

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 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
 2048' FNL, 796' FEL, SE1/4, NE1/4, Sec. 7, T12S, R24E
 At proposed prod. zone 243'

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

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	796'	16. 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.	2,300'	19. PROPOSED DEPTH	4,500'	20. ROTARY OR CABLE TOOLS	ROTARY
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,189' GR.				22. APPROX. DATE WORK WILL START* Aug. 1, 1997	

5. LEASE DESIGNATION AND SERIAL NO.
UTU-66426

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Hanging Rock

8. FARM OR LEASE NAME
Hanging Rock Fed. F

9. WELL NO.
7-8

10. FIELD AND POOL, OR WILDCAT

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA
SEC. 7, T 12 S, R 24 E.

12. COUNTY OR PARISH
UINTAH

13. STATE
UT

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 Jun. 16, 1997

(This space for Federal or State office use)

PERMIT NO. 43-047-32937 APPROVAL DATE _____

APPROVED BY John R. Bay TITLE Petroleum Engineer DATE 7/16/97

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

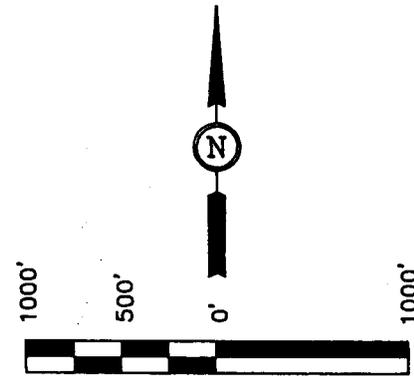
T12S, R24E, S.L.B.&M.

FREEDOM ENERGY, INC.

Well location, HANGING ROCK FEDERAL #7-8, located as shown in the SE 1/4 NE 1/4 of Section 7, T12S, R24E, S.L.B.&M. Uintah County Utah.

BASIS OF ELEVATION

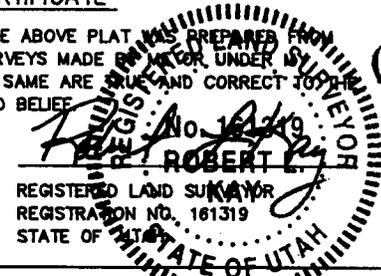
BENCH MARK 88 EAM LOCATED IN THE SW 1/4 OF SECTION 6, T12S, R24E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6066 FEET.



SCALE

CERTIFICATE

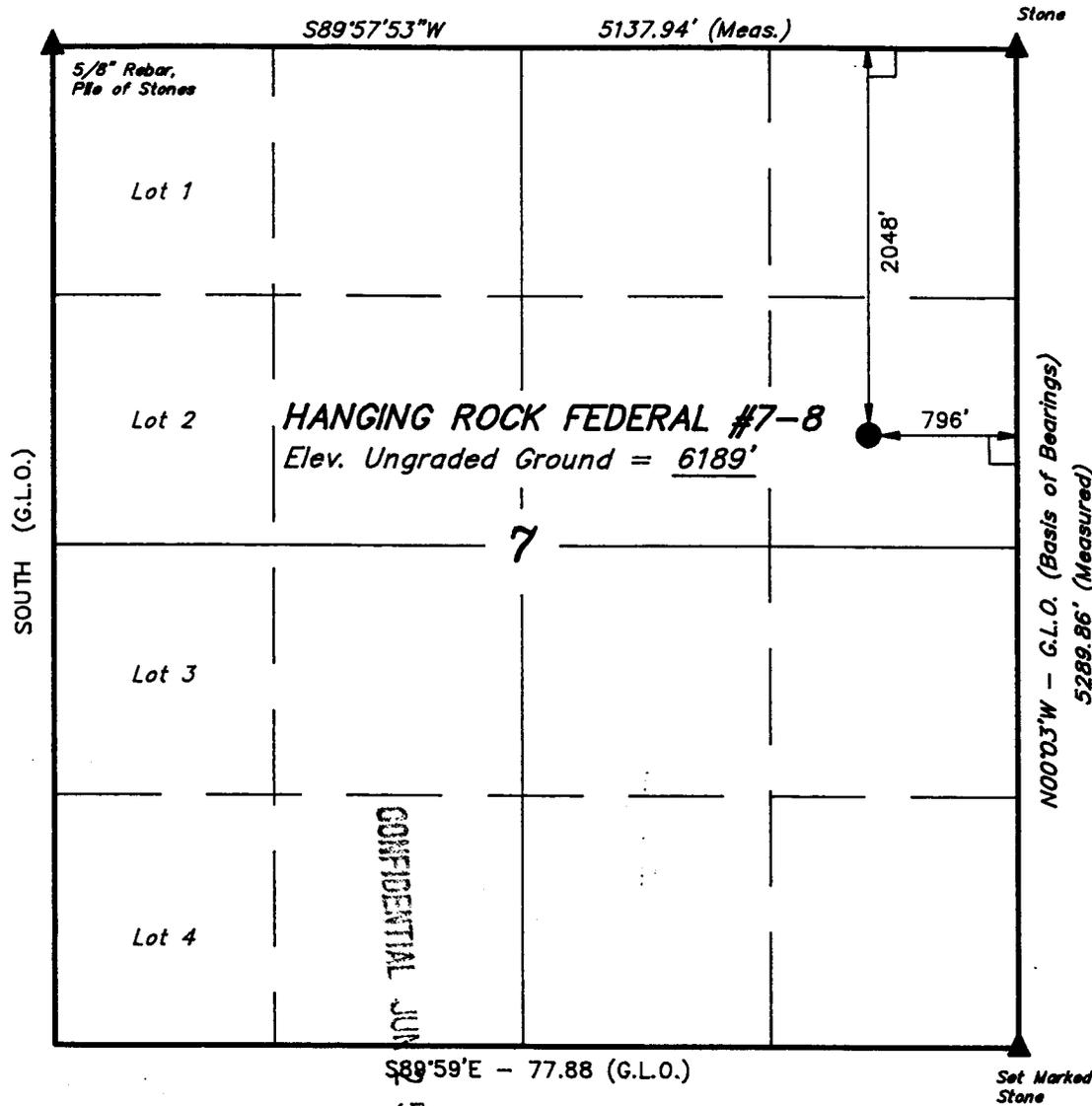
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

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

SCALE 1" = 1000'	DATE SURVEYED: 5-31-97	DATE DRAWN: 6-10-97
PARTY G.S. J.W. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE FREEDOM ENERGY, INC.	



LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

SELF-CERTIFICATION STATEMENT

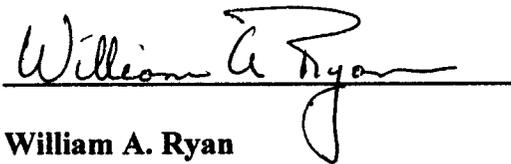
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

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

**Hanging Rock Federal F #7-8
SE 1/4, NE 1/4, Section 7, T. 12 S., R. 24 E.
Lease UTU-66426
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
F 7-8

Surface Location SE 1/4, NE 1/4, Section 7, T. 12 S., R. 24 E.

1. Surface Formation:

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	6,189' G.L.
Oil Shale	700	5,489
Wasatch	2,600	3,589
Mesaverde formation	4,500	1,689
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.
Off set well: Gas Well	Hanging Rock Fed. 7-6	Sec. 7, T. 12 S., R. 24.E.
Off set well: Gas Well	Hanging Rock Fed. 1-16	Sec. 1, T. 12 S., R. 23.E.
Off set well: Gas Well	Toby Fed. 6-15	Sec. 6, T. 12 S., R. 24.E.

4. Proposed Casing :

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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

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.

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6. Mud Program:

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

7. Auxiliary Equipment:

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

8. Testing, Coring, Sampling and Logging:

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

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

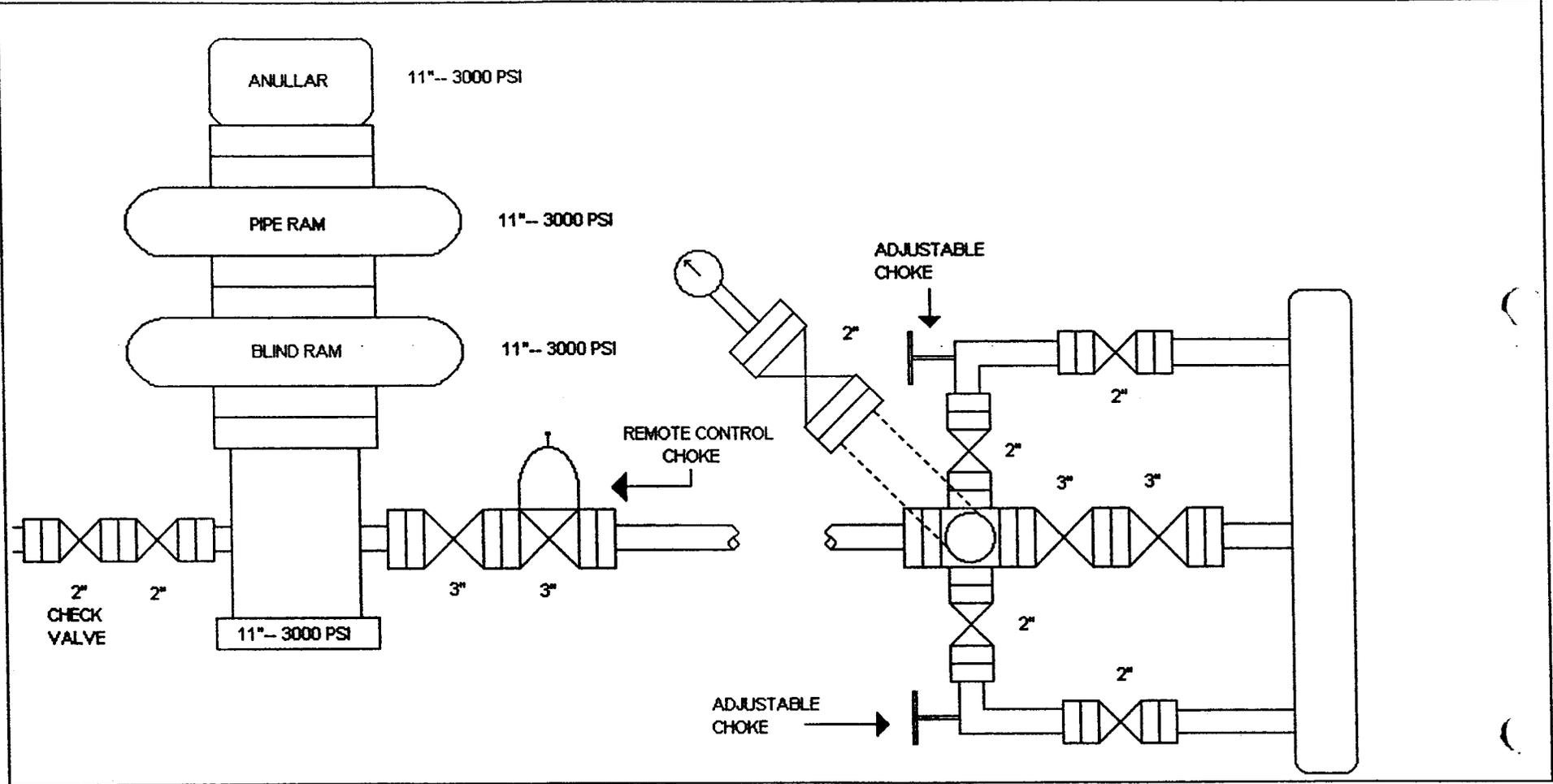
9. Abnormalities (including sour gas):

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

10. Drilling Schedule:

The anticipated starting date is 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 F
7-8
LOCATED IN
SE 1/4, NE 1/4
SECTION 7, T. 12 S., R. 24 E., U.S.B.&M.
UINTAH COUNTY, UTAH
LEASE NUMBER: UTU-66426
SURFACE OWNERSHIP: FEDERAL

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1. Existing Roads

To reach the Freedom Energy Inc., Hanging Rock Federal F 7-8 well location, in Section 7, T 12 S, R 24 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 6.1 miles to an existing oil field access road and turn left. Follow the existing road 1.1 miles and turn right on the old landing strip. Follow the landing strip for .3 miles.

All roads to the oil field access road are State or County maintained roads.

Please see the attached map for additional details.

2. Planned access road

The proposed location will be adjacent to the landing strip and will not require an access road. Some erosion has started to occur on the landing strip segment of the existing access road. **The Operator will up grade the existing road on the landing strip.** The up graded roads will be built using native soils from borrow pits on either or both sides of the road. The road will be crowned and ditched. Ditches will be constructed along either side where it is determined necessary to handle run off and minimize the possibility of erosion.

Please see the attached location plat for additional details.

A Right of Way will be required. Access from the Uintah County road will be off lease in Sections 5 and 8, T12S, R24E. The approximate length of the Right of Way will be 1.3 miles. Access to existing wells have been granted under Right of Way UTU-74517

3. Location of existing wells

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

A) Producing wells

Gas well Hanging Rock Fed. 12-4 Sec. 12, T12 S, R 23 E

Gas well	Hanging Rock Fed. 1-14	Sec. 1, T12 S, R 23 E
Gas well	Hanging Rock Fed. 7-6	Sec. 7, T12 S, R 24 E
Gas well	Hanging Rock Fed. 1-16	Sec. 1, T12 S, R 23 E
Gas well	Toby Fed. 6-15	Sec. 6, T12 S, R 24 E

B) Water wells	None
C) Abandoned wells	None
D) Temporarily abandoned wells	None
E) Disposal wells	None
F) Drilling wells	None
G) Shut in wells	None
H) Injection wells	None
I) Monitoring or observation wells	None

Please see the attached map for additional details.

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

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

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a green color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. **The required paint color is Juniper Green.**

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

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

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

A proposed surface gas line will be constructed and tie into an existing pipe line at The 7-6 location in Section 6, T12S, R24E. The pipe line will follow the existing access road. Please see the attached map 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.

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.

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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.

8. Ancillary facilities

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

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).

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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 the survey will be forwarded to your office as soon as the report is completed.

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
Within 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 west side of the location. 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

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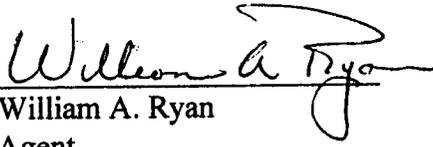
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable laws, regulations, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors.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

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

B) Certification

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

Date 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

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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.

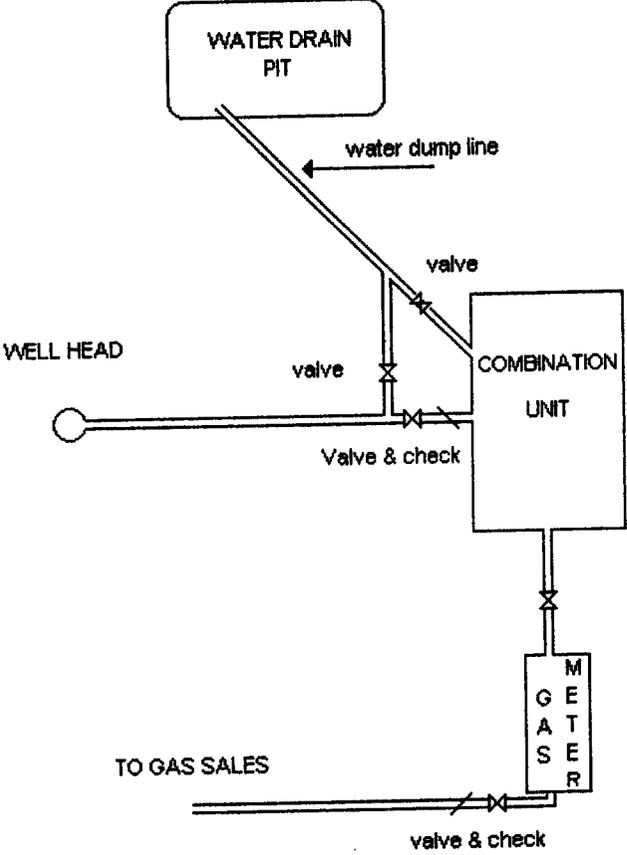
If you require additional information please contact:

William A Ryan
Agent for Freedom Energy
Rocky Mountain Consulting
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Vernal Utah, 84078

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

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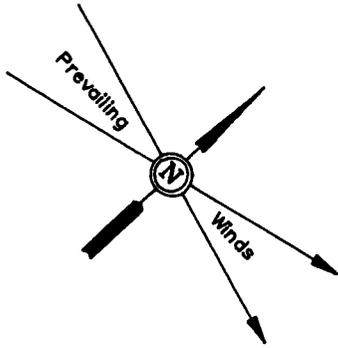
FREEDOM ENERGY INC.
TYPICAL
GAS WELL



