

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS WATER SANDS _____ LOCATION INSPECTED _____ SUB. REPORT/abd. _____

980405 Mud Log Reel, 980429 CBL GR/OOL Reel

DATE FILED DECEMBER 15, 1997

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. UTU-76729 INDIAN

DRILLING APPROVED: FEBRUARY 19, 1998

SPUDED IN: 3:30:48

COMPLETED: 4-28-98 JA PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES: 4010-14'

TOTAL DEPTH: 5160

WELL ELEVATION: 5897' GL

DATE ABANDONED:

FIELD: ROCK HOUSE

UNIT:

COUNTY: UINTAH

WELL NO. ATCHEE #1

LOCATION 2381 FNL FT. FROM (N) (S) LINE. 1852 FEL FT. FROM (E) (W) LINE. SW NE API NO. 43-047-33026 1/4 - 1/4 SEC. 15

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
11S	23E	15	ROSEWOOD RESOURCES				

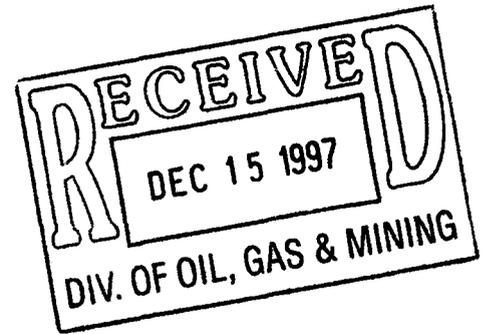
GEOLOGIC TOPS:

QUATERNARY	Star Point	Chinle	Molas
Alluvium	Wahweap	Shinarump	Manning Canyon
Lake beds	Masuk	Moenkopi	Mississippian
Pleistocene	Colorado	Sinbad	Humbug
Lake beds	Sego	PERMIAN	Brazer
TERTIARY	Buck Tongue	Kaibab	Pilot Shale
Pliocene	Castlegate	Coconino	Madison
Salt Lake	Mancos	Cutler	Leadville
Oligocene	Upper	Hoskinnini	Redwall
Norwood	Middle	DeChelly	DEVONIAN
Eocene	Lower	White Rim	Upper
Duchesne River	Emery	Organ Rock	Middle
Uinta	Blue Gate	Cedar Mesa	Lower
Bridger	Ferron	Halgaite Tongue	Ouray
Green River	Frontier	Phosphoria	Elbert
	Dakota	Park City	McCracken
	Burro Canyon	Rico (Goodridge)	Aneth
	Cedar Mountain	Supai	Simonson Dolomite
	Buckhorn	Wolfcamp	Sevy Dolomite
	JURASSIC	CARBON I FEROUS	North Point
Wasatch	Morrison	Pennsylvanian	SILURIAN
Stone Cabin	Salt Wash	Oquirrh	Laketown Dolomite
Colton	San Rafael Gr.	Weber	ORDOVICIAN
Flagstaff	Summerville	Morgan	Eureka Quartzite
North Horn	Bluff Sandstone	Hermosa	Pogonip Limestone
Almy	Curtis		CAMBRIAN
Paleocene	Entrada	Pardox	Lynch
Current Creek	Moab Tongue	Ismay	Bowman
North Horn	Carmel	Desert Creek	Tapeats
CRETACEOUS	Glen Canyon Gr.	Akah	Ophir
Montana	Navajo	Barker Creek	Tintic
Mesaverde	Kayenta		PRE - CAMBRIAN
Price River	Wingate	Cane Creek	
Blackhawk	TRIASSIC		

3302

5065

State of Utah
Division of Oil Gas and Mining
1594 West North Temple
Suite 1210
PO Box 145801
Salt Lake City, UT 84114-5801
Attn: Mike Hebertson



December 8, 1997

Dear Mike

Please find attached an APD for Rosewood Resources, Inc. Rosewood Resources, Inc. respectfully requests a spacing exception for the proposed location. The location was moved due to topographic considerations identified at the onsite inspection with the BLM.

If you require additional information please feel free to give me a call.

Bill Ryan
Rocky Mountain Consulting
801-789-0968

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

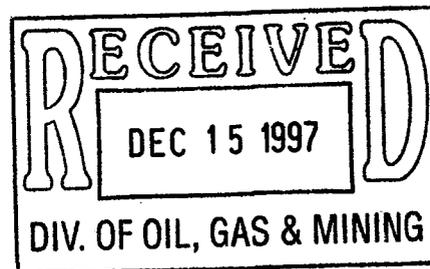
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. UTU-76729		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Rosewood Resources, Inc.			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR 100 Crescent Court, Suite 500, Dallas Tx.75201 214-871-5729			8. FARM OR LEASE NAME		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 2381' FNL, 1852' FEL, SW1/4, NE1/4, Sec. 15, T11S, R23E At proposed prod. zone 565 776			9. WELL NO. Atchee #1		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 33.2 MILES SOUTH OF BONANZA, UT			10. FIELD AND POOL, OR WILDCAT		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1852'		16. NO. OF ACRES IN LEASE 240	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. 2100'		19. PROPOSED DEPTH 5500'	20. ROTARY OR CABLE TOOLS ROTARY		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5897'			22. APPROX. DATE WORK WILL START* March 1, 1998		

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	11.6	T.D.	CMT TOP TO COVER THE OIL SHALE

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

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



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

24. SIGNED WILLIAM A. RYAN TITLE AGENT DATE November 20, 1997

(This space for Federal or State office use)

PERMIT NO. 43-047-33026 APPROVAL DATE _____

APPROVED BY [Signature] TITLE Associate Director DATE 2/19/98
 CONDITIONS OF APPROVAL, IF ANY: Utah DOGM

*See Instructions On Reverse Side

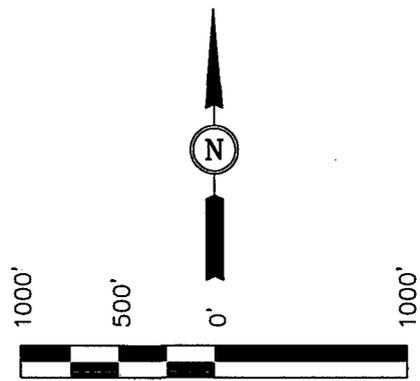
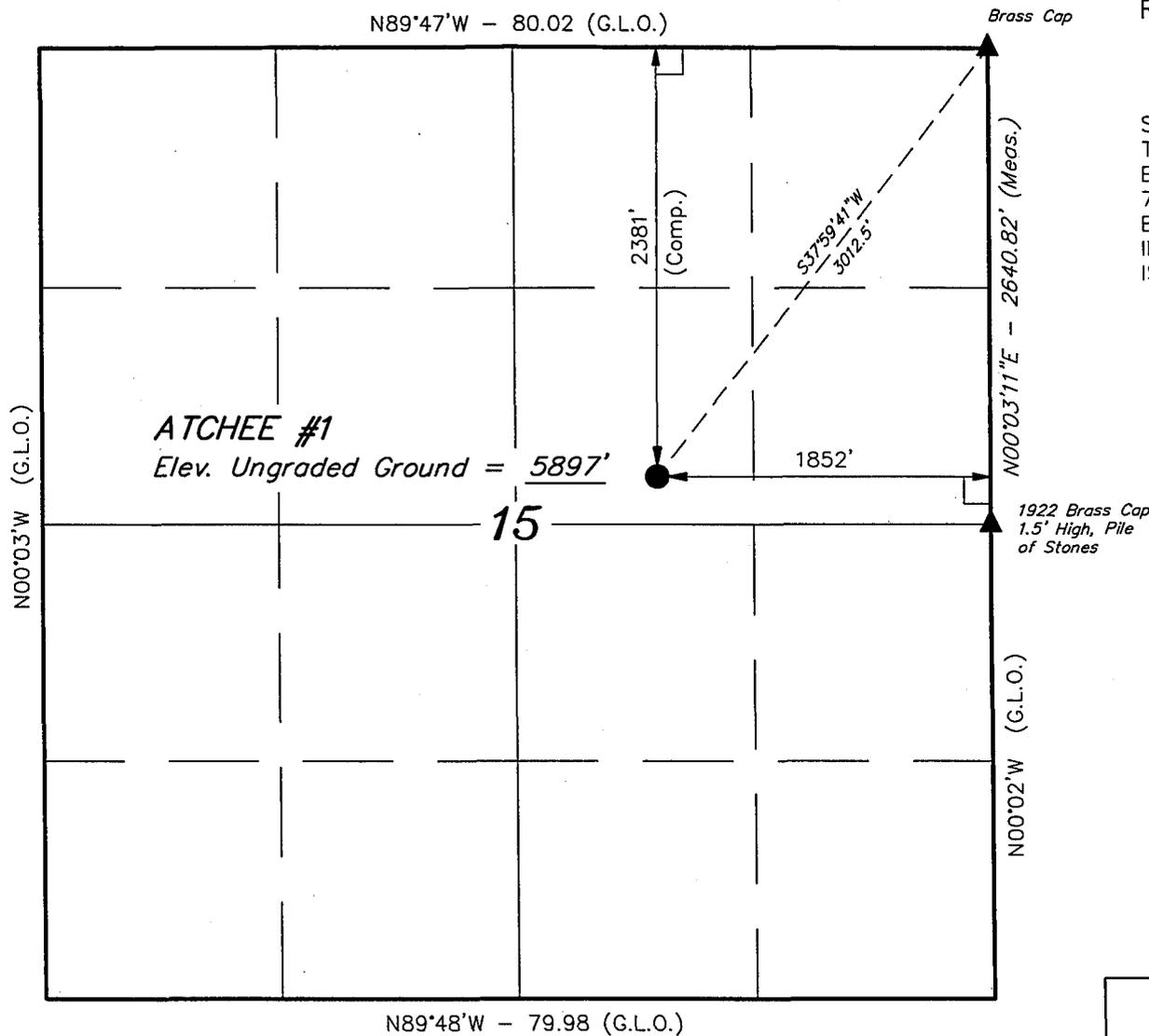
T11S, R23E, S.L.B.&M.

ROSEWOOD RESOURCES, INC.

Well location, ATCHEE #1, located as shown in the SW 1/4 NE 1/4 of Section 15, T11S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION IN THE NW 1/4 OF SECTION 27, T11S, 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 6366 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.

[Signature]
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 16139
 STATE UTAH

LEGEND:

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

NOTE:

BASIS OF BEARINGS IS THE WEST LINE OF THE SW 1/4 OF SECTION 11, T11S, R23E, S.L.B.&M. WHICH IS ASSUMED FROM G.L.O. INFORMATION TO BEAR N00°02'W.

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (801) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 10-08-97	DATE DRAWN: 10-13-97
PARTY L.D.T. B.H. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE ROSEWOOD RESOURCES, INC.	

Ten Point Plan

Rosewood Resources, Inc.

Atchee #1

Surface Location SW 1/4, NE 1/4, Section 15, T. 11 S., R. 23 E.

1. Surface Formation:

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	5,897' G.L.
Oil Shale	500	5,397
Wasatch	3,347	2,550
Mesaverde formation	5,397	500
T.D.	5,500	397

3. Producing Formation Depth:

Formation objective include the Wasatch and its submembers.

Off Set Well Information:

Off set well:	Gas Well	Rock House Unit #19	Sec. 10, T. 11 S., R. 23 E.
	Gas Well	Rock House Unit 44-14	Sec. 14, T. 11 S., R. 23 E.
	Gas Well	Rock House Unit #14	Sec. 15, T. 11 S., R. 23 E.

4. Proposed Casing :

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

Cement Program:

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
9 5/8	Class "G" 2% Calcium 1/4 #/sk cello flake	200 sks.	1.18 cu. ft./sk.	15.6 lbs./gal.
4 1/2	Lead Class "G" 3 % salt 16% gell 10# Gilsonite/sk	200 sks	3.90 cu. ft./sk.	11.0 lbs./gal.
	Tail Class "G" 10% salt 10% gypsum 2% WR15 .4 lbs/sk FL 25	500 sks +/-	1.53 cu. ft./sk.	14.8 lbs./gal.

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 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 H2S.

10. Drilling Schedule:

The anticipated starting date is March 1, 1998. Duration of operations expected to be 30 days.

ROSEWOOD RESOURCES, INC.

13 POINT SURFACE USE PLAN

FOR WELL

ATCHEE #1

LOCATED IN

SW 1/4, NE 1/4

SECTION 15, T. 11 S., R. 23 E., U.S.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-76729

SURFACE OWNERSHIP: FEDERAL

1. Existing Roads

To reach the Rosewood Resources Inc., Atchee #1 well location, in Section 15, T 11 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 10.5 miles turn north (right) off the county road. Proceed .7 miles stay to the right at the intersection. Proceed 3.5 miles to the proposed location and access road.

All existing roads to the proposed location are State or County Class D roads.

Please see the attached map for additional details.

2. Planned access road

The proposed location is adjacent to an existing road. Approximately 500 feet of new road construction will be required.

The road will be built to the following standards:

A) Approximate length	500 Ft.
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road flagged	Yes
K) Access road surface ownership	Federal
L) All new construction on lease	Yes
M) Pipe line crossing	One 8" line

Please see the attached location plat for additional details.

No right of way will be required. All surface disturbance for the road and location will be within the lease boundary.

3. Location of existing wells

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

A) Producing wells		
Gas Well	Rock House Unit #19	Sec. 10, T. 11 S., R. 23 E.
Gas Well	Rock House Unit #14	Sec. 10, T. 11 S., R. 23 E.
Gas Well	Rock House Unit #20	Sec. 15, T. 11 S., R. 23 E.
Gas Well	44-14	Sec. 14, T. 11 S., R. 23 E.
B) Water wells	None	
C) Abandoned wells	Rock House Unit #16	Sec. 15, T. 11 S., R. 23 E.
D) Temporarily abandoned wells	None	
E) Disposal wells	None	
F) Drilling/Permitted wells	Rock House Unit #22	Sec. 15, T. 11 S., R. 23 E.
	Rock House Unit #24	Sec. 15, T. 11 S., R. 23 E.
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 **Juniper 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**.

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 6" line. The existing line is **250' from the proposed location**. Please see the attached location diagrams for pipe line location. There will be no additional surface disturbances required for the installation of a gathering line. The line will be a 2" or 4" steel line.

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

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

5. Location and type of water supply

Water for drilling and cementing the subject well will be hauled by truck from Rosewoods water station in Section 13, T11S, R23E. A second location may be used, it would be Evacuation Creek permit # 49-1595. The Evacuation Creek 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	22.3 ft.
G)	Max fill	11.0 ft.
H)	Total cut yds	10,760 cu. yds.
I)	Pit location	west side
J)	Top soil location	east side
K)	Access road location	south end
L)	Flare pit	corner B

Please see the attached location diagram for additional details.

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

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

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped 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 top soil is stock piled and when reclamation work is performed.

