

RECEIVED  
Form 3100-3  
(November 1983)  
AUG 28 1997

SUBMIT IN TRIPLICATE  
(Other instructions on reverse side)

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

DIV. OF OIL, GAS & MINING

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
DRILL  DEEPEN  PLUG BACK

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

2. NAME OF OPERATOR  
Freedom Energy, Inc.

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At surface  
619 1902' FNL, 2089' FEL, SE1/4, NW1/4, Sec. 11, T12S, R23E  
At proposed prod. zone 636

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14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
25.3 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) 1902'

16. NO. OF ACRES IN LEASE 10.09271

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. 2,700'

19. PROPOSED DEPTH 4,500'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6089' GR.

22. APPROX. DATE WORK WILL START\* Nov. 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

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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 WILLIAM A. RYAN TITLE Agent DATE Aug. 18, 1997

(This space for Federal or State office use)

PERMIT NO. 43-047-32992 APPROVAL DATE \_\_\_\_\_

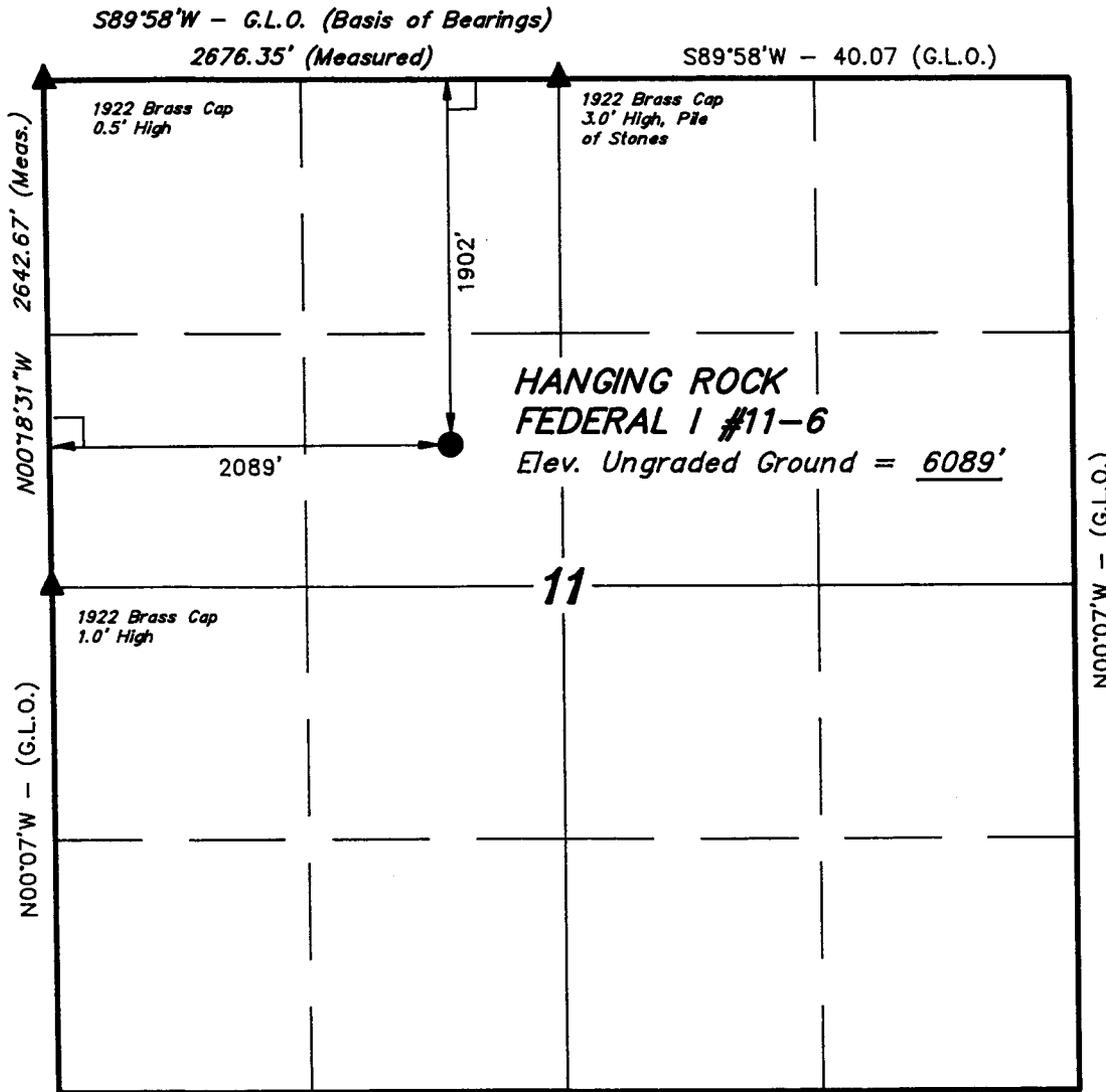
APPROVED BY John R. Egan TITLE Associate Director DATE 10/2/97  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

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

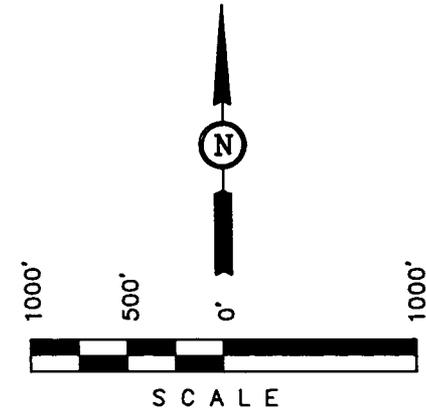
## FREEDOM ENERGY, INC.

Well location, HANGING ROCK FEDERAL I #11-6, located as shown in the SE 1/4 NW 1/4 of Section 11, T12S, R23E, S.L.B.&M. Uintah County Utah.



### BASIS OF ELEVATION

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



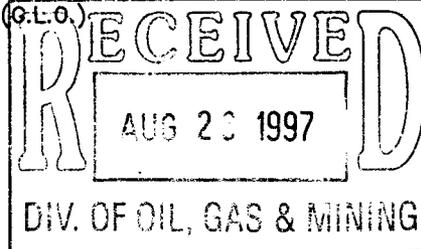
### CERTIFICATE

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

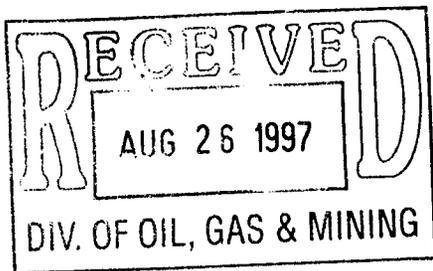
### LEGEND:

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



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

SCALE 1" = 1000'	DATE SURVEYED: 08-02-97	DATE DRAWN: 08-05-97
PARTY G.S. J.W. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE FREEDOM ENERGY, INC.	



## SELF-CERTIFICATION STATEMENT

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

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

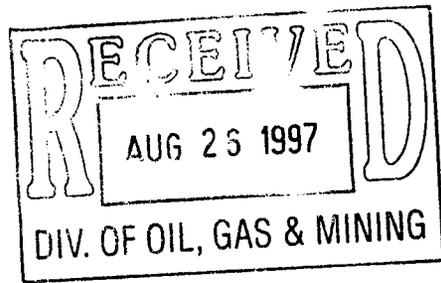
Hanging Rock Federal I #11-6  
SE 1/4, NW 1/4, Section 11, T. 12 S., R. 23 E.  
Lease UTU-57455  
Uintah County, Utah

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

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

A handwritten signature in cursive script that reads "William A. Ryan". The signature is written over a solid horizontal line.

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



**Ten Point Plan**

Freedom Energy, Inc.  
Hanging Rock Unit  
Hanging Rock Federal  
I 11-6

Surface Location SE 1/4, NW 1/4, Section 11, T. 12 S., R. 23 E.

**1. Surface Formation:**

Green River

**2. Estimated Formation Tops and Datum:**

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	6,089' G.L.
Oil Shale	700	5,389
Wasatch	2,600	3,489
Mesaverde formation	4,500	1,589
T.D.	4,500	

**3. Producing Formation Depth:**

Formation objective include the Wasatch and its submembers.

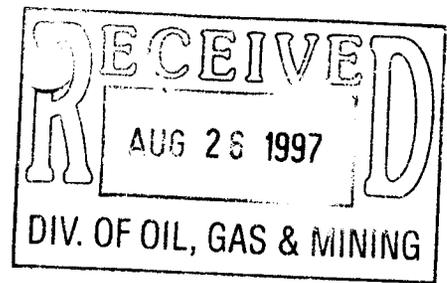
Off Set Well Information:

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

**4. Proposed Casing :**

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

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/Ft.</u>	<u>Grade &amp; 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.