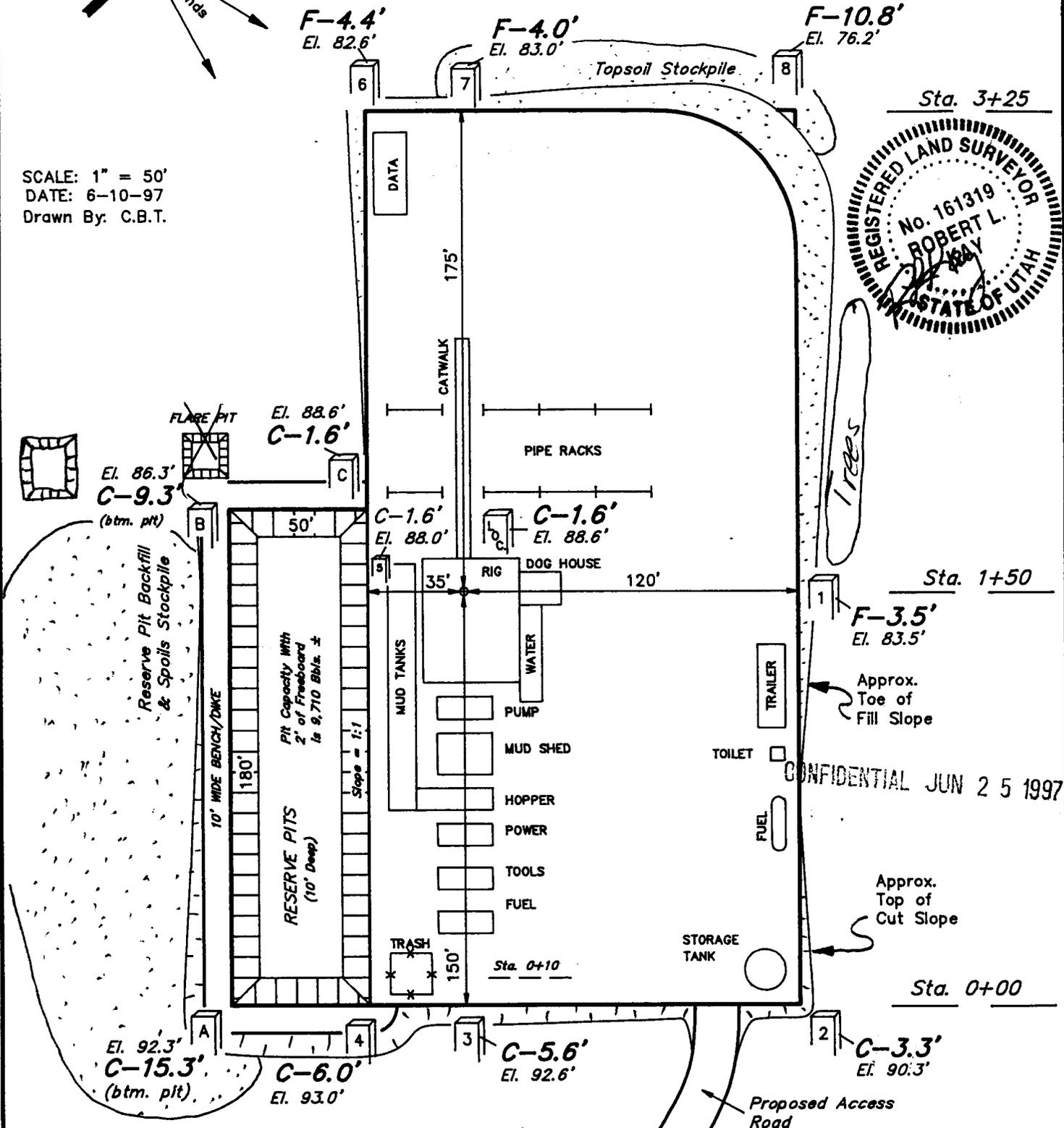
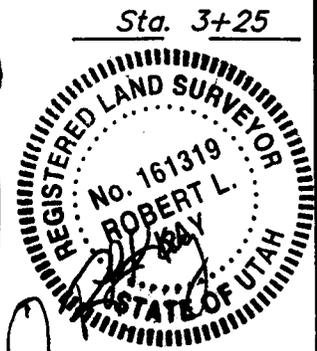
FREEDOM ENERGY, INC.

LOCATION LAYOUT FOR

HANGING ROCK FEDERAL #7-8
SECTION 7, T12S, R24E, S.L.B.&M.
2048' FNL 796' FEL



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



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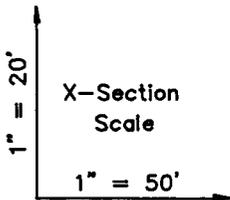
Elev. Ungraded Ground at Location Stake = 6188.6'
Elev. Graded Ground at Location Stake = 6187.0'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 788-1017

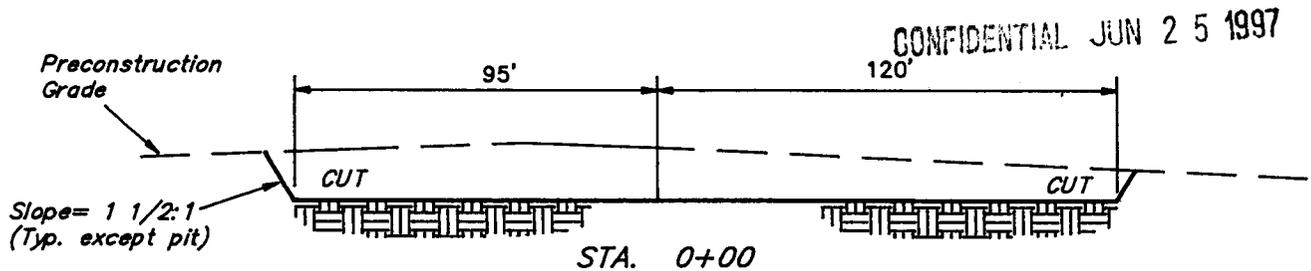
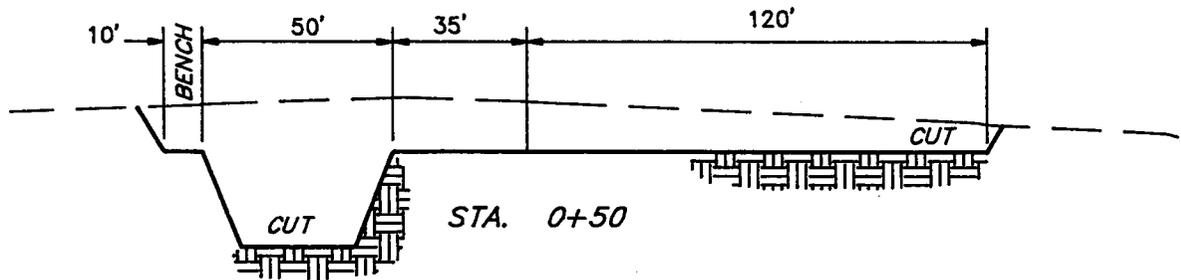
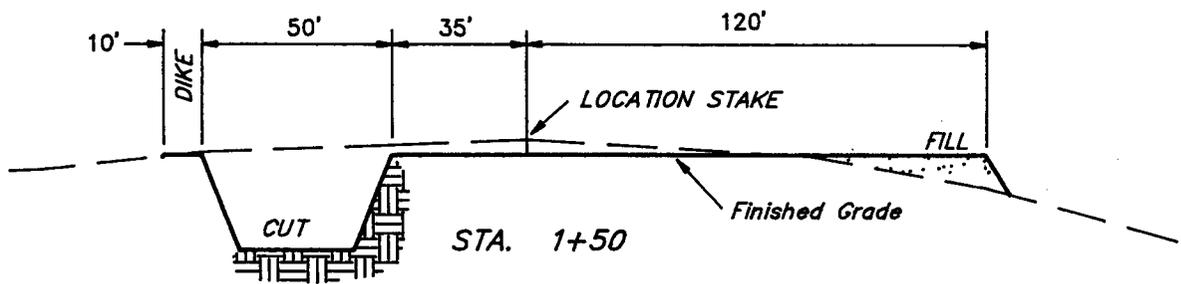
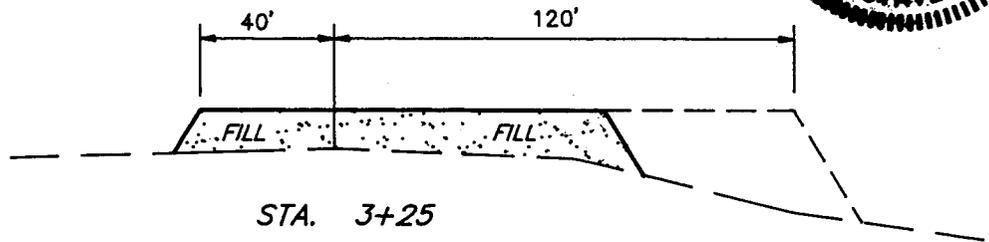
FREEDOM ENERGY, INC.

TYPICAL CROSS SECTIONS FOR

**HANGING ROCK FEDERAL #7-8
SECTION 7, T12S, R24E, S.L.B.&M.
2048' FNL 796' FEL**



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



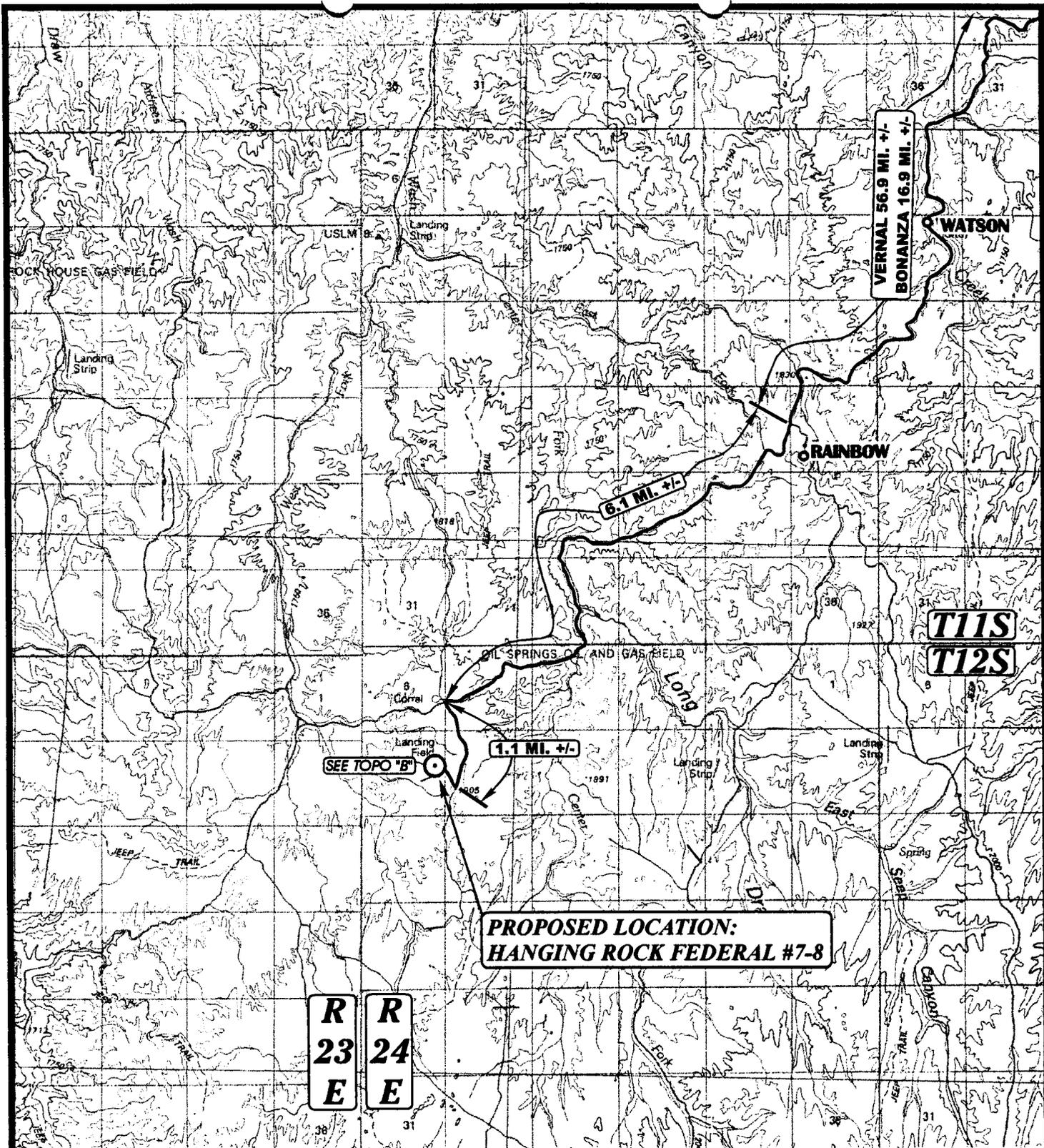
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APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,100 Cu. Yds.
Remaining Location	=	5,390 Cu. Yds.
TOTAL CUT	=	6,490 CU.YDS.
FILL	=	3,920 CU.YDS.

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

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



R
23
E

R
24
E

**PROPOSED LOCATION:
HANGING ROCK FEDERAL #7-8**

T11S
T12S

LEGEND:

⊙ PROPOSED LOCATION

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



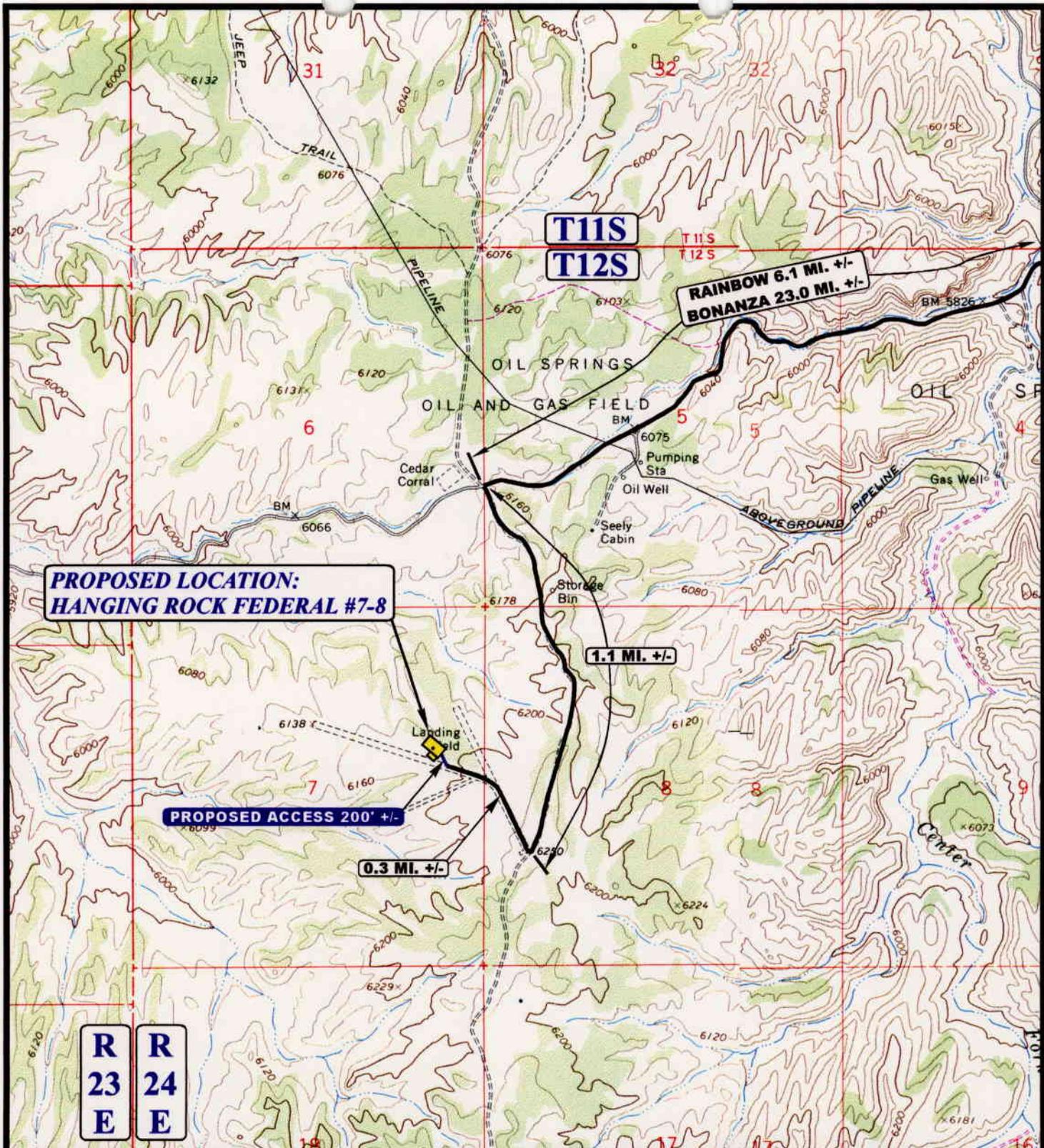
FREEDOM ENERGY, INC.
HANGING ROCK FEDERAL #7-8
SECTION 7, T12S, R24E, S.L.B.&M.
2048' FNL 796' FEL

TOPOGRAPHIC
MAP

6 MONTH
4 DAY
97 YEAR

SCALE: 1 : 100,000 DRAWN BY: D.COX REVISED: 00-00-00





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

CONFIDENTIAL JUN 25 1997



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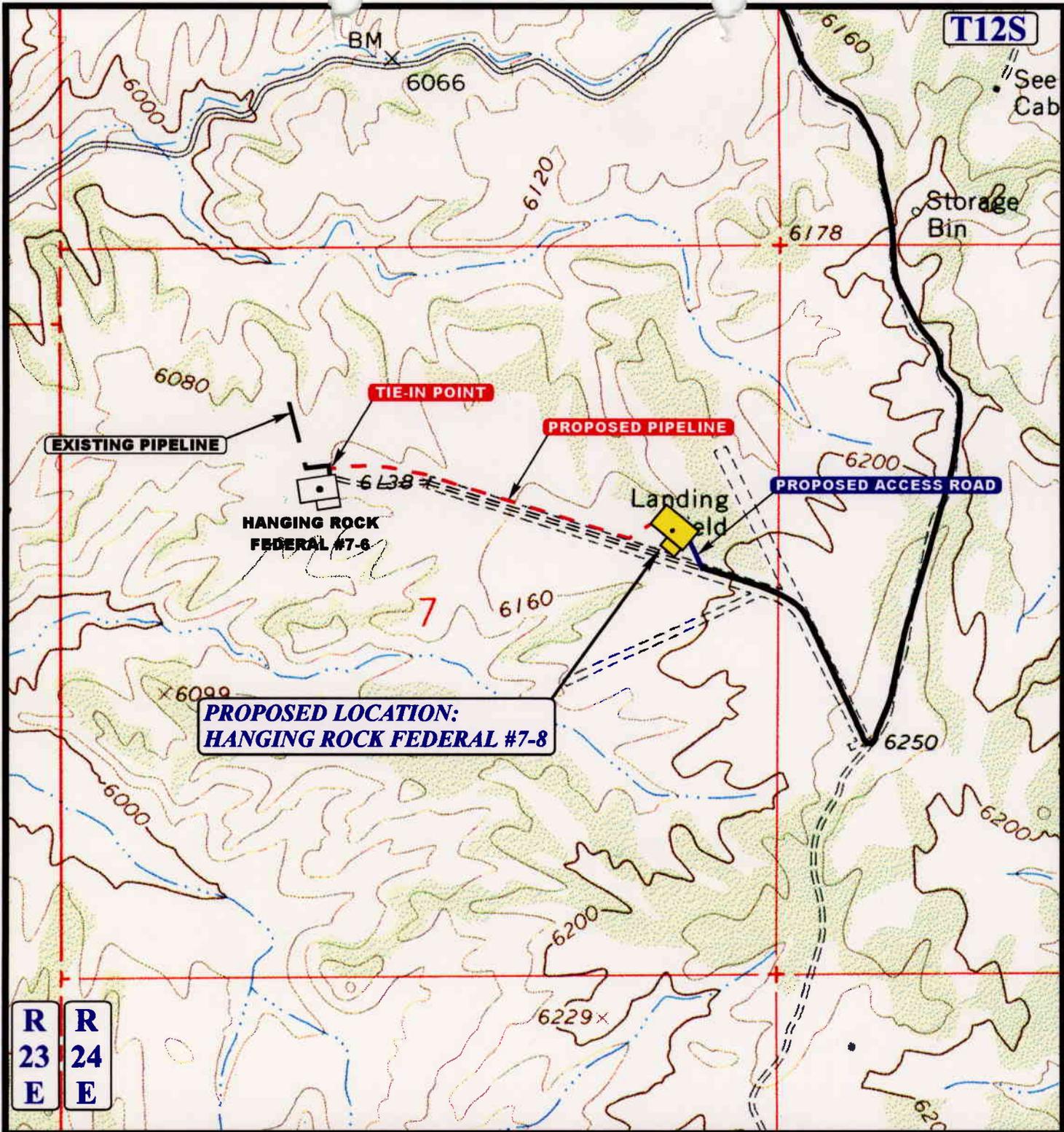


FREEDOM ENERGY, INC.

