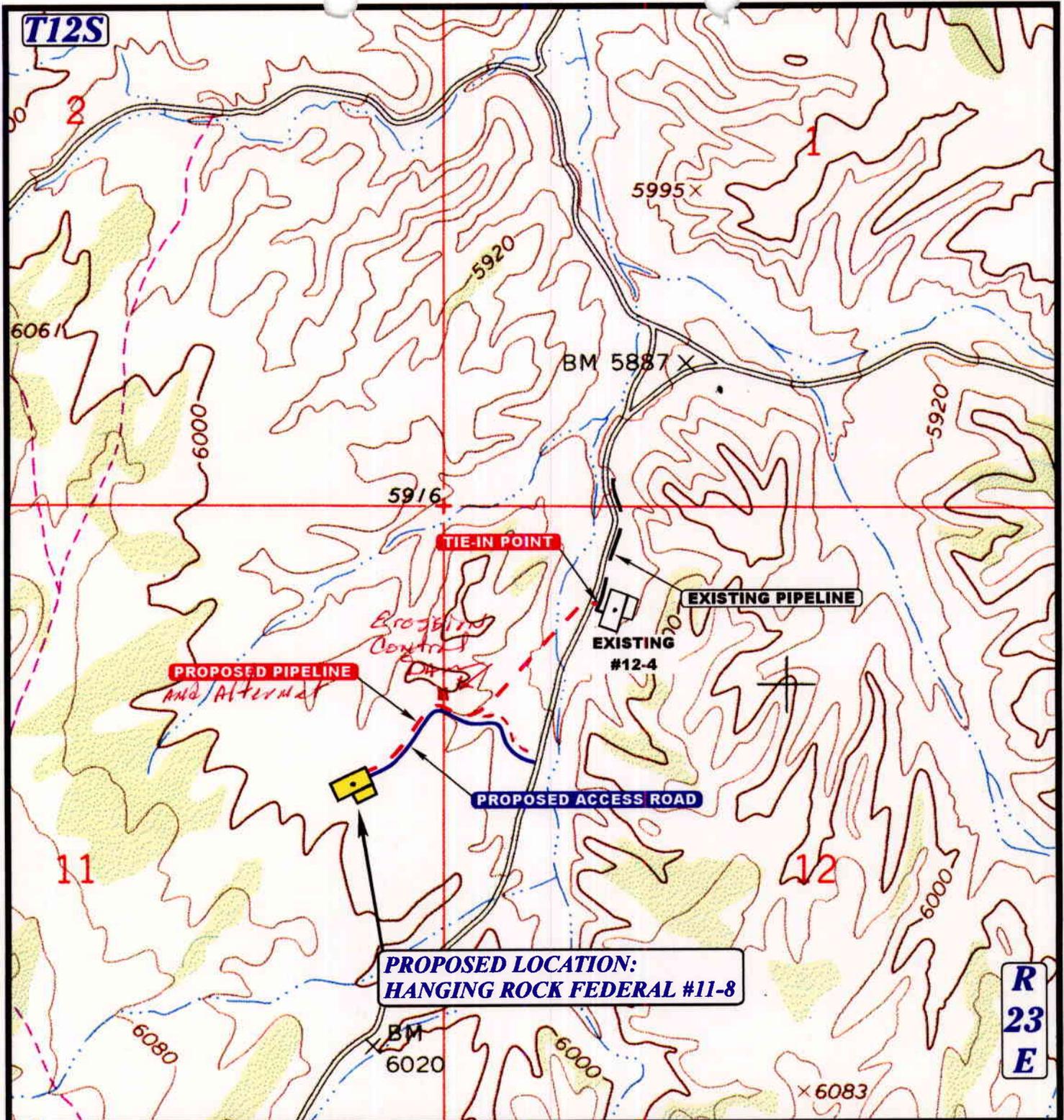
**HANGING ROCK FEDERAL #11-8
SECTION 11, T12S, R23E, S.L.B.&M.
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TOPOGRAPHIC MAP **6** MONTH **9** DAY **97** YEAR
SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 2200' +/-

LEGEND:

- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED ACCESS



FREEDOM ENERGY, INC.

**HANGING ROCK FEDERAL #11-8
SECTION 11, T12S, R23E, S.L.B.&M.
1980' FNL 660' FEL**



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**TOPOGRAPHIC
MAP**

6 9 97
MONTH DAY YEAR

SCALE: 1" = 1000' | DRAWN BY: D.COX | REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/03/97

API NO. ASSIGNED: 43-047-32935

WELL NAME: HANGING ROCK FED I 11-8
 OPERATOR: FREEDOM ENERGY (N3285)

PROPOSED LOCATION:
 SENE 11 - T12S - R23E
 SURFACE: 1980-FNL-0660-FEL
 BOTTOM: 1980-FNL-0660-FEL
 UINTAH COUNTY
 UNDESIGNATED FIELD (002)

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

LEASE TYPE: FED
 LEASE NUMBER: UTU - 47455

PROPOSED PRODUCING FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

Plat

Bond: Federal State Fee
 (Number _____)

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: Conf. status req.

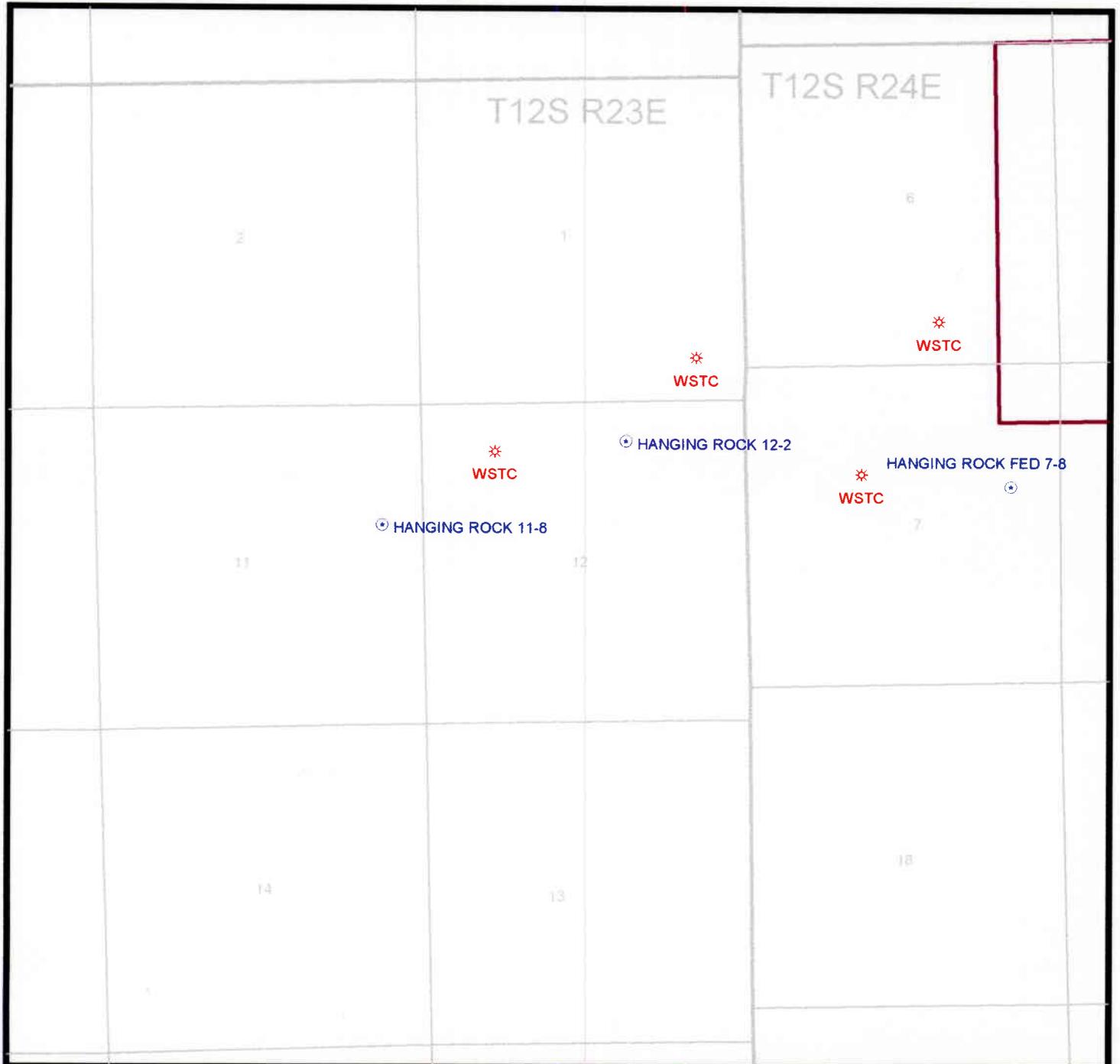
STIPULATIONS: _____

OPERATOR: FREEDOM ENERGY (N3285)

FIELD: UNDESIGNATED (002)

SEC, TWP, RNG: SEC. 11,12, T12S, R23E, & 7, T12S, R24E

COUNTY: UINTAH UAC: R649-2-3 HANGING ROCK



PREPARED:
DATE: 8-JULY-97



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

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)

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

July 16, 1997

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

Re: Hanging Rock I 11-8 Well, 1980' FNL, 660' FEL, SE NE,
Sec. 11, 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 43-047-32935.

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 I 11-8
API Number: 43-047-32935
Lease: UTU-47455
Location: SE NE Sec. 11 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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL XX DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
 Freedom Energy, Inc.

3. ADDRESS OF OPERATOR
 1050 P 7th 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
 1980' FNL, 660' FEL, SE1/4, NE1/4, Sec. 11, T12S, R23E
 At proposed prod. zone

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

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 660'

13. NO. OF ACRES IN LEASE
 10,092.71

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 2,100'

19. PROPOSED DEPTH
 4,500'

20. ROTARY OR CABLE TOOLS
 ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5991' GR.

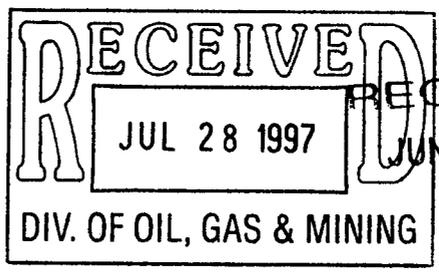
22. APPROX. DATE WORK WILL START*
 Aug. 1, 1997

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36	300	TO SURFACE
7 7/8	4 1/2	17	T.D.	CMT TOP TO COVER THE OIL SHALE

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

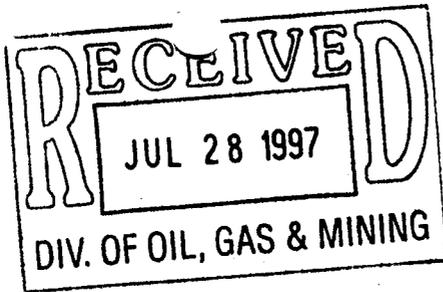
WILLIAM A. RYAN
 350 S., 800 E.
 VERNAL, UTAH
 801-789-0968
 801-823-6152



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

24. SIGNED William A. Ryan TITLE Agent DATE June 16, 1997

PERMIT NO. _____ APPROVED BY [Signature] TITLE Assistant Field Manager Mineral Resources DATE JUL 16 1997
 CONDITIONS OF APPROVAL, IF ANY:



CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Freedom Energy, Inc.

Well Name & Number: Hanging Rock Federal I 11-8

API Number: 43-047-32935

Lease Number: U - 57455

Location: SENE Sec. 11 T.12S R. 23E

NOTIFICATION REQUIREMENTS

- | | | |
|---------------------------------|---|---|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig. |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

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

A. DRILLING PROGRAM

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

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

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

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

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

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany oil shale zone, identified at 586 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

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

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

5. .Coring, Logging and Testing Program

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

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

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

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

6. Notifications of Operations

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

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

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

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

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

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

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

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (801) 789-7077
Petroleum Engineer

Wayne P. Bankert (801) 789-4170
Petroleum Engineer

Jerry Kenczka (801) 781-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM

-Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements with an 18' running surface and a maximum right-of-way of 30'. Construction/upgrading shall include ditching, draining, and crowning (2 to 3%). Graveling or capping the roadbed will be required as necessary to provide a well constructed safe road. Prior to construction/upgrading, the proposed road surface or existing road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Should mud holes develop, they shall be filled in to prevent detours. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. When snow is removed from the road during the winter months, the snow should be pushed outside of the burrow ditches and the turn outs should be kept clear so that when the snow melts the water will be channeled away from the road.