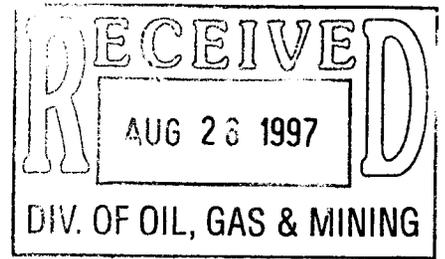
A 3000 psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to the minimum standards set forth in "On Shore Order #2". The BOP will be mechanically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

**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:

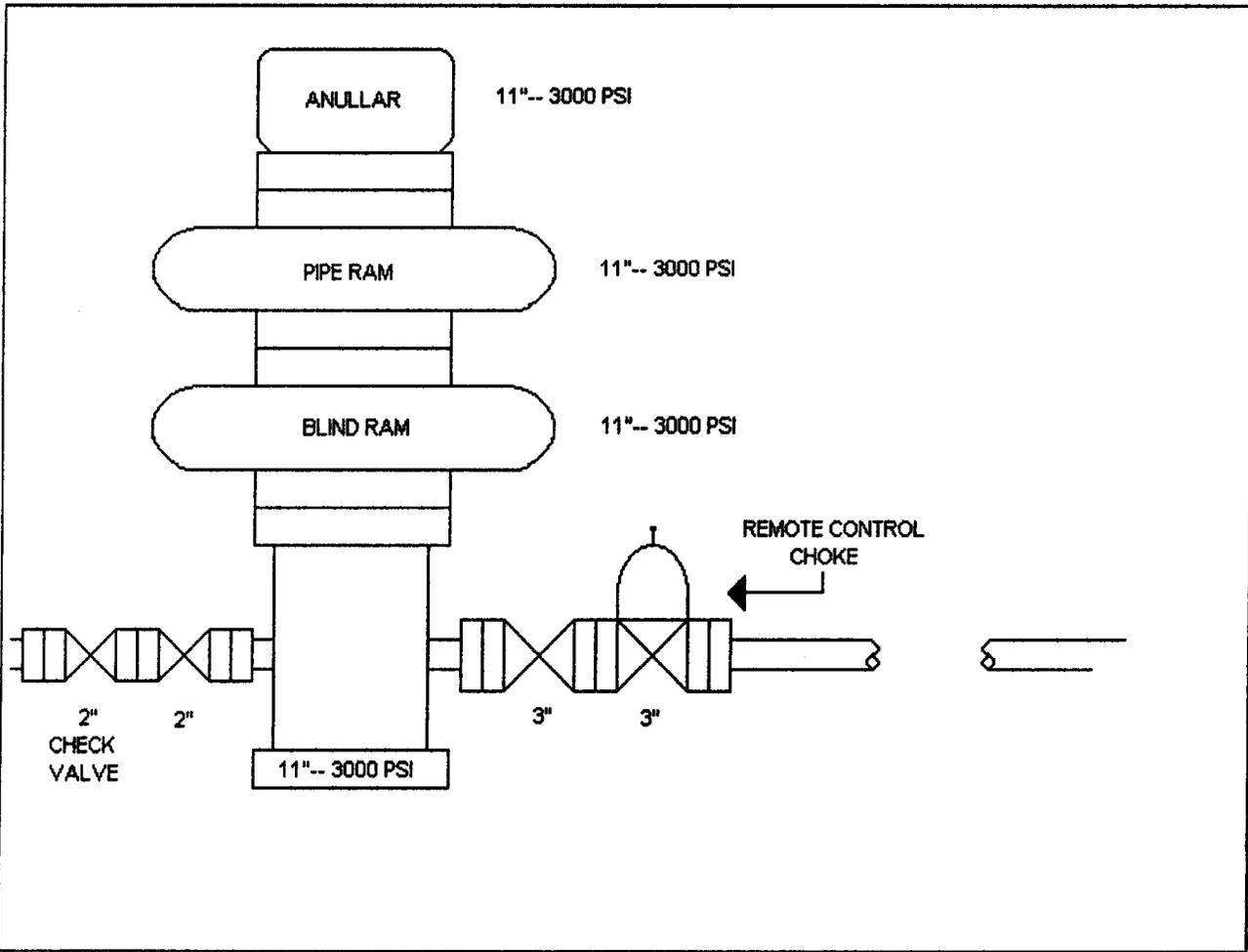
Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

**9. Abnormalities (including sour gas):**

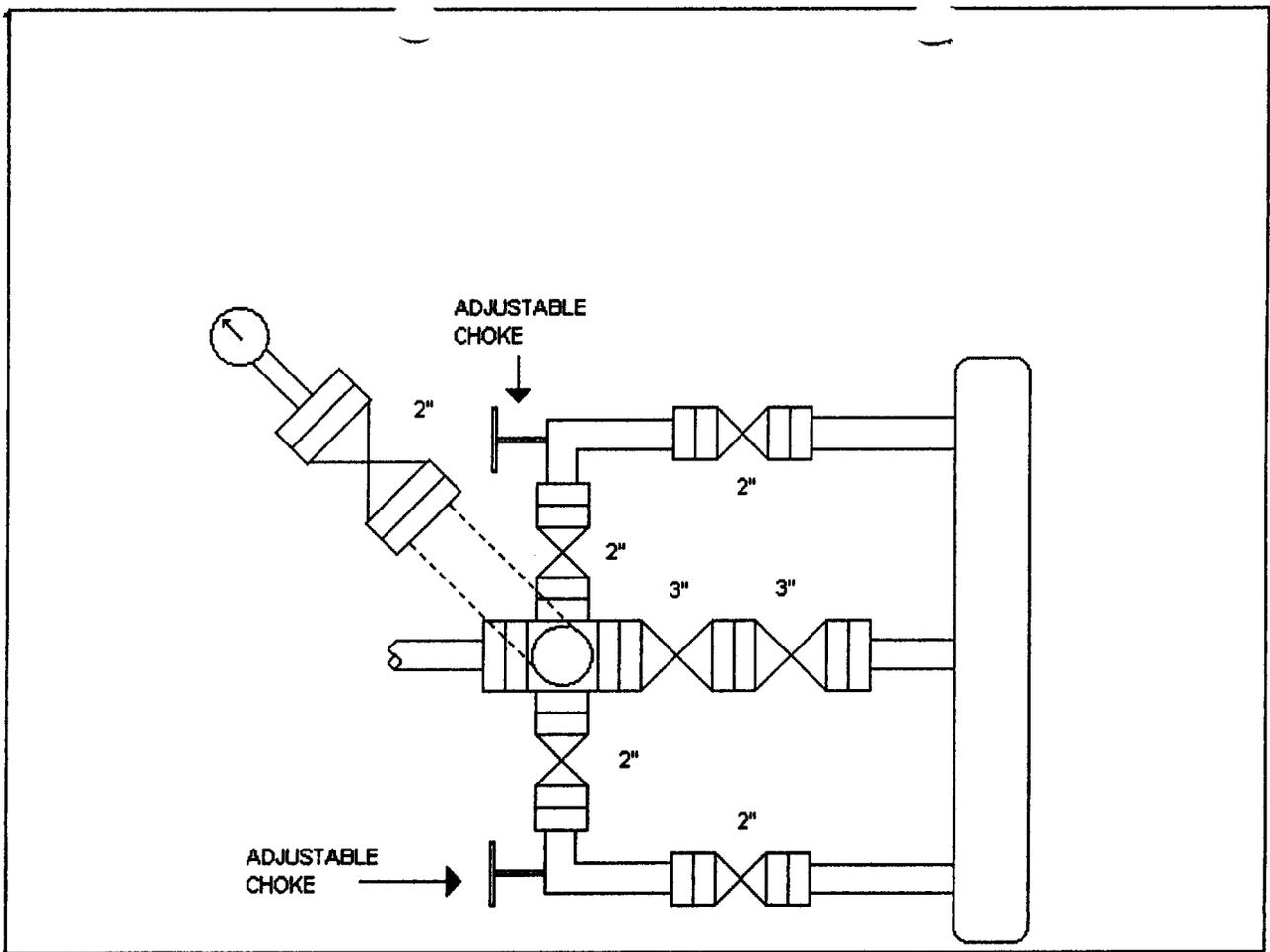
No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H<sub>2</sub>S.

**10. Drilling Schedule:**

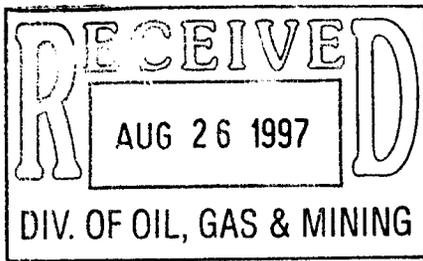
The anticipated starting date is Nov. 1, 1997. Duration of operations expected to be 30 days.



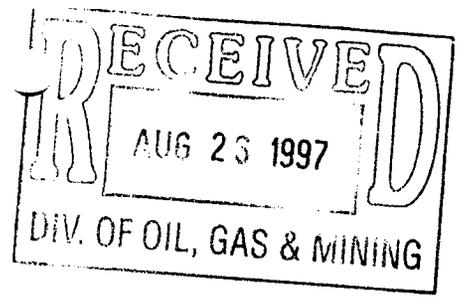
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**FREEDOM ENERGY, INC.**  
**13 POINT SURFACE USE PLAN**  
**FOR WELL**  
**HANGING ROCK FEDERAL I**  
**11-6**  
**LOCATED IN**  
**SE 1/4, NW 1/4**  
**SECTION 11, T. 12 S., R. 23 E., U.S.B.&M.**  
**UINTAH COUNTY, UTAH**  
**LEASE NUMBER: UTU-57455**  
**SURFACE OWNERSHIP: FEDERAL**



## 1. Existing Roads

To reach the Freedom Energy Inc., Hanging Rock Federal I 11-6 well location, in Section 11, T 12 S, R 23 E, from Bonanza, Utah:

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

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

Please see the attached map for additional details.

## 2. Planned access road

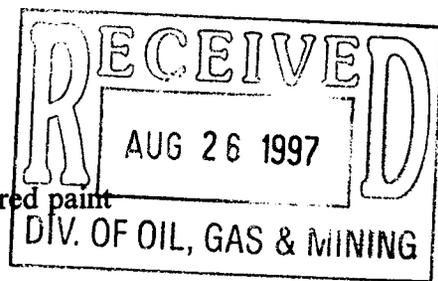
The proposed location will require 3,300 feet of new road construction.