Seed will be broadcast. If a drill is used the seed mix will be half the mix specified.

Seed Mix

Four wing salt brush	6#/acre
Western wheat grass	6#/acre

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

11. Surface ownership:

Access road	Federal
Location	Federal
Pipe line	Federal

12. Other information

A) Vegetation:

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

B) Dwellings:

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

C) Archeology:

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

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

D) Water:

The nearest water is the Green River located 4 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 initial 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 in corner B of the reserve out side the pit fence and 100 feet from the bore hole on the **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

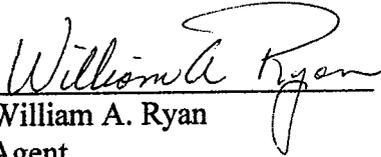
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable laws, regulations, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors.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

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 Nov 28, 1997


William A. Ryan
Agent
Rocky Mountain Consulting

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

October 16, 1997
Rocky Mountain Consulting
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 Rosewood Resources, Inc.
Rocky Mountain Consulting
350 S. 800 E.
Vernal Utah, 84078

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

SELF-CERTIFICATION STATEMENT

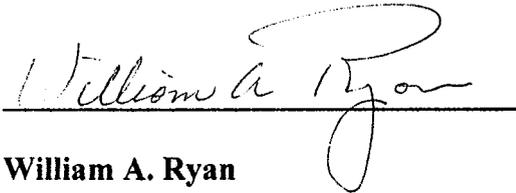
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that Rosewood Resources, Inc., is considered to be the operator of the following well.

**Atchee #1
SW 1/4, NE 1/4, Section 15, T. 11 S., R. 23 E.
Lease UTU-76729
Uintah County, Utah**

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

Bond coverage is provided by Certificate of Deposit, BLM Bond #UT-0627.

A handwritten signature in cursive script, reading "William A. Ryan", is written over a horizontal line. The signature is positioned above the typed name and contact information.

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

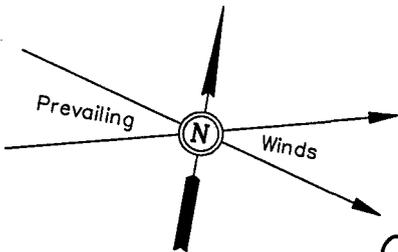
ROSEWOOD RESOURCES, INC.

LOCATION LAYOUT FOR

ATCHEE #1

SECTION 15, T11S, R23E, S.L.B.&M.

2381' FNL 1852' FEL



SCALE: 1" = 50'
DATE: 10-13-97
Drawn By: D.R.B.

Sta. 3+25

CONSTRUCT DIVERSION DITCH

FLARE PIT

C-13.5'
El. 909.4'

C-8.7'
El. 904.6'

F-11.0'
El. 884.9'

Topsoil Stockpile

DATA

Existing Drainage

Round Corners as Needed

CATWALK

175'

PIPE RACKS

El. 905.4'
C-19.5'
(btm. pit)

El. 900.9'
C-5.0'

C-1.5'
El. 897.4'

Sta. 1+50

F-10.7'
El. 885.2'

Reserve Pit Backfill & Spoils Stockpile

10' WIDE BENCH

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

Slope = 1:1

30'

35'

RIG

DOG HOUSE

120'

MUD TANKS

WATER

PUMP

MUD SHED

TRAILER

TOILET

HOPPER

POWER

TOOLS

FUEL

STORAGE TANK

CONSTRUCT DIVERSION DITCH

El. 908.2'
C-22.3'
(btm. pit)

C-8.1'
El. 904.0'

C-3.9'
El. 899.8'

F-10.2'
El. 885.7'

Sta. 0+00

Approx. Top of Cut Slope

Proposed Access Road

Existing Drainage

Approx. Toe of Fill Slope

Elev. Ungraded Ground at Location Stake = 5897.4'

Elev. Graded Ground at Location Stake = 5895.9'

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

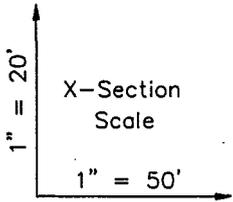
ROSEWOOD RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

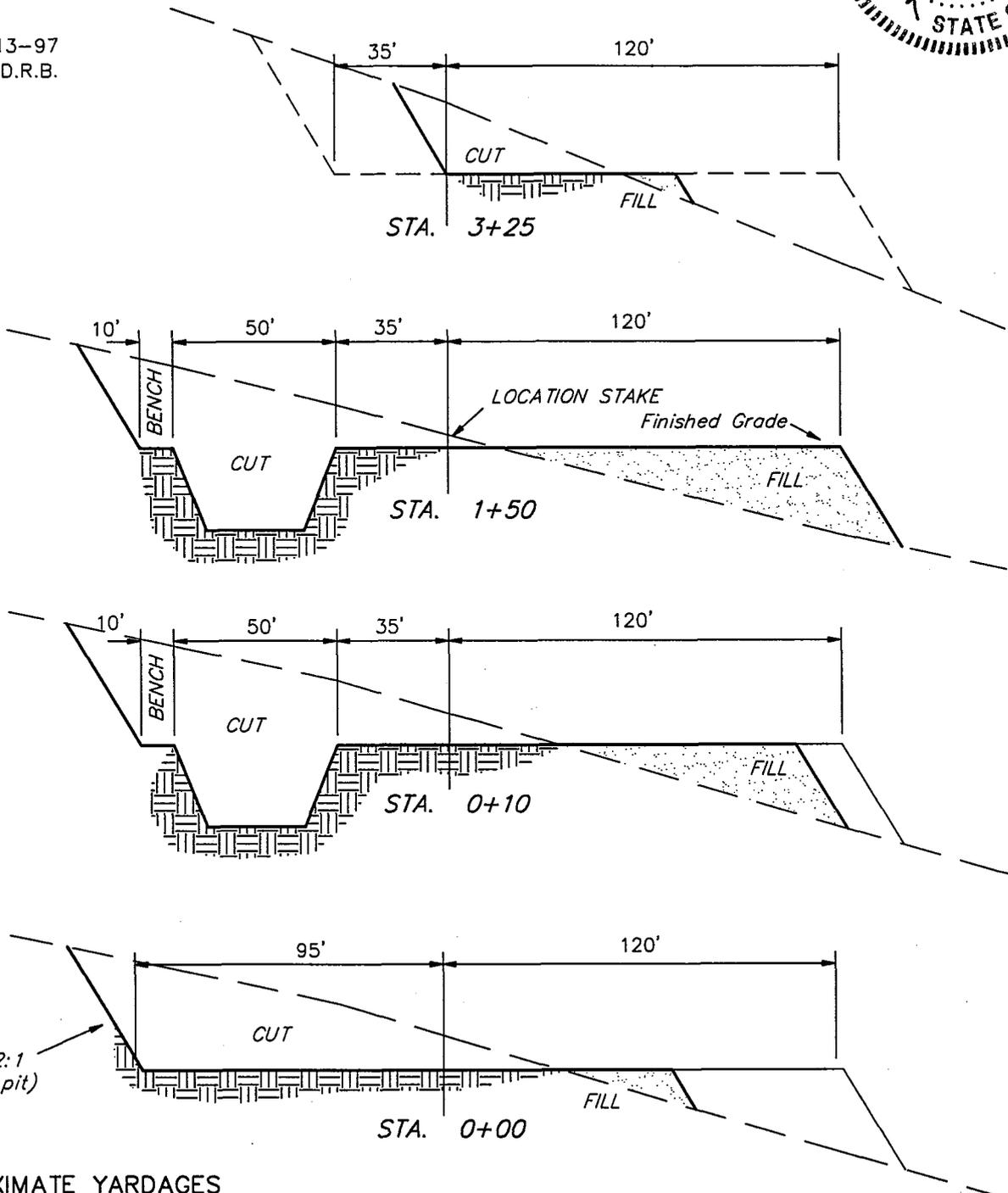
ATCHEE #1

SECTION 15, T11S, R23E, S.L.B.&M.

2381' FNL 1852' FEL



DATE: 10-13-97
Drawn By: D.R.B.

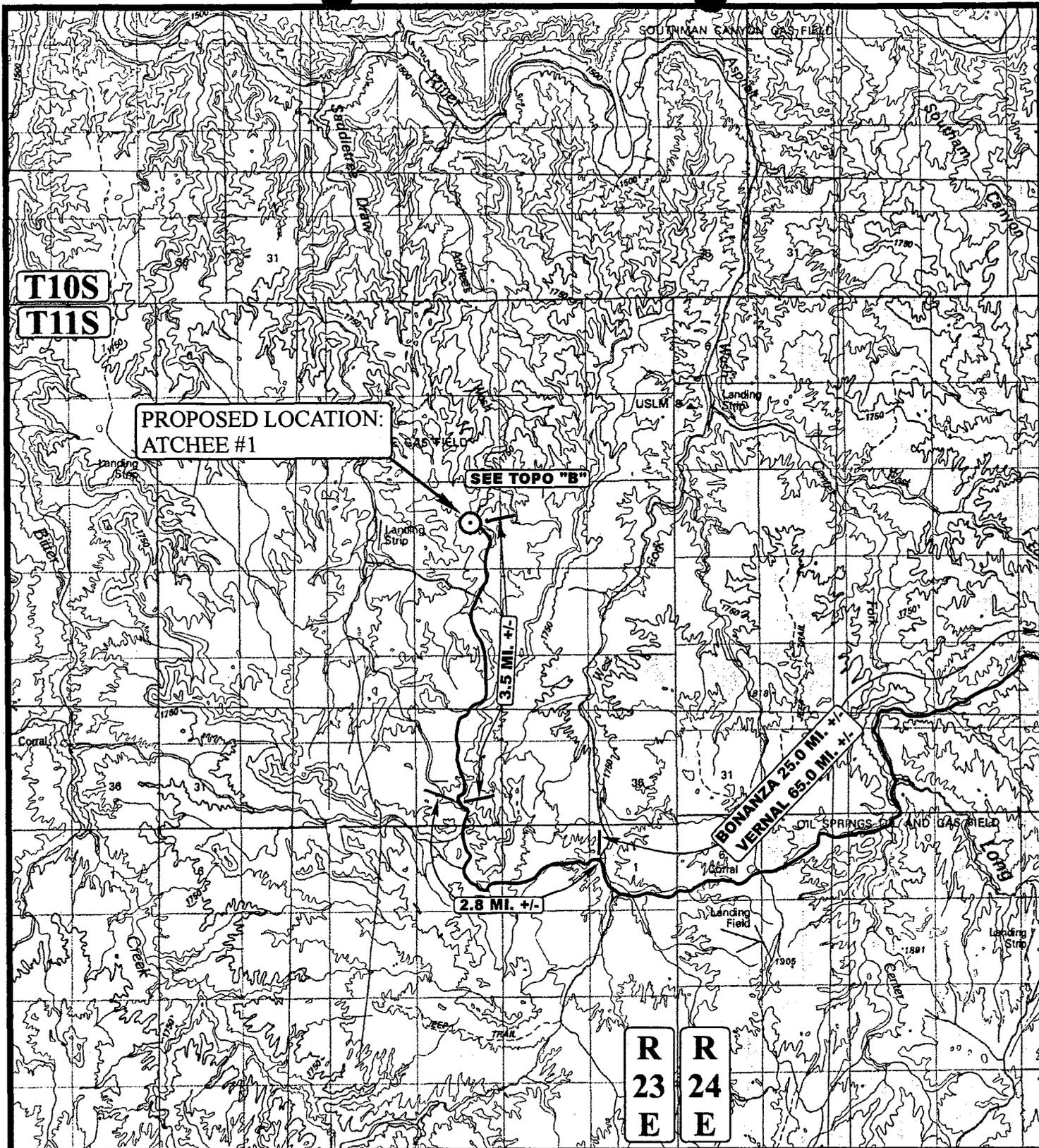


Slope = 1 1/2:1
(Typ. except pit)

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,100 Cu. Yds.
Remaining Location	=	9,660 Cu. Yds.
TOTAL CUT	=	10,760 CU.YDS.
FILL	=	7,980 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.



LEGEND:

⊙ PROPOSED LOCATION

N



ROSEWOOD RESOURCES INC.

ATCHEE #1
SECTION 15, T11S, R23E, S.L.B.&M.
2381' FNL 1852' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (801) 789-1017 * FAX (801) 789-1813
 Email: uels@easillnk.com

TOPOGRAPHIC
MAP

10 9 97
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00



T11S

ROCK HOUSE GAS FIELD

ROCK HOUSE GAS FIELD

PROPOSED LOCATION:
ATCHEE #1

PROPOSED ACCESS 0.1 MI. +/-

BONANZA 31.3 MI. +/-
VERNAL 71.3 MI. +/-

R
23
E

LEGEND:

- - - - - PROPOSED ACCESS ROAD
- EXISTING ROAD

ROSEWOOD RESOURCES INC.