-The topsoil will be windrowed along the entire north side of the location between corners 2 and 8.

-A sign should be installed at the junction of the well access road stating that the road is a well service road and ends in 0.3 mile. The sign can be a simple carsonite post type sign.

-The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

-Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.).

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		
TOTAL						45S PAGES:		1

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

P. 02



43-047-3293

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

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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.



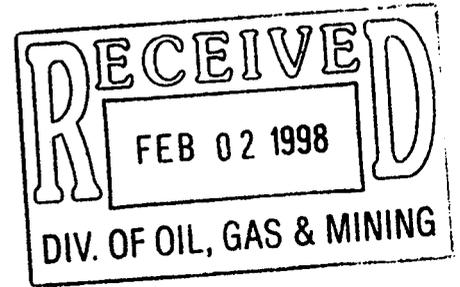
Clayton F. Chessman
Notary Public
Residing at: Denver, CO



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 PA'd 5/97

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

HANGING ROCK UNIT

Uintah County, Utah

EFFECTIVE: NOVEMBER 22, 1994

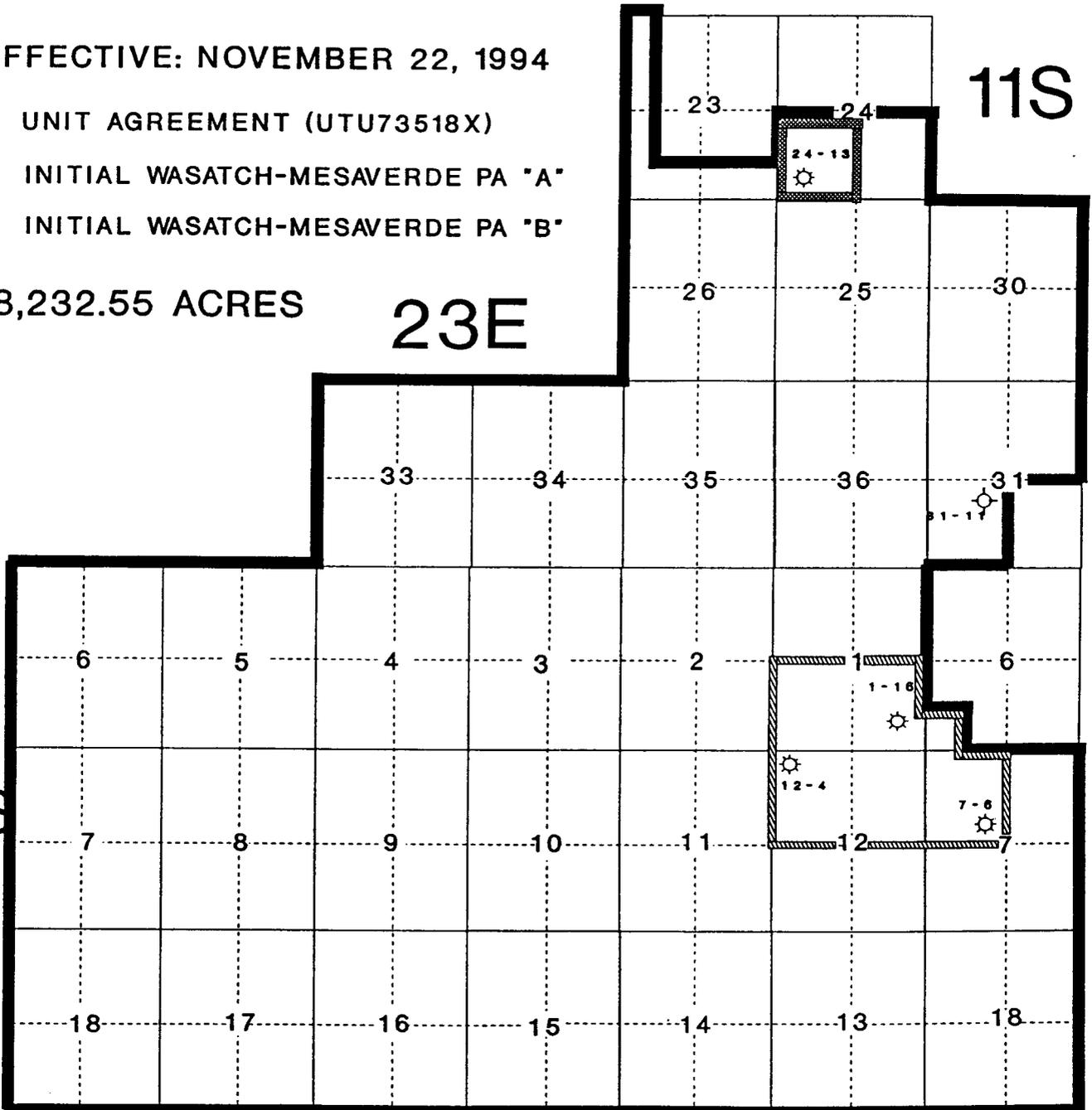
-  UNIT AGREEMENT (UTU73518X)
-  INITIAL WASATCH-MESAVERDE PA "A"
-  INITIAL WASATCH-MESAVERDE PA "B"

18,232.55 ACRES

23E

11S

12S



24E

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

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

**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. of the following undrilled wells with existing drilling permits.

<u>Well Name</u>	<u>Property Location</u>	
	<u>All In Uintah Co. Utah</u>	
1. Hanging Rock "H" #25-13	SW SW	Sec. 25-11S-23E
2. Hanging Rock "H" #35-15	SW SE	Sec. 35-11S-23E
3. Hanging Rock "I" #1-4	NW NW	Sec. 01-12S-23E
4. Cruiser Federal "F" #6-6	SE NW	Sec. 06-12S-24E
5. Hanging Rock "I" #11-8	SE NE	Sec. 11-12S-23E
6. Hanging Rock "I" #12-2	NW NE	Sec. 12-12S-23E
7. Hanging Rock "F" #7-8	SE NE	Sec. 07-12S-24E
8. Hanging Rock "I" 11-6	SE NW	Sec. 11-12S-23E

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

Sincerely,

ROSEWOOD RESOURCES, INC.



Janet Hambright
Paralegal (214) 871-5718

(DRILLING STATUS; APPROVED BUT HAVE NOT COMPLETED)

2-3-98

Record#	OPERATOR	API_NUMBER	WELL_NAME	SECTION	TOWNSHIP	RANGE	DATEAPPRVD	SPUD_DATE	
3206	FREEDOM ENERGY INC	43-047-32852	HANGING ROCK FEDERAL H 25-13	25	11S	23E	04/03/97	/ /	99999
3205	FREEDOM ENERGY INC	43-047-32853	HANGING ROCK FEDERAL H 35-15	35	11S	23E	04/25/97	/ /	
3203	FREEDOM ENERGY INC	43-047-32855	HANGING ROCK FEDERAL I 1-4	01	12S	23E	05/06/97	/ /	
3202	FREEDOM ENERGY INC	43-047-32856	CRUISER FEDERAL F 6-6	06	12S	24E	05/27/97	/ /	
3210	FREEDOM ENERGY INC	43-047-32870	HANGING ROCK STATE H 96-9	36	11S	23E	/ /	/ /	
3402	FREEDOM ENERGY INC	43-047-32935	HANGING ROCK I 11-8	11	12S	23E	07/16/97	/ /	
3401	FREEDOM ENERGY INC	43-047-32936	HANGING ROCK I 12-2	12	12S	23E	07/16/97	/ /	
3400	FREEDOM ENERGY INC	43-047-32937	HANGING ROCK FEDERAL F 7-8	07	12S	24E	07/16/97	/ /	
3504	FREEDOM ENERGY INC	43-047-32992	HANGING ROCK I 11-6	11	12S	23E	10/02/97	/ /	
3503	FREEDOM ENERGY INC	43-047-32993	TUCKER FEDERAL F 8-2	08	12S	24E	/ /	/ /	

OPERATOR CHANGE WORKSHEET

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

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

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

The operator of the well(s) listed below has changed, effective: 1-30-98

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

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

Name: **SEE ATTACHED**	API: <u>43-047-32935</u>	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

- lec* 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(rec'd 1-21-98)*
- lec* 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(Ref. 1-21-98) (Ref. 2-3-98) (rec'd 2-5-98)*
- N/A* 3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company **registered with the state?** (yes/no) _____ If yes, show company file number: _____
- lec* 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- lec* 5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above. *(2-3-98)*
- lec* 6. **Cardex** file has been updated for each well listed above. *(2-4-98)*
- lec* 7. **Well file labels** have been updated for each well listed above. *(2-4-98)*
- lec* 8. Changes have been included on the monthly "Operator, Address, and Account Changes" **memo** for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(2-3-98)*
- lec* 9. A folder has been set up for the **Operator Change file**, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- lec 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/lec 1. (r649-3-1) The **NEW** operator of any fee lease well listed above has furnished a proper bond.
- lec 2. A **copy of this form** has been placed in the new and former operator's bond files.
- lec 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/lec 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/lec 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated _____ 19 ____, of their responsibility to notify all interest owners of this change.

FILMING

- VS 1. All attachments to this form have been **microfilmed**. Today's date: 8.5.99.

FILING

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

COMMENTS

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

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

5. Lease Designation and Serial No.
UTU-57455

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

7. If Unit or CA, Agreement Designation

UTU-73518X

8. Well Name and No.
HANGING ROCK I 11-8

9. API Well No.
43-047-32935

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)

1980' FNL, 660' FEL, SE/NE SEC. 11-T12S-R23E

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

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

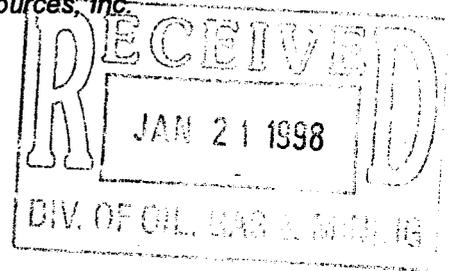
TYPE OF ACTION

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

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

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

Please be advised that Rosewood Resources, Inc., Ste. 500, 100 Crescent Court, Dallas, Texas, 75201, is considered to be the operator of the Hanging Rock I 11-8, SE/NE Sec. 11-T12S-R23E; Lease # UTU-57455 Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Rosewood Resources, Inc. Bond # UT-0627



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

Signed Paul Franko

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**

OPERATOR ROSEWOOD RESOURCES, INC.
 ADDRESS P.O. Box 1668
Vernal, UT 84078

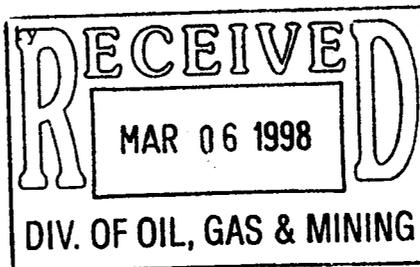
OPERATOR ACCT. NO. N 7510

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	99999	12305	4304732937	Hanging Rock F #7-8	SENE	7	12S	24E	Uintah	2-20-98	2-20-98
WELL 1 COMMENTS: Add to Hanging Rock Unit Entity added 3-10-98; unit well non P.A. <i>Jc</i>											
B	99999	12306	4304732935	Hanging Rock I #11-8	SENE	11	12S	23E	Uintah	2-22-98	2-22-98
WELL 2 COMMENTS: Add to Hanging Rock Unit Entity added 3-10-98; unit well non P.A. <i>Jc</i>											
B	99999	12133	4304733051	Oil Springs #12	SWNW	5	12S	24E	Uintah	2-19-98	2-19-98
WELL 3 COMMENTS: Add to Oil Springs unig Entity added 3-10-98; Oil Springs Unit/wste B-Gas Zone P.A. <i>Jc</i>											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

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

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

(3/89)



Larry Nemo
 Signature
 Admin. Assistant 2/28/98
 Title Date
 Phone No. (435) 789-0414

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.
UTU-47455

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
Hanging Rock

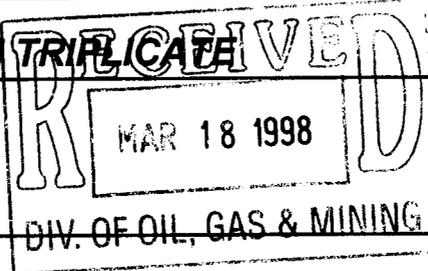
8. Well Name and No.
Hanging Rock Fed. I 11-8

9. API Well No.
43-047-32935

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH CO., UTAH

SUBMIT IN



1. Type of Well

Oil Well Gas Well Other

2. Name of Operator
ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.
P.O. Box 1668, Vernal, UT 435-789-0411

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FNL 660' FEL, SE/NE Section 11, T12S, R23E

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 SPUD
 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.)*

Operator reports the above referenced well was spud on 2/22/98 @ 8:00 a.m. by Bill Jr's Rathole Service.
(See attached report for setting of surface casing.)