HANGING ROCK FEDERAL #7-8
 SECTION 7, T12S, R24E, S.L.B.&M.
 2048' FNL 796' FEL

TOPOGRAPHIC	MAP	6	4	97
		MONTH	DAY	YEAR
SCALE: 1" = 2000'		DRAWN BY: D.COX		REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 2200' +/-

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS

CONFIDENTIAL JUN 25 1997

FREEDOM ENERGY, INC.

**HANGING ROCK FEDERAL #7-8
SECTION 7, T12S, R24E, S.L.B.&M.
2048' FNL 796' FEL**



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TOPOGRAPHIC MAP

6	4	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: 43-047-32937

WELL NAME: HANGING ROCK FED F 7-8
 OPERATOR: FREEDOM ENERGY (N3285)

PROPOSED LOCATION:
 SENE 07 - T12S - R24E
 SURFACE: 2048-FNL-0796-FEL
 BOTTOM: 2048-FNL-0796-FEL
 UINTAH COUNTY
 UNDESIGNATED FIELD (002)

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

LEASE TYPE: FED
 LEASE NUMBER: UTU - 66426

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.

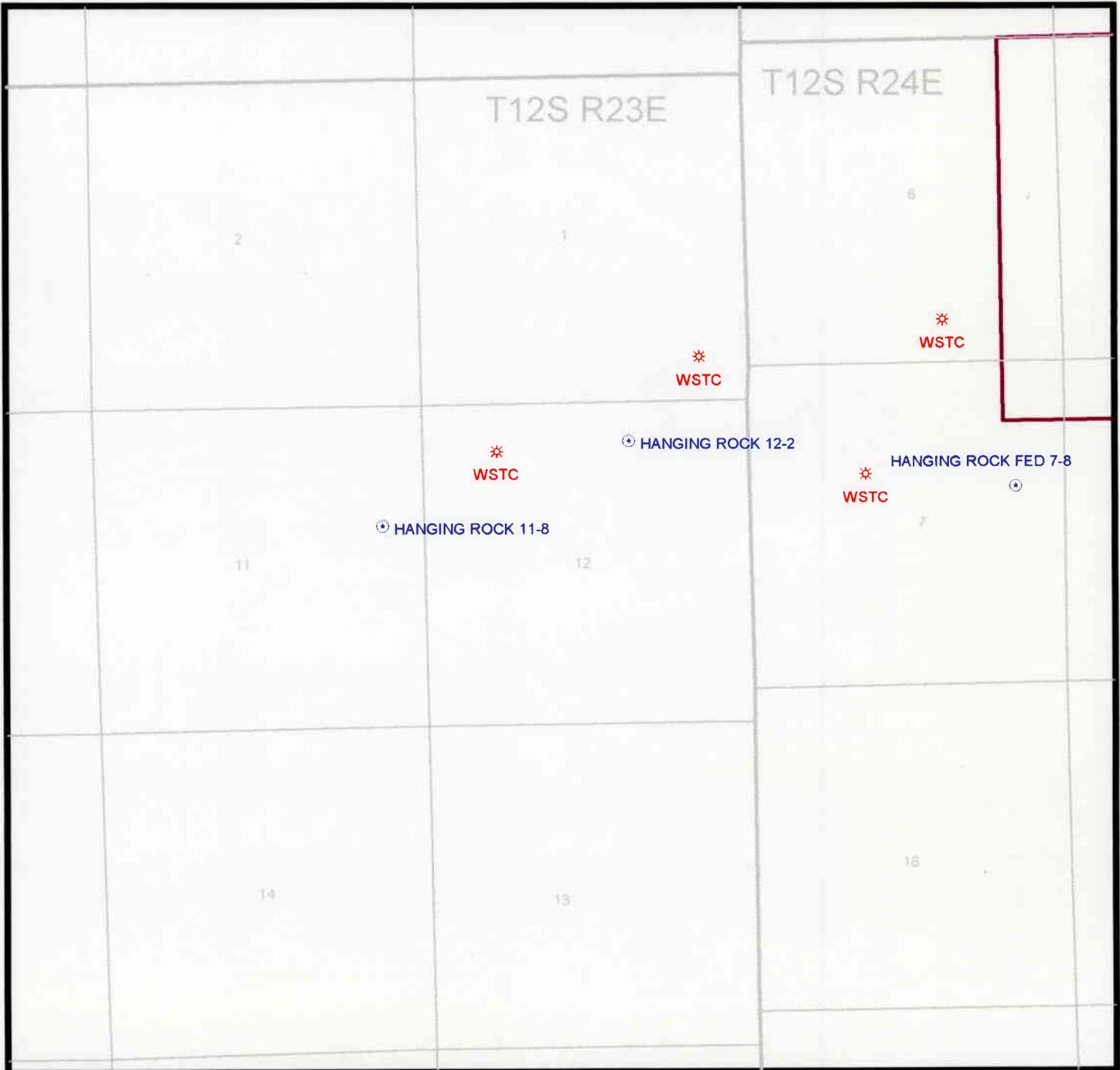
STIPULATIONS: _____

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

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

July 16, 1997

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

Re: Hanging Rock Fed. F 7-8 Well, 2048' FNL, 796' FEL, SE NE,
Sec. 7, T. 12 S., R. 24 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 43-047-32937.

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 Fed. F 7-8
API Number: 43-047-32937
Lease: UTU-66426
Location: SE NE Sec. 7 T. 12 S. R. 24 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

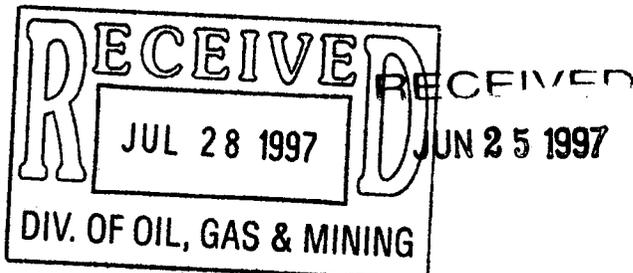
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. UNIT AGREEMENT NAME Hanging Rock	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. FARM OR LEASE NAME Hanging Rock Fed. F	
2. NAME OF OPERATOR Freedom Energy, Inc.		9. WELL NO. 7-8	
3. ADDRESS OF OPERATOR 1050 - 17th St., Suite #710, Denver, Co 80265 303-592-3022		10. FIELD AND POOL, OR WILDCAT	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2048' FNL, 796' FEL, SE1/4, NE1/4, Sec. 7, T12S, R24E At proposed prod. zone		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SEC. 7, T 12 S, R 24 E.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 24.1 MILES SOUTH OF BONANZA, UT		12. COUNTY OR PARISH UINTAH	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 796'		17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
16. NO. OF ACRES IN LEASE 10,092.71		20. ROTARY OR CABLE TOOLS ROTARY	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2,300'		19. PROPOSED DEPTH 4,500'	
21. ELEVATIONS (Show whether DF, BT, GR, etc.) 6,189' 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.

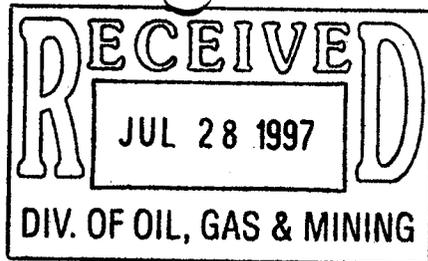
24. WILLIAM A. RYAN Agent Jun. 16, 1997
SIGNED William A. Ryan TITLE _____ DATE _____

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE Assistant Field Manager
Mineral Resources DATE JUL 16 1997
APPROVED BY [Signature] TITLE _____

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED
*See Instructions On Reverse Side



COAs Page 1 of 8
Well No.: Hanging Rock Federal F 7-8

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Freedom Energy, Inc.

Well Name & Number: Hanging Rock Federal F 7-8

API Number: 43-047-32937

Lease Number: U - 66426

Location: SENE Sec. 07 T.12S R. 24E

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 454 ft. or by setting the surface casing at 500 ft. and having a cement top for the production casing at least 200 ft. above the shallowest potential productive zone. 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 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.).



December 17, 1997

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

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

Re: Release and Waiver of Confidentiality

Gentlemen:

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

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

Very truly yours,

FREEDOM ENERGY, INC.

Paul Franks

Paul Franks
Vice President

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

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



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

TRANSACTION REPORT

P. 01

DEC-18-97 THU 03:30 PM

SEND (M)

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

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

P. 02



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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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-66426

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

7. If Unit or CA, Agreement Designation

UTU-73518X

8. Well Name and No.

HANGING ROCK FED. F 7-8

9. API Well No.

43-047-32937

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)

2048' FNL, 796' FEL, SE/NE- SEC.7-T12S-R24E

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent <input type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <u>CHANGE OF OPERATOR</u> (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)
	<input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water

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

Please be advised that Rosewood Resources, Inc., Ste. 500, 100 Crescent Court, Dallas, Texas, 75201, is considered to be the operator of the Hanging Rock Fed. F 7-8, SE/NE Sec. 7-T12S-R24E; Lease # U-66426' 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 Franks Title Vice-President Date 01/01/98

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any: _____

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

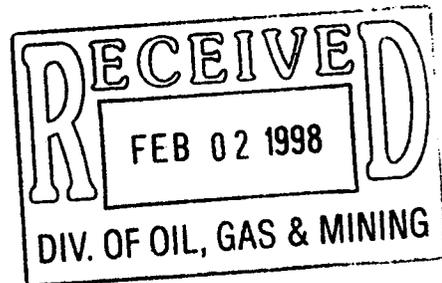
*See Instructions on Reverse Side



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO
UT-931

January 30, 1998

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

Re: Hanging Rock Unit
Uintah County, Utah

Gentlemen:

On January 28, 1998, we received an indenture dated January 21, 1998, whereby Freedom Energy, Inc. resigned as Unit Operator and Rosewood Resources, Inc. was designated as Successor Unit Operator for the Hanging Rock Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective January 30, 1998. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under Hanging Rock Unit Agreement.

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

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

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

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

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

Well Status Report
Utah State Office
Bureau of Land Management

Lease	Api Number	Well Name	QTR	Section	Township	Range	Well Status	Operator
** Inspection Item: UTU73518A								
UTU66408	4304732603	HANGING ROCK 24-13	SWSW	24	T11S	R23E PGW		FREEDOM ENERGY INCORPORATED
** Inspection Item: UTU73518B								
UTU57455	4304732748	HANGING ROCK 12-4	NWNW	12	T12S	R23E PGW		FREEDOM ENERGY INCORPORATED
UTU66426	4304732751	HANGING ROCK 7-6	SESW	7	T12S	R24E PGW		FREEDOM ENERGY INCORPORATED
UTU57455	4304732679	HANGING ROCK I 1-16	SESE	1	T12S	R23E PGW		FREEDOM ENERGY INCORPORATED
UTU57455	4304732871	I 1-14	SESW	1	T12S	R23E PGW		FREEDOM ENERGY INCORPORATED
** Inspection Item: UTU73518X								
UTU01252A	4304732654	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 those wells also. (per Terese Thompson/BLM).
J
Jee

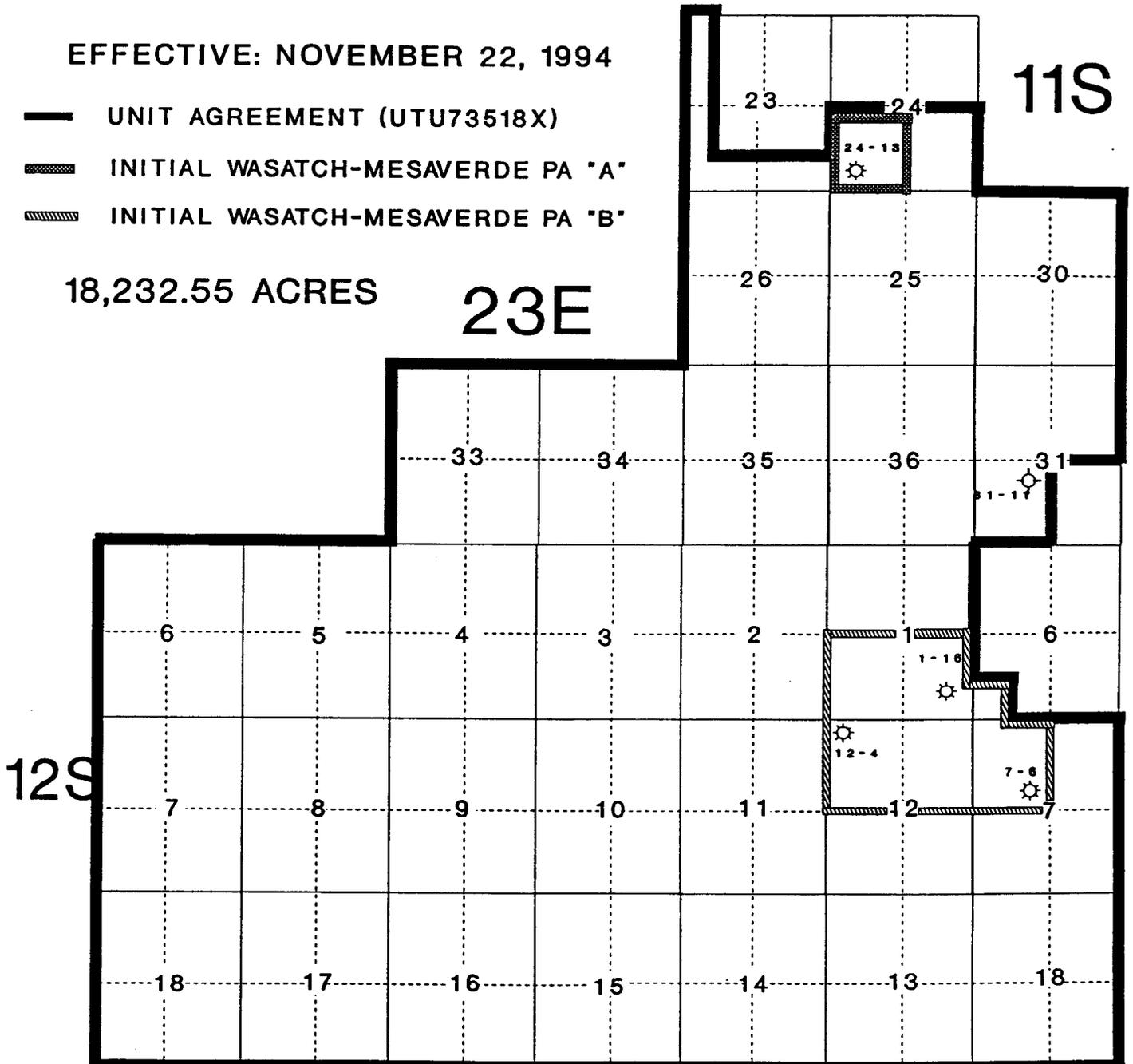
HANGING ROCK UNIT

Uintah County, Utah

EFFECTIVE: NOVEMBER 22, 1994

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

18,232.55 ACRES



WSTC-MSVD "A"
ALLOCATION

FEDERAL 100%
160.00 Acres

WSTC-MSVD "B"
ALLOCATION

FEDERAL 100%
826.76 Acres

24E

**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

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

OPERATOR CHANGE WORKSHEET

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

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

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

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

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

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

Name: **SEE ATTACHED**	API: <u>43-047-32937</u>	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

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

ENTITY REVIEW

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

BOND VERIFICATION - (FEE WELLS ONLY)

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

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

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

FILMING

- KS 1. All attachments to this form have been **microfilmed**. Today's date: 5.17.99.