ATCHEE #1
SECTION 15, T11S, R23E, S.L.B.&M.
2381' FNL 1852' FEL



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85 South 200 East Vernal, Utah 84078
(801) 789-1017 * FAX (801) 789-1813
Email: uels@easlink.com

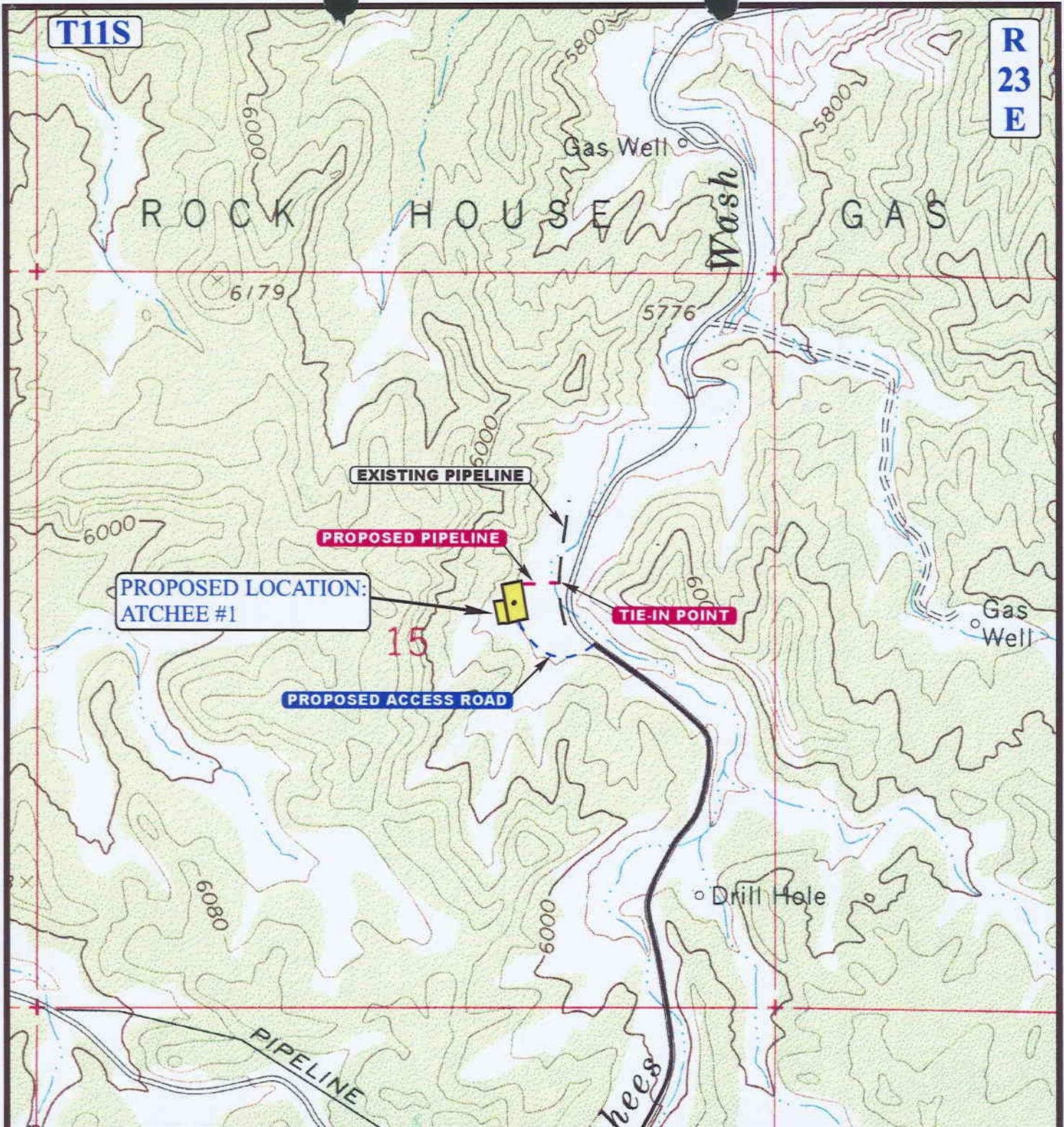


TOPOGRAPHIC
MAP

10 9 97
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00

B
TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 250' +/-

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS

ROSEWOOD RESOURCES INC.

ATCHEE #1
SECTION 15, T11S, R23E, S.L.B.&M.
2381' FNL 1852' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (801) 789-1017 * FAX (801) 789-1813
 Email: uels@easilink.com

TOPOGRAPHIC
MAP

10 9 97
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: J.L.G. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/15/97

API NO. ASSIGNED: 43-047-33026

WELL NAME: ATCHEE #1
OPERATOR: ROSEWOOD RESOURCES (N7510)

PROPOSED LOCATION:
~~SENE~~ 15 - T11S - R23E
SURFACE: 2381-FNL-1852-FEL
BOTTOM: 2381-FNL-1852-FEL
UINTAH COUNTY
ROCK HOUSE FIELD (670)

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

LEASE TYPE: FED
LEASE NUMBER: UTU - 76729

PROPOSED PRODUCING FORMATION: MVRD

RECEIVED AND/OR REVIEWED:

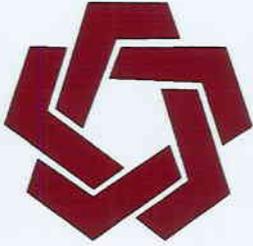
Plat
 Bond: Federal State Fee
(Number MT-0627)
 Potash (Y/N)
 Oil shale (Y/N)
 Water permit
(Number 49-1595)
 RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

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

COMMENTS: Exc. loc. sundry notice submitted 2/19/98.

STIPULATIONS: _____



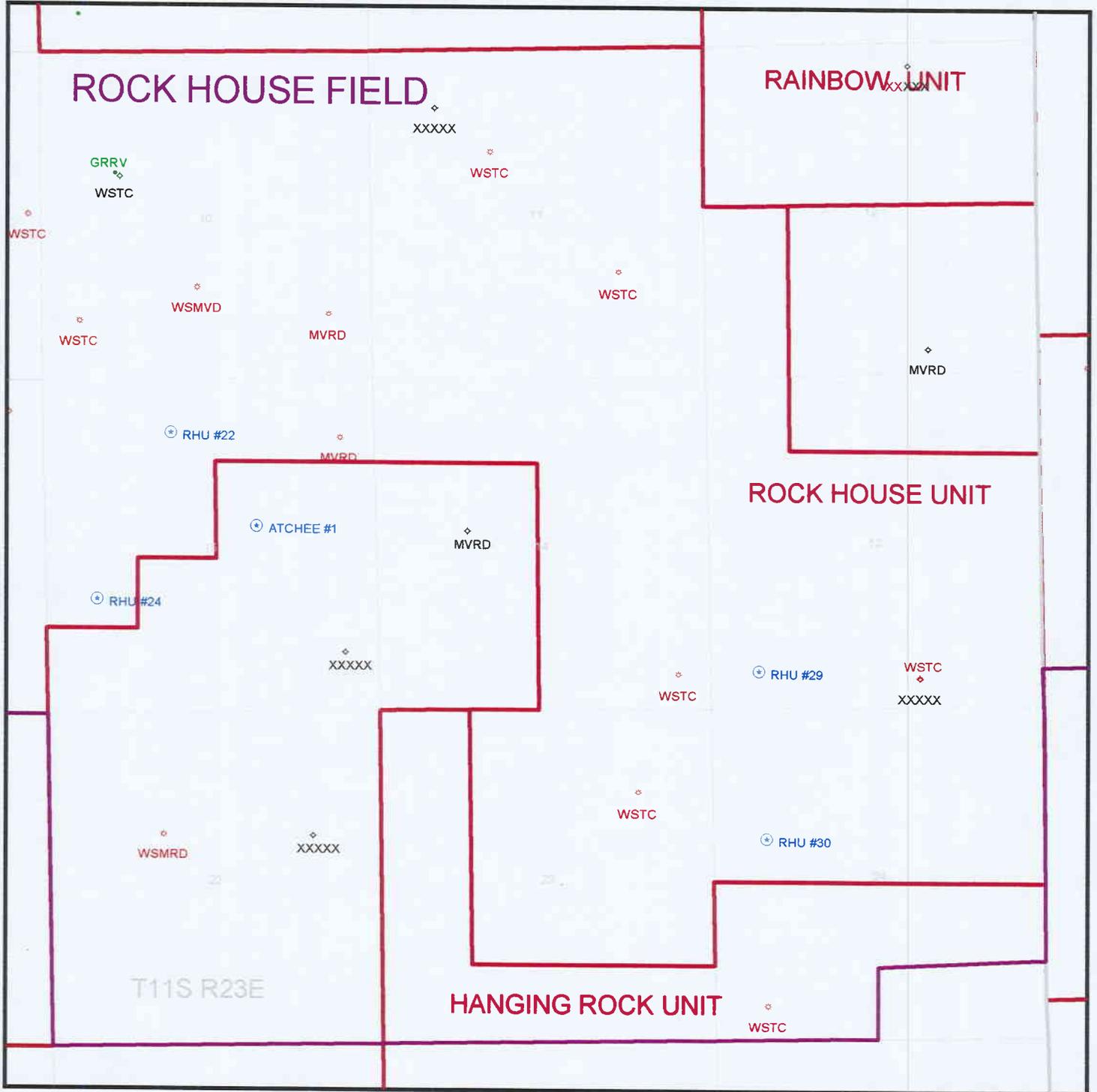
DIVISION OF OIL, GAS & MINING

OPERATOR: ROSEWOOD RESOURCES (N7510)

FIELD: ROCK HOUSE (670)

SEC. TWP. RNG.: SEC. 13,15, & 24, T11S, R23E

COUNTY: UINTAH UAC: R649-3-3 & R649-2-3 ROCK HOUSE



DATE PREPARED:
17-DEC-1997



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

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Lowell P. Braxton
Division Director

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

February 19, 1998

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

Re: Atchee #1 Well, 2381' FNL, 1852' FEL, SW NE, Sec. 15,
T. 11 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 43-047-33026.

Sincerely,

A handwritten signature in black ink that reads "John R. Baza".

John R. Baza
Associate Director

lwp

Enclosures

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

Operator: Rosewood Resources, Inc.
Well Name & Number: Atchee #1
API Number: 43-047-33026
Lease: UTU-76729
Location: SW NE Sec. 15 T. 11 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.

ROSEWOOD RESOURCES, INC.

100 Crescent Court, Suite 500

Dallas, TX 75201

Fax No.: (214) 871-5110

Phone No.: (214) 871-5700

FAX COVER SHEET

FROM: Jim McQuillen

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

TO: Mike Hebertson FAX NO.: (801) 359-3946

FIRM: Utah Dept. Natural Resources
Div. Oil, Gas & Mining

PHONE NO.: (801) 538-5333 DATE: 2/19/98

SUBJECT: _____

MESSAGE:

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

5. Lease Designation and Serial Number:

UTU-76729

6. If Indian, Alutian or Tribe Name:

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
 Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

7. Unit Agreement Name:

1. Type of Well: OIL GAS OTHER:

8. Well Name and Number:

Atchee #1

2. Name of Operator:

Rosewood Resources Inc.

9. API Well Number:

23-047-33026

3. Address and Telephone Number:

100 Crescent Ct. Ste 500 Dallas, Tx 75201 (214)871-5723

10. Field and Pool, or Wildcat:

Rockhouse

4. Location of Well

Footage: 2381 FNL 1852 FEL (SWNE)

County: Uintah

Co. Sec., T., R., M.: SWNE Sec. 15 T11S R23E

State: Utah

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

NOTICE OF INTENT
 (Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other Affidavit
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start _____

SUBSEQUENT REPORT
 (Submit Original Form Only)

- Abandon *
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other _____
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all margins and zones pertinent to this work.)

Rosewood Resources Inc. owns an interest in and is Operator of lease # UTU-76729 covering the SWSW, E/2SW, W/2SE and SWNE of section 15 T11S R23E Uintah Co., Utah.

Rosewood's State Operator Number is N7510 and operations are covered by Bond # 5836731.

The lease is a Federal lease and is covered by Bond No. MT-0627.

13.

Name & Signature:

Jenny McFalls

Title: Prod. Eng.

Date: 2/13/98

(This space for State use only)

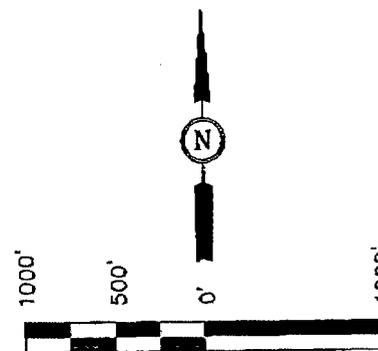
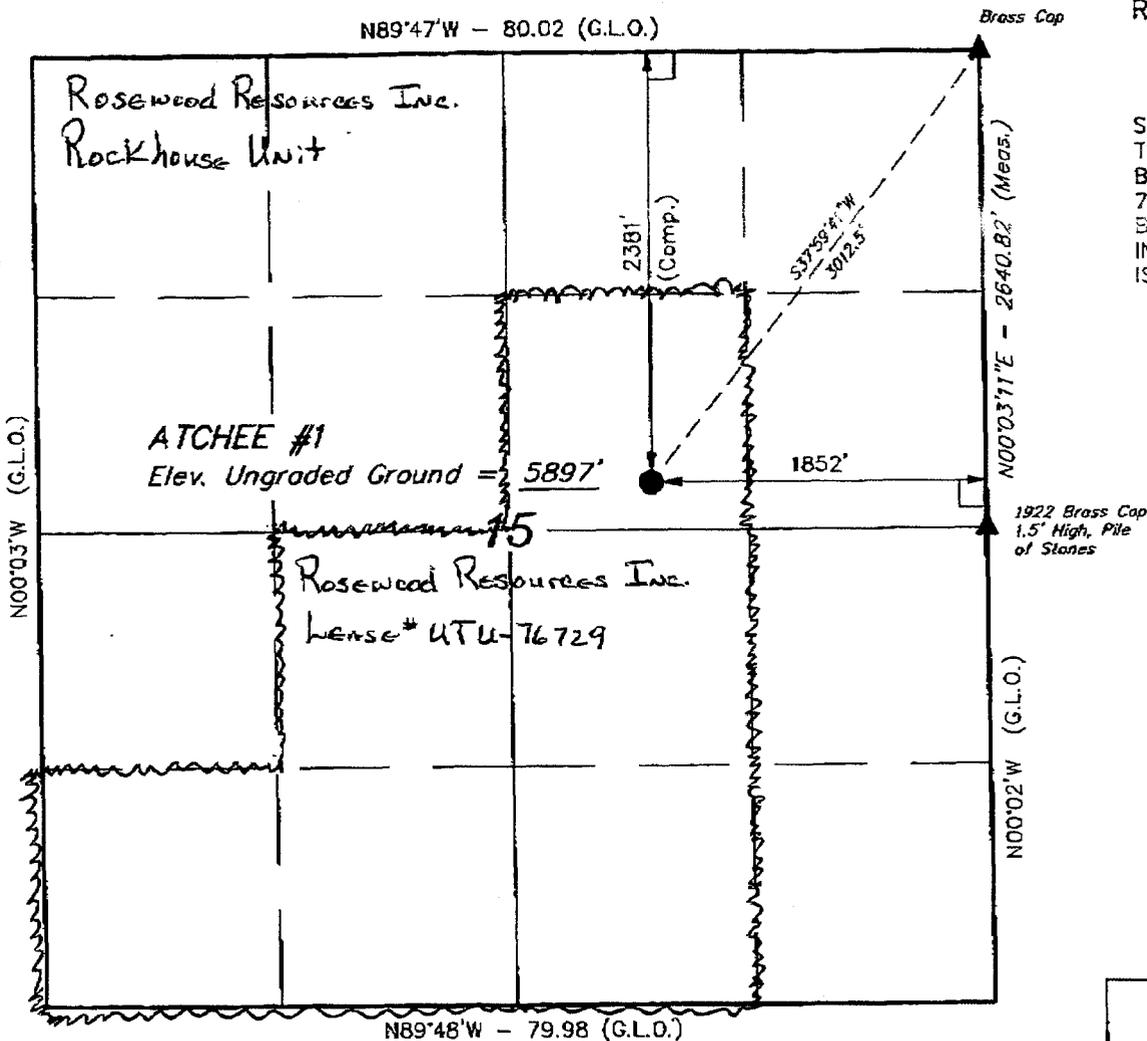
T11S, R23E, S.L.B.&M.

ROSEWOOD RESOURCES, INC.

Well location, ATCHEE #1, located as shown in the SW 1/4 NE 1/4 of Section 15, T11S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION IN THE NW 1/4 OF SECTION 27, T11S, 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 6366 FEET.