CONFIDENTIAL

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

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

Signed [Signature] Title Administrative Assistant Date 03/05/98

(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

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.

UTU-47455

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

Hanging Rock

8. Well Name and No.

Hanging Rock Fed. I 11-8

9. API Well No.

43-047-32935

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

CONFIDENTIAL

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

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

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

1980' FNL 660' FEL, SE/NE Section 11, T12S, R23E

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

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

CONFIDENTIAL

TYPE OF ACTION

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

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

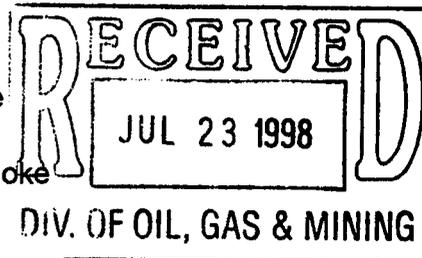
13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to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

Operator reports the above referenced well was placed on production on 6/24/98 @ 2:00 p.m.

Initial 24 hr production:

WASATCH - 692 MCF/D; 1.67 bbls. Condensate; 20.04 bbls. Water; 16/64" Choke

MESA VERDE - 577 MCF/D; 1.67 bbls. Condensate; 38.41 bbls. Water; 14/64" Choke



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

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

Signed Lucy Nemes Title Administrative Assistant Date 07/10/98

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.
UTU-47455

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
Hanging Rock

8. Well Name and No.
Hanging Rock Fed. I 11-8

9. API Well No.
43-047-32935

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

CONFIDENTIAL

2. Name of Operator
ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.
P.O. Box 1668, Vernal, UT 435-789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FNL 660' FEL, SE/NE Section 11, T12S, R23E

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

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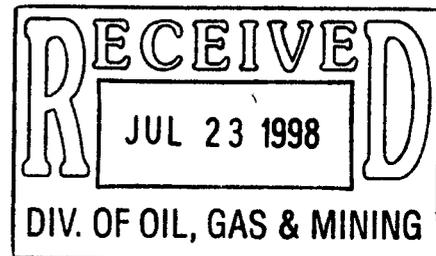
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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.)*

WEEKLY STATUS - MIRU POOL WELL SERVICE ON 5/27/98. SEE ATTACHED RIG REPORTS.

CURRENT STATUS - PRODUCING

CONFIDENTIAL



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

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

Signed Lucy Nemer Title Administrative Assistant Date 07/10/98

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

ROSEWOOD RESOURCES, INC. Daily Completion Report

WELL NAME: HANGING ROCK I #11-8

DATE: 6/25/98

DEPTH: 4424'

PBD 4394'

PERFS: 3754' - 66'

4364' - 4371'

4318'-28', 4263'-78' (SQZD)

PACKER 4197' (Arrowset)

RBP: 3882'

CIBP:

EOT: 4184'

Lease #: UTU-57455

Location: SE/NE SEC. 11, 12S, R23E

County: Uintah Co., Utah

Engineer
ConsultantD. Widner
S. Miller

MIRU POOL RIG #824.

Daily cost \$4,188 Cum. cost \$214,322

5/28/98

PU 3 7/8" DRAG BIT, CSG. SCRAPER AND 4-3 1/8" DRILL COLLARS. RIH TAGGED CMT. @ 1600'. TESTED CSG. TO 2500#, HELD OK. DRILLED CMT. TO 1674'. DRILLED OUT STAGE TOOL. TESTED CSG. TO 2500#, HELD

OK. RIH TO 4367', TAGGED FLOAT COLLAR, DRILLED 18', TO 4385' BIT NOT DRILLING GOOD. BLEW STRIPPING RUBBER. SHUT IN PIPE RAMS, CIRC HOLE CLEAN. PULLED 2 JTS. TBG. SIFN

Daily cost \$29,105 Cum. cost \$243,427

5/29/98

CHANGED OUT STRIPPING RUBBER, DRILLED FROM 4385' TO 4394'. CIRCULATED HOLE CLEAN WITH 3% KCL.

TESTED CSG. TO 2500#, HELD OK. POOH WITH 2 3/8" TBG. RU SCHLUMBERGER RAN BOND LOG. MAX. RUN DEPTH 4394'. RAN 1ST. PASS FROM TD TO SURFACE WITH NO PSI., GOOD BOND, EXCEPT FROM 4100' TO 3400'. PRESSURED UP CSG. TO 1000#, MADE 2ND. RUN, HAD GOOD BOND ACROSS ALL ZONES OF INTEREST.

Daily cost \$7,261 Cum. cost \$221,583

5/30/98

RU SCHLUMBERGER, PERFORATED INTERVAL 4364' TO 4371' WITH HSD-DP 3 3/8" CSG. GUN, 4 SPF, 28 HOLE

TOTAL. HAD NO SHOW AFTER PERFORATING. RIH WITH NOTCH COLLAR, XN NIPPLE, 6' TBG. SUB, ARROW SET 1-X10K PACKER, X/O TOOL, 1 JT. TBG., X NIPPLE AND 139 JTS. 2 3/8" TBG. END OF TBG. LANDED AT 4364', PKR. LANDED AT 4349'. SET PKR. WITH 6,000# COMPRESSION, LAND TBG ON HANGER. WELL STARTED FLOWING. FLOWED WELL TO TANK. RECOVERED 3 BBLs WATER & WELL FLOWING DRY GAS. INSTALL 18/64 CHOKE & FLOW WELL 1 HR. FTP 105#. FLOW WELL FOR 30 MIN ON 2" CHOKE W/ NO FLUID RECOVERY. INSTALL 14/64 CHOKE & FLOW TEST FOR 1.5 HRS. FTP 160# PULLED CHOKE AND MADE ONE SWAB RUN, RECOVERED 1/4 BBL. WATER. PUT 14/ 64" CHOKE IN FLOWED 1 1/2 HR. FTP 170#, EST 177

Daily cost \$11,719 Cum. cost \$226,041

5/31/98

CHECK PRESSURE. SITP 1650#. FLOW WELL TO TANK ON 14/64 CHOKE FOR 4 HRS. FTP STABILIZED @ 190#. EST 198 MCFD RATE. RECOVERED NO FLUID. SION

Daily cost \$575 Cum. cost \$226,616

6/2/98

SITP 1650#, OTT ON 18/64" CHOKE, FLOWED 1 1/2 HRS. WELL STABLE IN 1 HR. AND 45 MIN. AT 100# EST. MCF 173. RU CALUCO RIH SET XN PLUG IN NIPPLE AT 4364'. BLED OF GAS, PRESSURED TESTED TO 2500#, HELD OK. GOT OFF ON AND OFF TOOL, SWABBED HOLE DOWN TO 2300'. RU SCHLUMBERGER

2500#, HELD OK. GOT OFF ON AND OFF TOOL, SWABBED HOLE DOWN TO 2300'. RU SCHLUMBERGER PERFORATED INTERVAL 4318' TO 4328' WITH 3 3/8" HSD-DP CSG. GUN, 4 SPF. NO SHOW AFTER PERFORATING. RIH WITH ON/OFF TOOL, 4' SUB., X NIPPLE, 1 JT. TBG., X NIPPLE AND 135 JTS. 2 3/8" TBG. END OF TBG. LANDED AT 4231'. LANDED TBG. WITH HANGER IN HEAD. RU SWAB, SWABBED 2 1/2 HRS. WELL SWABBED DOWN, MADE 30 MIN. RUN, 100' OF GAS CUT FLUID IN HOLE. RECOVERED 26 BBLs. LOAD WATER WITH A CONTINUOUS LIGHT BLOW. CSG BUILT TO 100#. TOTAL HOLE VOLUME 28 BBLs. SIFN @ 6:00 P.M.

Daily cost \$7,287 Cum. cost \$233,328

6/3/98

SITP 1600# SICIP 1450# OTT ON 18/64" CHOKE. FLOWED 6 HRS., FTP STABLE AT 85# SICIP 240#, EST MCF 147. RECOVERED 4.2 BBLs. WATER. IN 14/64", FLOWED 4 HRS. FTP 125#, SICIP 300#, EST. MCF 130. NO FLUID. SIFN

Daily cost \$2,643 Cum. cost \$228,684

6/4/98

SITP 1750# SICIP 1650#, OTT ON 24/64" CHOKE, BLEW DOWN, RECOVERED 1 BBL. WATER WITH A TRACE OF OIL. RU STRIPPING HEAD, RIH WITH 4 JTS. TBG., LATCHED ON TO ON AND OFF TOOL. UNSET PACKER POOH. ND BOP, INSTALLED 6 1/4" FRAC VALUE, SHUT IN. WILL FRAC TOMORROW.

Daily cost \$3,133 Cum. cost \$229,174

6/5/98

SITP 1750# OTT ON 18/64" CHOKE FOR 3 1/2 HRS., FTP 105#. RU HALLIBURTON, BROKE DOWN PERFS AT 4318' TO 4328' AND 4364' TO 4371' AT 2030#, RAN 100 BALL SEALERS, AVG. PSI 2200#, AVG. RATE 4.5 BPM, MAX PSI 3500# ON BALL OUT. SURGED BALLS, PUMPED 400 GALS. AT 6.3 BPM AT 2260#, ISIP 2000#. AFTER BREAKDOWN FRACED WITH 22,579 GALS. DELTA 140 WITH 402 SKS. 20/40 WHITE SAND. FRAC SCHUEDLE AS FOLLOWS;

1. 3000 GALS. PAD	2202# @ 12.4 BPM
2. 4700 GALS. 2# TO 4# SAND	1923# @ 12.5 BPM
3. 1500 GALS. 4# SAND	1969# @ 12.3 BPM
4. FLUSH	1972# @ 12.5 BPM
5. 500 GALS. W/ 1000# DIVERTER	1958# @ 10.0 BPM
6. 3000 GALS. PAD	2420# @ 12.3 BPM
7. 4700 GALS. 2# TO 4# SAND	2040# @ 12.7 BPM
8. 2368 GALS. 4# SAND	1986# @ 12.9 BPM
9. FLUSH	2300# @ 12.2 BPM

ISIP 2140#, 5 MIN. 1948#, 10 MIN. 1826#, 15 MIN. 1730#. SHUT IN 2 HRS. SICIP 950# OTT ON 18/64" CHOKE, FLOWED 8 HRS., PSI PULLED TO 50#, PULLED CHOKE. FLOWED TOTAL OF 15 HRS. WELL FLOWING 12 TO 14 BBLs. LOAD WATER PER HOUR WITH A SHOW OF GAS. FTP 20#. TOTAL FLUID TO RECOVER 538 BBLs. RECOVERED 251 BBLs. 287 BBLs. LTR.

Daily cost \$6,965 Cum. cost \$246,644

6/6/98

THIS A.M. FTP 20# ON 3/4" CHOKE, WELL FLOWING WITH HEADS OF LOAD WATER WITH A SHOW OF GAS AND A TRACE OF OIL. PUT 32/64" CHOKE IN, FLOWED 8 1/2 HRS. FTP 165#. EST. MCF 891. FLOWING WITH SLUGS LOAD WATER AND A GOOD SHOW OF GAS AND A TRACE OF OIL. IN 18/64" CHOKE FLOWED 15 1/2 HRS. FTP 525#, EST. MCF 910. WELL FLOWING WITH A GOOD SHOW OF GAS WITH OCCASIONAL SLUGS LOAD WATER WITH A TRACE OF OIL. TOTAL FLUID RECOVERED FOR DAY 151 BBLs., TOTAL FLUID RECOVERED 402 BBLs. 151 BBLs. LTR.