The proposed road has been staked. Please note that the location of the access road was changed at the onsite. The road change was due to a review of the over all plan for drilling wells in Section 2,11 and 14, T 12 S, R 23 E. Current drilling plans call for development on 80 acre spacing. Wells will be drilled in the NW1/4 of NE1/4, SE1/4 of NE1/4, NW1/4 of NW1/4, SE1/4 of NW1/4, NW1/4 of SW1/4, SE1/4 of SW1/4, NW1/4 of SE1/4, SE1/4 of SE1/4, of each section. Based on this drilling pattern a road development plan was agreed upon at the onsite. The plan reflects wildlife concerns and development needs. Please see the attached map with details for the planed access roads.

The road will be built to the following standards:

A) Approximate length	3,300 Ft.
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road flagged	Yes





O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is Desert Brown (10 YR 6/4).

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

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

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

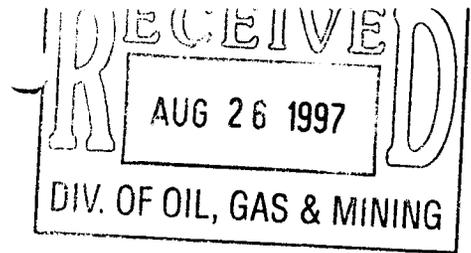
A gas pipe line route have been flagged from the well. The line would tie into the 18-6 location in Section 1, T12S, R24E. Please see the attached location diagrams for pipe line location. There will be no additional surface disturbances required for the installation of a gathering line. The line will be a 2" or 4" steel line.

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

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

## **5. Location and type of water supply**

Water for drilling and cementing the subject well will be hauled by truck from Rosewoods water station in Section 13, T11S, R23E. A second location may be used, it would be Evacuation Creek, permit # 49-1595. The distribution point is in Section 7, T11S, R25E. Water for completion will come from the same supply or Vernal City.



## 6. Source of construction materials

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

## 7. Methods for handling waste disposal

### A) Pit construction and liners:

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

**The reserve pit will not be lined unless the pit is blasted or soil conditions would warrant a pit liner.**

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

### B) Produced fluids:

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

### C) Garbage:

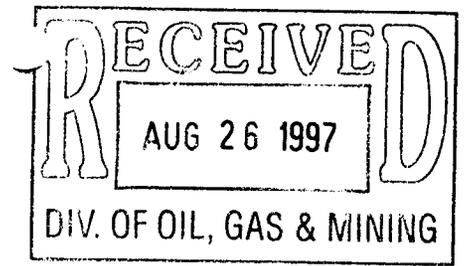
A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized land fill location.

### D) Sewage:

A portable chemical toilet will be supplied for human waste.

### E) Site clean-up

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



## 8. Ancillary facilities

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

## 9. Well-site layout

Location dimensions are as follow:

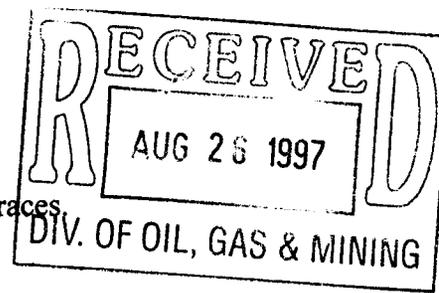
A)	Pad length	325 ft.
B)	Pad width	155 ft.
C)	Pit depth	10 ft.
D)	Pit length	180 ft.
E)	Pit width	50 ft.
F)	Max cut	19.6 ft.
G)	Max fill	5.2 ft.
H)	Total cut yds	9,180 cu. yds.
I)	Pit location	west side
J)	Top soil location	north and south end
K)	Access road location	south end
L)	Flare pit	west side at corner B

Please see the attached location diagram for additional details.

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

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

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



D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

#### 10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The top soil will amount to approximately 1,000 cubic yards of material. **The top soil will be stockpiled in two distinct piles.** Placement of the top soil is noted on the attached location plat. **The top soil pile from the location will be seeded as soon as the soil is stock piled** with the seed mix listed. When all drilling and completion activities have been completed and the pit backfilled the top soil from the pit area spread on the pit area. **The pit area will be seeded when the soil has been spread.** The unused portion of the location (the area outside the dead men.) will be recontoured.

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.

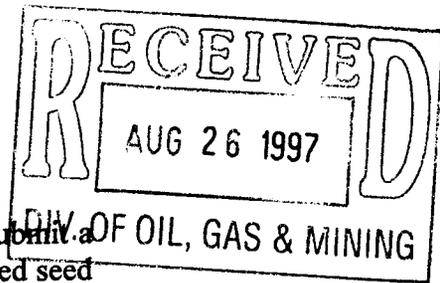
The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

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:

Seed will be spread when the of top soil is stock piled and when reclamation work is performed.



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.

**B) Seed Mix:**

Western wheat grass	8#/acre
Wyoming big sage	8#/acre
Four wing salt brush	8#/acre

**11. Surface ownership:**

Access road	Federal
Location	Federal
Pipe line	Federal

**12. Other information**

**A) Vegetation:**

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

**B) Dwellings:**

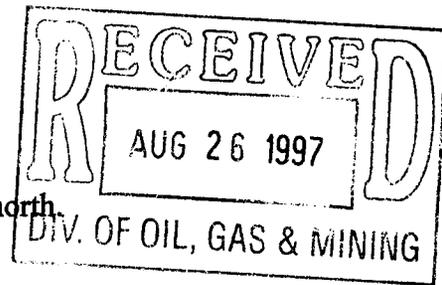
There are no dwellings, or other facilities within a one mile radius of the location.

**C) Archeology:**

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

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

**D) Water:**



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

E) Chemicals:

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

F) Notification:

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

H) Flare pit

The flare pit will be located 100 feet from the bore hole on the **north side** of the location. Please see the attached location diagram. All fluids will be removed from the pit within 48 hours of occurrence.

**13. Lessees or Operator's representative and certification**

A) Representative

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

Cellular

801-823-6152

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

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 Aug. 20, 1997

  
\_\_\_\_\_  
William A. Ryan  
Agent  
Rocky Mountain Consulting

Onsite Date:

August. 12, 1997

Participant on joint inspection:

William Ryan  
Byron Tolman  
Steve Matson

Rocky Mountain Consulting  
BLM  
BLM

### **Statement of use of Hazardous Material**

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

If you require additional information please contact:

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

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

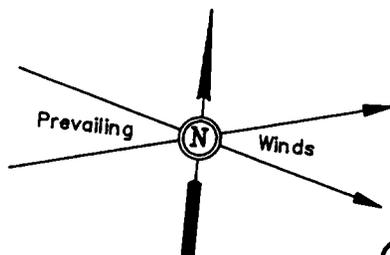


# FREEDOM ENERGY, INC.

## LOCATION LAYOUT FOR

HANGING ROCK FEDERAL I #11-6  
SECTION 11, T12S, R23E, S.L.B.&M.

1902' FNL 2089' FWL



SCALE: 1" = 50'  
DATE: 08-05-97  
Drawn By: D.R.B.

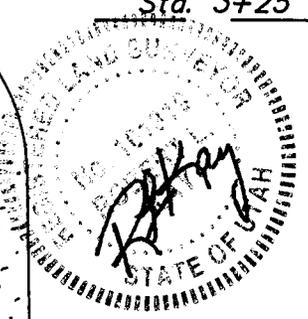
*Proposed Access Road*

C-4.1'  
El. 91.8'

Topsoil Stockpile  
C-0.6'  
El. 88.3'

F-8.9'  
El. 78.8'

Sta. 3+25



CONSTRUCT DIVERSION DITCH

FLARE PIT

Approx. Top of Cut Slope

Approx. Toe of Fill Slope

El. 98.0'  
C-20.3'  
(btm. pit)

Reserve Pit Backfill & Spoils Stockpile

10' WIDE BENCH

Pit Capacity With 2" of Freeboard is 9,710 Bbls. ±

RESERVE PITS (10' Deep)

Slope = 1:1

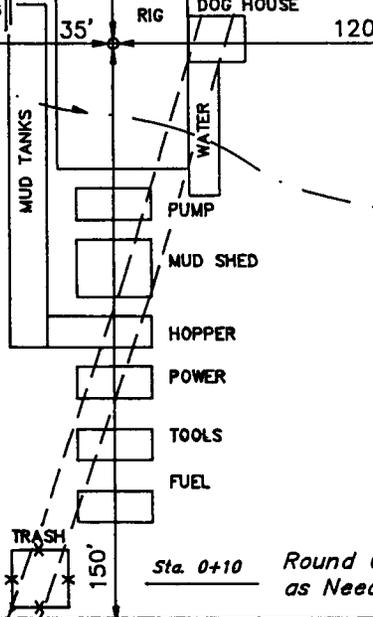
El. 98.4'  
C-20.7'  
(btm. pit)

C-4.7'  
El. 92.4'

C-1.4'  
El. 89.1'

Sta. 1+50

F-9.6'  
El. 78.1'



Existing Drainage

Sta. 0+10 Round Corners as Needed

Sta. 0+00

C-6.6'  
El. 94.3'

C-3.5' Topsoil Stockpile  
El. 91.2'

F-5.3'  
El. 82.4'

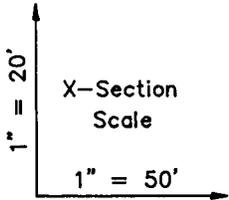
Elev. Ungraded Ground at Location Stake = 6089.1'  
Elev. Graded Ground at Location Stake = 6087.7'