FILING

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

COMMENTS

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

(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	/ /
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 36-9	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	/ /	/ /

99999
↓

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-66426

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. F 7-8

9. API Well No.
4304732937

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator
ROSEWOOD RESOURCES, INC.

CONFIDENTIAL

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)
2048' FNL 796' FEL, SE/NE Section 7, T12S, R24E

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

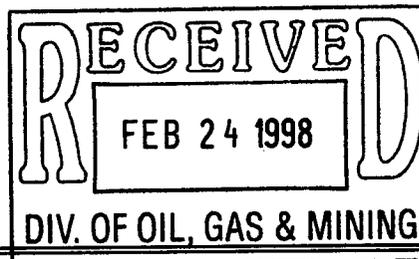
Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other SPUD
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

(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 2/20/98 @ 12:00 p.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

Luz Verna

Title Administrative Assistant

Date 02/23/98

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

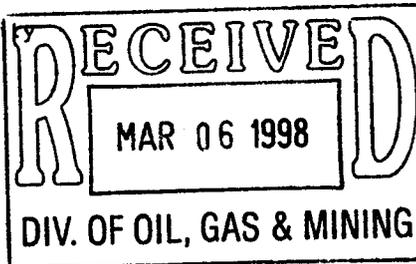
OPERATOR ROSEWOOD RESOURCES, INC.
 ADDRESS P.O. Box 1668
Vernal, UT 84078

OPERATOR ACCT. NO. N 7510

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	APT 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>Jec</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>Jec</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 /w/ste B-Gas Zone P.A. <i>Jec</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)



Lucy Nerris
 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-66426

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. F 7-8

9. API Well No.
4304732937

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)
2048' FNL 796' FEL, SE/NE Section 7, T12S, R24E

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

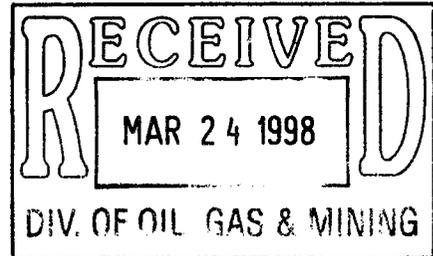
Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other Weekly Status
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

(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.)*

Weekly Status including drilling to TD, logging and setting production casing - see attached rig reports.
Current status: WOC

CONFIDENTIAL



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 03/23/98

(This space for Federal or State office use)

Approved by _____

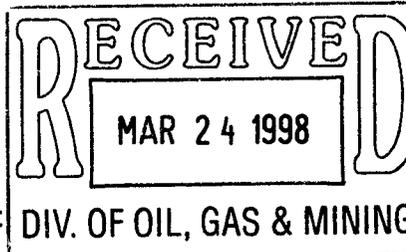
Title _____

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**



ROSEWOOD RESOURCES, INC.

Daily Drilling Report DIV. OF OIL, GAS & MINING

LEASE: HANGING ROCK DATE 3/17/98 CURRENT DEPTH 1870'
 WELL: 7-8 PROPOSED TD 4500'
 FOOTAGE PAST 24 HRS 1539'

Present Operation: TESTING BOP'S

ENGINEER D.WIDNER
 CONSULTANT TOM THURSTON

FROM	TO	ACTIVITY PAST 24 HRS:
700	900	BOP TESTING - J. Barnes w/BLM witnessed the test.
900	1130	FINISH R/U
1130	1315	P/U BIT #1, MOTOR & DC'S
1315	1500	DRLG CMT & SHOE
1500	1615	DRLG TO 365'
1615	1630	N/U ROTATING HEAD
1630	2115	DRLG TO 844'
2115	2150	SERVICE RIG. SURVEY. 1" @ 844'
2150	150	DRLG TO 1342'
150	205	SURVEY, 3/4" @ 1342'
205	545	DRLG TO 1839'
545	600	SURVEY, 1 3/4" @ 1839'
600	700	DRLG TO 1870'

		MUD PROPERTIES			
WT	Fresh	% OIL	Ca+		
VIS		% SAND	cake		
WL		% SOLID	pH		
HTHP		ALK	Daily Mud Cost		703
PV		Cl-	Cum Mud cost		703
YP					

DAILY COSTS:

DAYWORK	32473
LOCATION	
MUD	703
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	
CEMENTING	
FISHING	
WATER	
FUEL	
BITS	
RENTALS	435
CASING	
SUPERVISION	500
CASING HEAD	
TOTAL DAILY	34111
COST FORWARD	925
CUM. TO DATE	35036

PUMP DATA:

	1	2
MAKE	Omega	Emsco
MODEL	750	500
LINER	8X6.5	7X6
SPM	106	
PSI	990	

Hydraulics:

WOB	12K
RPM	53
GPM	355

BIT RECORD:

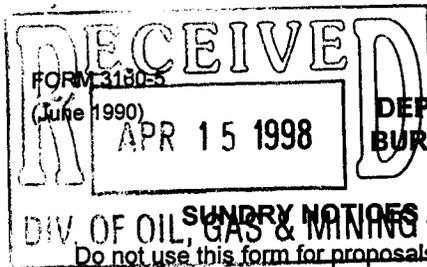
Bit # 1
 Ser# 33909
 Size 7 7/8"
 Make Security
 Type FM2565
 Jets 3X13
 In @ 331
 Out @
 Feet 1539'
 Hrs 14.75
 Ft/Hr 104
 CUM 14.75
 Grade

SURVEY DATA:

DEPTH DEGREES

844'	1
1341'	.75
1839'	1.25

ADDITIONAL COMMENTS:



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.

UTU-66426

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. F 7-8

9. API Well No.

43-047-32937

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)

2048' FNL 796' FEL, SE/NE Section 7, T12S, R24E

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other Weekly Status

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.)*

Weekly Status - completion from 4/1 - 4/11/98 (see attached rig reports).

Current status: Producing

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

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

Signed

Lucy Neman

Title Administrative Assistant

Date 04/13/98

(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**

ROSEWOOD RESOURCES, INC.

Daily Completion Report

WELL NAME: HANGING ROCK F #7-8

DATE: 4/13/98

DEPTH: 4480'
 PBSD 4436'
 PERFS: 4084' - 4108'

Lease #: U-66426
 Location: SE/NE SEC. 7, 12S, R24E
 County: Uintah Co., Utah

PACKER: 4200'
 RBP:
 CIBP:
 EOT: 4026'

Engineer D. Widner
 Consultant S. Miller

4/1/98

MIRU KS WELL SERVICE RIG #1. HOOK UP PUMP & LINES. N/U BOP'S. SION
 Daily cost \$4,041 Cum. cost \$4,042

4/2/98

PRESSURE TEST CSG TO 2500#. HELD OK! P/U 3 7/8" DRAG BIT, 4- 3 1/8" DC'S, X-OVER & RIH W/ 2 3/8" TBG TAG CMT STRINGERS @ 2467'. DRILL OUT CMT & DV TOOL @ 2560'. TEST CSG TO 2500#. HELD OK! POOH W/ TBG & TOOLS. P/U BIT & 4 1/2" CSG SCRAPER & RIH W/ TBG TO PBSD @ 4436'. DISPLACE HOLE W/ 3% KCL WATER. POOH W/ TBG & TOOLS. SION
 Daily cost \$6,347 Cum. cost \$10,388

4/3/98

R/U SCHLUMBERGER & RUN CEMENT BOND LOG FROM 4424' TO 286' W/ 1000# SURFACE PRESSURE. R/D WIRELINE. RIH W/ 110 JTS 2 3/8" TBG & SEAT NIPPLE. EOT @ 3432'. R/U & SWAB WELL DOWN TO 2500' POOH W/ TBG. R/U WIRELINE. RIH W/ 3 1/2" CSG GUNS & PERFORATE INTVL @ 4266'- 74' 4 SPF 32 HOLES. POOH & R/D WIRELINE. P/U NOTCHED COLLAR, 2' PUP JT, XN-NIPPLE, 1 JT 2 3/8" TBG, X-NIPPLE AND RIH W/ 134 JTS 2 3/8" TBG. LAND TBG W/ HANGER. EOT @ 4218' XN-NIPPLE @ 4216' X-NIPPLE @ 4183' WELL STARTED FLOWING. FLOW WELL TO RIG TANK THRU 3/4" CHOKE. WELL UNLOADED FLUID IN 2 HRS INSTALLED 20/64" POSITIVE CHOKE. WELL FLOWING DRY GAS W/ 100# FTP & 300# SICP. EST 215 MCFD RATE. SION
 Daily cost \$19,031 Cum. cost \$29,419

4/4/98

CHECK PRESSURES. 13 HR SITP & SICP 1600#. FLOW WELL TO PIT THRU POSITIVE CHOKE AS FOLLOWS:

TIME	CHOKE	FTP	SICP	EST MCFD RATE
7:30	20/64	530#	700#	1181
8:00	"	350#	450#	751
8:30	"	200#	200#	429
9:00	"	150#	150#	322
9:30	"	150#	150#	322
10:00	18/64	175#	200#	303
10:30	"	175#	225#	303
11:00	"	175#	225#	303
11:30	16/64	250#	300#	341
NOON	"	250#	275#	341
12:30	"	200#	250#	273
1:00	"	150#	250#	205
2:00	"	150#	250#	205
3:00	"	150#	250#	205
3:30	14/64	225#	250#	234
4:00	"	250#	300#	260
5:00	"	250#	300#	260

Daily cost \$2,791 Cum. cost \$32,210

4/6/98

CHECK PRESSURES. 39 HR & 63 HR SITP & SICP 1500#. OPEN WELL TO PIT ON 2" CHOKE. R/U SLICKLINE TRUCK & RIH W/ BLANKING PLUG. SET PLUG IN XN-NIPPLE @ 4218'. R/U & STRIP OUT OF HOLE W/ 2 3/8" TBG. R/U SCHLUMBERGER WIRELINE. RIH W/ 4 1/2" ARROWSSET #1 PKR W/ 8' PUP JT & XN-NIPPLE W/ BLANKING PLUG INSTALLED. SET PKR @ 4200'. R/D WIRELINE. FILL & TEST CSG & TOOLS TO 2500#. HELD OK! P/U SEAT NIPPLE & RIH W/ 2 3/8" TBG TO 3432'. R/U & SWAB WELL DOWN TO 2500'. POOH W/ 2 3/8" TBG & SEAT NIPPLE. R/U WIRELINE TRUCK. RIH W/ 3 1/2" HI DENS CSG GUNS & PERFORATE INTVL @ 4084'- 4104', 4 SPF, 80 HOLES. GUNS BECAME STUCK AFTER FIRING 20' INTVL @ 4084'- 4104'. WORKED W/ WIRELINE & PRESSURED CSG TO 3000# BUT WERE UNABLE TO FREE GUNS. PULL OUT OF SAFETY JOINT & POOH W/WIRELINE. WELL FLOWING TO PIT THRU 3/4" CHOKE W/ HEAVY MIST & SLUGGING FLUID. MAX SI PRESSURE 1400#. R/D SCHLUMBERGER & SION
 Daily cost \$12,181 Cum. cost \$44,391

4/7/98

CHECK PRESSURE 13 HR SICP 1500#. FLOW WELL TO PIT THRU 3/4" CHOKE. R/U SNUBBING UNIT. P/U 3 7/8" OVERSHOT, 4'- 2 3/8" PUP JT, XN- NIPPLE W/ PUMP THRU PLUG IN PLACE, 2'- 2 3/8" PUP JT, OIL JARS, BUMPER SUB & 4'- 2 3/8" PUP JT. RIH W/ TBG & TOOLS. TAG @ DV TOOL. WORK W/ TBG & TOOLS BUT WERE UNABLE TO GET THRU DV TOOL W/ OVERSHOT. POOH TO 2000' W/ TBG & TOOLS. SION

NOTE: WELL FLOWING TO PIT ON 3/4" CHOKE W/200-250 PSI WHILE SNUBBING
 Daily cost \$5,920 Cum. cost \$50,311

4/8/98

CHECK PRESSURE 12 HR SICP 1500#. FLOW WELL TO PIT THRU 3/4" CHOKE. FINISH POOH W/ TBG & TOOLS CHANGE OUT OVERSHOT W/ 3 1/8" OVERSHOT & SNUB IN HOLE W/ TBG & TOOLS. TAG FISH @ 4080' CATCH & PULL GUNS FREE. SNUB OUT OF HOLE W/ 2 3/8" TBG TO 800'. INSTALL ADDITIONAL 14' SPACER SPOOL SECTIONS. POOH W/ 2 3/8" TBG TO BUMPER SUB. SION

WELL FLOWING DRY GAS @ 150#
 Daily cost \$24,700 Cum. cost \$75,011

4/9/98

CHECK PRESSURE 12 HR SICP 1500#. FLOW WELL TO PIT THRU 3/4" CHOKE. FINISH POOH W/ TOOLS & FISH REMOVE SPACER SPOOLS UNDER SNUBBING UNIT. (GUNS HAD EXPANDED TO 3 3/4" O.D.) P/U NOTCHED COLLAR, 2' X 2 3/8" PUP JT., XN- NIPPLE W/ BLANKING PLUG INSTALLED, 1 JT 2 3/8" TBG, X- NIPPLE & SNUB IN HOLE W/ 128 JTS 2 3/8" TBG. LAND TBG W/ HANGER @ 4026' KB. R/D SNUBBING UNIT. N/D BOP'S & N/U WELLHEAD. R/U SLICKLINE TRUCK. RIH W/ RETRIEVING TOOL & PULL BLANKING PLUG. RDMO COMPLETION RIG. HOOK UP FLOWLINES & TEST FOR LEAKS. SION. WILL START WELL PRODUCING THIS AM.

TUBING DETAIL

13.00'	K.B.
.83'	TUBING HANGER
3976.80'	128 JTS 2 3/8" 4.7# J-55 EUE TBG
1.15'	X- NIPPLE @ 3991' (1.875" PROFILE)
31.33'	1 JT 2 3/8" TBG
1.22'	XN- NIPPLE @ 4024' (1.791" PROFILE)
2.07'	2' X 2 3/8" PUP JT
.40'	NOTCHED COLLAR @ 4026'

Daily cost \$14,170 Cum. cost \$89,181

4/10/98

PUT WELL ON PRODUCTION @ 9:30 A.M. 4/10/98. 14 HR SITP & SICP 1600# PRODUCING WELL ON 17/64th
 CHOKE @ 1800+- MCFD RATE

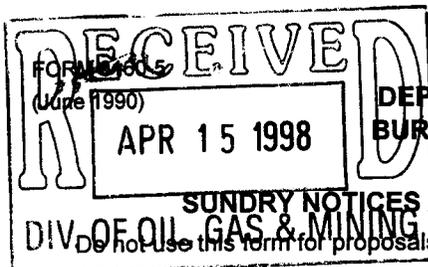
PRODUCTION TODAY			4/11/98			BBLS
HRS	CHOKE	FTP	SICP	GAS VOLUME	COND.	WTR.
23 1/2	17/64	950	960	1748	5	1

Daily cost \$0 Cum. cost \$89,181

4/11/98

PRODUCTION TODAY			4/12/98			BBLS
HRS	CHOKE	FTP	SICP	GAS VOLUME	COND.	WTR.
24	17/64	880	900	1712	0	0

Daily cost \$0 Cum. cost \$89,181



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Designation and Serial No.
UTU-66426

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. F 7-8

9. API Well No.
43-047-32937

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)

2048' FNL 796' FEL, SE/NE Section 7, T12S, R24E

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 checked="" type="checkbox"/> Other Initial Production
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

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

Operator reports the above well was placed on production @ 9:30 a.m. on 4/10/98.

Initial 24 hr. production: 1748 MCF/D; 5 bbls. condensate; 1 bbl. water.
17/64" choke.