Daily cost \$25,763 Cum. cost \$272,407

6/7/98

THIS A.M. @ 6:00 A.M. FTP 525# ON 18/64" CHOKE. LEFT ON 18/64" CHOKE FOR 4 1/2 HRS., FTP 490# EST. MCF 850. RECOVERED 7 BBLs. LOAD WATER, AVG. OF 1.5 BPH. SI WELL, RU CALUCO WIRELINE RIH, TAGGED TD @ 4367'. 27' OF SAND IN HOLE, 4' OF BTM. PERFS COVERED. WELL SI 30 MIN. SICP BUILT TO 960#. OTT ON 20/64" CHOKE FOR 9 HRS., FCP 400#, EST. MCF 859, RECOVERED 21 BBLs. LOAD WATER, AVG. OF 2.4 BBLs. PER HR. IN 16/64" CHOKE, FLOWED 4 HRS. FCP 625#, EST. MCF 853.

RECOVERED

14 BBLs. WATER, AVG. 3.4 BBLs. PER HR. IN 14/64" CHOKE, FLOWED 6 HRS. FCP 700#, EST. MCF 729. RECOVERED 7 BBLs. OF LOAD WATER, AVG. OF 1.5 BBLs. PER HOUR. RECOVERED TOTAL OF 49 BBLs. OF LOAD WATER, LAST 24 HRS. TOTAL WATER RECOVERED 451 BBLs., 87 BBLs LTR. SHUT IN WELL FOR RIJH D UP AT 6:00 A M 6/7/98

Daily cost \$1,128 Cum. cost \$273,535

6/9/98

SICP 1520#, RU CALUCO, RIH WITH SLICKLINE TO CHECK BHP. TAGGED TD, FOUND SAND AT 4266'. 128' OF SAND IN WELL. OPENED WELL TO TANK ON 20/64" CHOKE, FLOWED 1 1/2 HR., TRIED TO FLOW SAND FROM WELL. RIH WITH SLICKLINE, TAGGED SAND AT 4366'. PULLED UP TO 4000', LET SET 10 MIN. WENT BACK DOWN TAGGED SAND AT 4364'. PULLED BACK UP TO 4000', LET SET 10 MIN. AGIN. WENT BACK DOWN

HOLE TAGGED SAND AT 4336'. POOH WITH SLICKLINE. OPENED WELL TO TANK ON 20/64" CHOKE, FLOWED 5 HRS. FCP 420#. RECOVERED 14 BBLs. LOAD WATER. TOTAL LOAD WATER RECOVERED 465 BBLs.

Daily cost \$3,997 Cum. cost \$276,404

6/10/98

SICP 1450#, OTT ON 24/64" CHOKE. RU CUDD SNUBBING UNIT, STRIPPED AND SNUBBED TBG. IN HOLE. RAN

NOTCH COLLAR, 4' SUB, XN NIPPLE WITH PUMP THRU PLUG IN PLACE, 1 JT. TBG., X NIPPLE AND TBG. RAN X NIPPLE WITH PUMP THRU PLUG 180' FROM SURFACE. TAGGED SAND AT 4363', RU CUDD NITROGEN TRUCK

WASHED SAND TO TD AT 4394'. CIRCULATED CLEAN WITH FOAM. EQUALIZED AND PULLED TOP PLUG.

Daily cost \$3,997 Cum. cost \$276,404

6/11/98

RIH WITH TBG., SWABBED WELL DOWN TO 2500', POOH. RU SCHLUMBERGER, PERFORATED INTERVAL 4263' TO 4278', 4 SPF, 60 HOLE TOTAL, WITH 3 3/8" HSD-DP. HAD LIGHT BLOW AFTER PERFORATING. RIH WITH NOTCH COLLAR, XN NIPPLE, 8' SUB, ARROW SET 1-X PKR., 1 JT. TBG., X NIPPLE AND 133 JTS. TBG. LANDED TBG. AT 4179', PKR. AT 4163', XN NIPPLE AT 4178'. SET PKR. WITH 8,000# COMPRESION. TESTED PKR. TO 2500#, HELD OK. RIH WITH SWAB, FLUID LEVEL AT SURFACE. SWABBED 5 HRS., FLUID LEVEL HOLDING AT 2000' FROM SURFACE, COULD NOT SWAB DOWN. RECOVERED 146 BBLs. LOAD WATER AND FORMATION WATER. RECOVERED 129 BLS. OF FORMATION WATER WITH A SHOW OF GAS. SIFN

Daily cost \$3,997 Cum. cost \$276,404

6/12/98

SITP 20#, RIH WITH SWAB, FOUND FLUID LEVEL AT SURFACE. MADE 3 SWAB RUNS, RECOVERED 17 BBLs.

FORMATION WATER, FLUID LEVEL 800' FROM SURFACE. UNSET PKR, POOH. RU SCHLUMBERGER, BAILED 1 SK. SAND ON RBP AT 4300'. RIH SET CMT. RETAINER AT 4096'. TIH WITH STINGER ON TBG., STUNG INTO RETAINER. LOADED CSG., TESTED TO 1500#, HELD OK, LEFT PSI ON CSG. PUMPED DOWN TBG., ESTABLISHED RATE. PUMPED AT 1.6 BPM @ 1470 #. SQUEEZED PERFS 4263' TO 4278' WITH 100 SKS PREM. AG 300 CMT. WITH CFR-3 AND HALAD 344. SQUEEZED PERFS OFF TO 2917#, PULLED OUT OF

Daily cost \$13,352 Cum. cost \$310,419

6/14/98

6/14/98

PU 3 7/8" SMITH BIT, BIT SUB, 4-3 1/8" DRILL COLLARS AND CHANGE OVER TO TBG. RIH TAGGED CEMENT RETAINER AT 4096'. RIGGED UP POWER SWIVEL, DRILLED CEMENT RETAINER AND CEMENT TO 4300'. POOH, PU CSG. SCRAPER, TIH TO RBP AT 4300'. CIRCULATED SAND OFF RBP, AND HOLE CLEAN WITH 70 BBLS. 3% KCL. TESTED CSG. AND SQUEEZE PERFS TO 1500#, HELD OK. PULLED BIT TO 4000' SIFN.

Daily cost \$3,820 Cum. cost \$452,078

6/17/98

POOH W/ TBG. LD BIT, CSG. SCRAPER AND DC'S. PU TS RBP & RIH W/ TBG. SET RBP @ 4063'. TEST RBP TO 2500#. HELD OK! R/U & SWAB WELL DOWN TO 2500'. POOH W/ TBG. RU SCHLUMBERGER PERFORATED INTERVAL 3994' TO 3997', 4 SPF WITH 3 3/8" HSD-DP CSG. GUN, 12 TOTAL HOLES. HAD LIGHT BLOW ON WELL AFTER PERFORATING. RIH NOTCH COLLAR, XN- NIPPLE, 8' SUB., ARROW SET 1-X PKR., 1 JT. TBG., X- NIPPLE AND 125 JTS. TBG. SET PKR. AT 3914', XN NIPPLE @ 3929', X NIPPLE @ 3929'. SET PKR. W/ 10K COMPRESSION, LANDED TBG W/ HANGER. WELL STARTED FLOWING. FLOWED 15 MIN., BLEW DOWN. R/U SWAB, RIH TO MAKE SWAB RUN, TAGGED X- NIPPLE. WHEN PULLING SAND LINE PARTED. HAVE 1100' OF SANDLINE IN TBG. UNSET PKR. POOH TO LINE, RESTRING SAND LINE OVER CROWN & TRIED TO PULL FREE. COULD NOT! PULLED TBG. AND CUT LINE OUT OF HOLE. SWAB CUP STUCK IN X NIPPLE. AFTER PULLING OUT OF HOLE. DID NOT HAVE PKR. RIH W/ TBG & ON/OFF TOOL. FOUND PKR. AT 4063'. LATCHED ON & RESET PKR @ 3914'. TEST PKR TO 2500#. HELD OK! SION

Daily cost \$4,320 Cum. cost \$598,057

6/17/98

THIS A.M. SITP 1500#, OTT ON 18/64" CHOKE, FLOWED 1 1/2 HRS, FTP 55#, EST. MCF 96. IN 14/64" CHOKE PSI BUILT TO 90#. IN 20/64" CHOKE, PSI PULLED TO 37#. LOADED TBG. PUMPED INTO PERFS AT 2500#, INCREASED RATE TO 2 1/2 BPM, PSI STAYED AT 2500#. PUMPED TOTAL OF 20 BBLS. WATER. RU SWAB RIH, FOUND BAD PLACE ON SWAB LINE. HAD TO PULL 1100' OF SAND LINE OFF DRUM. SWABBED TBG. DRY, RECOVERED 15 BBLS. WATER. MADE 2- 15 MIN. RUNS, NO ENTRY, HAD CONTINUOUS SHOW OF GAS. UNSET PKR., POOH, LAYED DOWN PKR. AND ON AND OFF TOOL. PICKED UP ON AND OFF TOOL, TIH LATCHED ON TO RBP, UNSET, PULLED TO 3882', RESET. LOADED CSG., TESTED RBP TO 2500#. HELD OK. GOT OFF ON AND OFF TOOL. POOH WITH TBG. SHUT IN. SIFN.

Daily cost \$3,597 Cum. cost

6/18/98

RU SCHLUMBERGER, PERFORATED INTERVAL 3754' TO 3766' WITH 3 3/8" HSD-DP CSG. GUN, 4 SPF, 48 HOLE TOTAL. HAD LIGHT BLOW AFTER PERFORATING. RIH WITH ON AND OFF TOOL, 2' SUB, XN NIPPLE, 1 JT. TBG. X NIPPLE, AND 109 JTS. 2 3/8" TBG. TIH TO 3426', WHILE RUNNING IN HOLE, WELL KICKED OFF. SHUT IN, HOOKED UP TO TANK, OPENED UP. FLOWED 3 1/2 HRS., ON 22/64" CHOKE, WELL STABLE AT 320# ON TBG. SICP 320#. NO FLUID, EST. MCF 834. IN 18/64" CHOKE, FLOWED 3 HRS., WELL STABLE AFTER 1 HR. AT FTP 480# SICP 480#, 832 MCF. FLOWING DRY GAS. SIFN

Daily cost \$5,297 Cum. cost

6/19/98

CHECK PRESSURES. 13 HR SICP & SITP 1500#. FLOW WELL TO TANK ON 20/64 CHOKE FOR 10 HRS. FTP STABILIZED @ 430#. SICP @ 400#. EST 923 MCFD RATE. RECOVERED 2 BBLS WATER. SION

Daily cost \$2,909 Cum. cost \$475,562

6/20/98

CHECK PRESSURES. 13 HR SICP & SITP 1460#. R/U HALLIBURTON. PUMP & BREAK DOWN PERFS W/ PAD FLUID. ZONE BROKE @ 3939#. SHUT DOWN. ISIP 1600# (.87 FRAC GRAD.) RESUME PUMPING & FRAC WELL W/ 20,000# 20/40 SAND & USED 230 BBLS FLUID. AVG RATE 8 BPM AVG PSI 3100# MAX RATE 9.6 BPM MAX PSI 3939#. ISIP 2017# 5 MIN 1944# 10 MIN 1892# 15 MIN 1863#. R/U HES & SHUT WELL IN FOR 2 HRS. SITP 430# SICP 540#. FLOWED WELL FOR 2 1/2 HRS ON 18/64 CHOKE & RECOVERED 46 BBLS. FTP DOWN TO 5#. R/U & SWAB WELL. MADE 7 RUNS & RECOVERED 47 BBLS FLUID. WELL STARTED FLOWING AGAIN. FLOWING WELL TO TANK ON 18/64 CHOKE. FTP @ 950#. EST 1647 MCFD FLOW RATE. RECOVERED 193 BBLS TOTAL IN 18 HRS. HAVE 37 BLTR.