*Access Rd.*

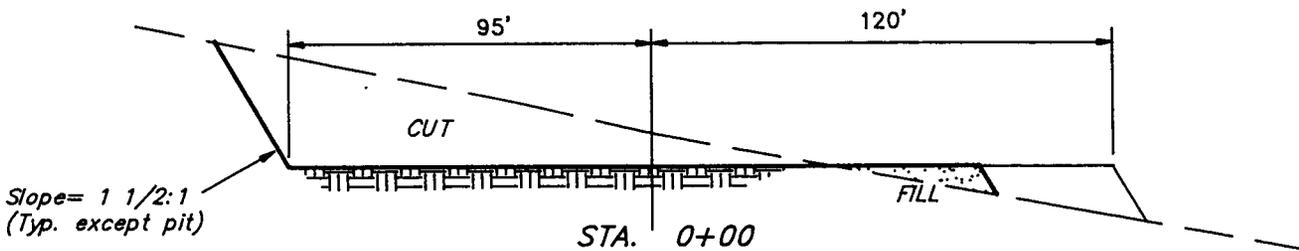
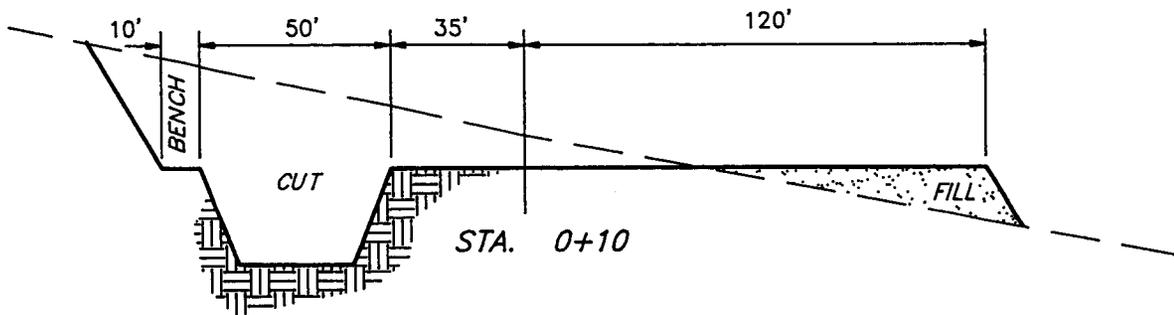
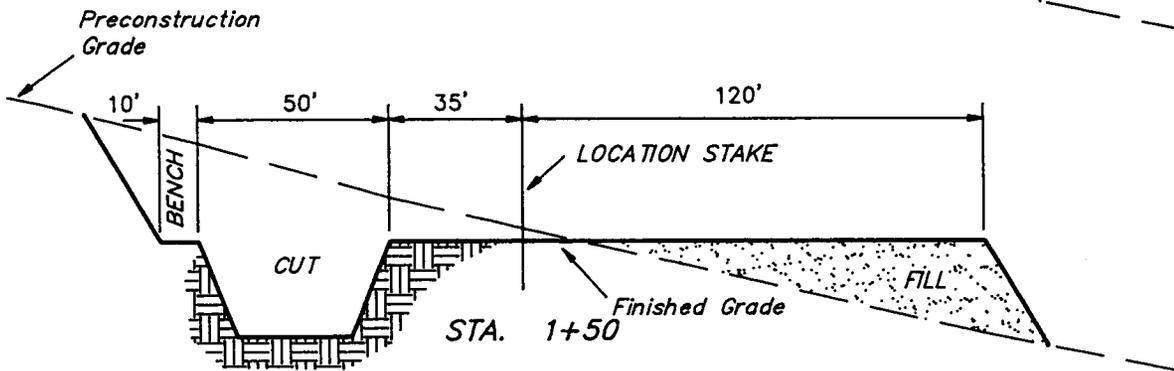
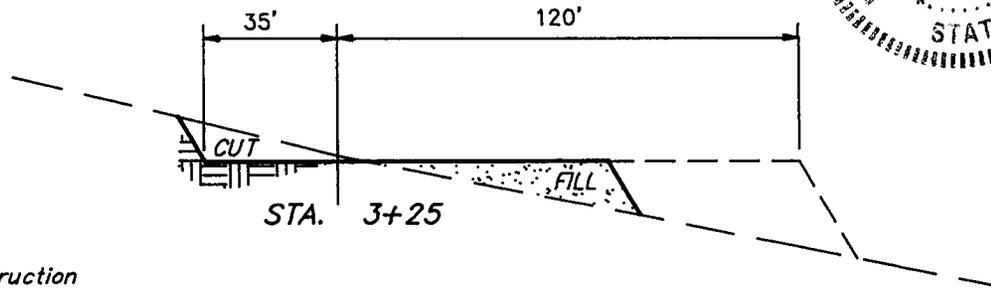
# FREEDOM ENERGY, INC.

## TYPICAL CROSS SECTIONS FOR

HANGING ROCK FEDERAL I #11-6  
SECTION 11, T12S, R23E, S.L.B.&M.  
1902' FNL 2089' FWL



DATE: 08-05-97  
Drawn By: D.R.B.

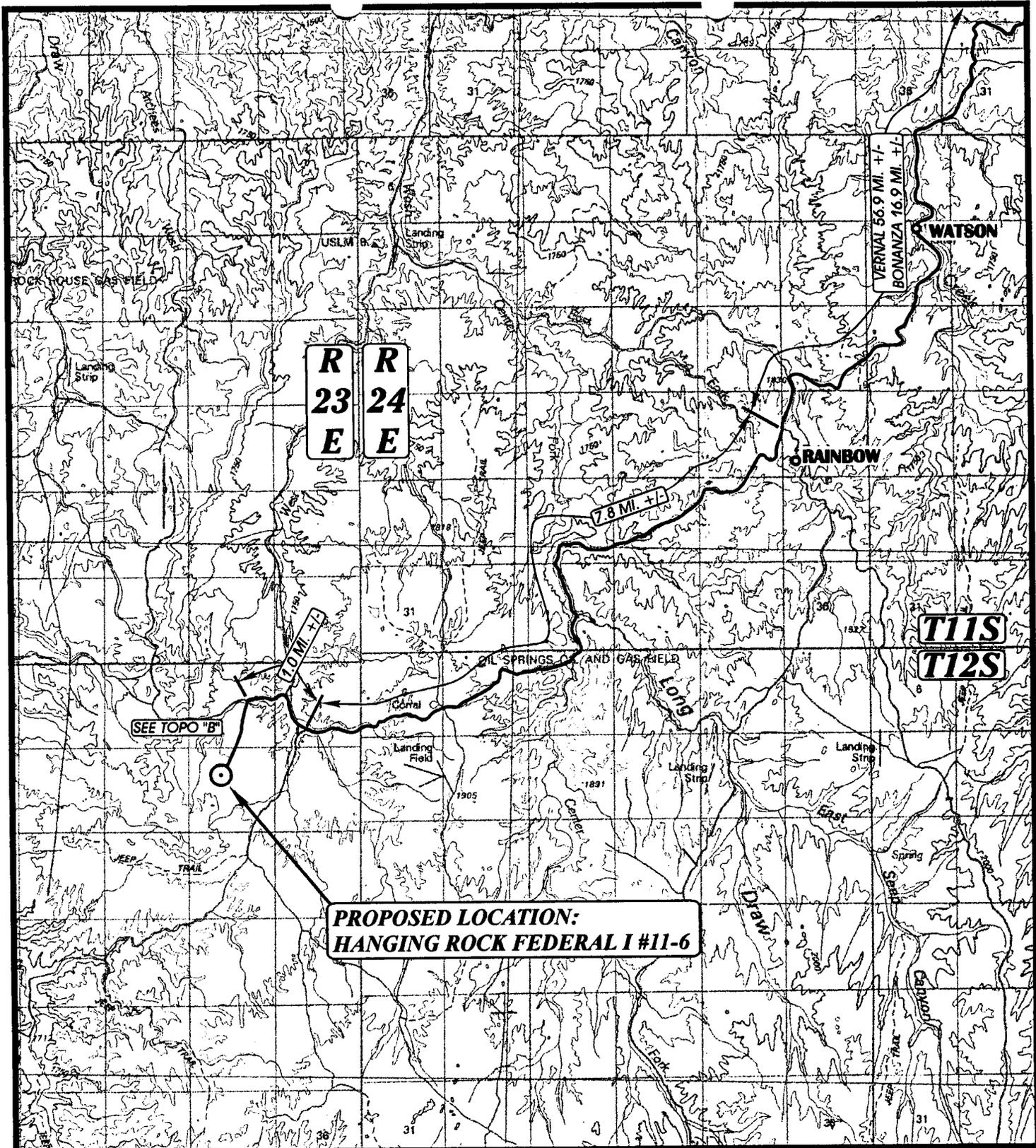


### APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,100 Cu. Yds.
Remaining Location	= 8,080 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 9,180 CU.YDS.</b>
<b>FILL</b>	<b>= 6,480 CU.YDS.</b>