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

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

Signed

Lucy Neenan

Title Administrative Assistant

Date 04/13/98

(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-66426

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. F 7-8

9. API Well No.

43-047-32937

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)

2048' FNL 796' FEL, SE/NE Section 7, T12S, R24E

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

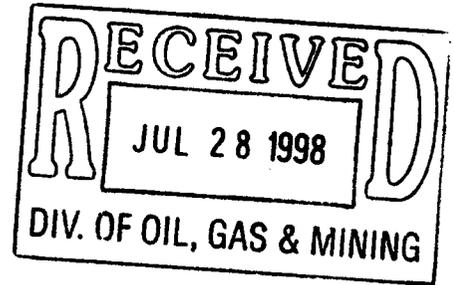
TYPE OF ACTION

Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other Weekly Status
 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.)*

Weekly Status - completion from 6/11/98 - 6/26/98
(see attached rig reports).
Current status: Producing



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 07/24/98

(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 F #7-8

DATE: 4/13/98

DEPTH: 4500'
 PBDT 4480'
 PERFS: 4084' - 4108' SQUEEZED
 4030' - 36'
 3746' - 54'
 PACKER: 4200'
 RBP:
 CIBP:
 EOT: 4654'

Lease #: U-66426
 Location: SE/NE SEC. 7, 12S, R24E
 County: Uintah Co., Utah

Engineer D. Widner
 Consultant S. Miller

4/1/98

MIRU KS WELL SERVICE RIG #1. HOOK UP PUMP & LINES. NU BOP'S. SION
 Daily cost \$4,041 Cum. cost \$4,042

4/2/98

PRESSURE TEST CSG TO 2500#. HELD OK! P/U 3 7/8" DRAG BIT, 4- 3 1/8" DC'S, X-OVER & RIH W/ 2 3/8" TBG TAG CMT STRINGERS @ 2467'. DRILL OUT CMT & DV TOOL @ 2560'. TEST CSG TO 2500#. HELD OK! POOH W/ TBG & TOOLS. P/U BIT & 4 1/2" CSG SCRAPER & RIH W/ TBG TO PBDT @ 4436'. DISPLACE HOLE W/ 3% KCL WATER. POOH W/ TBG & TOOLS. SION
 Daily cost \$6,347 Cum. cost \$10,388

4/3/98

R/U SCHLUMBERGER & RUN CEMENT BOND LOG FROM 4424' TO 286' W/ 1000# SURFACE PRESSURE. R/D WIRELINE. RIH W/ 110 JTS 2 3/8" TBG & SEAT NIPPLE. EOT @ 3432'. R/U & SWAB WELL DOWN TO 2500' POOH W/ TBG. R/U WIRELINE. RIH W/ 3 1/2" CSG GUNS & PERFORATE INTVL @ 4266'- 74' 4 SPF 32 HOLES. POOH & R/D WIRELINE. P/U NOTCHED COLLAR, 2' PUP JT, XN-NIPPLE, 1 JT 2 3/8" TBG, X-NIPPLE AND RIH W/ 134 JTS 2 3/8" TBG. LAND TBG W/ HANGER. EOT @ 4218' XN-NIPPLE @ 4216' X-NIPPLE @ 4183' WELL STARTED FLOWING. FLOW WELL TO RIG TANK THRU 3/4" CHOKE. WELL UNLOADED FLUID IN 2 HRS INSTALLED 20/64" POSITIVE CHOKE. WELL FLOWING DRY GAS W/ 100# FTP & 300# SICP. EST 215 MCFD RATE. SION
 Daily cost \$19,031 Cum. cost \$29,419

4/4/98

CHECK PRESSURES. 13 HR SITP & SICP 1600#. FLOW WELL TO PIT THRU POSITIVE CHOKE AS FOLLOWS:

TIME	CHOKE	FTP	SICP	EST MCFD RATE
7:30	20/64	530#	700#	1181
8:00	"	350#	450#	751
8:30	"	200#	200#	429
9:00	"	150#	150#	322
9:30	"	150#	150#	322
10:00	18/64	175#	200#	303
10:30	"	175#	225#	303
11:00	"	175#	225#	303
11:30	16/64	250#	300#	341
NOON	"	250#	275#	341
12:30	"	200#	250#	273
1:00	"	150#	250#	205
2:00	"	150#	250#	205
3:00	"	150#	250#	205
3:30	14/64	225#	250#	234
4:00	"	250#	300#	260
5:00	"	250#	300#	260

Daily cost \$2,791 Cum. cost \$32,210

4/6/98

CHECK PRESSURES. 39 HR & 63 HR SITP & SICP 1500#. OPEN WELL TO PIT ON 2" CHOKE. R/U SLICKLINE TRUCK & RIH W/ BLANKING PLUG. SET PLUG IN XN-NIPPLE @ 4218'. R/U & STRIP OUT OF HOLE W/ 2 3/8" TBG. R/U SCHLUMBERGER WIRELINE. RIH W/ 4 1/2" ARROWSET #1 PKR W/ 8' PUP JT & XN-NIPPLE W/ BLANKING PLUG INSTALLED. SET PKR @ 4200'. R/D WIRELINE. FILL & TEST CSG & TOOLS TO 2500#. HELD OK! P/U SEAT NIPPLE & RIH W/ 2 3/8" TBG TO 3432'. R/U & SWAB WELL DOWN TO 2500'. POOH W/ 2 3/8" TBG & SEAT NIPPLE. R/U WIRELINE TRUCK. RIH W/ 3 1/2" HI DENS CSG GUNS & PERFORATE INTVL @ 4084'- 4104', 4 SPF, 80 HOLES. GUNS BECAME STUCK AFTER FIRING 20' INTVL @ 4084'- 4104'. WORKED W/ WIRELINE & PRESSURED CSG TO 3000# BUT WERE UNABLE TO FREE GUNS. PULL OUT OF SAFETY JOINT & POOH W/WIRELINE. WELL FLOWING TO PIT THRU 3/4" CHOKE W/ HEAVY MIST & SLUGGING FLUID. MAX SI PRESSURE 1400#. R/D SCHLUMBERGER & SION
 Daily cost \$12,181 Cum. cost \$44,391

4/7/98

CHECK PRESSURE 13 HR SICP 1500#. FLOW WELL TO PIT THRU 3/4" CHOKE. R/U SNUBBING UNIT. P/U 3 7/8" OVERSHOT, 4'- 2 3/8" PUP JT, XN- NIPPLE W/ PUMP THRU PLUG IN PLACE, 2'- 2 3/8" PUP JT, OIL JARS, BUMPER SUB & 4'- 2 3/8" PUP JT. RIH W/ TBG & TOOLS. TAG @ DV TOOL. WORK W/ TBG & TOOLS BUT WERE UNABLE TO GET THRU DV TOOL W/ OVERSHOT. POOH TO 2000' W/ TBG & TOOLS. SION

NOTE: WELL FLOWING TO PIT ON 3/4" CHOKE W/200-250 PSI WHILE SNUBBING
 Daily cost \$5,920 Cum. cost \$50,311

4/8/98

CHECK PRESSURE 12 HR SICP 1500#. FLOW WELL TO PIT THRU 3/4" CHOKE. FINISH POOH W/ TBG & TOOLS CHANGE OUT OVERSHOT W/ 3 1/8" OVERSHOT & SNUB IN HOLE W/ TBG & TOOLS. TAG FISH @ 4080' CATCH & PULL GUNS FREE. SNUB OUT OF HOLE W/ 2 3/8" TBG TO 800'. INSTALL ADDITIONAL 14' SPACER SPOOL SECTIONS. POOH W/ 2 3/8" TBG TO BUMPER SUB. SION

WELL FLOWING DRY GAS @ 150#
 Daily cost \$24,700 Cum. cost \$75,011

4/9/98

CHECK PRESSURE 12 HR SICP 1500#. FLOW WELL TO PIT THRU 3/4" CHOKE. FINISH POOH W/ TOOLS & FISH REMOVE SPACER SPOOLS UNDER SNUBBING UNIT. (GUNS HAD EXPANDED TO 3 3/4" O.D.) P/U NOTCHED COLLAR, 2' X 2 3/8" PUP JT., XN- NIPPLE W/ BLANKING PLUG INSTALLED, 1 JT 2 3/8" TBG, X- NIPPLE & SNUB IN HOLE W/ 128 JTS 2 3/8" TBG. LAND TBG W/ HANGER @ 4026' KB. R/D SNUBBING UNIT. N/D BOP'S & N/U WELLHEAD. R/U SLICKLINE TRUCK. RIH W/ RETRIEVING TOOL & PULL BLANKING PLUG. RDMO COMPLETION RIG. HOOK UP FLOWLINES & TEST FOR LEAKS. SION. WILL START WELL PRODUCING THIS AM.

TUBING DETAIL

13.00'	K.B.
.83'	TUBING HANGER
3976.80'	128 JTS 2 3/8" 4.7# J-55 EUE TBG
1.15'	X- NIPPLE @ 3991' (1.875" PROFILE)
31.33'	1 JT 2 3/8" TBG
1.22'	XN- NIPPLE @ 4024' (1.791" PROFILE)
2.07'	2' X 2 3/8" PUP JT
.40'	NOTCHED COLLAR @ 4026'

Daily cost \$14,170 Cum. cost \$89,181

4/10/98

PUT WELL ON PRODUCTION @ 9:30 A.M. 4/10/98. 14 HR SITP & SICP 1600# PRODUCING WELL ON 17/64th
CHOKE @ 1800+- MCFD RATE

PRODUCTION TODAY			4/11/98	BBLs		
HRS	CHOKE	FTP	SICP	GAS VOLUME	COND.	WTR.
23 1/2	17/64	950	960	1748	5	1

Daily cost \$0 Cum. cost \$89,181

4/11/98

PRODUCTION TODAY			4/12/98	BBLs		
HRS	CHOKE	FTP	SICP	GAS VOLUME	COND.	WTR.
24	17/64	880	900	1712	0	0

Daily cost \$0 Cum. cost \$89,181

PRODUCTION TODAY			4/13/98	BBLs		
HRS	CHOKE	FTP	SICP	GAS VOLUME	COND.	WTR.
24	17/64	825	825	1607	0	0

Daily cost \$0 Cum. cost \$89,181

PRODUCTION TODAY			4/14/98	BBLs		
HRS	CHOKE	FTP	SICP	GAS VOLUME	COND.	WTR.
24	17/64	780	790	1512	0	0

Daily cost \$0 Cum. cost \$89,181

PRODUCTION TODAY			4/15/98	BBLs		
HRS	CHOKE	FTP	SICP	GAS VOLUME	COND.	WTR.
24	17/64	740	740	1421	3.34	1.67

Daily cost \$0 Cum. cost \$89,181

PRODUCTION TODAY			4/16/98	BBLs		
HRS	CHOKE	FTP	SICP	GAS VOLUME	COND.	WTR.
24	17/64	690	700	1327	0	1.67

DROPPED FROM REPORT - PRODUCTION WILL BE REPORTED ON THE MMS FORM-3160

6/11/98

MIRU K&S WELL SERVICE RIG #1. HOOK-UP PUMP & LINES. FILL HOLE W/ 3% KCL WATER. PUMP INTO PERFS @ 4084'- 4108'. ZONE BROKE @ 1900#. AVG 3 BPM @ 1600#. ISIP 700# (.61 FRAC GRAD.) PUMPED 10 BBLs INTO FORMATION. USED A TOTAL OF 72 BBLs KCL WATER TO BREAK DOWN. R/U & SWAB WELL. FL @ SURFACE. MADE 18 RUNS & RECOVERED 47 BBLs WATER W/ SLIGHT GAS BLOW. FINAL FL @ 3000'. N/D WELLHEAD & N/U BOP'S. POOH W/ 2 3/8" TBG & TOOLS. SION

Daily cost \$4,250 Cum. cost \$93,431

6/12/98

CHECK PRESSURE. 100# SICP. R/U SCHLUMBERGER. RIH & SET RBP @ 4165'. DUMP BAIL 1 sk SAND ON PLUG. RIH & SET CEMENT RETAINER @ 3930'. P/U STINGER ASSY & RIH W/ 127 JTS 2 3/8" TBG. STING INTO RETAINER. R/U HES. FILL CSG & TEST TOOLS TO 1500#. HELD OK! FILL TBG W/ KCL WATER & ESTABLISH INJECTION RATE OF 1 BPM @ 750#. SQUEEZE PERFS @ 4084'- 4108' W/ 100 sx CLASS "G" W/ 2% HALAD 9 & .25% CFR 2 ADDITIVES. PUMPED 78 sx CEMENT INTO PERFS & PRESSURED TO 2500#. STING OUT OF RETAINER & REVERSED OUT EXCESS CMT. POOH W/ TBG & STINGER. SHUT IN & WAIT ON CEMENT.

Daily cost \$9,900 Cum. cost \$103,331

6/14/98

P/U 3 7/8" MT BIT, 4- 3 1/8" DC'S & RIH W/ 124 JTS 2 3/8" TBG. TAG CEMENT @ 3927'. DRILL OUT CEMENT & RETAINER @ 3930'. DROPPED OUT OF CEMENT @ 4119'. TEST SQUEEZE TO 2500#. HELD OK! RIH & CIRCULATE SAND OFF RBP @ 4165'. POOH W/ TBG & TOOLS. SHUT IN WELL.

Daily cost \$6,980 Cum. cost \$110,311

6/16/98

P/U RET. HEAD & RIH W/ 2 3/8" TBG TO TOP OF RBP. DISPLACE WELL W/ CLEAN 3% KCL WATER. RELEASE WIRELINE SET RBP & POOH W/ TBG & TOOLS. P/U 4 1/2" RBP & RIH W/ 2 3/8" TBG. SET PLUG @ 4060'. TEST PLUG TO 2500#. HELD OK! R/U & SWAB WELL DOWN TO 2500'. POOH W/ TBG & RET. HEAD. R/U SCHLUMBERGER. RIH W/ 3 3/8" CSG GUN & PERFORATE INTVL @ 4030'- 36' 4 SPF 24 HOLES TOTAL. WELL STARTED FLOWING. FLOW WELL TO PIT ON 1" CHOKE FOR 1 HR. WELL FLOWED BACK LOAD WATER. INSTALL 16/64 CHOKE & FLOW WELL TO TANK FOR 3 HRS. FCP STABILIZED @ 600# (EST 819 MCFD RATE) RECOVERED 3 BBLS WATER. SION

Daily cost \$6,435 Cum. cost \$116,746

6/17/98

CHECK PRESSURE. 13 HR SICP 1500#. FLOW WELL TO TANK FOR 6 HRS ON 16/64 CHOKE. FCP STABILIZED @ 660# (EST 901 MCFD RATE). RECOVERED NO FLUID. FLOW WELL 3 HRS ON 14/64 CHOKE. FCP STABILIZED @ 880# (EST 854 MCFD RATE). WELL STILL FLOWING DRY GAS. SION

Daily cost \$2,650 Cum. cost \$119,396

6/18/98

CHECK PRESSURE. 13 HR SICP 1400#. R/U SCHLUMBERGER. RIH W/ 4 1/2" RBP & SET @ 3980'. FILL HOLE & TEST PLUG TO 2500#. HELD OK! RIH W/ 3 3/8" CSG GUN & PERFORATE INTVL @ 3746'- 54' 4 SPF 32 HOLES TOTAL. R/D WIRELINE. WELL STARTED FLOWING. FLOW WELL TO TANK ON 1" CHOKE UNTIL DRY. INSTALL 20/64 CHOKE & FLOW WELL FOR 1 1/2 HRS. FCP STABILIZED @ 580# (EST 1245 MCFD RATE) FLOW WELL FOR 3 HRS ON 16/64 CHOKE. FCP STABILIZED @ 800# (EST 1092 MCFD RATE) SION

Daily cost \$4,000 Cum. cost \$123,396

6/19/98

R/U SCHLUMBERGER. RIH W/ GAUGE RING TO 4445'. RUN CEMENT BOND LOG FROM 4445' TO 500' W/ 1000# SURFACE PRESSURE. EST TOP OF CEMENT @ 775'. MAX REC. TEMP. 130°F R/D WIRELINE. WAIT ON COMPLETION TOOLS.

Daily cost \$4,215 Cum. cost \$214,335

6/20/98

CHECK PRESSURE. 15 HR SICP 1260#. R/U SCHLUMBERGER. RIH W/ 4 1/2" ARROWSET 1 PKR W/ 4' PUP JT & XN-NIPPLE (BLANKING PLUG INSTALLED). SET PKR @ 3680'. R/D WIRELINE. RIH W/ ON/OFF TOOL & 118 JTS 2 3/8" TBG. LATCH ONTO PKR & LAND TBG ON HANGER W/ 10K COMPRESSION. TEST TOOLS TO 1500#. HELD OK! R/U SLICKLINE TRUCK. RIH & RETRIEVE BLANKING PLUG. R/D SLICKLINE UNIT. R/U HES. PUMP 17 BBLS SLICK FLUID & MADE SEVERAL ATTEMPTS TO BREAK DOWN PERFS. ZONE WOULDN'T BREAK DOWN. MAX PSI 5400#. R/D HALLIBURTON. R/U & SWAB WELL. MADE 7 RUNS & RECOVERED 15 BBLS FLUID. FINAL FL @ 3500'. SION

Daily cost \$8,360 Cum. cost \$134,531

6/21/98

CHECK PRESSURE. 13 HR SITP 1400#. WELL BLEW DOWN IN 10 MIN. R/U & SWAB WELL. FL @ 3500'. MADE 1 RUN & RECOVERED 1/2 BBL WATER. R/U HES. PUMP 250 GAL. 7 1/2% HCL ACID W/ ADDITIVES. DISPLACE ACID W/ 3% KCL WATER. ZONE BROKE @ 5375#. ESTABLISH INJECTION RATE 9.8 BPM @ 4148#. ISIP 1400# .81 FRAC GRAD.) USED 20 BBLS TOTAL FLUID. SWAB & FLOW BACK ALL ACID & KCL WATER. R/U HES & FRAC WELL. PUMPED 10,000# 20/40 SAND & USED 117 BBLS FLUID. AVG RATE 7.7 BPM AVG PSI 3500# MAX RATE 10 BPM MAX PSI 4581# ISIP 3200# 5 MIN. 2670# 10 MIN. 930# 15 MIN. 730# R/D HALLIBURTON & SHUT IN WELL 2 HRS. SITP 200# FLOWING WELL TO TANK ON 20/64 CHOKE. RECOVERED 72 BBLS FLUID IN 19 1/2 HRS. HAVE 45 BLTR. FTP @ 540#. EST 1159 MCFD FLOW RATE.