Daily cost \$21,244 Cum. cost \$496,806

6/21/98

FLOWING WELL ON 18/64 CHOKE. FTP 950# SICP 1050#. EST 1647 MCFD FLOW RATE. INSTALL 16/64 CHOKE & FLOW FOR 3 HRS. FTP 950# SICP 1075#. EST 1297 MCFD FLOW RATE. RECOVERED 7 BBLS WATER. INSTALL 14/64 CHOKE & FLOW WELL FOR 5 HRS. FTP 1000# SICP 1080#. EST 1042 MCFD FLOW RATE. RECOVERED 4 BBLS FLUID. 11 BBLS TOTAL TODAY. HAVE 26 BLTR. SHUT IN WELL.

Daily cost \$3,009 Cum. cost \$499,825

6/23/98

CHECK PRESSURES 1360# SITP & SICP. R/U SLICKLINE TRUCK. RIH & SET PLUG IN XN- NIPPLE @ 3426'. R/U CUDD SNUBBING UNIT. RIH W/ 2 3/8" TBG. TAG SAND @ 3746'. R/U NITROGEN UNIT & CLEAN OUT SAND TO TOP OF RBP @ 3882'. RELEASE PLUG & SNUB OUT OF HOLE W/ TBG & TOOLS. P/U RETRIEVING TOOL & SNUB IN HOLE W/ 82 JTS 2 3/8" TBG. SION

Daily cost \$11,461 Cum. cost \$511,276

6/24/98

CHECK PRESSURES 1360# SITP & SICP. FINISHED IN HOLE WITH TBG. TO 4290', TAGGED SAND. RU NITROGEN TRUCK, WASHED TO RBP @ 4300'. CIRCULATED HOLE CLEAN, LATCHED ON TO RBP, UNSET RBP SNUBBED AND STRIPPED OUT OF HOLE. SNUBBED BACK IN HOLE AS FOLLOWS; NOTCH COLLAR, 2' SUB, XN NIPPLE, 6' SUB, ARROW SET- 1 PKR., ON AND OFF TOOL, 1 JT. TBG., X NIPPLE, 14 JTS. TBG., XO SLIDING SLEVE, AND 119 JTS. 2 3/8" TBG. 134 JTS. TOTAL TBG. END OF TBG. @ 4184', XN NIPPLE @ 4182', ARROW SET-1 PKR. @ 4167', X NIPPLE @ 4134', AND XO SLIDING SLEVE @ 3700'. SET PKR. IN COMPRESSION, LANDED IN WELLHEAD. RIGGED DOWN CUDD, REMOVED BOP, INSTALLED WELL HEAD. RU SLICKLINE REMOVED PLUG FROM XN NIPPLE. SHUT IN WELL, READY TO PUT ON LINE.

Daily cost \$11,071 Cum. cost \$522,347

6/25/98

RDMO POOL WELL SERVICE RIG. FINISH HOOK-UP. PUT WELL ON PRODUCTION @ 2:00 PM 6-24-98. SITP 1760# (MESA VERDE) SICP 1380# (WASATCH). MESA VERDE PRODUCING ON 14/64 CHOKE W/ 1305 MCFD FLOW RATE & WASATCH PRODUCING ON 16/64 CHOKE W/ 1494 MCFD FLOW RATE.

Daily cost \$420 Cum. cost \$522,767

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

MONTHLY OIL AND GAS PRODUCTION REPORT

Operator Name and Address:

ROSEWOOD RESOURCES INC.
LUCY NEMEC
P.O. BOX 1668
VERNAL, UT 84078

Utah Account Number: N7510

Report Period (Month/Year): Jun-98

Amended Report (Highlight Changes)

Well Name API Number	Entity	Location	Producing Zone	Well Status	Days Oper	Production Volumes		
						OIL (BBL)	GAS (MCF)	WATER (BBL)
RAINBOW UNIT 7 (DUAL COMP)								
4304732778	11999	NWNW-11S-24E-18	MVRD	PGW	30	-	366	8
TOBY FEDERAL F 6-15								
4304732757	12037	SWSE-12S-24E-17	WSTC	PGW	30	-	4,461	-
CENTER FORK F 17-4								
4304732750	12038	NWNW-12S-24E-17	MSMVD	SGW	0	-	-	-
TUCKER FEDERAL F 8-4								
4304732872	12125	SWNW-12S-24E-8	WSTC	PGW	30	2	8,436	2
OIL SPRINGS UNIT 5								
4304715930	12133	NESW-12S-24E-5	WSTC	PGW	29	-	4,759	-
OIL SPRINGS UNIT 10								
4304731656	12133	NENE-12S-24E-5	WSTC	PGW	29	-	2,902	15
OIL SPRINGS UNIT 11								
4304732876	12133	SWSW-12S-24E-5	WSTC	PGW	30	-	5,312	3
OIL SPRINGS UNIT 12								
4304733051	12133	SWNW-12S-24E-5	WSTC	PGW	30	-	15,996	7
HANGING ROCK FEDERAL F 7-8								
4304732937	12305	SENE-12S-24E-7	WSTC	PGW	6	3	6,295	8
HANGING ROCK FEDERAL I 11-8								
4304732935	12306	SENE-12S-23E-11	WSTC	PGW	30	7	32,588	99
HANGING ROCK FEDERAL I 11-8								
4304732935	12306	SENE-12S-23E-11	MSVD	PGW	12	8	4,825	190
TOTALS						20	85,940	332

Comments:

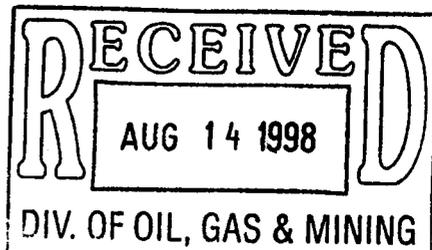
I hereby certify that this report is true and complete to the best of my knowledge.

Name & Signature: LUCY NEMEC
(12/93)

Lucy Nemes

Date: 08/10/98

Telephone Number: 435-789-0414



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.
UTU-47455

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
Hanging Rock

8. Well Name and No.
Hanging Rock Fed. I 11-8

9. API Well No.
43-047-32935

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

CONFIDENTIAL

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

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

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

1980' FNL 660' FEL, SE/NE Section 11, T12S, R23E

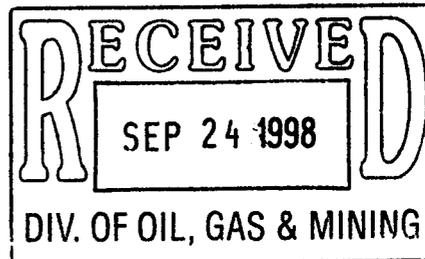
12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input 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 type="checkbox"/> Other _____
	<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 checked="" 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.)*

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



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

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

Signed Lucy Nemer Title Administrative Assistant Date 09/21/98

(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.

ROSEWOOD RESOURCES, INC.

P. O. BOX 1668
VERNAL, UTAH 84078

FAX COVER SHEET

FROM: Lucy

NO. OF PAGES (Including this Cover Sheet): 3

TO: Kristen Risbeck

FAX NO.: 801-359-3940

FIRM: _____

PHONE NO.: 435-789-0414

DATE: 10-6-98

SUBJECT: _____

MESSAGE: _____

CONFIDENTIALITY NOTICE: The information contained in this facsimile transmission is confidential information which is intended only for the use of the recipient named above. If you receive this communication in error, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this communication is strictly prohibited. If you have received a misrouted facsimile transmission, please notify the sender immediately by telephone.
Thank you.

FORM 3160-4 (July 1992)

AMENDED

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

FORM APPROVED OMB NO. 1004-0137 Expires: February 28, 1995 5. LEASE DESIGNATION AND SERIAL NO. **UTU-57455**

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK OIL WELL [] GAS WELL [X] DRY [] Other [] 1b. TYPE OF WELL NEW WELL [X] WORK OVER [] DEEP-EN [] PLUG-BACK [] DIRT RESVR. [] Other []

7. UNIT AGREEMENT NAME **HANGING ROCK** 8. FARM OR LEASE NAME, WELL NO. **HANGING ROCK FED I #11-8** 9. API WELL NO. **43-047-32935**

2. NAME OF OPERATOR **ROSEWOOD RESOURCES, INC.** 3. ADDRESS AND TELEPHONE NO. **P.O. BOX 1668, VERNAL, UT 84078 435-789-0414**

10. FIELD AND POOL OR WILDCAT 11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA **SEC. 11, T12S, R23E** Block & Survey: **S.L.B. & M**

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.*) At Surface **1980' FNL 660' FEL SE/NE SEC. 11, T12S, R23E.** At top prod. Interval reported below

CONFIDENTIAL

14. PERMIT NO. **UTU-080-7M-315** DATE ISSUED **7/16/97**

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

15. DATE SPUDDED **5/3/98** 16. DATE T.D. REACHED **5/17/98** 17. DATE COMPL. (Ready to prod.) **6/24/98** 18. ELEVATIONS (DF, RKB, RT, GR, ETC)* **5991' GL** 19. ELEV. CASINGHEAD **6106' KB**

20. TOTAL DEPTH, MD & TVD **4424'** MD TVD **4394'** 21. PLUG, BACK T.D., MD & TVD TD TVD **4394'** 22. IF MULTIPLE COMPL., HOW MANY* **2** 23. INTERVALS DRILLED BY **340' - 4424'** ROTARY TOOLS **NA** CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)* **WASATCH 3766' - 3997 MESA VERDE 4328' - 4371'** *Dual completion* 25. WAS DIRECTIONAL SURVEY MADE **NO**

26. TYPE ELECTRIC AND OTHER LOGS RUN **MUD LOG; CNLD/GR; CBL; AI/LC/GR; MPE/GR** 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
8-5/8" J-55	24#	331.2'	12-1/4"	SURF-300 SX Class "G" + ADD	NONE
4-1/2" J-55	11.6#	4412.9'KB	7 7/8"	STG 1 400 SX CLASS "G"	NONE
				STG 2 100 SX CLASS "G"	
				STAGE TOOL @ 1673.87'	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
				2-3/8"

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
	4184'	4167'

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
4364' - 71'	0.37	28
4318' - 28'	0.37	40
4263' - 78'	0.37	60
3994' - 97'	0.37	48

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4318' - 71'	FRAC W/22,579 GALS, 40,200# 20/40 SD
4263' - 78"	SQUEEZED W/ 100 SKS "G" CEMENT
3754' - 66'	FRAC W/9660 GALS + 20,000# 20/40 SD

33.* PRODUCTION

DATE FIRST PRODUCTION **6/24/98** PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) **FLOWING** WELL STATUS (Producing or shut-in) **PROD**

DATE OF TEST **6/25/98** HOURS TESTED **24** CHOKED SIZE **14/64" MV** PROD'N. FOR TEST PERIOD **---** OIL--BBL. **2 - W; 2 - MV** GAS--MCF. **692W/577MV** WATER--BBL. **20-W; 38 MV** GAS-OIL RATIO

FLOW. TUBING PRESS. **SITP MV - 1760#** CASING PRESSURE **W-1380#** CALCULATED 24-HOUR RATE **---** OIL-BBL. **4** GAS--MCF. **1269** WATER--BBL. **58** OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) **SALES/FUEL** TEST WITNESSED BY **IVAN SADLIER**

35. LIST OF ATTACHMENTS

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

SIGNED *Lucy Neenan* TITLE **ADMINISTRATIVE ASISTANT** DATE **10/6/98**

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

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

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

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.

COPIES: BLM - VERNAL/ORIG. & 2 COPIES; DIV. OG&M - DALLAS 1 COPY;

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
WASATCH TOP	2581'	
MESA VERDE TOP	4123'	

CONFIDENTIAL

PRINT IN DUPLICATE*
(See other instructions on reverse side)

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

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

5. LEASE DESIGNATION AND SERIAL NO.
UTU-57455

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK

OIL WELL GAS WELL DRY Other _____

1b. TYPE OF WELL

NEW WELL WORK OVER DEEP-EN PLUG-BACK DIFF. RESVR. Other _____

7. UNIT AGREEMENT NAME
HANGING ROCK

8. FARM OR LEASE NAME, WELL NO.
HANGING ROCK FED I #11-8

2. NAME OF OPERATOR

ROSEWOOD RESOURCES, INC.