SCALE
CERTIFICATE

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

Robert St. Key
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

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

LEGEND:

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

NOTE:

BASIS OF BEARINGS IS THE WEST LINE OF THE SW 1/4 OF SECTION 11, T11S, R23E, S.L.B.&M. WHICH IS ASSUMED FROM G.L.O. INFORMATION TO BEAR N00°02'W.

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

SUBMIT IN TRIPPLICATE*
(Other instructions on reverse side)

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
 Rosewood Resources, Inc.

3. ADDRESS OF OPERATOR
 100 Crescent Court, Suite 500, Dallas Tx. 75201 214-871-5729

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 2381' FNL, 1852' FEL, SW1/4, NE1/4, Sec. 15, T11S, R23E
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 33.2 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) 1852'

16. NO. OF ACRES IN LEASE 240

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. 2100'

19. PROPOSED DEPTH 3500'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5897'

22. APPROX. DATE WORK WILL START*
 March 1, 1998

5. LEASE DESIGNATION AND SERIAL NO.
 UTU-76729

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO.
 Atchee #1

10. FIELD AND POOL, OR WILDCAT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 SEC. 15, T 11 S, R 23 E.

12. COUNTY OR PARISH 13. STATE
 Uintah UT

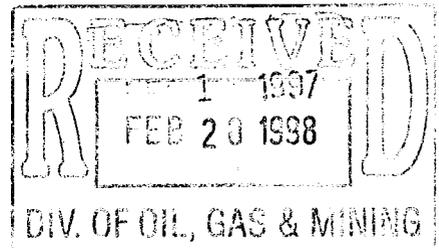
23. PROPOSED CASING AND CEMENTING PROGRAM

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	11.6	T.D.	CMT TOP TO COVER THE OIL SHALE

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

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

801-823-6152



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

SIGNED WILLIAM A. RYAN TITLE AGENT DATE November 20, 1997

(This space for Federal or State office use)

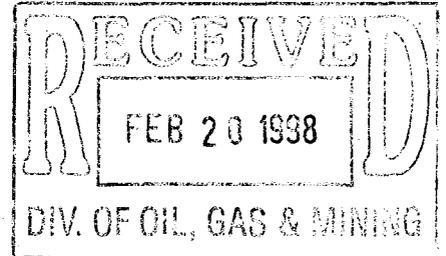
PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY [Signature] TITLE ACTING Assistant Field Manager Mineral Resources DATE FEB 11 1998
 CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

*See Instructions On Reverse Side

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL



Company/Operator: Rosewood Resources, Inc.

Well Name & Number: Atchee 1

API Number: 43-047-33026

Lease Number: U-76729

Location: SWNE Sec. 15 T. 11 S. R. 23 E.

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 to the field representative by the operator 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 to this office 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

If conductor pipe is set it will be cemented to surface. If drive pipe is used it will be pulled prior to cementing surface casing.

As a minimum, the usable water 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 identified at \pm 1227 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 \pm 1027 ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

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

6. Notifications of Operations

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

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

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

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

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

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

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

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

A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b. 4).

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

7. Other Information

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

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

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted following initial installation 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 approval or notification is necessary, please contact one of the following individuals:

Wayne Bankert (435) 789-4170
Petroleum Engineer

Ed Forsman (435) 789-7077
Petroleum Engineer

Jerry Kenczka (435) 789-1190
Petroleum Engineer

BLM FAX Machine (435) 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. 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).

-The reserve pit topsoil should be piled separately on the north end of the pit.

-The location topsoil should be windrowed on the east side of the location between corners 2 and 8. The topsoil should then be seeded immediately after the soil is piled by broadcasting the seed, then walking the topsoil pile with the dozer to plant the seed. The seed mix will be as follows:

Thickspike wheatgrass	Agropyron dasystachum	3 lbs/acre
Fourwing saltbush	Atriplex canescens	4 lbs/acre
Shadscale	Atriplex confertifolia	3 lbs/acre
Needle and Treadgrass	Stipa comata	2 lbs/acre

All poundages are in Pure Live Seed.

-Once the reserve pit is dry, it should be filled, recontoured, topsoil spread, and seeded in the same manner discussed above.

-Diversion ditches do not need to be constructed around the location as shown on the cut sheet. Once the reserve pit is filled and recontoured, the natural drainages should be reestablished.

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

5. Lease Designation and Serial Number

UTU-76729

6. If Indian, Allocated or Tribe Name.

7. Unit Agreement Name:

8. Well Name and Number:

Atchee # 1

9. API Well Number:

43-047-33026

10. Field and Pool, or Wildcat:

Rockhouse

1. Type of Well: OIL GAS OTHER:

2. Name of Operator:

Rosewood Resources Inc.

3. Address and Telephone Number:

100 Crescent Ct. Ste 500 Dallas, TX 75201 (214) 871-5723

4. Location of Well

Footages: 2381 FNL 1852 FEL (SWNE)

County: Uintah

QQ, Sec., T., R., M.: SWNE Sec. 15 T11S R23E

State: Utah

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

NOTICE OF INTENT (Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other Affidavit
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start _____

SUBSEQUENT REPORT (Submit Original Form Only)

- Abandon *
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other _____
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Rosewood Resources Inc. owns an interest in and is Operator of lease # UTU-76729 covering the SWSW, E/2 SW, W/2 SE and SWNE of section 15 T11S R23E Uintah Co., Utah.

Rosewood's State Operator Number is N 7510 and operations are covered by Bond # 5836731.

The lease is a Federal lease and is covered by Bond No. MT-0627.

13.

Name & Signature:

Juan McFalls

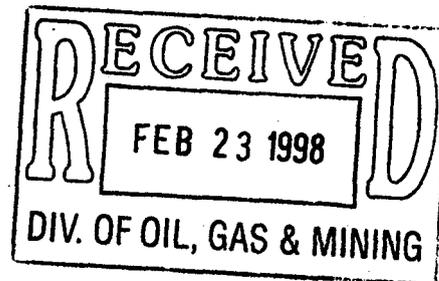
Title:

Prod. Emgr.

Date:

2/18/98

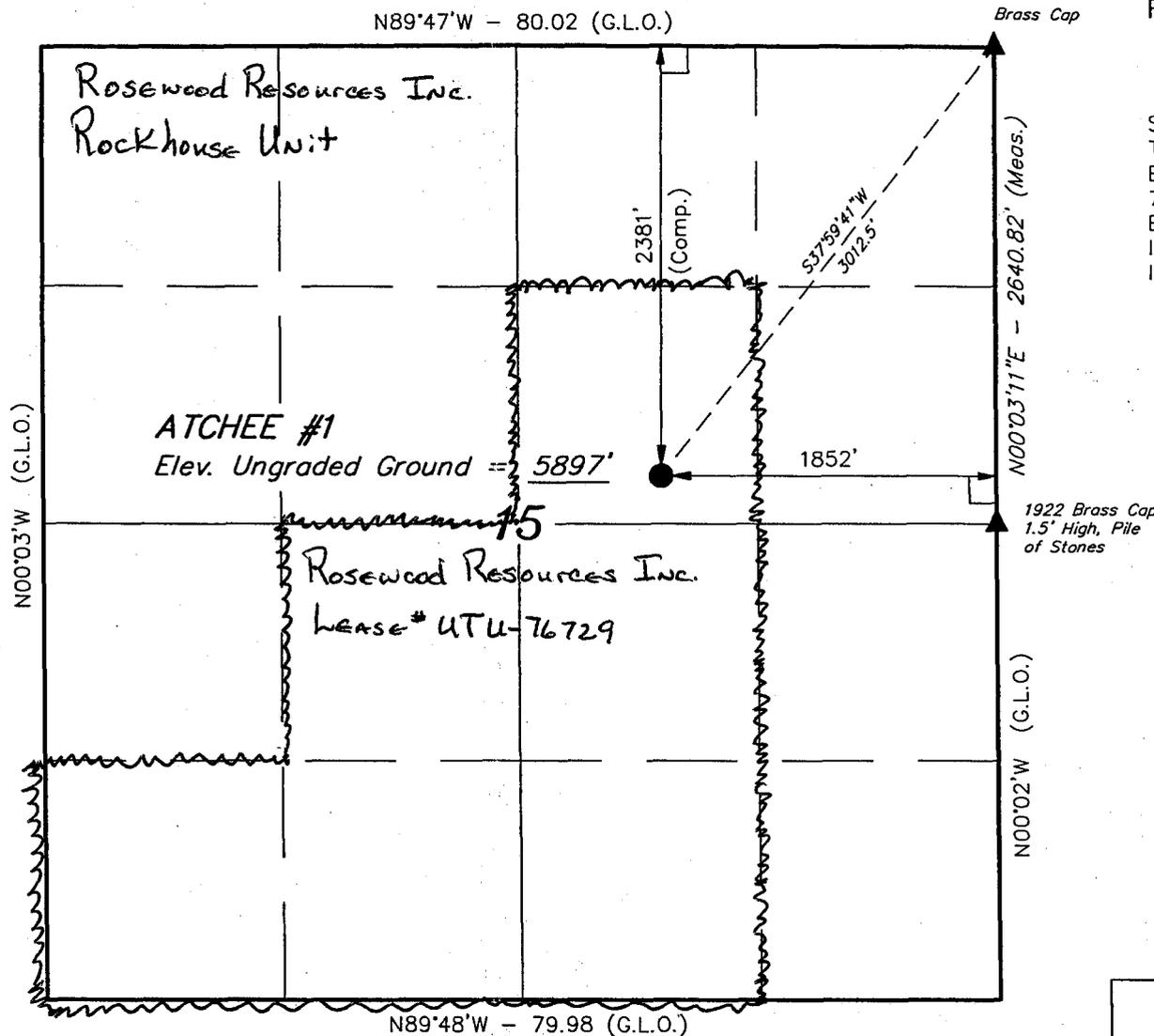
(This space for State use only)



T11S, R23E, S.L.B.&M.

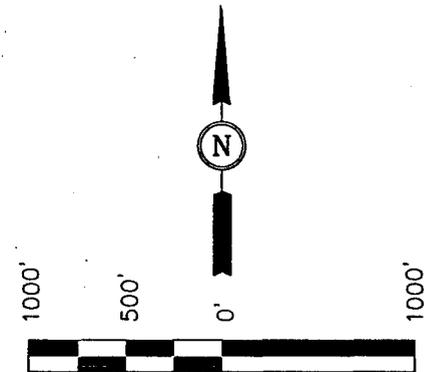
ROSEWOOD RESOURCES, INC.

Well location, ATCHEE #1, located as shown in the SW 1/4 NE 1/4 of Section 15, T11S, R23E, S.L.B.&M. Uintah County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION IN THE NW 1/4 OF SECTION 27, T11S, 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 6366 FEET.



SCALE

CERTIFICATE

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

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

LEGEND:

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

NOTE:

BASIS OF BEARINGS IS THE WEST LINE OF THE SW 1/4 OF SECTION 11, T11S, R23E, S.L.B.&M. WHICH IS ASSUMED FROM G.L.O. INFORMATION TO BEAR N00°02'W.

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

SCALE 1" = 1000'	DATE SURVEYED: 10-08-97	DATE DRAWN: 10-13-97
PARTY L.D.T. B.H. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE ROSEWOOD RESOURCES, INC.	

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: ROSEWOOD RESOURCES

Well Name: ATCHEE # 1

Api No. 43-047-33026

Section 15 Township 11S Range 23E County UINTAH

Drilling Contractor _____

Rig # _____

SPUDDED:

Date 3/30/98

Time 11:00 AM

How DRY HOLE

Drilling will commence _____

Reported by LUCY

Telephone # _____

Date: 3/31/98 Signed: JLT

J

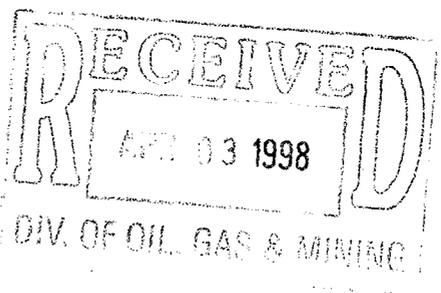
OPERATOR ROSEWOOD RESOURCES, INC.
 ADDRESS P.O. Box 1668
Vernal, UT 84078

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	02025	4304733050	ROCK HOUSE FEDERAL #27	NENE	10	11S	23E	UINTAH	3/29/98	3/29/98
WELL 1 COMMENTS: WELL TO BE ADDED TO THE ROCK HOUSE UNIT <i>Entity added 4-3-98. (wstc-mvrd P.A.)</i>											
A	99999	12335	4304733026	ATCHEE #1	SWNE	15	11S	23E	UINTAH	3/30/98	3/30/98
2 COMMENTS: <i>Entity added 4-3-98. sec</i>											
B	99999	02025	4304733028	ROCK HOUSE FEDERAL #24	NWSW	15	11S	23E	UINTAH	3/31/98	3/31/98
WELL 3 COMMENTS: WELL TO BE ADDED TO THE ROCK HOUSE UNIT <i>Entity added 4-3-98. sec (wstc-mvrd P.A.)</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 Nemer
 Signature
 Admin. Assistant
 Title
 Date
 Phone No. (435) 789-0414

FORM 3160-5
(June 1990)

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-76729

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

7. If Unit or CA, Agreement Designation

8. Well Name and No.
ATCHEE #1

9. API Well No.
43-047-33026

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)

2381' FNL, 1852' FEL, SW/NE SECTION 15, T11S, 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 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 3/30/98 @ 11:00 A.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 Lucy Nemes Title Administrative Assistant Date 03/31/98

(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-76729

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

7. If Unit or CA, Agreement Designation

8. Well Name and No.
ATCHEE #1

9. API Well No.
43-047-33026

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)

2381' FNL, 1852' FEL, SW/NE SECTION 15, T11S, 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

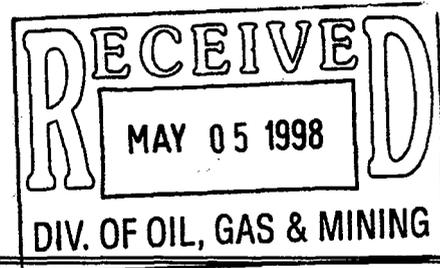
Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other WEEKLY STATUS
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

(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 @ 5160'; RAN AND CEMENTED 4-1/2" CSG. CAZA RIG RELEASED @ 9:00 P.M., 5/1/98. SEE ATTACHED RIG REPORTS.

CURRENT STATUS - WAITING ON COMPLETION RIG.



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 05/04/98

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

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

ROSEWOOD RESOURCES, INC.