Daily cost \$17,865 Cum. cost \$152,216

6/22/98

FLOWING WELL ON 20/64 CHOKE. FTP 560# EST 1202 MCFD FLOW RATE. INSTALL 16/64 CHOKE & FLOW WELL 4 HRS. FTP 660# EST 901 MCFD FLOW RATE. INSTALL 14/64 CHOKE & FLOW WELL 5 1/2 HRS. FTP 750# EST 781 MCFD FLOW RATE. RECOVERED 8 BBLS FLUID TODAY. HAVE 37 BLTR. SION

Daily cost \$930 Cum. cost \$153,146

6/23/98

CHECK PRESSURE. 14 HR SITP 1180#. FLOW WELL TO TANK ON 18/64 CHOKE FOR 4 HRS. FTP STABILIZED @ 740#. EST 1283 MCFD FLOW RATE. INSTALL 16/64 CHOKE & FLOW WELL 4 HRS. FTP STABILIZED @ 760#. EST 1037 MCFD FLOW RATE. RECOVERED 2 BBLS FLUID. HAVE 35 BLTR. SION

Daily cost \$2,650 Cum. cost \$255,796

6/25/98

CHECK PRESSURE. SITP 1400#. R/U SLICKLINE TRUCK. RIH & SET PUMP THRU PLUG IN XN-NIPPLE @ 3692'. R/D SLICKLINE UNIT. R/U CUDD SNUBBING UNIT. RELEASE PKR @ 3680'. SNUB OUT OF HOLE W/ 2 3/8" TBG & TOOLS. P/U RET. HEAD, 2' PUP JT, XN-NIPPLE, 1 JT 2 3/8" TBG, X-NIPPLE & RIH W/ TBG. TAG SAND @ 3811'. 169' OF FILL ABOVE RBP) R/U & CLEAN OUT SAND TO RBP @ 3980' W/ N₂ & 3% KCL WATER. RELEASE RBP @ SNUB OUT OF HOLE W/ TBG & TOOLS. SION

Daily cost \$16,510 Cum. cost \$172,306

6/26/98

CHECK PRESSURE. SITP 1400#. P/U RET. TOOL, 4' PUP JT, XN-NIPPLE W/ PLUG IN PLACE & RIH W/ 131 JTS 2 3/8" TBG. DUST OFF PLUG W/ N2 & KCL WATER. RELEASE RBP & SNUB OUT OF HOLE W/ TBG & TOOLS. P/U ON/OFF TOOL, 1 JT 2 3/8" TBG, X- NIPPLE W/ PLUG IN PLACE & RIH W/ 116 JTS TBG. LAND TBG ON HANGER @ 3654'. R/D SNUBBING UNIT. N/D BOP'S & N/U WELLHEAD. R/U SLICKLINE TRUCK. RIH & FISH PLUG @ 3621'. RDMO K&S RIG. WELL ON PRODUCTION @ 5:00 PM 6-25-98

Daily cost \$13,890 Cum. cost \$186,196

SUBMIT 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-66426

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

HANGING ROCK

8. FARM OR LEASE NAME, WELL NO.

HANGING ROCK FED F 7-8

9. API WELL NO.

43-047-32937

10. FIELD AND POOL OR WILDCAT

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

SEC. 7, T12S, R24E

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

12. COUNTY OR PARISH
UINTAH

13. STATE
UTAH

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.

CONFIDENTIAL
Other PERIOD EXPIRES
5-10-99

2. NAME OF OPERATOR

ROSEWOOD RESOURCES, INC.

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 1668, VERNAL, UT 84078

435-789-0414

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

At Surface

2048' FNL 796' FEL SE/NE SEC. 7, T12S, R24E.

At top prod. Interval reported below

CONFIDENTIAL

At total depth

14. PERMIT NO.

UTU-080-7M-314

DATE ISSUED

7/16/97

15. DATE SPUDDED

2/20/98

16. DATE T.D. REACHED

3/19/98

17. DATE COMPL. (Ready to prod.)

4/10/98

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

6189' GL

19. ELEV. CASINGHEAD

6203' KB

20. TOTAL DEPTH, MD & TVD

4507' MD

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

TD
4200' PKR

22. IF MULTIPLE COMPL.

HOW MANY*

1

23. INTERVALS

ROTARY TOOLS

CABLE TOOLS

340' - 4507'

NA

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

WASATCH 4266' - 74', 4084' - 4104'

25. WAS DIRECTIONAL SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

MUD LOG, ML/GR, CBL, AR/R/LC, PE/LQM, CN/A/G/R, DIV OF OIL GAS & MINING

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#	335'	11"	SURF-145 SX Class "G" + ADD	NONE
4-1/2" N-80	11.6#	4480'	7 7/8"	SURF-310 SX CLASS "G" + ADD	NONE
				TAIL 150 SX CLASS "G" + 50 SX NEAT	
				DV TOOL @ 2560'	

29.

LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30.

TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	4026'	4200'

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
4266' - 74'	0.46	32
4084' - 4104'	0.46	80

CONFIDENTIAL

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.*

PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)	WELL STATUS (Producing or shut-in)					
4/10/98	FLOWING	PROD					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL--BBL.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO
4/12/98	24	17/64"	→	0	1712	0	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL--BBL.	GAS--MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)	
880#	900#	→	0	1712	0		

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 *Greg Neme*

TITLE **ADMINISTRATIVE ASISTANT**

DATE **8/11/98**

*(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.	TOP	
				MEAS. DEPTH	TRUE VERT. DEPTH
				2580'	
				4216'	

WASATCH TOP
MESA VERDE TOP

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

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-66426

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. F 7-8

9. API Well No.

43-047-32937

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)

2048' FNL 796' FEL, SE/NE Section 7, T12S, R24E

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

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

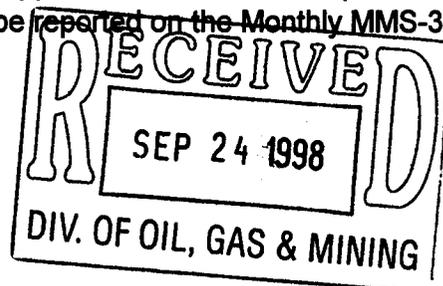
TYPE OF ACTION

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

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

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

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



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

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

Signed [Signature]

Title Administrative Assistant

Date 09/11/98

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

RECEIVED
MAR 18 1999

CONFIDENTIAL

FORM 3160-4
(July 1992)

SUBMIT IN DUPLICATE*
(See other in-
structions on
reverse side)

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

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
UTU-66426

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK

OIL WELL GAS WELL DRY

1b. TYPE OF WELL

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

2. NAME OF OPERATOR

ROSEWOOD RESOURCES, INC.

3. ADDRESS AND TELEPHONE NO.

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

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

At Surface
2048' FNL 796' FEL SE/NE SEC. 7, T12S, R24E.

At top prod. Interval reported below

At total depth

14. PERMIT NO. UTU-080-7M-314
DATE ISSUED 7/16/97

12. COUNTY OR PARISH UINTAH
13. STATE UTAH

15. DATE SPUDDED 2/20/98

16. DATE T.D. REACHED 3/19/98

17. DATE COMPL. (Ready to prod.) 4/10/98

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 6189' GL

19. ELEV. CASINGHEAD 6203' KB

20. TOTAL DEPTH, MD & TVD
4507' MD TVD

21. PLUG, BACK T.D., MD & TVD
TD RBP @ 4165'
4200' PKR TVD

22. IF MULTIPLE COMPL., HOW MANY*

23. INTERVALS DRILLED BY ROTARY TOOLS
----->

CABLE TOOLS
NA

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

WASATCH 3231'-47', 3244'-55', 3746' -54', 4030'-36', 4130'-66'

25. WAS DIRECTIONAL SURVEY MADE
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

MUD LOG; ML/GR; CBL; AR/LC; PE/LQM

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#	335'	11"	SURF-145 SX Class "G" + ADD	NONE
4-1/2" N-80	11.6#	4480'	7 7/8"	SURF-310 SX CLASS "G" + ADD	NONE
				TAIL 150 SX CLASS "G" + 50 SX NEAT	
				DV TOOL @ 2560'	

LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	4099	4200'

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
4130' - 34', 4156' - 66'	0.37	56
3231' - 38', 3244' - 47', 3250' - 55'	0.37	60

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3231'-55'	Frac w/35108 gals Nitrogen Foam + 70,000# 20/40/sd.

33.* PRODUCTION

DATE FIRST PRODUCTION 6/25/98	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) FLOWING				WELL STATUS (Producing or shut-in) PROD		
DATE OF TEST	HOURS TESTED	CHOKER SIZE	PRODN. 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 SADLER

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

Lug Neme

TITLE

ADMINISTRATIVE ASISTANT

DATE

3/3/99

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

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

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.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
				WASATCH TOP MESA VERDE TOP	2580' 4216'	

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

RECEIVED
 MAR 18 1999
 DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

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

5. Lease Serial No.
UTU-0779

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
HANGING ROCK UNIT UTU-73518X

8. Well Name and No.
HANGING ROCK F #7-8

9. API Well No.
43-047-32937

10. Field and Pool, or Exploratory Area

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
ROSEWOOD RESOURCES, INC.

3a. Address
P. O. BOX 1668, VERNAL, UTAH 84078

3b. Phone No. (include area code)
435-789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2048' FNL 796' FEL, SE/NE SECTION 7, T12S, R24E

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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other REMOVE RBP

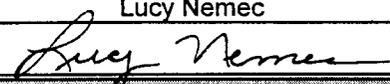
13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical 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 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.)

Rosewood Resources, Inc. reports the above referenced well was worked over from 11/8- 11/11/99 as follows:

- 1. Release RBP @ 4165'.
- 4. Place well back on production on 11/11/99.

Producing interval - Wasatch 3231' - 4168'; Mesa Verde 4266' - 74'

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

Name (Printed/Typed) Lucy Nemes	Title Administrative Assistant
Signature 	Date December 14, 1999

THIS SPACE FOR FEDERAL OR STATE 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, 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.

(Instructions on reverse)

RECEIVED
SEP 15 1999

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:
PHONE NUMBER: (303) 893-0933		8. WELL NAME and NUMBER:
4. LOCATION OF WELL		9. API NUMBER:
FOOTAGES AT SURFACE:		10. FIELD AND POOL, OR WILDCAT:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: COUNTY: UTAH
STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
McElvain Oil & Gas Properties, Inc. will take over as operator of the attached wells from Rosewood - effective 5/1/2002.

Bond # RLB0004154
Operator # N2100

RECEIVED
APR 29 2002
DIVISION OF
OIL, GAS AND MINING

Name Gary Tarabba
Signature *Gary Tarabba*

Title vice President Rosewood Resources, Inc
Date 4/23/02

NAME (PLEASE PRINT) John D. Steuble
SIGNATURE *John D. Steuble*

TITLE Engineering Manager Mcelvain O & G Properties
DATE 4/12/02

(This space for State use only)

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO
UT-922

June 18, 2002

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

Re: Hanging Rock Unit
Uintah County, Utah

Gentlemen:

We received an indenture dated May 1, 2002, whereby Rosewood Resources, Inc. resigned as Unit Operator and McElvain Oil & Gas Properties, Inc. was designated as Successor Unit Operator for the Hanging Rock Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective June 18, 2002. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Hanging Rock Unit Agreement.

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

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

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

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

UT922:TAThompson:tt:6/18/02

Results of query for MMS Account Number UTU73518B

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

Results of query for MMS Account Number UTU73518A

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

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

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW ✓
3. FILE

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: 05-01-2002	
FROM: (Old Operator):	TO: (New Operator):
ROSEWOOD RESOURCES INC	MCELVAIN OIL & GAS PROPERTIES INC
Address: P O BOX 1668	Address: 1050 17TH STREET, STE 1800
VERNAL, UT 84078	DENVER, CO 80265-1801
Phone: 1-(435)-789-0414	Phone: 1-(303)-893-0933
Account No. N7510	Account No. N2100

CA No. Unit: HANGING ROCK

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

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

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

7. Federal and Indian Units:

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

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

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

9. Underground Injection Control ("UIC")

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

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 07/03/2002

2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 07/03/2002

3. Bond information entered in RBDMS on: N/A

4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

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

FEDERAL WELL(S) BOND VERIFICATION:

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

INDIAN WELL(S) BOND VERIFICATION:

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

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number N/A

2. The **FORMER** operator has requested a release of liability from their bond on: N/A

The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

RECEIVED

MAR 04 2005

DIV. OF OIL, GAS & MINING

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		3. Lease Serial No. UTU-66426
2. Name of Operator McElvain Oil and Gas Properties, Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 1050 17th Street, Suite 1800 Denver, Colorado 80265	3b. Phone No. (include area code) 303.893.0933	7. If Unit or CA/Agreement, Name and/or No. Hanging Rock WS MV (UTU-73518B)
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2048' FNL & 796' FEL (SENE) Sec. 7, T12S-R24E SLB&M		8. Well Name and No. Hanging Rock Federal #7-8
		9. API Well No. 43-047-32937
		10. Field and Pool, or Exploratory Area Oil Springs
		11. County or Parish, State Uintah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="radio"/> 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="radio"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="radio"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Install Central</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Compression for 5 wells on</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>2 separate Federal Leases</u>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or 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 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.)

McElvain Oil & Gas requests permission to install a gas compressor and gas meter on an existing wellsite pad in order to provide for centralized compression for 5 wells. 4 of the 5 wells are situated on Federal Lease #UTU-66426. These 4 wells include the Hanging Rock Federal #7-2, 7-6, 7-8 & 7-10 wells. The fifth well to be compressed is the Tucker Federal #8-12 well, which is situated on Federal Lease #UTU-70239. McElvain is requesting permission to install the new gas compressor and gas meter on the Hanging Rock Federal #7-6 location. No enlargement of the existing #7-6 wellsite battery pad will be required, although additional piping will be required within the existing boundaries of this pad in order to connect the new compressor and meter to the existing separator and gas pipeline. Only the #7-6 well pad will incur new construction. No new construction will be required on any of the 4 remaining well pads. The new "sales" meter will be installed downstream of the proposed compressor and 100% of the gross measured gas sales through this new "sales" meter will be proportionately credited to each of the 5 individual wells by utilizing the existing individual well meters as "allocation" meters. McElvain has hired a permitting specialist in order to comply with air quality permitting regulations. A spreadsheet listing pertinent individual well data, and a map are attached to facilitate identification of the well spots and pipe line layout.

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

Name (Printed/Typed) E. Reed Fischer	Title Operations Engineer	DATE SENT TO OPERATOR 3-9-05 CHD
Signature 	Date 3/01/2005	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Accepted by the Utah Division of Oil, Gas and Mining Office	Date 3/8/05	Date Federal Approval This Action is Necessary
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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 reverse)

McELVAIN OIL & GAS PROPERTIES, INC.

1050 17TH STREET

SUITE 1800

DENVER, COLORADO 80265

E. REED FISCHER
OPERATIONS ENGINEER
E-MAIL: REEDF@MCELVAIN.COM

TELEPHONE 303/893-0933 EXT. 330
FAX 303/893-0914

March 1, 2005

Central Compression Notes for 5 Wells in Hanging Rock Area
Hanging Rock Federal #7-2, 7-6, 7-8, 7-10 and Tucker Federal #8-12
Federal Lease Nos: UTU-66426 & UTU-70239
Sections 7 & 8, T12S-R24E
Uintah County, Utah

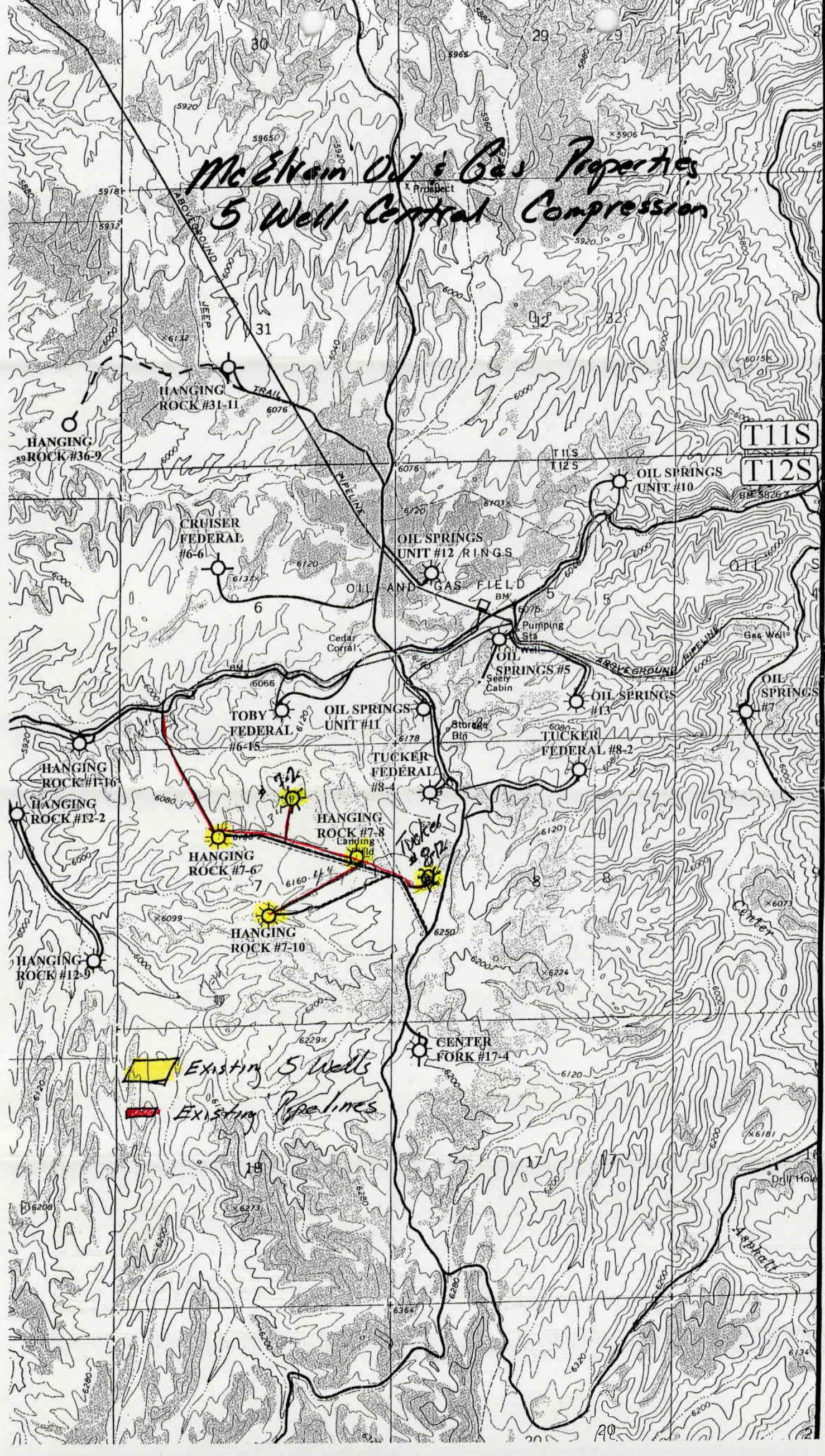
Please refer to the attached spreadsheet for more detail on the 5 gas wells we wish to compress through a centralized compressor to be installed on the Hanging Rock Federal #7-6 location.