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 1668, VERNAL, UT 84078 435-789-0414

9. API WELL NO.
43-047-32935

10. FIELD AND POOL OR WILDCAT

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

At Surface
1980' FNL 660' FEL SE/NE SEC. 11, T12S, R23E.

At top prod. Interval reported below

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SEC. 11, T12S, R23E

Block & Survey: S.L.B. & M

At total depth

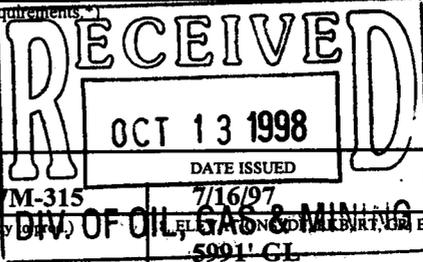
14. PERMIT NO. **UTU-080-7M-315** DATE ISSUED **7/16/97**

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

15. DATE SPUNDED **5/3/98**

16. DATE T.D. REACHED **5/17/98**

17. DATE COMPL. (Ready for prod.) **6/24/98**



19. ELEV. CASINGHEAD **6106' KB**

20. TOTAL DEPTH, MD & TVD

4424' MD

21. PLUG, BACK T.D., MD & TVD

4394' TVD

22. IF MULTIPLE COMPL., HOW MANY*

2

23. INTERVALS DRILLED BY

→

ROTARY TOOLS

340' - 4424'

CABLE TOOLS

NA

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

WASATCH 3766' - 3997 MESA VERDE 4328' - 4371'

25. WAS DIRECTIONAL SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

MUD LOG; CNLD/GR; CBL; A/LC/GR; MPE/GR

27. WAS WELL CORED

NO

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
8-5/8" J-55	24#	331.2'	12-1/4"	SURF-300 SX Class "G" + ADD	NONE
4-1/2" J-55	11.6#	4412.9'KB	7 7/8"	STG 1 400 SX CLASS "G"	NONE
				STG 2 100 SX CLASS "G"	
				STAGE TOOL @ 1673.87'	

LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	4184'	4167'

TUBING RECORD

31. PERFORATION RECORD (Flowing, gas lift, pumping—size and type of pump)

INTERVAL	SIZE	NUMBER
4364' - 71'	0.37	28
4318' - 28'	0.37	40
4263' - 78' SQUEEZED	0.37	60
3994' - 97' .037 12 SHOTS 3754' - 66'	0.37	48

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4318' - 71'	FRAC W/22,579 GALS, 40,200# 20/40 SD
4263' - 78"	SQUEEZED W/ 100 SKS "G" CEMENT
3754' - 66'	FRAC W/9660 GALS + 20,000# 20/40 SD

33.* PRODUCTION

DATE FIRST PRODUCTION 6/24/98	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) FLOWING					WELL STATUS (Producing or shut-in) PROD
DATE OF TEST 6/25/98	HOURS TESTED 24	CHOKE SIZE (10/64" or 1/8") 14/64" MV	PROD. FOR TEST PERIOD →	OIL-BBLS. 2 - W; 2 - MV	GAS-MCF. 692W/577MV	WATER-BBL. 20-W; 38 MV
FLOW. TUBING PRESS. SITP MV - 1760#	CASING PRESSURE W-1380#	CALCULATED 24-HOUR RATE →	OIL-BBL. 4	GAS-MCF. 1269	WATER-BBL. 58	OIL GRAVITY-API (CORR.)

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

SALES/FUEL

TEST WITNESSED BY
IVAN SADLIER

35. LIST OF ATTACHMENTS

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

SIGNED

[Signature]

TITLE

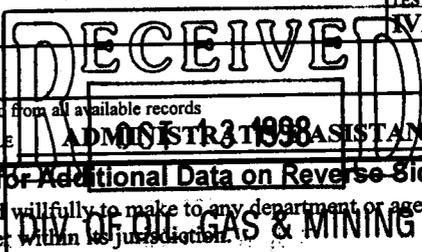
ADMINISTRATIVE ASSISTANT

DATE

10/6/98

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

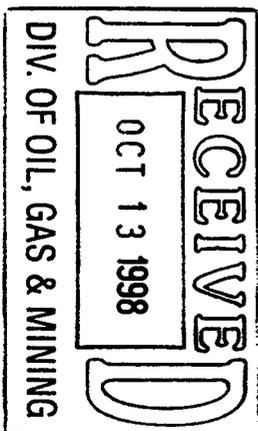
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



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

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				WASATCH TOP	2581'	
				MESA VERDE TOP	4123'	



COPIES: BLM - VERNAL/ORIG. & 2 COPIES; DIV. OG&M - DALLAS 1 COPY;

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

355 West North Temple, 3 Triad, Suite 350, Salt Lake City, UT 84108-1203

MONTHLY OIL AND GAS PRODUCTION REPORT

Operator Name and Address:

ROSEWOOD RESOURCES INC.
LUCY NEMEC
P.O. BOX 1668
VERNAL, UT 84078

Utah Account Number: N7510

Report Period (Month/Year): 0998

Amended Report (Highlight Changes)

Well Name API Number	Entity	Location	Producing Zone	Well Status	Days Oper	Production Volumes		
						OIL (BBL)	GAS (MCF)	WATER (BBL)
HANGING ROCK FEDERAL I 11-8 4304732935	12306	SENE-12S-23E-11	WSTCMV W5MVD	PGW	30	4	10,099	392
HANGING ROCK FEDERAL I 10-13 4304733098	12429	SWSW-12S-23E-10	WSTC	PGW	15	22	30,995	43
ROSEWOOD FEDERAL 14-6 4304733131	12451	SENW-12S-22E-14	WSTC	ABD	0	-	-	-
TOTALS						26	41,094	435

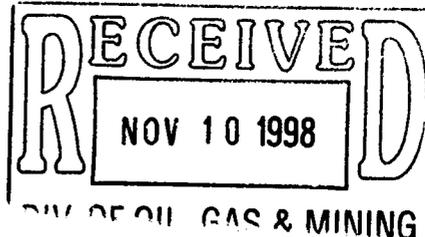
Comments: 11-8 is now comingled

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

Name & Signature: LUCY NEMEC *Lucy Neme*
(12/93)

Date: 11/05/98

Telephone Number: 435-789-0414




```

01/08/99          D E T A I L   W E L L   D A T A          menu: opt 00
api num: 4304732935      prod zone: WSTC          sec   twnshp   range   qr-qr
entity: 12306 : HANGING ROCK I 11-8          11   12.0 S   23.0 E   SENE
well name: HANGING ROCK I 11-8
operator: N7510 : ROSEWOOD RESOURCES INC          meridian: S
field: 635 : OIL SPRINGS
confidential flag: C confidential expires: 990724 alt addr flag:
      * * * application to drill, deepen, or plug back * * *
lease number: UTU-47455      lease type: 1      well type:      GW
surface loc: 1980 FNL 0660 FEL unit name: HANGING ROCK
prod zone loc: 1980 FNL 0660 FEL depth: 4500      proposed zone: WSTC
elevation: 5991' GL      apd date: 970716      auth code: R649-2-3
* * completion information * *      date recd: 981006      la/pa date:
spud date: 980222      compl date: 980624      total depth: 4424'
producing intervals: 3754-4371'
bottom hole:      first prod: 980624      well status:      TAZ
24hr oil: 2      24hr gas: 692      24hr water: 20      gas/oil ratio:
      * * well comments:      directionl:      api gravity:
980203 FR N3285 1/98:980310 ENTITY ADDED;NON PA:981006 DUAL COMPL;SEE MVRD PZ
SCREEN:990108 TAZ'D TO ELIM DBL WELL COUNT;COMINGLE WITH MVRD----SEE WSMVD PZ

opt: 21 api: 4304732935 zone: WSTC date(yyymm):      enty      acct:

```

01/08/99 D E T A I L W E L L D A T A menu: opt 00

api num: 4304732935 prod zone: MVRD sec twnshp range qr-qr

entity: 12306 : HANGING ROCK I 11-8 11 12.0 S 23.0 E SENE

well name: HANGING ROCK I 11-8

operator: N7510 : ROSEWOOD RESOURCES INC meridian: S

field: 635 : OIL SPRINGS

confidential flag: C confidential expires: 990724 alt addr flag:

 * * * application to drill, deepen, or plug back * * *

lease number: UTU-47455 lease type: 1 well type: GW

surface loc: 1980 FNL 0660 FEL unit name: HANGING ROCK

prod zone loc: 1980 FNL 0660 FEL depth: 4500 proposed zone: WSTC

elevation: 5991' GL apd date: 970716 auth code: R649-2-3

* * completion information * * date recd: 981006 la/pa date:

spud date: 980222 compl date: 980624 total depth: 4424'

producing intervals: 3754-4371'

bottom hole: first prod: 980624 well status: TAZ

24hr oil: 2 24hr gas: 577 24hr water: 38 gas/oil ratio:

 * * well comments: direction1: api gravity:

 981006 DUAL COMPL;SEE WSTC PZ SCREEN:990108 TAZ'D TO ELIM DBL WELL COUNT:

opt: 21 api: 4304732935 zone: MVRD date(yy-mm): enty acct:

01/08/99

D E T A I L W E L L D A T A

menu: opt 00

api num: 4304732935 prod zone: WSMVD sec twnshp range qr-qr
 entity: 99999 : DRILLING FILES 11 12.0 S 23.0 E SENE
 well name: HANGING ROCK I 11-8(COMINGLED)
 operator: N7510 : ROSEWOOD RESOURCES INC meridian: S
 field: 635 : OIL SPRINGS

confidential flag: C confidential expires: 990724 alt addr flag:

* * * application to drill, deepen, or plug back * * *

lease number: UTU-47455 lease type: 1 well type: GW
 surface loc: 1980 FNL 0660 FEL unit name: HANGING ROCK
 prod zone loc: 1980 FNL 0660 FEL depth: 4500 proposed zone: WSMVD
 elevation: 5991' GL apd date: 970716 auth code: R649-2-3
 * * completion information * * date recd: 981006 la/pa date:
 spud date: 980222 compl date: 980624 total depth: 4424'

producing intervals: 3754-4371'

bottom hole: 1980 FNL 0660 FEL first prod: 981006 well status: PGW

24hr oil: 2 24hr gas: 577 24hr water: 38 gas/oil ratio:

* * well comments: directionl: api gravity:

990108 COMINGLED;SEE WSTC & MVRD PZ:

opt: 21 api: 4304732935 zone: WSTC date(yy-mm): enty acct:

RECEIVED
MAR 18 1999
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
DIV. OF OIL, GAS & MINERAL

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

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK

OIL WELL GAS WELL DRY

1b. TYPE OF WELL

NEW WELL WORK OVER DEEP-EN PLUG-BACK DIFF. RESVR. Other _____

CONFIDENTIAL

7. UNIT AGREEMENT NAME

HANGING ROCK

8. FARM OR LEASE NAME, WELL NO.

HANGING ROCK FED I #11-8

2. NAME OF OPERATOR

ROSEWOOD RESOURCES, INC.

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 1668, VERNAL, UT 84078

435-789-0414

9. API WELL NO.

43-047-32935

10. FIELD AND POOL OR WILDCAT

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

At Surface

1980' FNL 660' FEL SE/NE SEC. 11, T12S, R23E.