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

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



**PROPOSED LOCATION:  
HANGING ROCK FEDERAL I #11-6**

**LEGEND:**

⊙ PROPOSED LOCATION



**FREEDOM ENERGY, INC.**

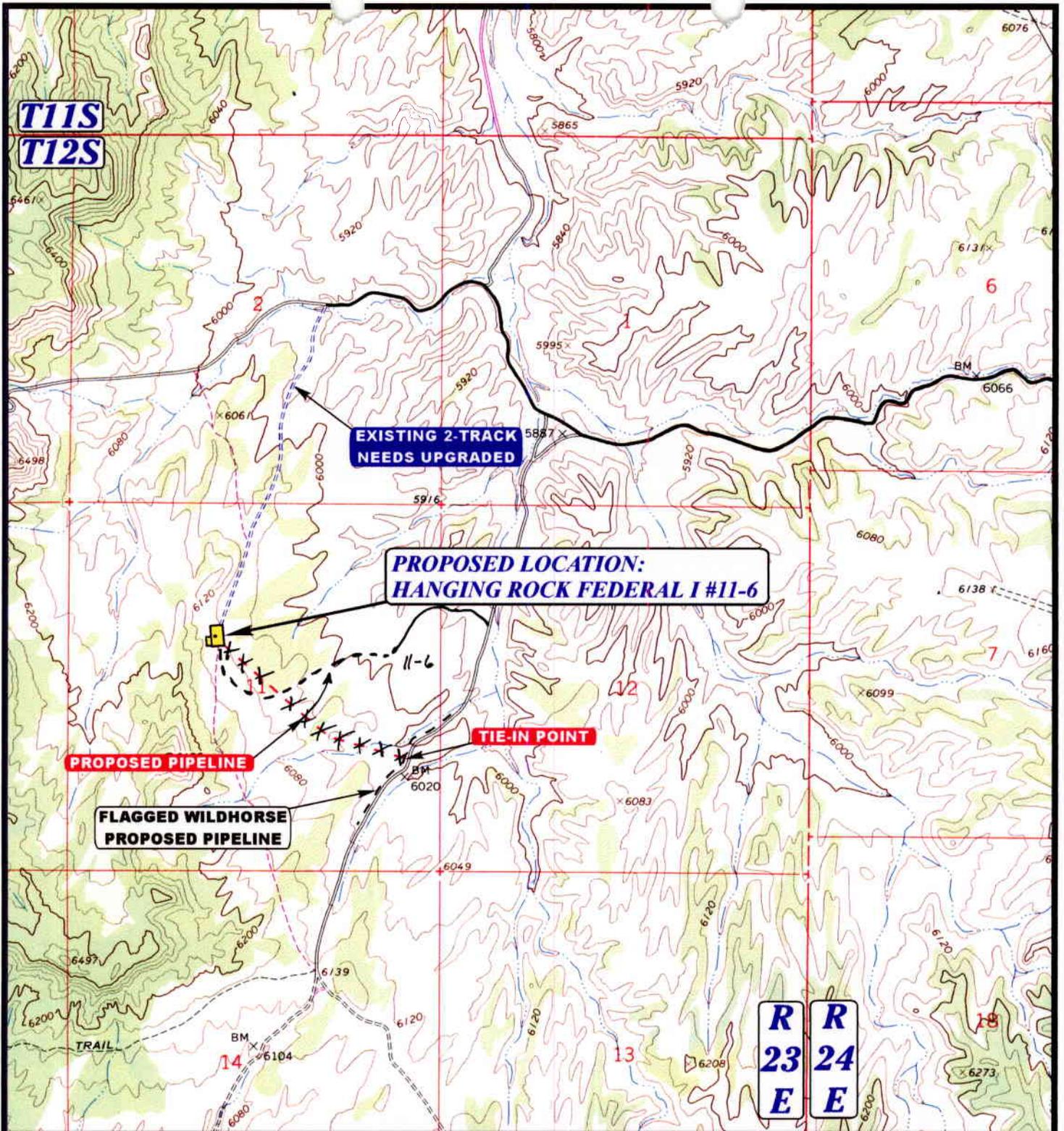
**HANGING ROCK FEDERAL I #11-6  
SECTION 11, T12S, R23E, S.L.B.&M.  
1902' FNL 2089' FWL**

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

**TOPOGRAPHIC** **8** **5** **97**  
**MAP** MONTH DAY YEAR  
 SCALE: 1 : 100,000 | DRAWN BY: D.COX | REVISED: 00-00-00







**APPROXIMATE TOTAL PIPELINE DISTANCE = 3000' +/-**

**LEGEND:**

- - - - - FLAGGED WILDHORSE PIPELINE
- . - . - . PROPOSED PIPELINE
- ===== EXISTING 2-TRACK



**FREEDOM ENERGY, INC.**

**HANGING ROCK FEDERAL I #11-6  
SECTION 11, T12S, R23E, S.L.B.&M.  
1902' FNL 2089' FWL**



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

**TOPOGRAPHIC  
MAP**

<b>8</b>	<b>5</b>	<b>97</b>
MONTH	DAY	YEAR

SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/28/97

API NO. ASSIGNED: 43-047-32992

WELL NAME: HANGING ROCK I 11-6  
OPERATOR: FREEDOM ENERGY (N3285)

PROPOSED LOCATION:  
SENW 11 - T12S - R23E  
SURFACE: 1902-FNL-2089-FEL  
BOTTOM: 1902-FNL-2089-FEL  
UINTAH COUNTY  
UNDESIGNATED FIELD (002)

LEASE TYPE: FED  
LEASE NUMBER: UTU - 57455

PROPOSED PRODUCING FORMATION: WSTC

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

RECEIVED AND/OR REVIEWED:

Plat  
 Bond: Federal  State  Fee   
(Number CERTIFICATE OF DEPOSIT)  
 Potash (Y/N)  
 Oil shale (Y/N)  
 Water permit  
(Number 49-1595)  
 RDCC Review (Y/N)  
(Date: \_\_\_\_\_)

LOCATION AND SITING:

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

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

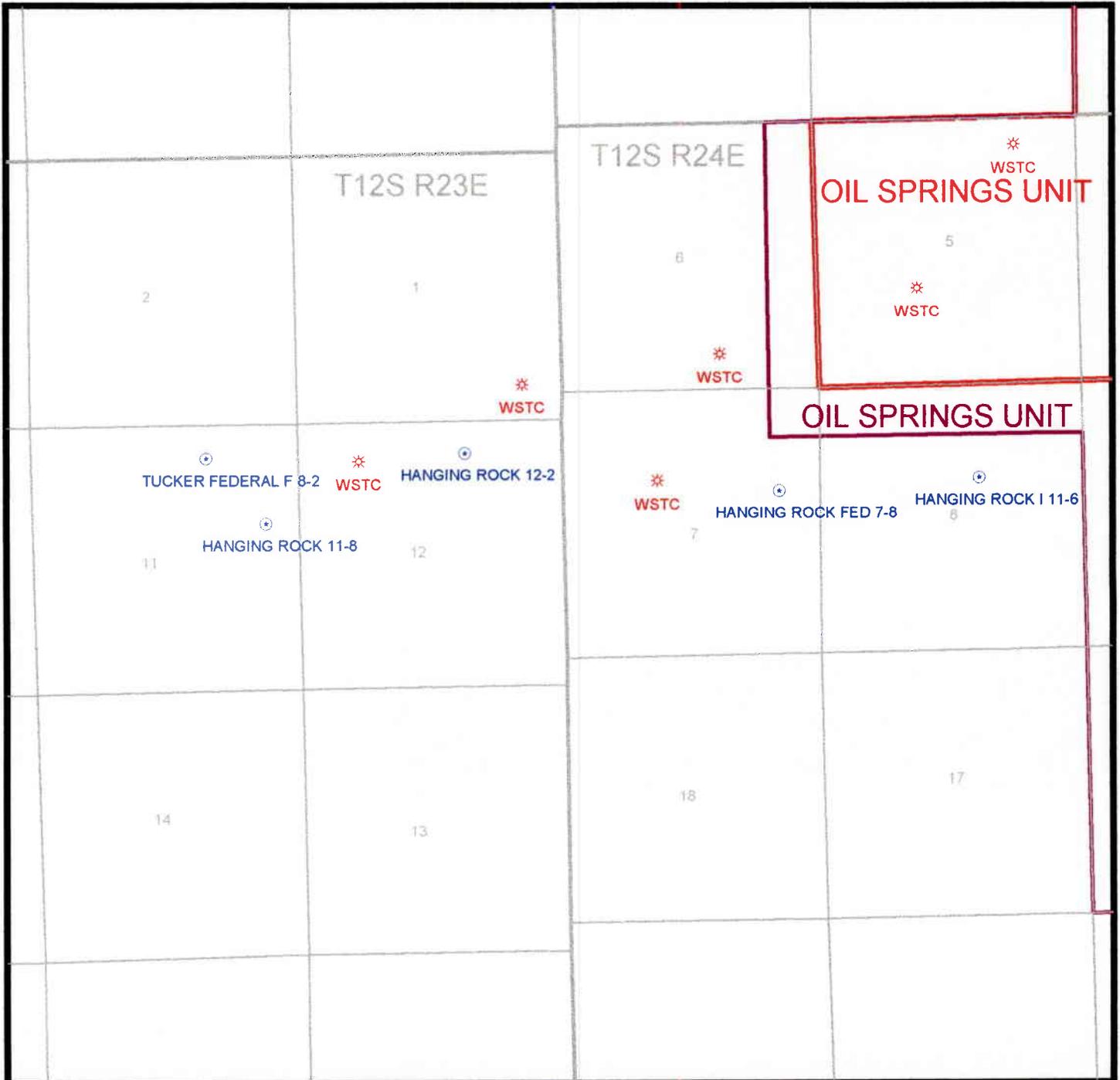
STIPULATIONS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OPERATOR: FREEDOM ENERGY (N3285)

FIELD: UNDESIGNATED (002)

SEC, TWP, RNG: 11, T12S, R23E & 8, T12S, R24E

COUNTY: UINTAH UAC: R649-2-3 HANGING ROCK UNIT & R469-3-2



PREPARED:  
DATE: 29-AUG-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)

October 2, 1997

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

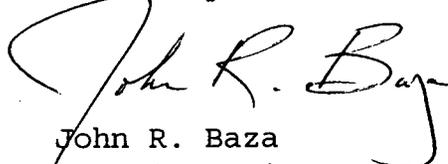
Re: Hanging Rock I 11-6 Well, 1902' FNL, 2089' FEL, SE NW,  
Sec. 11, T. 12 S., R. 23 E., Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-32992.