DAILY DRILLING REPORT

LEASE: ATCHEE
WELL: #1

DATE: 4/29/98

CURRENT DEPTH 5160'
PROPOSED TD 5298'
FOOTAGE PAST 24 HRS 13'
ENGINEER D.WIDNER
CONSULTANT TOM THURSTON

PRESENT OPERATION: DRILLING

FROM	TO	ACTIVITY PAST 24 HRS:
700	825	DRILL FROM 5147' TO 5160'
825	930	BIT NOT DRILLING, DOWN HOLE PROBLEMS. TD WELL @ 5160' @ 9:30 A.M. 4/28/98
930	1000	MIX PILL, PUMP
1000	1100	MAKE 10 STD SHORT TRIP
1100	1200	CIRCULATED HOLE
1200	1430	POOH TO LOG, MUD MOTOR TWISTED OFF THE TOP. LEFT DHM AND BIT IN HOLE
1430	1900	RU SCHLUMBERGER, LOGGED. MAX RUN DEPTH 5138' (TOP OF MOTOR)
1900	1930	RU OVERSHOT, JARS AND BUMPER SUB TO FISH MUD MOTOR
1930	2215	TIH
2215	2315	TAG FISH, WORKED
2315	315	POOH, DID NOT HAVE MOTOR
315	400	BREAK DOWN FISHING TOOL
400	700	WAITING ON FISHING TOOLS.

MUD PROPERTIES:

WT	9.5	% OIL	
VIS	46	% SAND	1/2
WL	7.2	% SOLID	8.4
HTHP		ALK	.4/1.1
PV	22	CI-	500
YP	11		

Ca+	80
cake	2
pH	10
DAILY MUD COST	735
CUM. MUD COST	5477

DAILY COSTS:

FOOTAGE	274
DAYWORK	
LOCATION	
MUD	735
RIG MOVE	
SURVEYOR	
LOGGING	11226
MUD LOG	450
CEMENTING	
FISHING	
WATER	330
WELLHEAD	
CSG CREW	
RENTALS	525
CASING	
SUPERVISION	500
CASING HEAD	

PUMP DATA:

	1	2
MAKE	Omega	Emsco
MODEL	750	500
LINER	8X6.5	7X6
SPM	107	
PSI	750	

HYDRAULICS:

WOB	20
RPM	53
GPM	358

BIT RECORD:

Bit #	1	2
Ser#	695314	33909
Size	7 7/8"	7 7/8"
Make	Security	Security
Type	ERA-18C	FM2565
Jets	3-13	3-13/5-10
In @	325'	1419'
Out @	1419'	5160'
Feet	1094'	3741'
Hrs	14 1/4	69 1/2
Ft/Hr	77	54
CUM		83 3/4
Grade		

SURVEY DATA:

DEPTH	DEGREES
802'	3/4
1294'	3/4
1791'	1/2
2320'	2
2818'	1 1/4
3316'	2
3811'	2 3/4
4312'	3 3/4
4405'	3 3/4
4651'	2
5132'	1 3/4

TOTAL DAILY	14040
COST FORWARD	151982
CUM. TO DATE	166022

ADDITIONAL COMMENTS:

BHA: BIT, DH MRT, 10- 6" DC'S & 12- HWDP = 669.78'
TOP OF WASATCH @ 3302'
TOP OF MESA VERDE @ 5065'
TD @ 5160'

ROSEWOOD RESOURCES, INC.

DAILY DRILLING REPORT

LEASE: ATCHEE
WELL: #1

DATE: 4/30/98

CURRENT DEPTH 5160'
PROPOSED TD _____
FOOTAGE PAST 24 HRS _____
ENGINEER D.WIDNER
CONSULTANT TOM THURSTON

PRESENT OPERATION: TIH WITH FISHING TOOLS

FROM	TO	ACTIVITY PAST 24 HRS:
700	1130	WAITING ON FISHING TOOLS
1130	1200	RU FISHING TOOLS - GRACO
1200	1430	TIH W/OVERSHOT
1430	1500	CIRCULATE HOLE
1500	1900	WASHED DOWN TO FISH, TRIED TO GET OVER TOP OF DHM, COULD NOT
1900	2145	TOOH
2145	2300	BREAK OUT, LAY DOWN FISHING TOOLS
2300	130	TIH W/7 7/8" BIT
130	215	CIRCULATED AND WASHED TO TOP OF FISH. TOP OF DHM IS @ 5138'
215	500	TOOH
500	700	PU WEATHERFORD FISHING TOOLS

MUD PROPERTIES:

WT	9.4	% OIL	
VIS	38	% SAND	1/2
WL	7.2	% SOLID	7.6
HTHP		ALK	.2/1.2
PV	13	CI-	500
YP	7		

Ca+	80
cake	2
pH	10
DAILY MUD COST	167
CUM. MUD COST	5644

DAILY COSTS:

FOOTAGE	
DAYWORK	
LOCATION	
MUD	167
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	
CEMENTING	
FISHING	
WATER	
WELLHEAD	
CSG CREW	
RENTALS	525
CASING	24498
SUPERVISION	500
CASING HEAD	
TOTAL DAILY	25690
COST FORWARD	166022
CUM. TO DATE	191712

PUMP DATA:

	1	2
MAKE	Omega	Emsco
MODEL	750	500
LINER	8X6.5	7X6
SPM	107	
PSI	750	

HYDRAULICS:

WOB	20
RPM	53
GPM	358

BIT RECORD:

Bit #	1	2
Ser#	695314	33909
Size	7 7/8"	7 7/8"
Make	Security	Security
Type	ERA-18C	FM2565
Jets	3-13	3-13/5-10
In @	325'	1419'
Out @	1419'	5160'
Feet	1094'	3741'
Hrs	14 1/4	69 1/2
Ft/Hr	77	54
CUM		83 3/4
Grade		

SURVEY DATA:

DEPTH	DEGREES
802'	3/4
1294'	3/4
1791'	1/2
2320'	2
2818'	1 1/4
3316'	2
3811'	2 3/4
4312'	3 3/4
4405'	3 3/4
4651'	2
5132'	1 3/4

ADDITIONAL COMMENTS:

4-1/2" CSG ON LOCATION.
ON WIPER TRIP W/BIT, 2900' OK, WASHED 8' OF FILL OFF FISH.
RIH W/OVERSHOPT, JT. WASH PIPE, JARS AND BUMPER SUB

ROSEWOOD RESOURCES, INC.

DAILY DRILLING REPORT

LEASE: ATCHEE
WELL: #1

DATE: 5/2/98

CURRENT DEPTH 5160'

PROPOSED TD _____
FOOTAGE PAST 24 HRS _____

PRESENT OPERATION: WAITING ON COMPLETION RIG

ENGINEER D.WIDNER
CONSULTANT TOM THURSTON

FROM TO ACTIVITY PAST 24 HRS:

700	710	FINISHED IN HOLE W/4 1/2" 11.6# J-55 CSG. END OF CSG @ 5100', FLOAT COLLAR @ 5056'
		STAGE TOOL @ 2513', RAN TOTAL OF 119 JTS.
710	800	CIRCULATED HOLE
800	915	RU BJ, CEMENT 1ST STAGE W/500 SKS CLASS "G" CMT W/10% GYPSUM, 0.4% FL-25, 0.1% R-3, 10% SALT PROCEEDED BY 840 GALS MUD FLUSH. GOOD CIRCULATION THROUGHTOUT JOB. BUMPED PLUG @ 8:55 5/1/98. EST TOC @ 2700'. DROPPED OPENING TOOL, OPENED STAGE COLLAR @ 720#, PUMPED 10 BBLs WTR, BROKE CIRCULATION. SHUT DOWN, HOOKED UP TO RIG PUMP
915	1310	CIRCULATED HOLE, WOC
1310	1335	CEMENTED 2ND STAGE W/190 SKS CLASS "G" CEMENT W/3% SALT, 16% GEL, 5#/SK GILSONITE AND .24#/SK CELLO-FLAKE, FOLLOWED BY 50 SKS CLASS "G" NEAT. GOOD CIRCULATION THROUGHTOUT JOB, BUMPED PLUG @ 1:35 P.M. 5/1/98 - HELD OK, CIRCULATED 2 BBLs CEMENT TO SURFACE
1335	1500	RD BJ, NIPPLED DOWN BOP, SET SLIPS AND CUT OFF CSG.
1500	2100	CLEANED PITS. RIG RELEASED @ 9:00 P.M. 5/1/98

MUD PROPERTIES:

WT	9.4	% OIL		Ca+	80
VIS	38	% SAND	1/2	cake	2
WL	7.2	% SOLID	7.6	pH	10
HTHP		ALK	.2/1.2	DAILY MUD COST	
PV	13	Cl-	500	CUM. MUD COST	5644
YP	7				

DAILY COSTS:

FOOTAGE	
DAYWORK	
LOCATION	
MUD	
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	
CEMENTING	16082
FISHING	
WATER	
WELLHEAD	1253
CSG CREW	6754
RENTALS	525
CASING	
SUPERVISION	500
CASING HEAD	

PUMP DATA:

	1	2
MAKE	Omega	Emsco
MODEL	750	500
LINER	8X6.5	7X6
SPM	107	
PSI	750	

HYDRAULICS:

WOB	20
RPM	53
GPM	358

BIT RECORD:

Bit #	1	2
Ser#	695314	33909
Size	7 7/8"	7 7/8"
Make	Security	Security
Type	ERA-18C	FM2565
Jets	3-13	3-13/5-10
In @	325'	1419'
Out @	1419'	5160'
Feet	1094'	3741'
Hrs	14 1/4	69 1/2
Ft/Hr	77	54
CUM		83 3/4
Grade		

SURVEY DATA:

DEPTH	DEGREES
802'	3/4
1294'	3/4
1791'	1/2
2320'	2
2818'	1 1/4
3316'	2
3811'	2 3/4
4312'	3 3/4
4405'	3 3/4
4651'	2
5132'	1 3/4

TOTAL DAILY	25114
COST FORWARD	192737
CUM. TO DATE	217851

ADDITIONAL COMMENTS:

1- GUIDE SHOE	0.78
1- JT CSG	43.05
1- FLOAT COLLAR	0.60
59 JTS CSG	2540.37
1- STAGE TOOL	2.10
59 JTS CSG	2513.41
119 JTS TOTAL	5100.31

ROSEWOOD RESOURCES, INC. Daily Completion Report

WELL NAME: ATCHEE #1

DATE: 5/8/98

DEPTH: 5160'
 PBD: 5040'
 PERFS: 4010' - 4014'

Lease #: UTU-0779
 Location: SWNE SEC. 15, 11S, R23E
 County: Uintah Co., Utah

PACKER: 3965'
 RBP:
 CIBP:
 EOT: 3980'

Engineer D. Widner
 Consultant S. Miller

5/12/98

MIRU POOL WELL SERVICE RIG #824. N/U BOP'S. R/U PUMP, TANKS & MANIFOLD. P/U 3 7/8" DRAG BIT, 4 1/2" CSG SCRAPER, 4- 3 1/8" DC'S & RIH W/ 15 JTS 2 3/8" TBG. SION

DAILY COST \$3,315 CUM COS \$221,166

5/13/98

UNLOAD 2 3/8" TBG ON RACKS. RIH W/ TBG & TOOLS. R/U & DRILL OUT DV STAGE COLLAR @ 2513'. PRESSURE TEST CSG TO 2500#. HELD OK! FINISH RIH W/ TBG & TOOLS TO 5040'. DISPLACE WELL W/ 3% KCL WATER. POOH W/ TBG & TOOLS. SION

DAILY COST \$30,205 CUM COS \$251,371

5/14/98

R/U SCHLUMBERGER & RUN CEMENT BOND LOG FROM PBD @ 5040' TO 300' W/ 1000# SURFACE PRESSURE. R/D WIRELINE. P/U XN- NIPPLE & RIH W/ 127 JTS 2 3/8" TBG. R/U & SWAB WELL DOWN TO 2500'. POOH W/ TBG & NIPPLE. R/U & RIH W/ 3 3/8" CSG GUN & PERFORATE INTVL @ 4010'- 14' 4 SPF 16 HOLES TOTAL. R/D WIRELINE. HAD SLIGHT BLOW TO SURFACE AFTER PERFORATING. P/U 2 3/8" COLLAR, XN- NIPPLE, 2 3/8" PUP JT, 4 1/2" ARROWSET 1 PKR, ON/OFF TOOL, 1 JT TBG, X- NIPPLE & RIH W/ 126 JTS 2 3/8" TBG. SET PKR @ 3965' & LAND TBG ON HANGER. EOT @ 3981'. PRESSURE TEST PKR TO 2500#. HELD OK! R/U & SWAB WELL. F.L. @ SURFACE. SWABBED WELL DRY IN THREE RUNS. WAITED 30 MIN & MADE 1 MORE RUN W/ NO FLUID ENTRY. SION

TUBING DETAIL

14.00'	KB CORR.
3917.11'	126 JTS 2 3/8" 4.7# J-55 EUE TBG
1.20'	X- NIPPLE @ 3931'
31.24'	1 JT 2 3/8" TBG
1.50'	ON/OFF TOOL
6.48'	ARROWSET 1 PKR @ 3965'
8.10'	2 3/8" TBG PUP JT
1.27'	XN- NIPPLE @ 3979'
.40'	TBG COLLAR @ 3981'

DAILY COST \$7,600 CUM COS \$258,971

5/15/98

CHECK PRESSURE. SITP 1200#. R/U & SWAB WELL. NO FLUID ENTRY OVERNIGHT. FLOW WELL THRU 14/64 CHOKE. NO PRESSURE. R/U & BREAK DOWN PERFS W/ 3% KCL WATER. ZONE BROKE @ 2500# AVG 2.5 BPM @ 2200# ISIP 1800# .89 FRAC GRAD. USED 20 BBLS WATER TOTAL. FLOW & SWAB BACK ALL OF LOAD WATER W/ SLIGHT INCREASE IN GAS FLOW. SION

DAILY COST \$6,625 CUM COS \$265,596

5/16/98

CHECK PRESSURE. SITP 1300#. BLOW DOWN WELL TO PIT ON 18/64 CHOKE. R/U & SWAB WELL. NO FLUID ENTRY OVERNIGHT. FLOW WELL TO TANK ON 8/64 CHOKE. FTP STABILIZED @ 110# (EST. 37 MCFD) MADE FINAL SWAB RUN W/ NO FLUID ENTRY. SHUT DOWN FOR WEEKEND. WILL FRAC MONDAY A.M.