- Currently, the wells produce an aggregate 360 MCFD (4 plunger lift & 1 rod pump).
- Following central compression of the 5 wells, aggregate daily production rate estimated at approximately 550 – 600 MCFGD against a 40 to 50 psi suction pressure.
- Two of the wells currently utilize wellhead compression (#7-6 & #7-8 wells).
- Anticipated maximum discharge pressure is estimated at 300 psi, average discharge pressure of 230 psi, lowest anticipated discharge pressure of 180 psi.
- All gas will be run through a conventional three-phase production unit prior to compression, with compression discharge into a de-hy. This production unit and de-hy combo is currently utilized on the #7-6 location.
- A central delivery point meter will be required down-stream of the compressor, and all existing on-site recorders will be utilized as allocation meters.
- BLM approval is required as the Tucker well in section 8 is on a separate lease (UTU-70239) from the remaining 4 wells in section 7 (UTU-66426).
- Tom Mark, a specialist in air-quality permitting, has been contracted to provide consultation and, if necessary, prepare air-quality permits.
- The Hanover Company will likely supply the reciprocating compressor. It currently appears that the likely compressor will be an Ariel JGQ – 2 stage, 100 horsepower compressor powered by a CAT 3306TA engine. When a final decision is made pertinent information on equipment type, size, emissions, etc., will be forwarded.
- Depending on the success of this project, additional well connects to this compressor may be a possibility. Currently there are three existing wells in Section 8, and a 4th well is being permitted in the SENW of this section. There is the possibility that the current 5 well compressor set-up might become an 8 well set-up. Pre-approval will be obtained from the regulatory authorities prior to any alteration to the existing plan.
- Ivan Sadlier 435.828.0284 or 435.828.0282 manages our field operations in Utah and is the contact for any field operations questions.

I can be reached at 303.893.0933 extension 330 (office) or 303.981.2921 (cell). Thanks.

Reed Fischer
Operations Engineer

McElvain Oil & Gas Properties 5 Well Central Compression



 Existing 5 Wells
 Existing Pipelines

McElvain Oil and Gas - Cental Compression Wells

<u>Lease Number</u>	<u>Well Name</u>	<u>Well Location</u>	<u>Station/Meter Number</u>	<u>Meter Type</u>	<u>Ground Level Elevation</u>	<u>Gas Gravity</u>	<u>Gas BTU Content</u>	<u>Producing Formations</u>	<u>LIFT METHOD</u>	<u>Current Rate (MCFGD)</u>	<u>Compression Expected Rate (MCFGD)</u>
UTU-66426	Hanging Rock Federal #7-2	NWNE Sec. 7, T12S-R24E	70127	EFM	6,146	0.6093	1075.1	2 Producing Wasatch Zones	Plunger	35	75
UTU-66426	Hanging Rock Federal #7-6	SENW Sec. 7, T12S-R24E	50290	Dry Flow	6,120	0.5895	1061.5	5 Producing Wasatch Zones	Plunger - Compression	80	80
UTU-66426	Hanging Rock Federal #7-8	SENE Sec. 7, T12S-R24E	10178	EFM	6,189	0.6031	1077.9	4 Mesaverde & 4 Wasatch Zones	Pump - Compression	25	25
UTU-66426	Hanging Rock Federal #7-10	NWSE Sec. 7, T12S-R24E	50284	EFM	6,114	0.6230		2 Producing Wasatch Zones	Plunger	120	200
UTU-70239	Tucker Federal #8-12	NWSW Sec. 8, T12S-R24E	70092	EFM	6,249	0.5832	1041.9	2 Producing Wasatch Zones	Plunger	100	175
										360	555

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

5. Lease Serial No.
UTU-66426

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and/or No.
Hanging Rock WS MV (UTU-73518B)

8. Well Name and No.
Hanging Rock Federal #7-8

9. API Well No.
43-047-32937

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 and Gas Properties, Inc.

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2048' FNL & 796' FEL (SENE) Sec. 7, T12S-R24E SLB&M

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="radio"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="radio"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="radio"/> 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 checked="" 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 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.)

McElvain Oil & Gas requests permission to temporarily abandon the Mesaverde perforations with a CIBP before selectively acidizing the existing Wasatch perforations and placing the well back on rod pump to produce the well as a Wasatch only producer. The proposed procedure is as follows: (1) Pull rods and tubing (2) Tubing set a CIBP @ 4,000' to shut off the Mesaverde perms at 4030-36, 4130-34 and 4266-74 (3) Run a retrievable bridge plug and packer to isolate the lower Wasatch perms from 3746-54 and acidize with 500 gals of 15% HCL (4) Move the bridge plug and packer to isolate the upper Wasatch perms from 3231-3255 (gross) and acidize with 750 gals of 15% HCL utilizing ball sealers (5) pull the packer and bridge plug from the hole and run back in with tubing to swab test both acidized Wasatch zones (6) place the well back on rod pump as a Wasatch only producer.

Please refer to the existing wellbore diagram and the attached procedure:

COPY SENT TO OPERATOR
Date: 8-11-05
Initials: CHD

RECEIVED

AUG 09 2005

DIV. OF OIL, GAS & MINING

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

Signature [Signature] Date 8/01/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title Accepted by the Utah Division of Oil, Gas and Mining Date 8/19/05 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.

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

By: [Signature]

McELVAIN OIL & GAS PROPERTIES, INC.
Hanging Rock Federal #7-8 Well
Abandon Mesaverde Perfs & Acid Clean-up of Wasatch Perfs
August 9, 2005

LOCATION: SE/NE 7-T12S-R24E
 Uintah County, UT

API#: 43-047-32937

TD: 4507'

PBTD: 4436' (Float Collar) & 4424' (CBL)

KB: 13.5'

PURPOSE OF WORK: Abandon Mesaverde Perfs. Selectively Acidize & Test Wasatch Perfs.

CASING/CEMENT:

8-5/8, 24#, J-55 @ 335' GL in 11" hole. Cemented w/145 sacks. Circulated to surface.

4-1/2", 11.6#, N-80 @ 4480' in 7-7/8 hole. Two Stage Cemented w/ DV tool @ 2549'.

1st Stage: Cemented w/310 sacks 'G' by BJ Services. TOC @ 3048' (bond log)

2nd Stage: Lead - 150 sacks class 'G'. Tail -50 sacks class G neat. TOC ± surface.

FORMATION TOPS:

Uteland Butte:	2460'
Wasatch:	2555'
Mesaverde:	3945'

CURRENT PERFORATIONS:

4/03/98	4266 - 4274 @ 4 spf
2/05/99	4156 - 4166 @ 4 spf
	4130 - 4134 @ 4 spf
4/07/98	4084 - 4104 @ 4 spf, Squeezed Off on 6/12/98
6/13/98	4030 - 4036 @ 4 spf
	3746 - 3754 @ 4 spf, 250 gals 7.5% HCl & 10K# sand down tubing
2/10/98	3250 - 3255 @ 4 spf, Csg Frac 3231-3255 w/70Q N2 foam & 70k# sand
	3244 - 3247 @ 4 spf, Csg Frac w/above from 3231-55
	3231 - 3238 @ 4 spf, Csg Frac w/above from 3231-55

POTENTIAL FUTURE PERFORATIONS:

3422 - 3424 (33' Wasatch sand with likely water leg in bottom 13')

CURRENT TUBING ASSEMBLY:

	<u>Length</u>	<u>KB Depth</u>
KB Correction	13.50'	
102 Jts., 2-3/8", EUE, 4.7 lb/ft, J-55, tbg.	3,142.50'	13.5 - 3,156'
Repaired Weatherford Tbg. Anchor Catcher	3.15'	3,156 - 3,159'
36 Jts. 2-3/8", EUE, 4.7 lb/ft, J-55, tbg.	1,123.00'	3,159 - 4,282'
Seating Nipple, standard 1.78" I.D.	1.10'	4,283'
2.375" Perforated Sub	6.20'	4,283-89'
2.375" Orange Peeled Mud Anchor w/0.5" hole	31.15'	4,320' EOT

CURRENT RODS & PUMP ASSEMBLY:

1.5" x 22' polished rod, 2-4' x 3/4" pony rods; 1-6' x 3/4" pony rod, 1-8' x 3/4" pony rod, 169 x 3/4" rods, 1 - 4' pony sub, 2"x1.5"x12' RWAC pump

HISTORY:

4-03-98: Perf. 4266'-4274', 4 SPF, 32 holes; 1500# SIP; Not frac'd; Tested 300 MCF in 10 hours, No liquid; Remained under packer until 11-1999

4-07-98: Perf. 4084'-4104', 4SPF, 80 holes; 1600# SIP; Not frac'd; Tested 1.7 MMCFD on 17/64" choke; 1st Prod 4-10-98; Produced 27,000 MCF until 6-1998; Squeezed off due to depletion.

6-16-98: Perf. 4030'-4036', 4 SPF, 24 holes; Not frac'd; Tested 854 MCFD dry gas.

6-18-98: Perf. 3746'-3754', 4 SPF, 32 holes; Acidized w/250 gal 7 1/2% HCl; Flowed 1092 MCFD on 16/64" choke; Frac'd down tubing with 117 bbls KCL water & 10,000# 20/40 sand; Flowed 1159 MCFD; Started producing water in 11-1998.

2-05-99: Perf. 4130'-4134', 4156'-4166', 4 SPF, 56 holes; Not frac'd; Tested 218 MCF in 4 hrs on 16/64" choke; No liquid recovered.

2-11-99: Perf. 3231'-3238', 3244'-3247', 3250'-3255', 4 SPF, 60 holes; Tested 1144 MCF dry gas; Frac'd w/35,108 gal. 70Q N2 foam & 70,000# 20/40 sand; Tested 3791 MCF on 24/64" choke.

11-12-99: Removed packer @ 4,200' w/jars; Put well on beam pump; Produce all zones

2-05-01: Several rods & rod boxes badly worn; Split tubing @ 3215'; Run pump & rods.

2-20-01: RIH w/new pump, and rods; Pump wouldn't test; Unable to flush tubing; Release tubing anchor catcher & jar free; Bottom 1-1/2 jts had signs of having been stuck in sand; RIH w/sucker rod BHA and set tubing anchor catcher @ 4227'; S.N. @ 4230'; RIH w/ pressure actuated (P.A.) ring pump and rods

7-19-02: Unable to release 4-1/2" TAC w/top @ 4227'; Chemical cut tubing at 4206' leaving 21' tubing stub, TAC, S.N., 1 Jt., and notched collar; Had trouble pulling tubing; Tagged scale in casing @ 4152' w/fishing BHA; Milled and cleaned out scale to top of fish @ 4206' w/foam unit; Jetted perfs. 4130'-4166', 4030'-4036', 3746'-3754', and 3231'-3255' with hydrojet tool; Set TAC @ 3902' w/10K tension; S.N. @ 4154'; E.O.T. @ 4184'; Run pump and rods. Pump made two strokes & rods stacked out; RIH w/new pump, & rods

1-30-03: Heavy rod wear from 2000' to S.N.; Jt. #123 had 2' split; TAC was broke and missing one slip; Hydrottest tubing; Jt. #108 from surface split; Unable to test remainder of tb; Paraffin (?); Flush tubing w/240 degree water; Found split in

Jt. 20 from surface; Lay down 100 worn plain rods; RIH w/new pump, 100 new ¾' molded guided rods w/spray metal couplings, & 64 re-run ¾' plain rods

3-22-04: Change out 9 worn rods starting at 1150' in hole; Replace worn boxes w/new; Installed 50 snap-on-scrapers replacing worn ones; RIH w/ new pump; Well not pumping; Flush tbg. w/approx 17 bbls formation wtr.; RIH w/new pump; Bailed 17' of fill to top of fish; RIH w/ new pump; Found split in tbg string at 2031'; RIH w/ new pump; Well not pumping

4-22-04: Anchor would not release; Anchor & S.N. landed one stand or 63.68' deeper than reported on previous workover; Free point & cut tbg. above S.N. @ 4138'; Fished cut tubing stub, S.N., 1 Jt., and notched collar; Tbg. pulled wet last 18 stands w/water becoming increasingly black; Bottom 3'- 5' of Mud Anchor was packed w/sand & iron sulfide; RIH w/new style pump; New style pump operated for approximately 3 weeks and failed after pumping unit stroke length was changed from 28" to 48" stroke length.

10-25-04: MIRU pulling unit. Pull pump which was stuck open. Pull tubing. Bull plugged mud anchor was full of sand. MU washpipe & jars. Used foam unit to cleanout 95' of sand above TOF. LD washpipe & RIH w/OS, BS & jars. 1st run failed due to piece of tubing wedged in OS. 2nd run jarred fish free. 1 BOP nut was lodged in OS & 1 BOP nut came up w/fish but fell back down hole at surface. Note: TAC slips, bottom of cage for slips and springs off TAC did not come out with fish. Cleanout well w/3.75" shoe utilizing foam from 4210-4440' KB. Recovered lots of sand and overnight fillup of 27' following initial cleanout. Following cleanout run above tubing assembly landing EOT @ 4320 and setting TAC @ 3156'. Run pump & rods. Pressure test tubing to 500 psi & watch for 30 minutes w/no leaks. Hang well on. RDMO pulling unit on 11/1/04.

5/24/05: Changed pump, did not pull tubing. Pressure test to 500 psi by stroking pump w/rig. RDMO pulling unit on same day.

PROCEDURE:

1. MIRU pulling unit.
2. POOH with rods and pump. Lay down bad rods & change out bad couplings.
3. ND WH and NU BOPE.
4. Release TAC, drop down 1 joint, pull & tally production tubing.
5. MU 3.875" bit, scraper & SN on production tubing & TIH to 4025'.
6. Pull bit & scraper. Lay down and haul-off production tubing on float.
7. Spot in float w/4,400' of 2.375", 4.7#, J55, EUE tubing.
8. MU tubing set CIBP. Pick up tubing & TIH to set CIBP @ ± 4,000'.
9. Pull & Lay down setting tool and all but 3,825' of tubing.
10. MU RBP w/ball catcher and neutral set packer and TIH.
11. Set RBP @ ± 3,825'.

12. Set packer @ $\pm 3,700'$.
13. Swab test perfs from 3746-54 to prepare for acid job.
14. Acidize 3746-54 perfs w/500 gals 15% HCL.
15. Release packer, retrieve RBP. Pickup and reset RBP @ $\pm 3325'$.
16. Pickup off RBP, set packer and test plug to $\pm 1,500$ psi w/3% KCL.
17. Release packer, pick-up & reset packer @ $\pm 3,100'$.
18. Acidize 3231 – 3255 perfs w/750 gals 15% HCL utilizing ± 90 ball sealers.
19. Retrieve RBP. Pull & LD packer and RBP.
20. TIH w/SN on end of tubing to $\pm 3,750'$. Swab back acid.
21. Verify no sand fill up then TOOH.
22. MU & RIH with mud anchor, perf sub, SN, tubing, TAC & tubing to land end of mud anchor @ $\pm 3,850'$ with TAC set $\pm 3,100'$ KB.
23. ND BOPs & NU wellhead.
24. Run pump and rods. Load tubing & place well back on production.
25. RDMO pulling unit.

Miscellaneous:

Notify BLM & State of Utah 24 hours prior to rig move & setting CIBP over Mesaverde as follows:

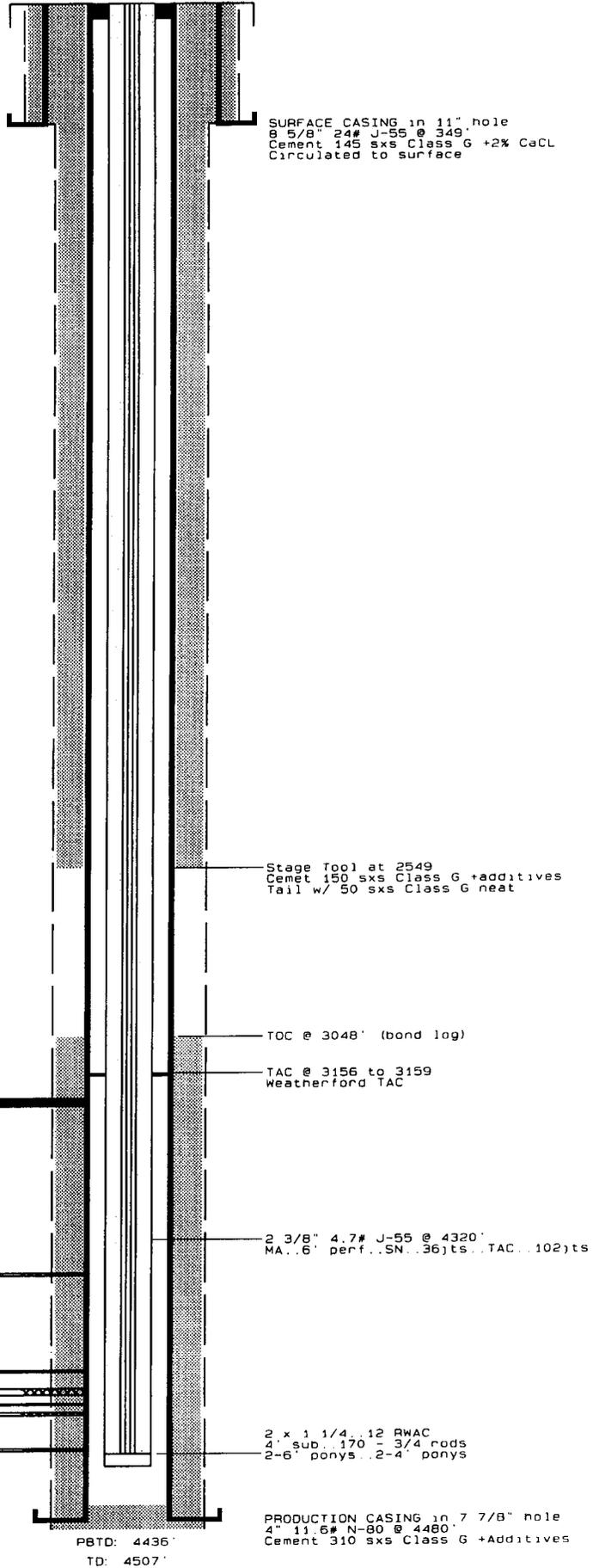
BLM (Vernal Office)	Mr. Kirk Fleetwood	435.828.7874
	Mr. Michael Lee	435.828.7875
State of Utah	Mr. Dan Jarvis	801.538.5338

Deliver pump, tank, 3% KCL, BOPE, 4,400' 2.375", 4.7#, J55, EUE tubing, 3.875" bit & casing scraper, Seating Nipple and collar, 2"x1.25"x12' RWAC pump, tubing anchor catcher, extra 3/4" rod couplings, snap-on rod guides, 1 set 3/4" pony rods & 1.5" stuffing box rubbers.