Sincerely,

  
John R. Baza  
Associate Director

lwp

Enclosures

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

Operator: Freedom Energy, Inc.  
Well Name & Number: Hanging Rock I 11-6  
API Number: 43-047-32992  
Lease: UTU-57455  
Location: SE NW Sec. 11 T. 12 S. R. 23 E.

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jim 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.

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  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  
1902' FNL, 2089' FEL, SE1/4, NW1/4, Sec. 11, T12S, R23E  
 At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.  
UTU-57455

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME  
Hanging Rock

8. FARM OR LEASE NAME  
Hanging Rock I

9. WELL NO.  
11-6

10. FIELD AND POOL, OR WILDCAT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
SEC. 11, T 12 S, R 23 E.

12. COUNTY OR PARISH  
UINTAH

13. STATE  
UT

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
25.3 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) 1902'

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. 2,700'

19. PROPOSED DEPTH 4,500'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6089' GR.

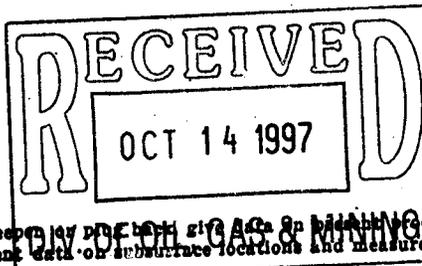
22. APPROX. DATE WORK WILL START\*  
Nov. 1, 1997

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

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



RECEIVED  
 AUG 21 1997

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back give data on existing 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 WILLIAM A. RYAN TITLE Agent DATE Aug. 18, 1997

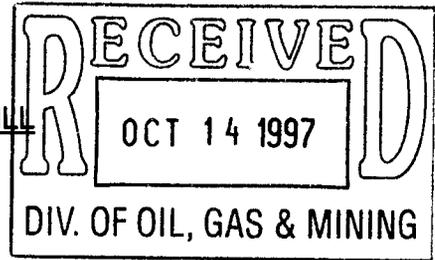
(This space for Federal or State office use)  
**NOTICE OF APPROVAL**

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
 Assistant Field Manager  
 APPROVED Howard B. Clauger TITLE Mineral Resources DATE OCT 02 1997  
 CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

\*See Instructions On Reverse Side

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL



Company/Operator: Freedom Energy, Inc.

Well Name & Number: Hanging Rock Federal I 11-6

API Number: 43-047-32992

Lease Number: U - 57455

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

**NOTIFICATION REQUIREMENTS**

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

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

## CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

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

### A. DRILLING PROGRAM

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

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

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

#### 2. Pressure Control Equipment

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

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

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

3. Casing Program and Auxiliary Equipment

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

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany oil shale zone, identified at 699 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

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

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

5. Coring, Logging and Testing Program

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

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

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

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

6. Notifications of Operations

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

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

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

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

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

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

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

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

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

7. Other Information

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

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

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

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

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

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

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

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

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

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

Ed Forsman (801) 789-7077  
Petroleum Engineer

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

Jerry Kenczka (801) 781-1190  
Petroleum Engineer

BLM FAX Machine (801) 781-4410

## EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

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

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

Refinery wastes

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

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

**CONDITIONS OF APPROVAL FOR THE SURFACE USE  
PROGRAM OF THE APPLICATION FOR PERMIT TO DRILL**

-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. 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.

-A sign should be installed at the junction of the well access road stating that the road is a dead end well service road. The sign can be a simple carsonite post type sign.

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

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

-It will be necessary to construct runoff water diversion ditches around both the north and south ends of the location. The diversion ditch around the south end of the location will go between the pit spoils and the pit topsoil pile.

TRANSACTION REPORT

P. 01

DEC-18-97 THU 03:30 PM

SEND (M)

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

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

P. 02



43-047-32992

December 17, 1997

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

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

Re: Release and Waiver of Confidentiality

Gentlemen:

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



December 17, 1997

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

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

Very truly yours,

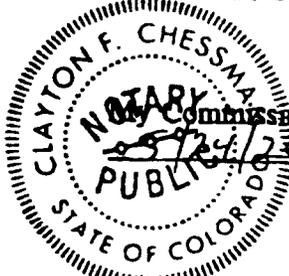
FREEDOM ENERGY, INC.

*Paul Franks*

Paul Franks  
Vice President

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

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



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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. Lease Designation and Serial No.  
**UTU-57455**

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

7. If Unit or CA, Agreement Designation  
**UTU-73518X**

8. Well Name and No.  
**HANGING ROCK FED. I 11-6**

9. API Well No.  
**43-047-32992**

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)

**1902' FNL, 2089' FEL, SE/NW SEC.11-T12S-R23E**

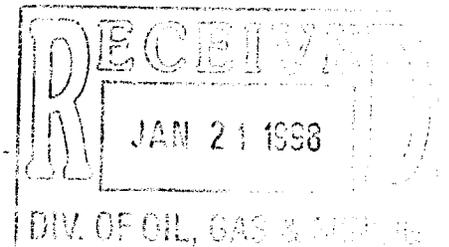
12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <b>CHANGE OF OPERATOR</b>
	<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.)\*

*Please be advised that Rosewood Resources, Inc., Ste. 500, 100 Crescent Court, Dallas, Texas, 75201, is considered to be the operator of the Hanging Rock I 11-6, SE/NW Sec.11-T12S-R23E; Lease # UTU-57455; Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Rosewood Resources, Inc. Bond # UT-0627*



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

Signed Paul Frank

Title Vice-President

Date 01/01/98

(This space for Federal or State office use)

Approved by \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Conditions of approval, if any: \_\_\_\_\_

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

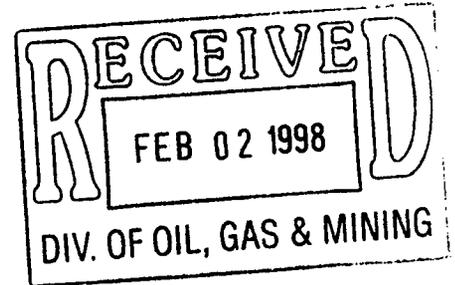
\*See Instructions on Reverse Side



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO  
UT-931

January 30, 1998

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

Re: Hanging Rock Unit  
Uintah County, Utah

Gentlemen:

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

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

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

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

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

### Enclosure

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

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

Well Status Report  
Utah State Office  
Bureau of Land Management

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

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

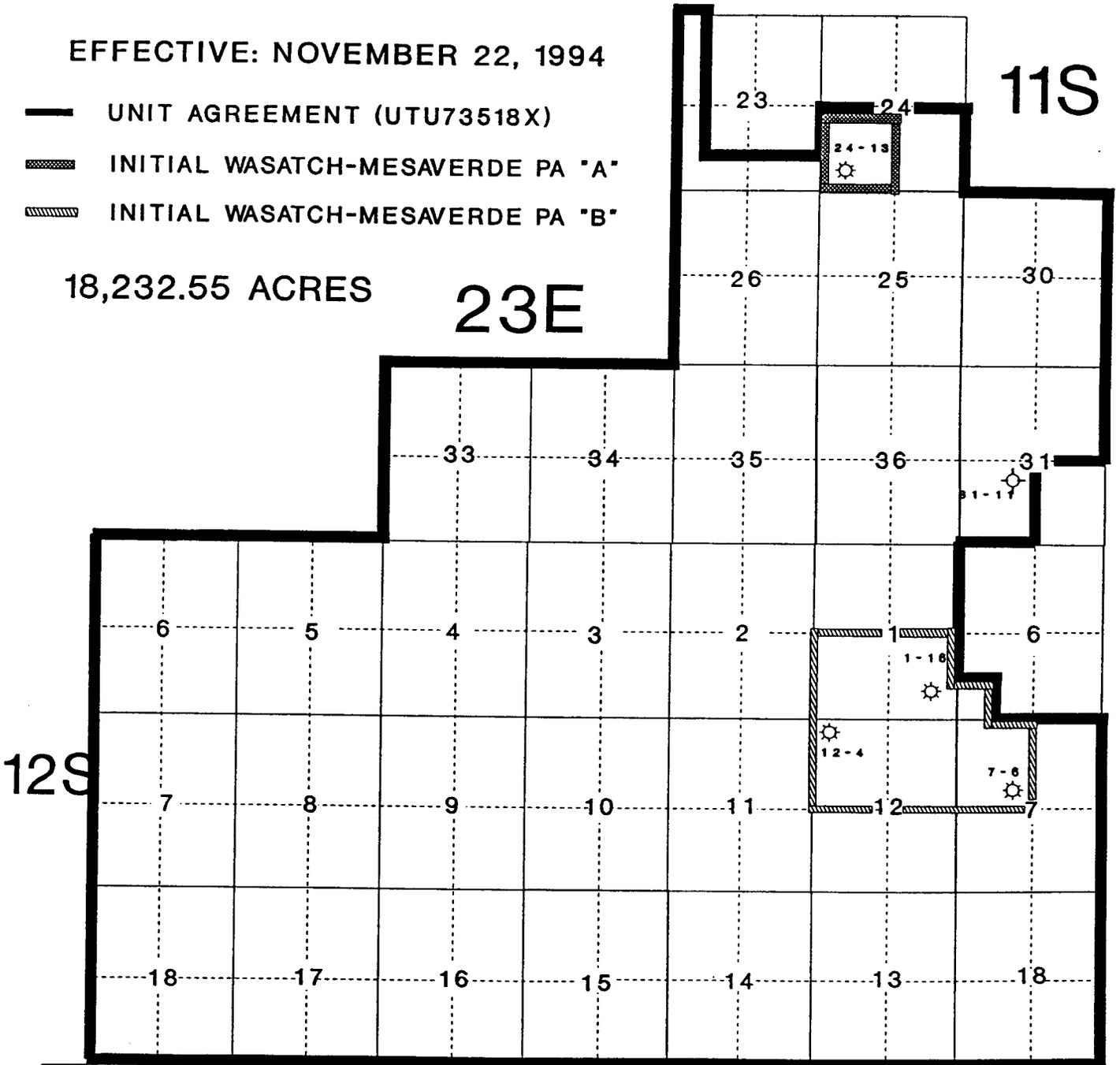
# HANGING ROCK UNIT

## 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

(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	<del>43-047-32870</del>	<del>HANGING ROCK STATE H 36-9</del>	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	<del>43-047-32995</del>	<del>TUCKER FEDERAL F 8-2</del>	08	12S	24E	/ /	/ /