DAILY COST \$2,075 CUM COS* \$267,671

5/19/98

SITP 1380 #, OTT ON 18/64" CHOKE, BLEW DOWN IN 45 MIN. RIH WITH SWAB, 200' OF FLUID IN WELL. REMOVED BOP, INSTALLED WELLHEAD. RU BJ FRAC INTERVAL 4010' TO 4014' WITH 5366 GALS. VIKING 130 WITH 10,000# 20/40 WHITE SAND. AVG. PSI. 3000#, MAX. PSI. 3630#, AVG. RATE 8.8 BPM FRAC SCHEDULE AS FOLLOWS;

2000 GAL. PAD 3634# @ 8.8 BPM
 500 GALS. 2# 3506# @ 8.8 BPM
 500 GALS. 3# 3320# @ 8.8 BPM
 1000 GALS. 4# 2720# @ 8.8 BPM
 700 GALS. 5# 2350# @ 8.8 BPM
 FLUSH 2840# @ 8.8 BPM

ISIP 1750 #, 5 MIN. 1596#, 10 MIN. 1548#, 15 MIN. 1450#

SI 2 HRS. SIPT 1120#, OTP ON 18/64" CHOKE, FLOWED 1 HR., RECOVERED 28 BBLs, WELL DIED, SWAB, SWABBED 4 HRS. SWABBED DRY, RECOVERED 36 BBLs. TOTAL RECOVERED 64 BBLs. FLUID LEFT TO RECOVER 57 BBLs. SIFN.

DAILY COST \$17,575 CUM COS* \$285,246

5/20/98

SITP 1040#, OTP ON 18/64" CHOKE, WELL BLEW DOWN. RIH WITH SWAB, FLUID LEVEL AT 1000'. SWABBED 2 HRS., WELL SWABBED DRY, RECOVERED 10 BBLs. WATER. MADE 15 MIN. AND 30 MIN. RUNS FOR 6 HRS., RECOVERED 4 BBLs. WATER. PUT 12/64 CHOKE IN FOR 1 HR., PSI BUILT TO 105#, 80 MCF. MADE SWAB RUN, FLUID SCATTERED FROM SURFACE TO TD. RECOVERED 1/4 BBL. FLUID. MADE 2 MORE HR. RUNS, RECOVERED 1/4 BBL. PER RUN. FTP 105# ON 12/64 CHOKE. TOTAL FLUID RECOVERED FOR DAY 15 BBLs. FLUID LTR, 42 BBLs. SIFN.

DAILY COST \$2,679 CUM COS* \$287,925

5/21/98

SITP 940#, OTT ON 14/64" CHOKE, FLOWED 5 HRS. FTP PULLED TO 100#, 110 MCF. RECOVERED 5 1/4 BBLs. WATER IN FIRST 2 HRS., THEN DRY, NO FLUID. INSTALLED 18/64" CHOKE FOR 1 HR., PSI PULLED TO 40#, NO FLUID. REMOVED CHOKE, RIH WITH SWAB, FLUID SCATTERED RECOVERED 30' OF FLUID. MADE 2ND. RUN, MILKED TBG., RECOVERED 40' OF FLUID. IN 14/64" CHOKE FLOWED 2 HRS. FTP 50#, NO FLUID. RECOVERED TOTAL OF 6 BBLs. WATER TODAY. TOTAL LTR 36 BBLs. SIFN

DAILY COST \$2,531 CUM COS* \$290,465

5/22/98

SITP 840#, OTP ON 14/64" CHOKE FOR 1 1/2 HRS. FTP 110#, RECOVERED 1 BBL. WATER. IN 18/64" CHOKE FOR 2 3/4 HRS., FTP 47#, RECOVERED 2 BBLs. WATER. PULLED CHOKE, RIH WITH SWAB, FLUID SCATTERED, RECOVERED 40' OF FLUID. IN 8/64" CHOKE FLOWED 2 1/2 HRS. WELL STABLE AT 220#. EST. MCF 70. OUT 8/64" IN 14/64" CHOKE FLOWED 3 HRS., FTP 55#, 57 MCF, NO FLUID. RECOVERED 3 BBLs. WATER, 36 BBLs. LTR.

DAILY COST \$2,318 CUM COS* \$292,774

5/23/98

SITP 800#, OTT ON 14/64" CHOKE, FLOWED WELL 5 HRS. FTP 90#. WELL FLOWING WITH A GOOD SHOW OF GAS WITH LIGHT SLUGS OF FORMATION WATER. RECOVERED 10 BBLs. LOAD WATER, 23 BBLs. LTR. S.I.

DAILY COST \$693 CUM COS \$293,467

5/27/98

SITP 940#. RACKED OUT ALL EQUIPMENT, RIGGED DOWN POOL RIG #824. MOVED RIG TO HANGING ROCK 11-8.

DAILY COST \$1,165 CUM COS \$293,939

RECEIVED
JAN 12 1999

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK
 DIV. OF OIL, GAS & MINING

1b. TYPE OF WELL
 NEW WELL WORK OVER REEFER PLUG BACK DRY RESVR. Other _____

5. LEASE DESIGNATION AND SERIAL NO.
UTU - 76729

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
ATCHEE #1

9. API WELL NO.
43-047-33026

10. FIELD AND POOL OR WILDCAT
WILDCAT

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SEC. 15, T11S, 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 435-789-0414

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*
 At Surface
2381' FNL 1852' FEL SW/NE
 At top prod. Interval reported below

At total depth

14. PERMIT NO. _____ DATE ISSUED
2/11/98

12. COUNTY OR PARISH
UINTAH

13. STATE
UTAH

19. ELEV. CASINGHEAD
5911' KB

CABLE TOOLS
NA

15. DATE SPUNDED
3/30/98

16. DATE T.D. REACHED
4/28/98

17. DATE COMPL. (Ready to prod.)
4-28-98 per DTS

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*
5897' GL

20. TOTAL DEPTH, MD & TVD
5160' MD 5040' TVD

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

22. IF MULTIPLE COMPL., HOW MANY*
 ----->

23. INTERVALS DRILLED BY ROTARY TOOLS
331' - 5160'

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*
SI WSTC/DJS/CHO

25. WAS DIRECTIONAL SURVEY MADE
NO

27. WAS WELL CORED
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN
AI/LC/GR, CNLD/GR, ML/GR, MUD LOG, (CBL)

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#	325'	12 1/4"	SURF-250 sx "G"	NONE
4-1/2" J-55	11.6#	5100'	7 7/8"	SURF - LEAD 500 SKS "G"	NONE
STAGE TOOL @ 2513'				TAIL W/190 SKS "G" +50 SKS "G" NEAT	

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"	3980'	3965'

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
4010' - 14'	0.37	16

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4010'- 14'	FRAC W/5366' GALS VIKING W/10,000#24/40 SD

PRODUCTION

DATE FIRST PRODUCTION
SI

PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)

WELL STATUS (Producing or shut-in)
SI T Arndts

DATE OF TEST _____ HOURS TESTED _____ CHOKE SIZE _____ PROD'N. FOR TEST PERIOD _____ OIL--BBL. _____ GAS--MCF. _____ WATER--BBL. _____ GAS-OIL RATIO _____

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

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
0

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 Nemer TITLE **ADMINISTRATIVE ASSISTANT** DATE **1/11/99**

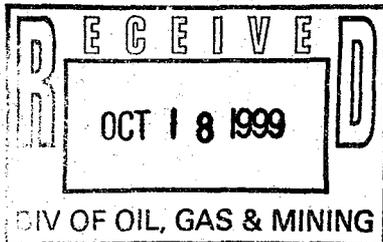
***(See Instructions and Spaces for Additional Data on Reverse Side)**

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);					38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TOP	TRUE VERT. DEPTH
				WASATCH MESA VERDE	3302' 5065'		

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



14421 Weld County Rd.10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco 1@aol.com



October 14, 1999

Utah Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

EPA Region VIII Office
999-18th Street
Denver, CO 80202

Attn: Dan Jarvis

Attn: UIC Injection Control Program

Re: Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Sec. 15, T11S - R23E
Uintah County, Utah

43-047-33026

Gentlemen:

In accordance with the rules (Utah Administrative Code R649-5), pertaining to the requirements for injection of fluids, the following is Rosewood Resources, Inc.'s application for the permitting of a Class II injection well.

Rosewood Resources, Inc. proposes to convert the Atchee #1 to a disposal well (Wasatch completion). Refer to Exhibit #1 for information pertaining to the conversion operation.

1. Attached is the completed UIC Form 1.
2. Attached is Topo Map 1 showing the location of the proposed injection well and all wells within a one-half mile radius of the proposed well. There are no water wells within a one-half mile radius of the proposed well.

The only surface owner within a one-half mile radius of the proposed well is the Bureau of Land Management. See Topo Map 2.

Application for Class II Injection Well

Rosewood Resources, Inc.

Atchee #1

SW NE Sec. 15, T11S - R23E

Uintah County, Utah

Page 2

3. Copies of electrical, radioactive, and cement bond logs are currently on file with the Division of Oil, Gas & Mining for all wells within a one-half mile radius.
4. A well bore diagram showing the current condition of the Atchee #1 disposal well is shown on Exhibit #2. A well bore diagram showing the proposed modifications to the Atchee #1 is shown on Exhibit #3. Well bore diagrams for the remaining wells within a one-half mile radius are shown on Exhibits #4-8.
5. The type of fluid to be injected is produced water from oilfield operations in central Uintah County (operated by Rosewood Resources, Inc.). The estimated amount of fluid to be injected on a daily basis is approximately 150 Bbls.

For the location of wells that will be disposing into the Atchee #1, refer to Exhibit #9. For a standard laboratory analyses of the fluid in the Mesa Verde Formation, refer to Exhibit #10. For laboratory analyses of representative samples of fluid to be injected, refer to Exhibits 11-18. A compatibility analyses of the fluids of the fluids will be submitted once the Atchee #1 has been completed as a Wasatch well.

6. The proposed average injection pressure is 1500 psi surface pressure. The proposed maximum injection pressure is 1500 psi surface pressure. The frac gradients for the following wells and intervals are shown below:

<i>Well Name</i>	<i>Interval</i>	<i>ISIP</i>	<i>Frac Gradient</i>
Atchee #1	4010-4014'	1750 #	.876
Rockhouse #20	4028-4038	1500#	.812
Rockhouse #20	5378-5386'	2650#	.932
Rockhouse #20	5152-5162'	2600#	.944

The theoretical maximum surface pressure is 2477 psi. $(.93 - (.433)(1.02))4993 = 2447$ psi.

7. The injection interval in the Atchee #1 well (4882-5044') is referred to as the basal portion of the Wasatch Formation and the upper portion of the Mesa Verde Formation. According

Application for Class II Injection Well

Rosewood Resources, Inc.

Atchee #1

SW NE Sec. 15, T11S - R23E

Uintah County, Utah

Page 3

to sample descriptions, this interval consists of sandstone, white to dirty white, fine to medium grain, rounded to sub-angular, mostly unconsolidated with some calcareous cement. There was no fluorescence or cut associated with this interval.

The confining beds (4785-4800') and 5045-5060') consist of shale intervals which are dark green to greenish gray, with some red-brown to brown. Density porosity in the confining beds is below 6% and there is no indication of permeability or fracturing in these intervals.

Fresh water sands in the wellbore, which are capable of producing water with less than 10,000 ppm total dissolved solids do not appear to be present.

8. A review of the mechanical condition of each well in the one-half mile area of review is shown on Exhibit #19. Well bore diagrams for each well is shown on Exhibits #2-8. There are no water source wells in the half mile area of review.
9. A list of all owners, operators and surface owners is shown on Exhibit #20. An affidavit certifying that a copy of the application has been provided to each individual or company listed on Exhibit #20, is attached as Exhibit #21.
10. Rosewood Resources, Inc. requests that the Wasatch aquifer be exempt as an USDW since this formation currently produces oil and gas. In addition, the salinity is high and would not be considered for consumptive use.

Your consideration of this application for a Class II Injection Well would be greatly appreciated. If you should have any questions, please contact Mr. Danny Widner at 435/789-0414, or Mr. Jim McQuillen at 214/756-6623.

Sincerely,

PERMITCO INC.



Lisa L. Smith

Consultant for:

Rosewood Resources, Inc.

Enc.

cc: Rosewood Resources, Inc. - Vernal, UT
Rosewood Resources, inc. - Dallas, TX
All Operators/Owners as per Exhibit #20

Atchee #1 Proposed Operation For Saltwater Disposal

The Atchee #1 is currently completed as a shut-in gas well with perfs at 4010 to 4014. The proposed conversion operation will be conducted as listed below:

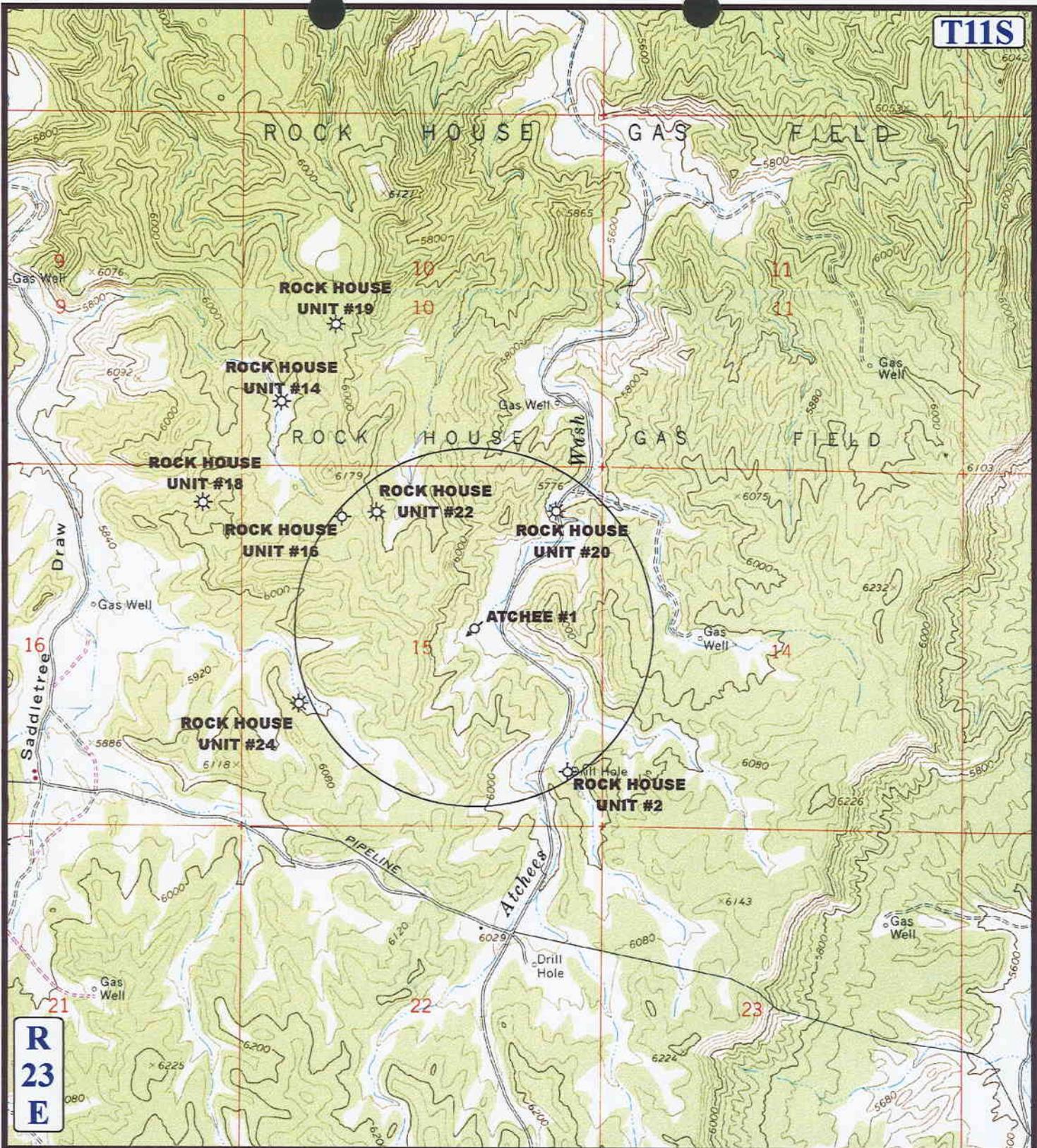
1. Squeeze existing Wasatch perfs with cement;
2. Drill out cement and clean out to 5050;
3. Test casing and squeeze to 1500 psi surface pressure for 30 minutes;
4. Perforate Wasatch 4882 to 4900, 4960 to 4980, 4988 to 4994, 5012 to 5028 and 5032 to 5044;
5. Run 2-3/8 coated tubing and packer to 4800;
6. Test tubing/casing annulus to 1000 psi surface pressure for 30 minutes with recorder;
7. Conduct Step Rate Test as per EPA guidelines; and,
8. Prepare well for injection and construct surface facilities.