NOTE:

DO NOT USE LIQUID KCl SUBSTITUTE in COMPLETION FLUIDS

Hanging Rock Fed 7-8
 SE/NE 7-12S-24E
 Uintah County Utah
 API No 43-047-32937
 Wellbore as of Nov 2004



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires January 31, 2004

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.

Submittal on FINAL NOTICE - Other instructions on reverse side

1. Type of Well [] Oil Well [x] Gas Well [] Other
2. Name of Operator McElvain Oil and Gas Properties, Inc.
3a. Address 1050 17th Street, Suite 1800 Denver, Colorado 80265
3b. Phone No. (include area code) 303.893.0933
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2048' FNL & 796' FEL (SENE) Sec. 7, T12S-R24E SLB&M

5. Lease Serial No. UTU-66426
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No. Hanging Rock WS MV (UTU-73518B)
8. Well Name and No. Hanging Rock Federal #7-8
9. API Well No. 43-047-32937
10. Field and Pool, or Exploratory Area Oil Springs
11. County or Parish, State Uintah County, Utah

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

Table with columns: TYPE OF SUBMISSION (Notice of Intent, Subsequent Report, Final Abandonment Notice) and TYPE OF ACTION (Acidize, Deepen, Production, etc.)

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 reclanation, have been completed, and the operator has determined that the site is ready for final inspection.)

Following verbal approval from the BLM's Mr. Kirk Fleetwood on August 8, 2005, McElvain Oil & Gas temporarily abandoned the Mesaverde formation and acidized the Wasatch formation as follows:
8/9/05 Moved in rig. Shut down pumping unit. Pulled rods & pump.
8/10/05 Nipped up BOPE. Made bit & scraper run to 4040. Laid down production tubing.
8/11/05 Mechanically set CIBP on new tubing at 3980' to cover existing Mesaverde perfs from 4230-4274 (gross). RIH w/RBP and Packer. Shut down until acid job on Wasatch perfs from 3746-54 (Stg 1) & 3231-55 (Stg 2).
8/15/05 Pumped Stage 1 Acid over 3746-54 perfs w/500 gals 15% HCL. Move pkr & RBP. Pump Stage 2 acid consisting of 750 gals of 15% HCL & 90 ball sealers on 3231-38, 3244-47 & 3250-55 perfs. Pull Pkr & RBP. Run Seating Nipple & tubing to swab back 54 bbls total load (spent 1250 gals acid w/3% KCL flush) to flat tank.
8/16/05 Change out swab line. Start swabbing back spent acid load to tank.
8/17/05 Continue swabbing to tank. Pull tubing & run tubing assembly set up for rod pump. Continue swabbing to tank.
8/18/05 Continue swabbing recovering a total of 14.75 bbls of load before running insert pump, loading tubing & pressure testing tubing to 500 psi. Turn on pumping unit. RDMO service rig.

RECEIVED

AUG 29 2005

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) E. Reed Fischer Title Operations Engineer
Signature [Signature] Date 8/23/05

OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by [Signature] Title [Blank] Date [Blank]
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 [Blank]

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 reverse)

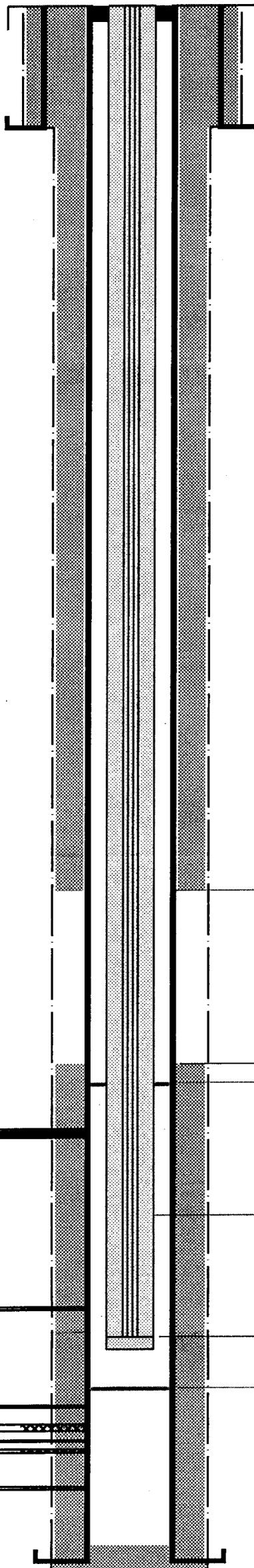
Hanging Rock Fed 7-8

SE/NE 7-12S-24E

Uintah County Utah

API No 43-047-32937

Wellbore as of Aug 2005



SURFACE CASING in 11" hole
 8 5/8" 24# J-55 @ 349'
 Cement 145 sxs Class G +2% CaCL
 Circulated to surface

Stage Tool at 2549
 Cemet 150 sxs Class G +additives
 Tail w/ 50 sxs Class G neat

TOC @ 3048' (bond log)
 TAC @ 3102-3106 w/B pins
 Weatherford TAC
 TAC set 14k over strg wt

2 3/8" 4.7# J-55 @ 3869'
 MA .6'perf. SN. 23jts. TAC. 98jts
 Orange Peeled Mud Anchor

2 x 1 1/4" .12 RWAC
 4' sub. 151 rods .6' & 4' pony
 All Rods 3/4 inch

Tbg Set CIBP @ 3980
 Temporary Plug-No Cmt Cap

PRODUCTION CASING in 7 7/8" hole
 4" 11.6# N-80 @ 4480'
 Cement 310 sxs Class G +Additives

Tst6/Frac2 3.8MMCFD Perfs 3231-3238
 Tst6/Frac2 3.8MMCFD Perfs 3244-3247
 Tst6/Frac2 3.8MMCFD Perfs 3250-3255

Tst4/Frac1 1.1MMCFD Perfs 3746-3754

Tst3 854 MCFD Dry Perfs 4030-4036
 (SQZD) Tst2 1.7 MMCFD Dry Perfs 4084-4104
 Tst5 218 MCFD Dry Perfs 4130-4134
 Tst5 218 MCFD Dry Perfs 4156-4166
 Tst1 300 MCFD Dry Perfs 4266-4274

PBTD: 4436'

ID: 4507'

Diagram: 0' to 4507'
 VERT Scale: 1"=364'

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-70239

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. **43-047-32937**

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
12S 24E 7

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

8. Well Name and No.
Hanging Rock Field Central Compression-see well list

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
Utah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Install pipeline to add 3 wells to existing central compression</u>
	<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. would like to expand the existing central compression facilities in our Hanging Rock Field by laying approximately ± 3,043 feet of 4" steel pipe line in order to connect 3 additional wells to our current 5 well central compression system. No additional surface disturbance is necessary as the central delivery point meter and compressor are already in place. The 3 additional wells, situated on federal lease # UTU-70239, consist of the Tucker Federal #8-2, Tucker Federal #8-4, and Tucker Federal #8-6 wells. The existing central compression system is currently comprised of the Tucker Federal # 8-12 well, also on federal lease # UTU-70239, and 4 wells on federal lease # UTU-66426 including the Hanging Rock Federal # 7-2, 7-6, 7-8 and 7-10 wells. The new pipe line would lie on cap rock, above ground and adjoin the existing road. 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 wells that will make up the central compression system.

COPY SENT TO OPERATOR

Date: 5/31/07
Initials: CMO

RECEIVED
MAY 24 2007

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

Title Engineer

Signature Barbara Martin

Date 05/11/2007

DIV. OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Accepted by the
Utah Division of
Oil, Gas and Mining
Office 5/22/07

Federal Approval Of This
Date 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.

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.

Date 5/22/07
By: [Signature]

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

May 11, 2007

McElvain Oil & Gas Properties, Inc. would like to expand our Hanging Rock Field central compression system. Expansion of the system can be accomplished with no additional surface disturbance by laying \pm 3,043 feet of 4" welded, steel pipe line above ground and along an existing road right-of-way. This pipe line is necessary to connect an additional 3 producing wells (Tucker Federal # 8-2, Tucker Federal # 8-4 and Tucker Federal # 8-6) to our existing 5 well central compression system currently servicing our Hanging Rock Federal # 7-2, Hanging Rock Federal # 7-6, Hanging Rock Federal # 7-8, Hanging Rock Federal # 7-10 and the Tucker Federal # 8-12 wells. Please see the attached plat. Expansion of this system will enhance the efficiency of the existing central compressor, spread operating costs from 5 to 8 wells, lower abandonment pressures and increase ultimate gas reserves by providing for greater draw down and a lower productive economic limit. An additional benefit of this proposed expansion would be the release an exiting individual wellhead compressor and the subsequent reduction in area gas emissions by an estimated 6 tons/year.

Miscellaneous notes on this proposed project are as follows

- The required \pm 3,043 feet of new pipe line will not cross any lease lines and will run between the Tucker # 8-4 and Tucker # 8-12 wells in Section 8, T12S-R24E.
- Installation is estimated to take 2 days and can be conducted from the existing road right-of-way. The pipe line will lie above ground and on cap rock. The construction of this line will entail no additional surface disturbance. The pipe line route was surveyed and an on-site review conducted by McElvain's Ivan Sadlier and the BLM's Amy Torres and Holly Villa.
- The existing central compression facility is situated on our Hanging Rock # 7-6 well-pad which is located within the boundaries of our Hanging Rock Unit. The facility includes a 100 horsepower gas compressor and a central delivery point (CDP) meter. The existing facility can easily handle the estimated 600 MCFGD of additional, anticipated gas throughput. No facility upgrade is required.
- Gas sales volumes and associated sales revenues attributable to each of the 8 wells behind this CDP meter will be determined and/or allocated as follows:
 - Non-Unit wells in Section 8 (Tucker 8-2, 8-4, 8-6 and 8-12) 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 each non-unit well's individual well-site meter. The sum of these 4 individual, non-unit well-site measured meter volumes will be defined as the "aggregate lease basis" volume.
 - Unit wells in Section 7 (Hanging Rock 7-2, 7-6, 7-8 and 7-10) 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.
- Royalty ownership is identical for all 8 wells. The U.S. Minerals Management Service is the only royalty owner with a 12.5% royalty interest in all 8 wells.
- The wellhead compressor currently operating on the Tucker # 8-4 well-site will be released following expansion of the current system. Removal of this individual wellhead compressor will reduce area gas emissions by more than 6 tons/year.

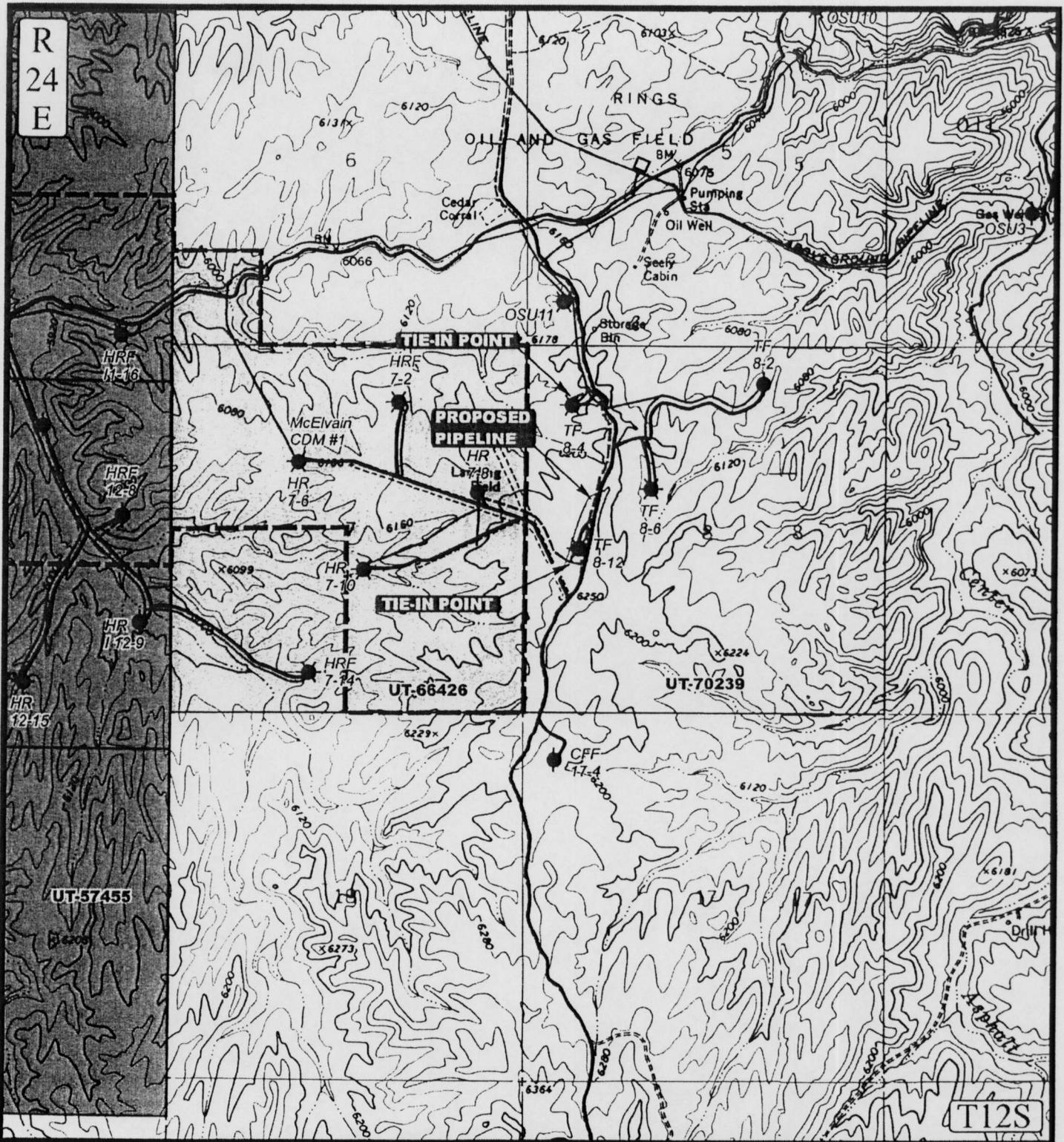
Sincerely,

Barbara Martin

**McElvain Oil and Gas Properties, Inc.
Proposed Well Connects to 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-66426	McElvain CDM #1	N/A	SENE Sec. 7, T12S-R24E	70214	Existing Sales Meter for Hanging Rock Central Compression System
UTU-66426	Hanging Rock Federal # 7 - 2	43-047-35084	NWNE Sec. 7, T12S-R24E	70127	Existing Hanging Rock Central Compression System Well
UTU-66426	Hanging Rock Federal # 7 - 6	43-047-32751	SENE Sec. 7, T12S-R24E	50290	Existing Hanging Rock Central Compression System Well
UTU-66426	Hanging Rock Federal # 7 - 8	43-047-32937	SENE Sec. 7, T12S-R24E	10178	Existing Hanging Rock Central Compression System Well
UTU-66426	Hanging Rock Federal # 7 - 10	43-047-33100	NWSE Sec. 7, T12S-R24E	50284	Existing Hanging Rock Central Compression System Well
UTU-70239	Tucker Federal # 8 - 12	43-047-34729	NWSW Sec. 8, T12S-R24E	70092	Existing Hanging Rock Central Compression System Well
UTU-70239	Tucker Federal # 8 - 2	43-047-32993	NWSW Sec. 8, T12S-R24E	50240	Proposed Addition to Hanging Rock Central Compression System
UTU-70239	Tucker Federal # 8 - 4	43-047-32872	NWSW Sec. 8, T12S-R24E	10027	Proposed Addition to Hanging Rock Central Compression System
UTU-70239	Tucker Federal # 8 - 6	43-047-36837	NWSW Sec. 8, T12S-R24E	70368	Proposed Addition to Hanging Rock Central Compression System

R
24
E



APPROXIMATE TOTAL PIPELINE DISTANCE = 3,043' +/-

LEGEND:

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS
- HANGING ROCK UNIT LINE
- UT-57455
- UT-66426
- UT-70239

McElvain Oil & Gas Properties, Inc.
 Hanging Rock Central Compression System
 SECTION 8, T12S, R24E, S.L.B.&M.



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



TOPOGRAPHIC
MAP

8 | 17 | 06
MONTH | DAY | YEAR

SCALE: 1" = 2000' | DRAWN BY: J.L.G. | REVISED: 5-11-07

D
TOPO

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

ROUTING
 1. CDW

Change of Operator (Well Sold)

X - Operator Name Change

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

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

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
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
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WELL NAME	CA No.	SEC	TWN	RNG	API NO	Unit:	Haning Rock	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List											

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

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

RECEIVED

AUG 14 2014

FORM 9

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: McElvain Energy, Inc. N3795		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1050 17th St, Suite 2500 CITY Denver STATE CO ZIP 80265		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		8. WELL NAME and NUMBER: Attached
		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 <i>Deborah Powell</i>	DATE 8/13/2014

(This space for State use only)

APPROVED

SEP 15 2014

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

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

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

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