99999



# OPERATOR CHANGE WORKSHEET

Routing	
1- <i>[initials]</i>	6- <i>[initials]</i>
2-GLH	7-KAS ✓
3-DTS	8-SI
4-VLD ✓	9-FILE
5-JRB ✓	

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

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

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

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

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

Name: <b>**SEE ATTACHED**</b>	API: <u>43-047-32192</u>	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

## OPERATOR CHANGE DOCUMENTATION

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

**ENTITY REVIEW**

- Yes 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/Yes 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/Yes 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/Yes 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated                      19     , of their responsibility to notify all interest owners of this change.

**FILMING**

- VS 1. All attachments to this form have been **microfilmed**. Today's date: 6-29-99.

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

SPUDDING INFORMATION

Name of Company: ROSEWOOD RESOURCES

Well Name: HANGING ROCK FEDERAL I 11-6

Api No. 43-047-32992

Section 11 Township 12S Range 23E County UINTAH

Drilling Contractor \_\_\_\_\_

Rig # \_\_\_\_\_

SPUDDED:

Date 5/4/98

Time \_\_\_\_\_

How DRY HOLE

Drilling will commence \_\_\_\_\_

Reported by LUCI

Telephone # \_\_\_\_\_

Date: 5/11/98 Signed: JLT



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. Lease Designation and Serial No.  
UTU-57455

6. If Indian, Allottee or Tribe Name  
NA

7. If Unit or CA, Agreement Designation  
Hanging Rock

8. Well Name and No.  
Hanging Rock I #11-6

9. API Well No.  
43-047-32992

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH CO., UTAH

**SUBMIT IN TRIPLICATE**

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

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

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

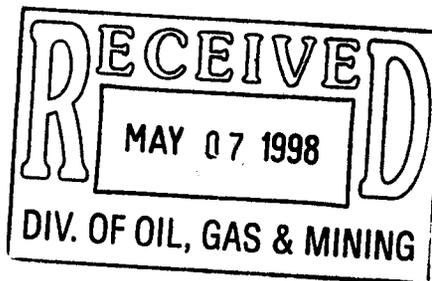
1902' FNL 2089' FWL, SENW Section 11, T12S, R23E

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent <input checked="" type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input type="checkbox"/> Other SPUD (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.)\*

Operator reports the above referenced well was spud on 5/3/98 @ 2:00 p.m. by Bill Jr's Rathole Service.  
(See attached report for setting of surface casing.)



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

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

Signed

*Larry Nerme*

Title Administrative Assistant

Date 05/05/98

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:







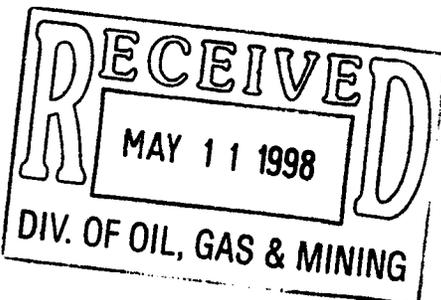
OPERATOR ROSEWOOD RESOURCES, INC.  
 ADDRESS P.O. Box 1668  
Vernal, UT 84078

OPERATOR ACCT. NO. N 7510

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	99999	<del>#889</del>	4304732992	HANGING ROCK I #11-6	SEnw	11	12S	23E	Uintah	5/3/98	5/3/98
WELL 1 COMMENTS: <u>12362</u> Add well to the Hanging Rock Unit. <i>Entity added 5-20-98; Unit well "non P.A.". Lec</i>											
WELL 2 COMMENTS: <b>CONFIDENTIAL</b>											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

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

NOTE: Use COMMENT section to explain why each Action Code was selected.  
 (3/89)



*Lucy Neme*  
 Signature  
Admin. Assistant 5/8/98  
 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

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Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.  
UTU-57455

6. If Indian, Allottee or Tribe Name  
NA

7. If Unit or CA, Agreement Designation  
Hanging Rock

8. Well Name and No.  
Hanging Rock I #11-6

9. API Well No.  
43-047-32992

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)  
1902' FNL 2089' FWL, SENW Section 11, T12S, R23E

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

TYPE OF SUBMISSION

Notice of Intent  
 Subsequent Report  
 Final Abandonment Notice

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

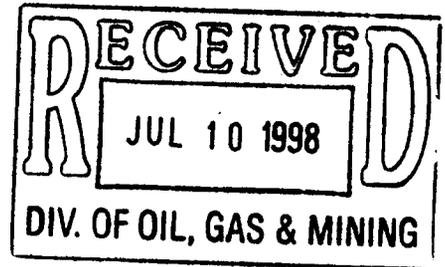
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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 - DRILLED TO TD @ 4500'. THE ABOVE WELL WAS P & A'D ON 5/27/98.  
SEE ATTACHED RIG REPORTS FOR DETAILS. CHANDLER RIG #1 WAS RELEASED ON 5/27/98.

CURRENT STATUS - P & A

**CONFIDENTIAL**



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

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

Signed Lucy Nemer Title Administrative Assistant Date 07/01/98

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any:

# ROSEWOOD RESOURCES, INC.

# DAILY DRILLING REPORT

LEASE: Hanging Rock  
 WELL: # 11-6  
 RIG: Chandler Rig # 1  
 PRESENT OPERATION: Drilling

DATE: 5-21-98

CURRENT DEPTH 875'  
 PROPOSED TD 4470'  
 FOOTAGE PAST 24 HRS 365'  
 ENGINEER D.WIDNER  
 CONSULTANT Chuck Emerson

FROM TO ACTIVITY PAST 24 HRS:

0700	1700	MIRU Chandler Rig # 1. BLM Notification To Ed Foresman 1600hrs 5-12-98
1700	2030	RU Double Jack Testers. Pressure Test Upper&Lower Kelly Valves, Floor Valve, Choke Line&Valves,Choke Manifold& Valves, Blind Rams&CheckValve ALL to 3000psi. Pressure Test Annular BOP to 1500psi. Csg bleeding off Slowly
2030	2200	PU 8 5/8" Cup Packer, 12 DC & 2-JTs DP Tag @ 426'
2200	2300	Pressure Test Casing to 1500psi. Held OK. BLM Notified but declined to witness test.
2300	0030	TOOH PU BHA & Bit #1
0030	0100	TIH
0100	0130	Start Pumps
0130	0300	Drilling Cement @ 431', Insert @ 460', Shoe @ 512'
0300	0330	Drilling New Formation 512'-553'
0330	0400	Survey 1/2deg @ 512'
0400	0700	Drilling 553'-875'

MUD PROPERTIES:

WT	8.3	% OIL		Ca+	
VIS		%SAND		cake	
WL		%SOLID		pH	
HTHP		ALK		DAILY MUD COST	0
PV		Cl-		CUM. MUD COST	0
YP					

DAILY COSTS:

FOOTAGE	5238
DAYWORK	
LOCATION	4000
MUD	
RIG MOVE	11000
SURVEYOR	
LOGGING	
MUD LOG	500
CEMENTING	
FISHING	
WATER	1850
WELLHEAD	
CSG CREW	
RENTALS	1550
CASING	
SUPERVISION	500
CASING HEAD	2200
BOP TEST	1090
TOTAL DAILY	27928
COST FORWARD	11191
CUM.TO DATE	39119

PUMP DATA:

	1	2
MAKE	GarDenv	EMSCO
MODEL	PZ-8	D-500
LINER	6"	5 1/2"
SPM	120	
PSI	900	

HYDRAULICS:

WOB	28K
RPM	50
GPM	348

BIT RECORD:

Bit #	1	2
Ser#	M38606	
Size	7 7/8"	
Make	RTC	
Type	HP51X	
Jets	3/12s	
In @	510'	
Out @		
Feet	365'	
Hrs	3.5	
F/Hr	104.3	
CUM		
Grade		

SURVEY DATA:

DEPTH	DEGREES
512'	1/2

ADDITIONAL COMMENTS: BHA: Bit, Motor, XO, 12- 6 1/8" DC, XO(391.67)

# ROSEWOOD RESOURCES, INC.

# DAILY DRILLING REPORT

LEASE: Hanging Rock

DATE: 5-26-98

WELL: # 11-6

RIG: Chandler Rig # 1

PRESENT OPERATION: Circulate Prior To Logging

CURRENT DEPTH 4500 TD  
 PROPOSED TD 4500  
 FOOTAGE PAST 24 HRS 350  
 ENGINEER D.WIDNER  
 CONSULTANT Chuck Emerson

FROM	TO	ACTIVITY PAST 24 HRS:
0700	1000	Drilling 4150'-4208'
1000	1030	Survey 4 1/4deg @ 4208'
1030	1130	Drilling 4208'-4238'
1130	1200	Rig Service Function Test BOP
1200	1600	Drilling 4238'-4300'
1600	1630	Survey 4deg @ 4235'
1630	2100	Drilling 4300'-4394'
2100	2130	Survey 4 1/4deg @ 4333' Function Test BOP
2130	0300	Drilling 4394'-4500' TD @ 0300hrs 5-26-98
0300	0500	Circulate and Condition Hole. BOP Drill
0500	0630	Short Trip 12 Stands. No Tight Spots.
0630	0700	Circulate and Condition Hole