Injection will be into the Wasatch formation, of Cretaceous Geologic Age, within the gross interval of 4880 to 5044 at a pressure less than fracture pressure as determined by the Step Rate Test.

The water to be disposed into the Atchee #1 will be primarily Wasatch produced water from the Rosewood operated wells in the Rockhouse, Hanging Rock, Oil Springs, Rainbow, Thimble Rock and Marble Mansion Units. No third party produced water will be accepted for disposal.

The proposed maximum injection rate is 1000 barrels per day at 1500 psi surface pressure. The maximum pressure was determined using a .78 fracture gradient. The final maximum pressure will be determined based upon the results of the Step Rate Test.

T11S



R
23
E

LEGEND:

- OIL WELL
- ☼ GAS WELL
- ⊙ PLUGGED & ABANDONED WELL
- ☼ GAS INJECTION WELL
- ⊙ PLUGGED EX-PRODUCING WELL
- ⊙ TEMPORARILY ABANDONED WELL
- ⊙ WATER INJECTION WELL

ROSEWOOD RESOURCES INC.

ATCHEE #1
SECTION 15, T11S, R23E, S.L.B.&M.
2381' FNL 1852' FEL



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

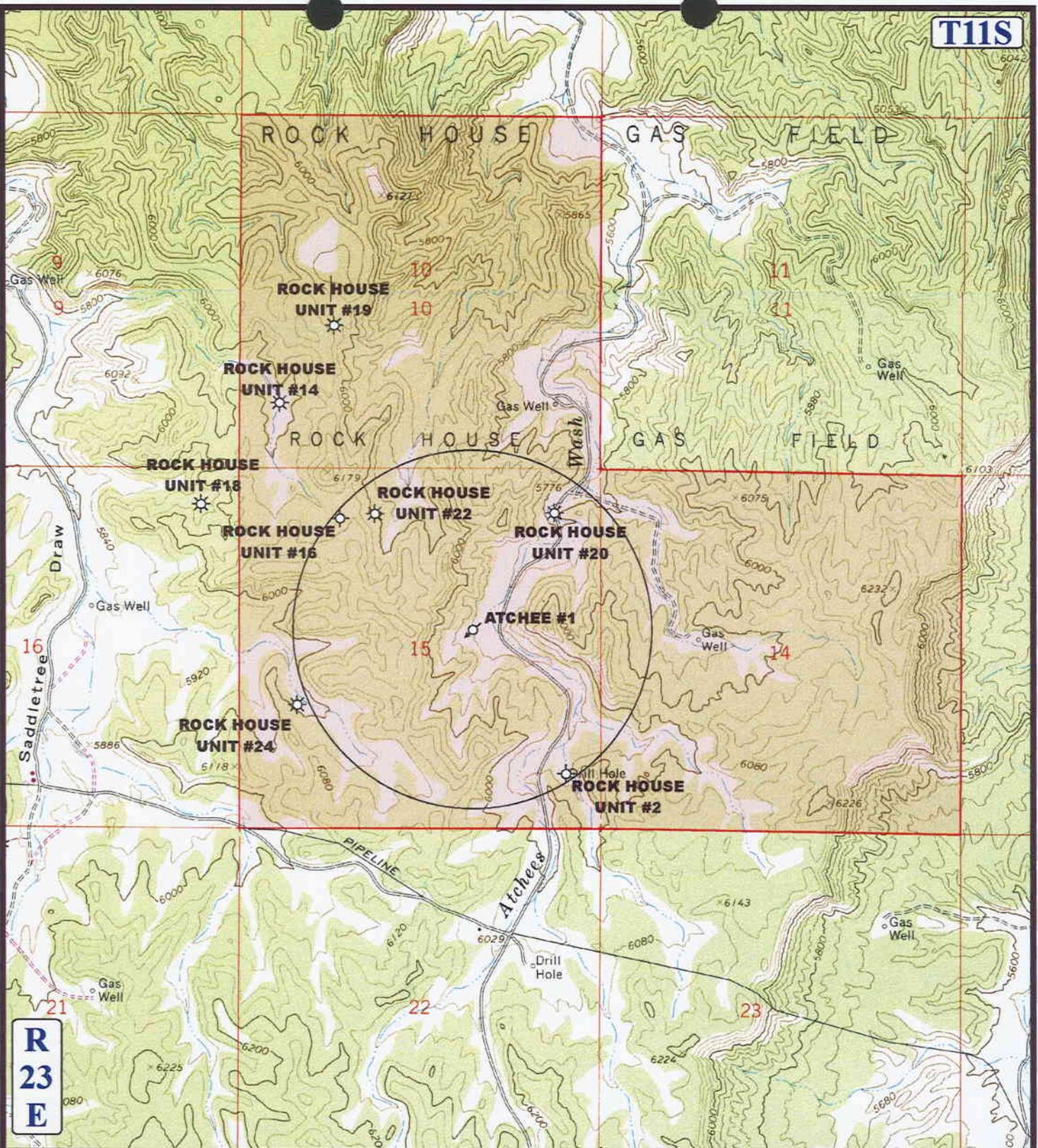
TOPOGRAPHIC
MAP

10 12 99
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00

1
 TOPO

T11S



R
23
E

LEGEND:

- OIL WELL
- ☼ GAS WELL
- ⊕ PLUGGED & ABANDONED WELL
- ☼ GAS INJECTION WELL
- ⊕ PLUGGED EX-PRODUCING WELL
- ⊕ TEMPORARILY ABANDONED WELL
- ⊕ WATER INJECTION WELL
- ▭ B.L.M. SURFACE

ROSEWOOD RESOURCES INC.

ATCHEE #1
SECTION 15, T11S, R23E, S.L.B.&M.
2381' FNL 1852' FEL

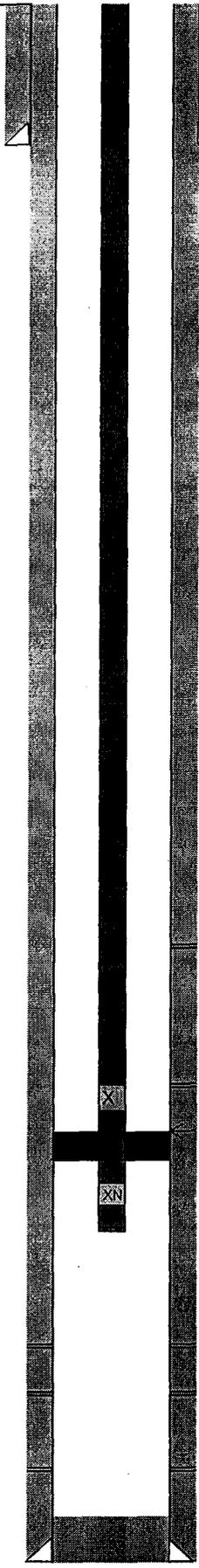


Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP **10 12 99**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00

2
TOPO

.B.- 5912'
G.L.- 5897'



12 1/4" HOLE
WELLHEAD
CASING HEAD
TUBING HEAD
UPPER TREE ASSY

8 5/8" SOW x 11" 3M
11" 3M X 7 1/16" 5M
7 1/16" 3M X 2 3/8"

8 5/8" CSG @ 325
CMTD TO SURFACE

CONDUCTOR

TOP OF CEMENT CEMENT
STG 2--500' from surface

SURFACE
SIZE 8 5/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
8	24#	J-55	ST&C	325 KB

7 7/8" HOLE
TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

				325'
250 sx 'G', 2% CaCl, 1/4#/sx celloflake				

TOP OF CEMENT
STAGE 1-3070'
PRODUCTION / INTERMEDIATE
SIZE 4 1/2"

JTS.	WT.	GRADE	CPLG.	AMT. SET
119	11.6#	J-55	LT&C	5100' KB

Top Wasatch 3302

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT Stage 1
Stage 2

				5100'
500 sx 'G', 10% Gyp, 10% salt, 4% FL25				
190 sx 'G', 3% salt, 16% gel, 5#/sx Gilsonite				

LINER
SIZE

JTS.	WT.	GRADE	CPLG.	AMT. SET
------	-----	-------	-------	----------

P.B.R. HANGER
MISC. EQUIPMENT
FLOAT EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

ARROWSET 1 PKR @ 3965'
TUBING
SIZE 2 3/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
127	4.7#	J-55	EUE	3981

8' PUP JT
OTIS XN- NIPPLE
COLLAR @ 3981

TUBING DETAIL

KB CORRECTION	14.00'
---------------	--------

Perfs 4010-4014
Top Mesa Verde 5065

126 JTS 2 3/8 4.7# EUE TUBING	3917
X- NIPPLE	1.2
1 JT 2 3/8" TBG	31.24
ON/OFF TOOL	1.5
ARROWSET 1 PKR	3965 6.48
8' PUP, XN NIPPLE, COLLAR	

RODS
POLISH ROD
PONY RODS
1" RODS
7/8" RODS
3/4" RODS
SINKER BARS
PUMP SIZE

P.B.T.D. 5040'
T.D. 5100'

.B.- 5912'
G.L.- 5897'

SWNE Sec. 15 T11S R23E
UINTAH COUNTY, UTAH

12 1/4" HOLE **WELLHEAD**
CASING HEAD
TUBING HEAD
UPPER TREE ASSY

8 5/8" SOW x 11" 3M
11" 3M X 7 1/16" 5M
7 1/16" 3M X 2 3/8"

8 5/8" CSG @ 325
CMTD TO SURFACE

CONDUCTOR

TOP OF CEMENT CEMENT
STG 2--500' from surface

SURFACE

SIZE 8 5/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
8	24#	J-55	ST&C	325 KB

7 7/8" HOLE **TOTAL CASING**
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DV TOOL 2513'
DEPTH SET
CEMENT

325'
250 sx 'G', 2% CaCl, 1/4#/sx celloflake

TOP OF CEMENT
STAGE 1-3070'

PRODUCTION / INTERMEDIATE

SIZE 4 1/2"

JTS.	WT.	GRADE	CPLG.	AMT. SET
119	11.6#	J-55	LT&C	5100' KB

Top Wasatch @ 3302

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT Stage 1
Stage 2

5100'
500 sx 'G', 10% Gyp, 10% salt, .4% FL25
190 sx 'G', 3% salt, 16% gel, 5#/sx Gilsonite

LINER

SIZE

P.B.R. HANGER
MISC. EQUIPMENT
FLOAT EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

JTS.	WT.	GRADE	CPLG.	AMT. SET

ON/OFF
TOOL

PACKER @ 4800'

TUBING

SIZE 2 3/8"

8' PUP JT
OTIS XN- NIPPLE

JTS.	WT.	GRADE	CPLG.	AMT. SET
	4.7#	J-55	EUE	

TUBING DETAIL

KB CORRECTION 14.00'

X- NIPPLE 1.2

ON/OFF TOOL 1.5

ARROWSET 1 PKR 6.48

8' PUP, XN NIPPLE, COLLAR

Proposed Perfs

4882-4900
4960-4980
4988-4994
5012-5028
5032-5044

RODS

POLISH ROD
PONY RODS
1" RODS
7/8" RODS
3/4" RODS
SINKER BARS
PUMP SIZE

Top Mesa Verde
@ 5065

P.B.T.D. 5050'
T.D. 5100'