At top prod. Interval reported below

At total depth

14. PERMIT NO.

UTU-080-7M-315

DATE ISSUED

7/16/97

12. COUNTY OR PARISH

UINTAH

13. STATE

UTAH

15. DATE SPUDDED

5/3/98

16. DATE T.D. REACHED

5/17/98

17. DATE COMPL. (Ready to prod.)

6/24/98

CONFIDENTIAL PERIOD EXPIRED 7-24-99

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

5991' GL

19. ELEV. CASINGHEAD

6106' KB

20. TOTAL DEPTH, MD & TVD

4424' MD

21. PLUG, BACK T.D., MD & TVD

4394' TVD

22. IF MULTIPLE COMPL., HOW MANY*

2

23. INTERVALS DRILLED BY

----->

ROTARY TOOLS

340' - 4424'

CABLE TOOLS

NA

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*

WASATCH 3766' - 3997, 3564' - 66', 3067' - 75', 2668' - 82'

MESA VERDE 4328' - 4371'

25. WAS DIRECTIONAL SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

MUD LOG; CNLD/GR; CBL; AI/LC/GR; MPE/GR

27. WAS WELL CORED

NO

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
8-5/8" J-55	24#	331.2'	12-1/4"	SURF-300 SX Class "G" + ADD	NONE
4-1/2" J-55	11.6#	4412.9'KB	7 7/8"	STG 1 400 SX CLASS "G"	NONE
				STG 2 100 SX CLASS "G"	
				STAGE TOOL @ 1673.87'	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	4311'	

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
3564' - 66'	0.37	8
3067' - 75'	0.37	32
2668' - 82'	0.37	56

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3564' - 66'	Frac w/7518 gals + 12,340# 20/40 sd

33.* PRODUCTION

DATE FIRST PRODUCTION 6/24/98	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) FLOWING				WELL STATUS (Producing or shut-in) PROD		
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL--BBL.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL--BBL.	GAS--MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)	

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

SALES/FUEL

TEST WITNESSED BY

IVAN SADLIER

35. LIST OF ATTACHMENTS

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

SIGNED

Lucy Neman

TITLE

ADMINISTRATIVE ASISTANT

DATE

3/3/99

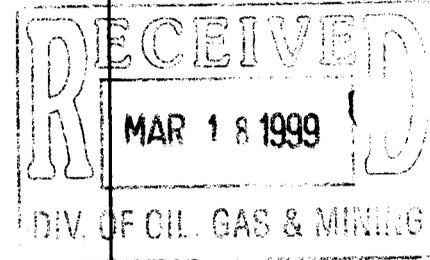
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37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				WASATCH TOP	2581'	
				MESA VERDE TOP	4123'	



COPIES: BLM - VERNAL/ORIG. & 2 COPIES; DIV. OG&M - DALLAS 1 COPY;

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: 9. API NUMBER: 10. FIELD AND POOL, OR WILDCAT: COUNTY: STATE: UTAH
PHONE NUMBER: (303) 893-0933		

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 Tarabza

Title vice President Rosewood Resources, Inc

Signature Gary Tarabza

Date 4/23/02

NAME (PLEASE PRINT) John D. Steuble

TITLE Engineering Manager Mcelvain O & G Properties

SIGNATURE John D. Steuble

DATE 4/12/02

(This space for State use only)

API #	FED #	POOL #	COUNTY	LEGAL	WELL NAME
43-047-32871	UTU-57455	OIL SPRINGS	UNITAH	1 12S 23E SESW	HANGING ROCK FED I # 1-14 WS
43-047-32855	UTU-57455	OIL SPRINGS	UINTAH	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

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

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2004

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU-57455

1a. Type of Well Oil Well Gas Well Dry Other
b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resvr.,
Other Temporary Plug Back & Acidize

6. If Indian, Allottee or Tribe Name

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

7. Unit or CA Agreement Name and No.
Hanging Rock

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

3a. Phone No. (include area code)
303-892-0033

8. Lease Name and Well No.
Hanging Rock Federal I #11-8

9. API Well No.
43-047-32935

4. Location of Well (Report location clearly and in accordance with Federal requirements)

At surface **1980' FNL & 660' FEL (SENE Sec. 11, T12S-R23E)**

At top prod. interval reported below **same as above**

At total depth **same as above**

10. Field and Pool, or Exploratory
Oil Springs

11. Sec., T., R., M., on Block and Survey or Area **Sec. 11, T12S-R23E, SLB&M**

12. County or Parish **Uintah** 13. State **Utah**

14. Date Spudded
5/3/98

15. Date T.D. Reached
5/17/98

16. Date Completed
 D & A Ready to Prod.
6/24/98

17. Elevations (DF, RKB, RT, GL)*
5991' GL & 6106' KB

18. Total Depth: **MD4424 TVD4424**

19. Plug Back T.D.: **MD4394 Float Collar TVD 4394 Float Collar**

20. Depth Bridge Plug Set: **MD 4200 & 3491 TVD 4200 & 3491**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Mud Log, CNL/FDC/AIL/MPE/SP/GR, CBL

22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit report)
Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.25"	8.625"/J55	24#	Surface	331	NA	300 sx 'G'		Surface	0
7.875"	4.5"/J55	11.6	Surface	4413	1674	Stg1-400 sx G	102.5	2228	0
						Stg2-100 sx G	NR	504 +/-	
						Stg2-50sx G	10.2		

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375"	3060	NA						

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Wasatch	2580	4133	3067 - 3075	0.37"	32	Producing
B)			2668 - 2682	0.37"	56	Producing
C)						
D) SEE ATTACHED SHEET						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
3067 - 3075	500 gals 15% HCl acid w/additives utilizing 48 - 7/8" ball sealers
2668 - 2682	500 gals 15% HCl acid w/additives utilizing 80 - 7/8" ball sealers

SEE ATTACHED SHEET

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
6/24/98	12/15/04	24	→	0	52	0		0.61	Plunger Lift & compressor
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. 150	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
		140	→		52	0		Commingle w/2668 to 2682	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
6/24/98	12/15/04	24	→	0	52	0		0.61	Plunger Lift & compressor
Choke Size	Tbg. Press. Flwg.	Csg. Press. 150	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
		140			52	0		Commingle w/3067 to 3075	

3b. Production - Interval C

ate First reduced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
hoke ize	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

3c. Production - Interval D

ate First reduced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
hoke ize	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

1. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

1. Summary of Porous Zones (Include Aquifers):

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.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				Uteland Butte	2480
				Upper Wasatch	2580
				Middle Wasatch	3030
				Lower Wasatch	3740
				Mesaverde	4133

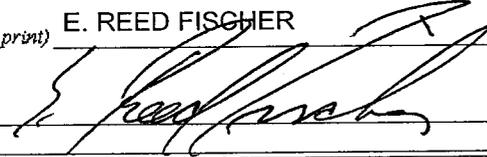
2. Additional remarks (include plugging procedure):

This completion report is submitted following the set of a CIBP @ 3491 to shut-off production from Wasatch perforations from 3564-66, 3754-66 and 3994-97. No cement was placed on top of this CIBP @ 3491. The intent was to temporarily shut-off production from the middle and lower Wasatch in order to selectively acidize the Upper Wasatch perms from 3067-75 and 2668-82. Ed Forseman of Vernal BLM was notified of the operation via a voice message on 12/04/04. Following the acid treatments, the acidized zones were re-commingled and placed on plunger lift. Commingled production was measured through the gas sales meter at 104 MCFGD and no water or oil. Gross production was allocated equally between the two sets of perms. The two commingled zones will be produced until sub-economic, at that time the CIBP at 3491 will be removed and the well commingled from all existing perms above 4200' (the bottom CIBP) or the well will be permanently abandoned following approval from the BLM. PLEASE SEE THE ATTACHED DIAGRAM.

3. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7. Other:

4. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) E. REED FISCHER Title Operations Engineer
 Signature  Date January 4, 2005

file 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.

Well Name: HANGING ROCK 11-8
Location: Sec 11 12S 24E
Work Done: 12/04
Supervisor: Marcus Wolfe

Operator: McElvain Oil & Gas Properties
County, State: UINTAH, UT
API No.: 43-047-32935

Acid Job

12/5/04 MIRUSU. Nipple down well head. Nipple up BOP. Shut well in, shut down for day. Left message for Ed Forseman of Vernal BLM office of pending work on 12/4/04.

12/6/04 Had safety meeting. Blew well down. Moved 19 jts. from HR 7-6 to location. TOO H w/99 jts. of tubing, tallied out of hole. RU CIBP, and packer. TIH w/CIBP, packer and tubing. Left tools unset. Shut well in, shut down for day. MIRU rig pump and tank.

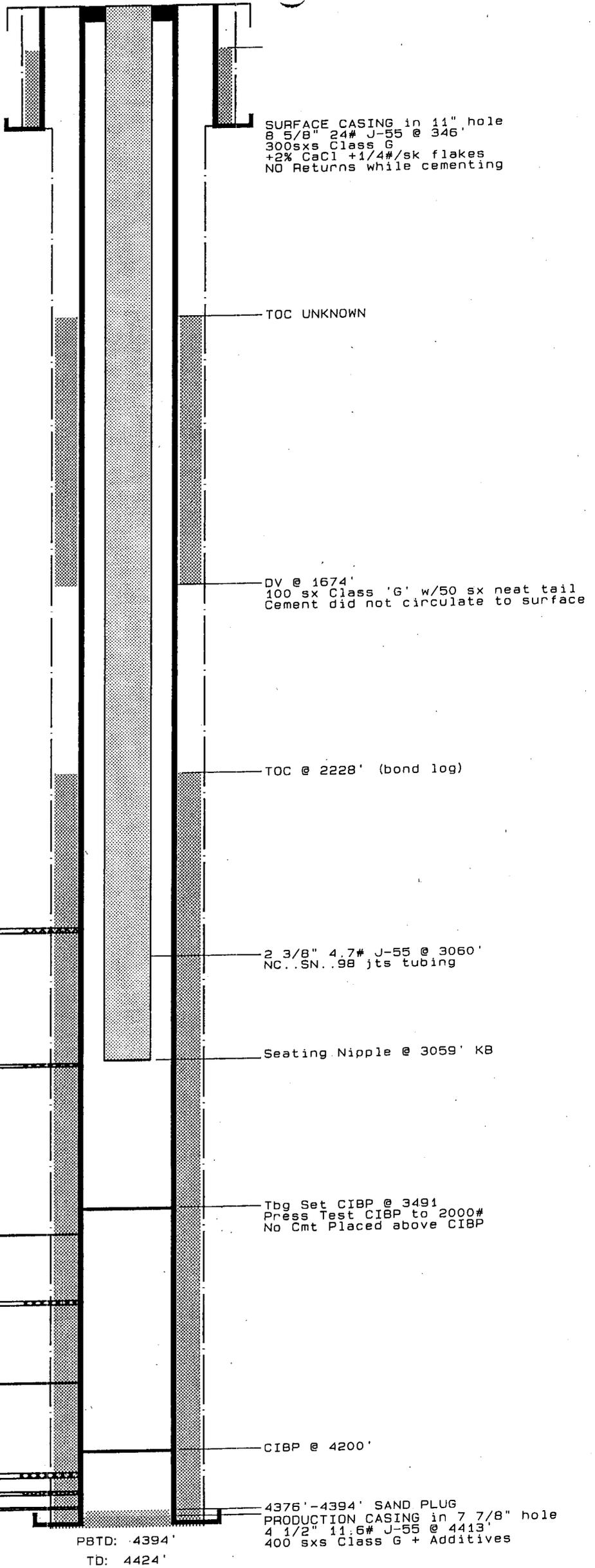
12/7/04 Had safety meeting. Blew well down. MIRU Halliburton and water truck. Pumped 5 bbls. **Set CIBP @ 3491'**. Pulled 2jts. Set packer. Loaded hole. Tested plug to 2000 psi. Unset packer. TOO H w/14 jts. **Set packer @ 2994'**. Acidized, balled off, surged balls. Pumped 2 bbls. past perfs. Avg. pump pressure 2500 psi. IPP 2200 psi. Broke back to 1800 psi. @ 5 bpm. ISP 1125 psi, 5min: 0 psi. **Pumped 500 gals. of 15% HCl w/0.5 gals. Lowsurf, 2 gals. Cal-sta xp, 1gal. Hal-404 and 5 gals. Fe1a.** Pumped forty-eight 7/8" balls @ 1.3 spg. Unset packer. Lowered packer below perfs. TOO H w/tubing and packer. TIH w/RBP, packer and tubing. Set RBP @ 2768', pulled 6 jts. **Set packer @ 2574'**. Acidized well, balled off, surged balls off. Pumped 2 bbls. past perfs. Avg. pump pressure 2800 psi. IPP 2000 psi. Broke back to 1400 psi. @ 5 bpm. ISP 1011psi, 5min: 0 psi. **Pumped 500 gals. of 15% HCl w/0.5 gals. Lowsurf, 2 gals. Cal-sta xp, 1gal. Hal-404 & 5 gals. Fe1a.** Pumped eighty 7/8" balls @ 1.3 spg. Unset packer. RU swab tools. IFL 1300'. FFL 2560'. Made 8 runs and rec. 15 bbls. Had light blow on tubing. Drained lines, left tubing open to tank, shut casing in, shut down for day. Total load is 70.4 bbls. Upper perf load is 30 bbls. Recovered 15 bbls. Lower perf load is 40.4 bbls. Load left to recover: 55.4 bbls.