**MUD PROPERTIES:**

WT	9.5	% OIL	0	Ca+	40
VIS	46	% SAND	0	cake	232
WL	7.8	% SOLID	8.4	pH	10.0
HTHP		ALK	.6	DAILY MUD COST	4574
PV	18	Cl-	500	CUM. MUD COST	4665
YP	10				

**DAILY COSTS:**

FOOTAGE	5022
DAYWORK	1075
LOCATION	
MUD	4574
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	500
CEMENTING	
FISHING	
WATER	500
WELLHEAD	
CSG CREW	
RENTALS	500
CASING	
SUPERVISION	500
CASING HEAD	
TOTAL DAILY	12671
COST FORWARD	100420
CUM. TO DATE	113091

**PUMP DATA:**

	1	2
MAKE	GarDenv	EMSCO
MODEL	PZ-8	D-500
LINER	6"	5 1/2"
SPM	110	
PSI	1000	

**HYDRAULICS:**

WOB	35K
RPM	60
GPM	315

**BIT RECORD:**

Bit #	2	3
Ser#	1901776	P441907
Size	7 7/8"	7 7/8"
Make	HC	RTC
Type	R535A1	HP53A
Jets	1/13, 4/12	3/14s
In @	1605'	3963'
Out @	3963'	4500'
Feet	2358'	537'
Hrs	53	28
Ft/Hr	44.5	19.2
CUM		
Grade		

**SURVEY DATA:**

DEPTH	DEGREES
512'	1/2
1006'	1
1502'	1
2027'	1
2550'	1 1/4
3032'	3/4
3530'	1 1/2
4055'	4
4147'	4 1/4
4238'	4
4333'	4 1/4

ADDITIONAL COMMENTS: BHA: Bit, Motor, XO, 17- 6 1/8" DC, XO(541.53)  
 Wasatch Top: 2778' Lost approx 150bbl from 4380'-4405'. Heal w/LCM

Mesa Verde Top: 4226'  
 SHOWS: #1-2836'-2851' 125units  
 #2-3147'-3155' 90units  
 #3-3258'-3280' 80units  
 #4-3501'-3512' 200units  
 #5-4198'-4224' 220units

# ROSEWOOD RESOURCES, INC.

# DAILY DRILLING REPORT

LEASE: Hanging Rock  
 WELL: # 11-6  
 RIG: Chandler Rig # 1  
 PRESENT OPERATION: P & A Cementing

DATE: 5-27-98

CURRENT DEPTH 4500' TD  
 PROPOSED TD 4500'  
 FOOTAGE PAST 24 HRS \_\_\_\_\_  
 ENGINEER DANNY WIDNER  
 CONSULTANT Chuck Emerson

FROM	TO	ACTIVITY PAST 24 HRS:
0700	0930	TOOH Strap Out DP Tally 4506'. Survey 4deg @ TD
0930	1330	RU Schlumberger. Run Platform Express Log Suite. Log TD: 4499' RD Schumberger.
1330	1430	TIH w/ DC & wo Laydown Crew
1430	1700	RU T&M LDDC
1700	1900	TIH w/ 126 Jts DP Open Ended LD 6 jts to 3724'
1900	2130	Circulate RU BJ Services WO Bulk Cement
2130	2200	Spot Plug #1- 100 sks Cis 'G' w/ 3% CaCl. Displace w/ 4.5bbl H2O & 44bbl Mud(3524'-3724' + 37% excess)
2200	0200	Pull 10 stands & circulate waiting on Plug to set.
0200	0330	RIH & Tag @ 3600' Pump Add'l 50 sks 'G' w/ 3%CaCl on top of Plug. Disp w/ 4.5bbl H2O & 44bbl mud.
0330	0500	LD 46 Jts DP & Spot Plug #2- 70 sks 'G' w/ 3%CaCl. Displ w/ 3.5bbl H2O & 25.5bbl Mud(2101'-2301'+23%excess)
0500	0700	LD 54 Jts DP & Spot Plug #3- 75 sks 'G' w/ 3%CaCl. Displ w/ 6bbl H2O(420'-620' +10%excess)

**MUD PROPERTIES:**

WT	9.5	% OIL	0
VIS	46	% SAND	0
WL	7.8	% SOLID	8.4
HTHP		ALK	.6
PV	18	Cl-	500
YP	10		

Ca+ cake	40
pH	2/32
	10.0
DAILY MUD COST	
CUM. MUD COST	4965

**DAILY COSTS:**

FOOTAGE	
DAYWORK	6450
LOCATION	
MUD	
RIG MOVE	
SURVEYOR	
LOGGING	11778
MUD LOG	500
CEMENTING	
FISHING	
WATER	500
WELLHEAD	
CSG CREW	
RENTALS	500
CASING	
SUPERVISION	500
CASING HEAD	
TOTAL DAILY	20228
COST FORWARD	113091
CUM. TO DATE	133319

**PUMP DATA:**

	1	2
MAKE	GarDenv	EMSCO
MODEL	PZ-8	D-500
LINER	6"	5 1/2"
SPM		
PSI		

**HYDRAULICS:**

WOB	
RPM	
GPM	

**BIT RECORD:**

Bit #	2	3
Ser#	1901776	P441907
Size	7 7/8"	7 7/8"
Make	HC	RTC
Type	R535A1	HP53A
Jets	1/13, 4/12	3/14s
In @	1605'	3963'
Out @	3963'	4500'
Feet	2358'	537'
Hrs	53	28
Ft/Hr	44.5	19.2

**SURVEY DATA:**

DEPTH	DEGREES
512'	1/2
1006'	1
1502'	1
2027'	1
2550'	1 1/4
3032'	3/4
3530'	1 1/2
4055'	4
4147'	4 1/4
4239'	4

**ADDITIONAL COMMENTS:**

Wasatch Top: 2778'  
 Mesa Verde Top: 4226'  
 SHOWS: #1-2836'-2851' 125units  
 #2-3147'-3155' 90units



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

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

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

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG\***

1a. TYPE OF WORK  
 OIL WELL  GAS WELL  DRY  CONFIDENTIAL PERIOD EXPIRED Other 6/20/99

1b. TYPE OF WELL  
 NEW WELL  WORK OVER  DEEP-EN  FLAG BACK  DEEP RESVR

7. UNIT AGREEMENT NAME  
**HANGING ROCK**

8. FARM OR LEASE NAME, WELL NO.  
**HANGING ROCK I #11-6**

9. API WELL NO.  
**43-047-32992**

10. FIELD AND POOL OR WILDCAT  
**WILDCAT**

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

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

2. NAME OF OPERATOR  
**ROSEWOOD RESOURCES, INC.**

3. ADDRESS AND TELEPHONE NO.  
**P.O. BOX 1668, VERNAL, UT 84078**

4. LOCATION OF WELL (Report locations clearly and in accordance with any title requirements)  
At Surface  
**1902' FNL 2089' FWL SE/NW**  
At top prod. Interval reported below

At total depth

**CONFIDENTIAL**

14. PERMIT NO. **UT080-7M-412** DATE ISSUED **8/18/98**

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

15. DATE SPUNDED **5/3/98** 16. DATE T.D. REACHED **5/26/98** 17. DATE COMPL. (Ready to prod.) **P & A 5-27-98** 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\* **6089' GR** 19. ELEV. CASINGHEAD **6104' KB**

20. TOTAL DEPTH, MD & TVD  
**4500'** MD TVD TD MD TVD

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

22. IF MULTIPLE COMPLET. HOW MANY\*  
**RECEIVED SEP 24 1998**

23. INTERVALS ROTARY TOOLS  
DRILL BIT 5000 4500

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

25. WAS DIRECTIONAL SURVEY MADE  
**NO**

27. WAS WELL CORED  
**NO**

26. TYPE ELECTRIC AND OTHER LOGS RUN  
**A/I/L/C/GR, CNLD/GR, ML/GR, PLATFORM EXPRESS, MUD LOG**

**DIV. OF OIL, GAS & MINING**

**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
<b>8-5/8" K-55</b>	<b>24#</b>	<b>495' GL</b>	<b>12 1/4"</b>	<b>SURF-370 SX Class "G" + ADD</b>	<b>NONE</b>

**29. LINER RECORD**      **30. TUBING RECORD**

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
						#	

**31. PERFORATION RECORD (Interval, size and number)**

INTERVAL	SIZE	NUMBER
<b>3524' - 3724'</b>	<b>150 SKS "G"</b>	
<b>2101' - 2301'</b>	<b>70 SKS "G"</b>	
<b>420' - 620'</b>	<b>150 SKS "G"</b>	
<b>SURF - 25 SKS "G"</b>		

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

**33.\* PRODUCTION**

DATE FIRST PRODUCTION **P & A 5-27-98** PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) **P & A** WELL STATUS (Producing or shut-in) **P & A**

DATE OF TEST	HOURS TESTED	CHOKE 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.)

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

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

SIGNED *Lucy Newman* TITLE **ADMINISTRATIVE ASISTANT** DATE **9/18/98**

\*(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
				2778'	
				4226'	
			<p>WASATCH</p> <p>MESA VERDE</p>		

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