12/8/04 Had safety meeting. Made 1 swab run, no fluid. RD swab tools. Lowered tubing. Latched on to RBP. Unset RBP. TOO H w/tubing, packer and RBP. Laid down tools. Packer and RBP had paraffin on them (2 gals). TIH w/notched collar, new seating nipple, and 110 jts. EOT 3424'. RU swab tools. TIH w/swab. IFL 2200'. Made 4 runs. EFL 3400'. Recovered 20 bbls. Made 1 swab run, recovered 1 bbl. EFL 3400'. Dropped standing valve. Made 1 run and rec. 0.5 bbl. Well blowing up tubing, 45 psi on cas. Rec. 5 gals. of paraffin. Made 1 run, rec no fluid. 40 psi on casing, tubing on vac. Made 1 run, rec no fluid. CP: 40 psi. Tubing on vac. Blew casing down, pulled standing valve, made 1 run and rec. 2 gals. of thick paraffin. Drained lines. Left casing and tubing open, shut down for day. Total load is 70.4 bbls. TLR: 37 bbls. TLTR: 33.4 bbls.

12/9/04 Had safety meeting. RU swab tools. TIH w/swab. IFL 3375'. Rec. 15' of thick paraffin. RD swab tools. Pulled 3 jts. EOT 3332'. RU swab tools. TIH w/swab, dry hole. RU sinker bar, ran to 3400'. Did not tag. RD swab tools. Pulled 9 jts, flanged up well head. RD floor. RU swab tools. Tubing and casing had light blow. Shut casing in. Made 1 run. Dry hole, let well sit 1 hour. Tubing had light blow. Made 1 run. Dry hole. Let well sit 1 hour. CP: 10 psi. Tubing had light blow. RD swab tools. Left tubing venting to tank, casing shut in. Shut down for day. Ending CP: 10 psi. EOT 3060'. Total load: 70.4 bbls. TLR: 37 bbls. TLTR: 33.4 bbls.

Hanging Rock Fed 11-8

SE/NE 11-T12S-R23E
 Uintah County Utah
 API # 43-047-32935
 Wellbore as of 12/9/04



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

43-047-32935
112523e

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
INITIALS: RM

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

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.

DATE: 3/16/07
BY: *[Signature]*

RECEIVED

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

FEB 21 2007

(Instructions on page 2)

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

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.

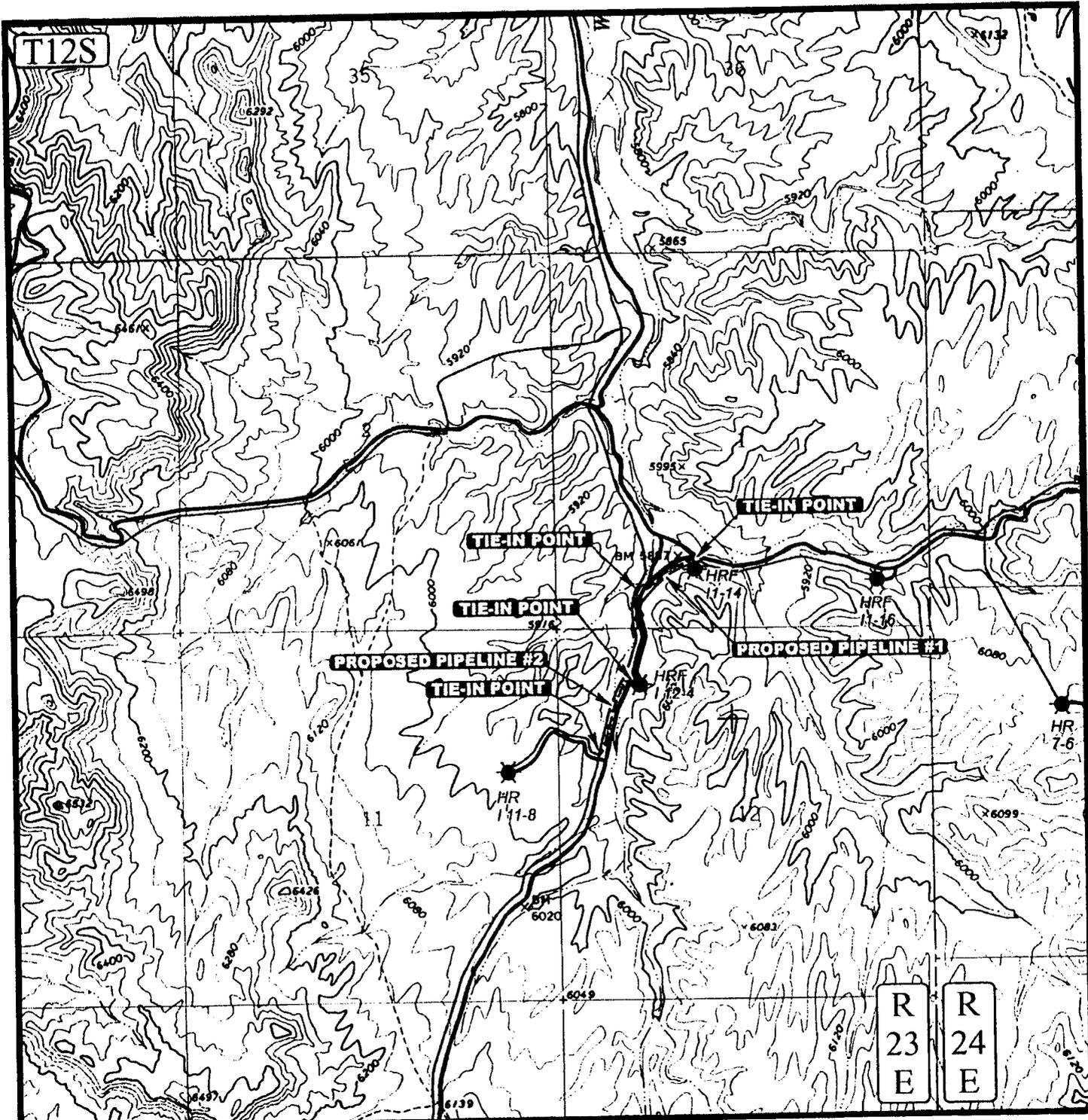
Sincerely,



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.



Uints 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: 1-29-07



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU-57455

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

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

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

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

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

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

8. Well Name and No.
West Haning 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 West Hanging Rock Central 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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

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

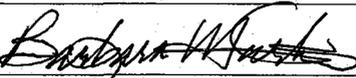
**Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only**

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

Name (Printed/Typed)
Barbara Martin

Title Engineer

Signature



Date 10/11/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

OCT 15 2007

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

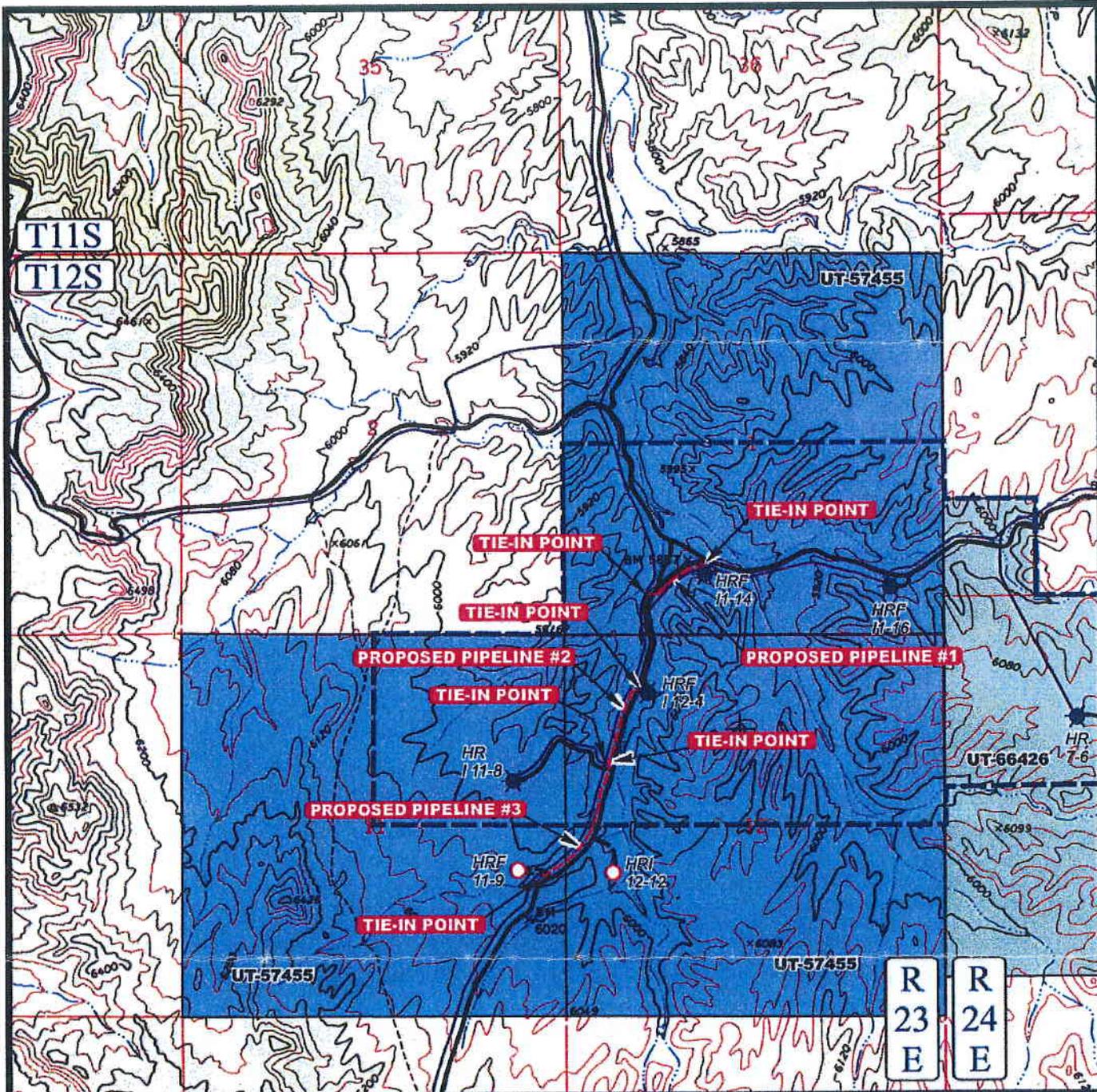
McElvain Oil & Gas Properties, Inc. was given approval on May 9, 2007 to lay pipeline to consolidate the gas compression and gas gathering for 3 wells in our Hanging Rock Field area into what we will refer to as our "West Hanging Rock Field Central Compression System". We propose to add the Hanging Rock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



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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
UTU-57455

6. If Indian, Allottee or Tribe Name
na

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

8. Well Name and No.
Hanging Rock Federal # 11 - 8

9. API Well No.
43-047-32935

10. Field and Pool, or Exploratory Area
Oil Springs

11. County or Parish, State
Uintah County, Utah

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1,980' FNL & 660' FEL (SENE) Sec. 11, T12S-R23E SLB&M

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

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

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

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

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) **E. Reed Fischer** Title **Senior Operations Engineer**

Signature  Date **07/12/2010**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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

Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED

JUL 15 2010

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	

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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
		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"/> 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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

Steven W. Shefte
Vice President -COO

Onshore Royalties, LLC.

Michael Hahn

Michael Hahn
Operations Manager

BLM Bond: UTB000644

NAME (PLEASE PRINT) Deborah Powell

TITLE Eng Tech Manager

SIGNATURE *Deborah Powell*

DATE 8/13/2014

(This space for State use only)

APPROVED

SEP 15 2014

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