Uinta South Area Operated Properties

Item	Well	St	Co	Q	Q	S	T	R	API Number	Water Production
1	ACOSTA 01	UT	Uintah	SW	SW	03	11S	23E	43-047-32584	1 Bbl/Day
2	ATCHEE 01	UT	Uintah	SW	NE	15	11S	23E	43-047-33026	0 Bbl/Day
3	CRACKER FEDERAL 01	UT	Uintah	SE	NE	08	11S	23E	43-047-31532	1 Bbl/Day
4	EVACUATION CREEK 23-2-01 (SI)	UT	Uintah	NE	SW	02	12S	25E	43-047-15675	0 Bbl/Day
5	EVACUATION CRK ST 01	UT	Uintah	SE	SW	36	11S	25E	43-047-31307	0 Bbl/Day
6	EVACUATION CRK ST A-01	UT	Uintah	NE	NE	02	12S	25E	43-047-31674	1 Bbl/Day
7	HANGING ROCK "F" 07-06	UT	Uintah	SE	NW	07	12S	24E	43-047-32751	2 Bbl/Day
8	HANGING ROCK "F" 07-08	UT	Uintah	SE	NE	07	12S	24E	43-047-32937	10 Bbl/Day
9	HANGING ROCK "F" 07-10	UT	Uintah	NW	SW	07	12S	24E	43-047-33100	5 Bbl/Day
10	HANGING ROCK "H" 24-13	UT	Uintah	SW	SW	24	11S	24E	43-047-32603	1 Bbl/Day
11	HANGING ROCK "I" 01-04	UT	Uintah	NW	NW	01	12S	23E	43-047-32855	1 Bbl/Day
12	HANGING ROCK "I" 01-14	UT	Uintah	SE	SW	01	12S	23E	43-047-32871	1 Bbl/Day
13	HANGING ROCK "I" 01-16	UT	Uintah	SE	SE	01	12S	23E	43-047-32679	1 Bbl/Day
14	HANGING ROCK "I" 10-13	UT	Uintah	SW	SW	10	12S	23E	43-047-33098	1 Bbl/Day
15	HANGING ROCK "I" 11-08	UT	Uintah	SE	NE	11	12S	23E	43-047-32935	6 Bbl/Day
16	HANGING ROCK "I" 12-02	UT	Uintah	NW	NE	12	12S	23E	43-047-32936	0 Bbl/Day
17	HANGING ROCK "I" 12-04	UT	Uintah	NW	NW	12	12S	24E	43-047-32748	1 Bbl/Day
18	HANGING ROCK "I" 12-09	UT	Uintah	NE	SE	12	13S	23E	43-047-33101	0 Bbl/Day
19	HANGING ROCK "I" 12-12	UT	Uintah	NW	SW	12	12S	23E	43-047-33096	1 Bbl/Day
20	HANGING ROCK "I" 15-05	UT	Uintah	SW	NW	15	12S	23E	43-047-33103	0 Bbl/Day
21	HANGING ROCK "I" 15-07	UT	Uintah	SW	NE	15	12S	23E	43-047-33099	1 Bbl/Day
22	LAPAGLIA 01	UT	Uintah	NE	SE	03	11S	23E	43-047-32634	8 Bbl/Day
23	MARBLE MANSION II / Federal 17	UT	Uintah	SE	NW	17	11S	23E	43-047-32752	1 Bbl/Day
24	MARBLE MANSION II 08-01	UT	Uintah	NE	NE	08	11S	23E	43-047-32874	1 Bbl/Day
25	OIL SPRINGS UNIT 05	UT	Uintah	NE	SW	05	12S	24E	43-047-15930	1 Bbl/Day
26	OIL SPRINGS UNIT 10	UT	Uintah	NE	NE	05	12S	24E	43-047-31656	1 Bbl/Day
27	OIL SPRINGS UNIT 11	UT	Uintah	SW	SW	05	12S	24E	43-047-32876	1 Bbl/Day
28	OIL SPRINGS UNIT 12	UT	Uintah	SW	NW	05	12S	24E	43-047-33051	1 Bbl/Day
29	OIL SPRINGS UNIT 13	UT	Uintah	SW	SE	05	12S	24E	43-047-33052	2 Bbl/Day
30	RAINBOW UNIT 07	UT	Uintah	NW	NW	18	11S	24E	43-047-32778	1 Bbl/Day
31	ROCK HOUSE UNIT 03	UT	Uintah	NW	SE	11	11S	23E	43-047-15810	1 Bbl/Day
32	ROCK HOUSE UNIT 04	UT	Uintah	SE	NE	09	11S	23E	43-047-15811	7 Bbl/Day
33	ROCK HOUSE UNIT 12	UT	Uintah	SW	SE	09	11S	23E	43-047-32719	1 Bbl/Day
34	ROCK HOUSE UNIT 13	UT	Uintah	SW	NW	10	11S	23E	43-047-32522	1 Bbl/Day
35	ROCK HOUSE UNIT 14	UT	Uintah	SW	SW	10	11S	23E	43-047-32521	3 Bbl/Day
36	ROCK HOUSE UNIT 15	UT	Uintah	NW	NW	09	11S	23E	43-047-32734	1 Bbl/Day
37	ROCK HOUSE UNIT 17	UT	Uintah	NE	SE	09	11S	23E	43-047-32760	10 Bbl/Day
38	ROCK HOUSE UNIT 18	UT	Uintah	NE	NE	16	11S	23E	43-047-32762	28 Bbl/Day
39	ROCK HOUSE UNIT 19	UT	Uintah	NE	SW	10	11S	23E	43-047-32890	1 Bbl/Day
40	ROCK HOUSE UNIT 20	UT	Uintah	NE	NE	15	11S	23E	43-047-32875	2 Bbl/Day
41	ROCK HOUSE UNIT 21	UT	Uintah	SE	NW	11	11S	23E	43-047-32891	1 Bbl/Day
42	ROCK HOUSE UNIT 22	UT	Uintah	NE	NW	15	11S	23E	43-047-33027	1 Bbl/Day
43	ROCK HOUSE UNIT 24	UT	Uintah	NW	SW	15	11S	23E	43-047-33028	0 Bbl/Day
44	ROCK HOUSE UNIT 25	UT	Uintah	NE	SE	09	11S	23E	43-047-33031	1 Bbl/Day
45	ROCK HOUSE UNIT 26	UT	Uintah	NE	SW	09	11S	23E	43-047-33032	1 Bbl/Day
46	ROCK HOUSE UNIT 27	UT	Uintah	NE	NE	10	11S	23E	43-047-33050	2 Bbl/Day
47	ROCK HOUSE UNIT 28	UT	Uintah	NE	NW	16	11S	23E	43-047-33029	2 Bbl/Day
48	ROCK HOUSE UNIT 30	UT	Uintah	SW	NW	24	11S	23E	43-047-33030	4 Bbl/Day
49	RRI FEDERAL #05-06 (WOCComp)	UT	Uintah	SE	NW	05	12S	22E	43-047-33132	0 Bbl/Day
50	RRI FEDERAL #19-11	UT	Uintah	NE	SW	19	12S	22E	43-047-33144	1 Bbl/Day
51	RRI FEDERAL #28-8 (WOCmpl)	UT	Uintah	SE	NE	28	11S	22E	43-047-32840	0 Bbl/Day
52	THIMBLE ROCK 23-15	UT	Uintah	SE	SE	23	11S	24E	43-047-32604	1 Bbl/Day
53	TOBY FEDERAL "F" 6-15	UT	Uintah	SW	SE	06	12S	24E	43-047-32757	1 Bbl/Day
54	TUCKER FED. "F" 08-02	UT	Uintah	NW	NE	08	12S	24E	43-047-32993	5 Bbl/Day
55	TUCKER FED. "F" 08-04	UT	Uintah	NW	NW	08	12S	24E	43-047-32872	1 Bbl/Day
Total										127 Bbl/Day



Water Analysis Report

Telephone (801) 789-4327

Customer : Rosewood
 Address :
 City : Vernal
 State : UT Postal Code : 84078
 Attention : Ivan Sadler
 cc1 : Salty Miller
 cc2 : Danny
 cc3 :
 Comments :

Field : Rockhouse
 Lease : Hanging Rock #11-8
 Location : SE NE Sec. 11, 12S-23E
 Sample Point : wellhead *Mesa Verde*
 Date Sampled : 23-Jul-98
 Date Received : 24-Jul-98
 Date Reported : 24-Jul-98
 Salesman : Ed Schwarz
 Analyst : Karen Hawkins Allen

CATIONS

Calcium : 240 mg/l
 Magnesium : 170 mg/l
 Barium : 0 mg/l
 Strontium : 0 mg/l
 Iron : 1.0 mg/l
 Sodium : 2558 mg/l

ANIONS

Chloride : 2,800 mg/l
 Carbonate : 110 mg/l
 Bicarbonate : 3,416 mg/l
 Sulfate : 108 mg/l

pH (field) : 7.99
 Temperature : 85 degrees F
 Ionic Strength : 0.14
 Resistivity : ohm/meters
 Ammonia : ppm

Specific Gravity : 1.005 grams/ml
 Total Dissolved Solids : 9,403 ppm
 CO2 in Water : 1 mg/l
 CO2 in Gas : 0.03 mole %
 H2S in Water : 0.0 mg/l
 Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	3.25	Calcite PTB :	209.7
Calcite (CaCO3) SI @ 100 F :	3.41	Calcite PTB @ 100 F :	209.8
Calcite (CaCO3) SI @ 120 F :	3.62	Calcite PTB @ 120 F :	209.8
Calcite (CaCO3) SI @ 140 F :	3.84	Calcite PTB @ 140 F :	209.8
Calcite (CaCO3) SI @ 160 F :	4.06	Calcite PTB @ 160 F :	209.8
Gypsum (CaSO4) SI :	-2.10	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A



Water Analysis Report

Telephone (801) 789-4327

Customer : Rosewood	Field : Rockhouse
Address :	Lease : Hanging Rock #11-8W
City : Vernal	Location : SE NE Sec. 11, 12S-23E'
State : UT Postal Code : 84078-	Sample Point : wellhead
Attention : Ivan Sadler	Date Sampled : 23-Jul-98
cc1 : Salty Miller	Date Received : 24-Jul-98
cc2 : Danny	Date Reported : 24-Jul-98
cc3 :	Salesman : Ed Schwarz
Comments :	Analyst : Karen Hawkins Allen

CATIONS

Calcium : 368 mg/l
Magnesium : 146 mg/l
Barium : 0 mg/l
Strontium : 0 mg/l
Iron : 1.0 mg/l
Sodium : 5228 mg/l

ANIONS

Chloride : 6,400 mg/l
Carbonate : 1,769 mg/l
Bicarbonate : 1,867 mg/l
Sulfate : 2,240 mg/l

pH (field) : 8.24	Specific Gravity : 1.015 grams/ml
Temperature : 85 degrees F	Total Dissolved Solids : 18,019 ppm
Ionic Strength : 0.26	CO2 in Water : 1 mg/l
Resistivity : ohm/meters	CO2 in Gas : 0.03 mole %
Ammonia : ppm	H2S in Water : 0.0 mg/l
	Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI : 2.62	Calcite PTB : 320.2
Calcite (CaCO3) SI @ 100 F : 2.77	Calcite PTB @ 100 F : 320.7
Calcite (CaCO3) SI @ 120 F : 2.98	Calcite PTB @ 120 F : 321.1
Calcite (CaCO3) SI @ 140 F : 3.20	Calcite PTB @ 140 F : 321.4
Calcite (CaCO3) SI @ 160 F : 3.42	Calcite PTB @ 160 F : 321.5
Gypsum (CaSO4) SI : -0.77	Gypsum PTB : N/A
Barite (BaSO4) SI : N/A	Barite PTB : N/A
Celestite (SrSO4) SI : N/A	Celestite PTB : N/A



Water Analysis Report

Telephone (801) 789-4327

Customer : Rosewood	Field : Rockhouse
Address :	Lease : LaPaglia #1
City : Vernal	Location : NE SE Sec. 3, 11S-23E
State : UT Postal Code : 84078-	Sample Point : wellhead
Attention : Ivan Sadler	Date Sampled : 23-Jul-98
cc1 : Salty Miller	Date Received : 24-Jul-98
cc2 : Danny	Date Reported : 24-Jul-98
cc3 :	Salesman : Ed Schwarz
Comments :	Analyst : Karen Hawkins Allen

CATIONS

Calcium : 752 mg/l
 Magnesium : 10 mg/l
 Barium : 0 mg/l
 Strontium : 0 mg/l
 Iron : 19.0 mg/l
 Sodium : 9284 mg/l

ANIONS

Chloride : 15,000 mg/l
 Carbonate : 0 mg/l
 Bicarbonate : 1,025 mg/l
 Sulfate : 108 mg/l

pH (field) : 7.34	Specific Gravity : 1.02 grams/ml
Temperature : 85 degrees F	Total Dissolved Solids : 26,198 ppm
Ionic Strength : 0.44	CO2 in Water : 106 mg/l
Resistivity : ohm/meters	CO2 in Gas : 0.03 mole %
Ammonia : ppm	H2S in Water : 34.0 mg/l
	Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	0.10	Calcite PTB :	46.2
Calcite (CaCO3) SI @ 100 F :	0.26	Calcite PTB @ 100 F :	110.5
Calcite (CaCO3) SI @ 120 F :	0.47	Calcite PTB @ 120 F :	184.9
Calcite (CaCO3) SI @ 140 F :	0.69	Calcite PTB @ 140 F :	251.7
Calcite (CaCO3) SI @ 160 F :	0.91	Calcite PTB @ 160 F :	305.7
Gypsum (CaSO4) SI :	-1.80	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A



Water Analysis Report

Telephone (801) 789-4327

Customer : Rosewood	Field : Rockhouse
Address :	Lease : Rock House #30
City : Vernal	Location : SW NW Sec. 24, 11S - 23E
State : UT Postal Code : 84078-	Sample Point : wellhead
Attention : Ivan Sadler	Date Sampled : 23-Jul-98
cc1 : Salty Miller	Date Received : 24-Jul-98
cc2 : Danny	Date Reported : 24-Jul-98
cc3 :	Salesman : Ed Schwarz
Comments :	Analyst : Karen Hawkins Allen

CATIONS

Calcium : 456 mg/l
Magnesium : 209 mg/l
Barium : 0 mg/l
Strontium : 0 mg/l
Iron : 4.0 mg/l
Sodium : 6659 mg/l

ANIONS

Chloride : 10,600 mg/l
Carbonate : 0 mg/l
Bicarbonate : 281 mg/l
Sulfate : 1,248 mg/l

pH (field) : 7.19	Specific Gravity : 1.025 grams/ml
Temperature : 85 degrees F	Total Dissolved Solids : 19,457 ppm
Ionic Strength : 0.33	CO2 in Water : 150 mg/l
	CO2 in Gas : 0.03 mole %
Resistivity : ohm/meters	H2S in Water : 17.0 mg/l
Ammonia : ppm	Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI : -1.24	Calcite PTB : N/A
Calcite (CaCO3) SI @ 100 F : -1.08	Calcite PTB @ 100 F : N/A
Calcite (CaCO3) SI @ 120 F : -0.87	Calcite PTB @ 120 F : N/A
Calcite (CaCO3) SI @ 140 F : -0.65	Calcite PTB @ 140 F : N/A
Calcite (CaCO3) SI @ 160 F : -0.43	Calcite PTB @ 160 F : N/A
Gypsum (CaSO4) SI : -0.94	Gypsum PTB : N/A
Barite (BaSO4) SI : N/A	Barite PTB : N/A
Celestite (SrSO4) SI : N/A	Celestite PTB : N/A



Water Analysis Report

Telephone (801) 789-4327

<p>Customer : Rosewood</p> <p>Address :</p> <p style="padding-left: 20px;">City : Vernal</p> <p style="padding-left: 20px;">State : UT Postal Code : 84078-</p> <p>Attention : Ivan Sadler</p> <p style="padding-left: 20px;">cc1 : Salty Miller</p> <p style="padding-left: 20px;">cc2 : Danny</p> <p style="padding-left: 20px;">cc3 :</p> <p>Comments :</p>	<p>Field : Rockhouse</p> <p>Lease : Rock House #18</p> <p>Location : NE NE Sec. 16, 11S-23E</p> <p>Sample Point : wellhead</p> <p>Date Sampled : 23-Jul-98</p> <p>Date Received : 24-Jul-98</p> <p>Date Reported : 24-Jul-98</p> <p>Salesman : Ed Schwarz</p> <p>Analyst : Karen Hawkins Allen</p>
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CATIONS

Calcium :	848	mg/l
Magnesium :	92	mg/l
Barium :	0	mg/l
Strontium :	0	mg/l
Iron :	3.0	mg/l
Sodium :	11881	mg/l

ANIONS

Chloride :	18,000	mg/l
Carbonate :	0	mg/l
Bicarbonate :	634	mg/l
Sulfate :	2,330	mg/l

pH (field) :	7.70		Specific Gravity :	1.025	grams/ml
Temperature :	85	degrees F	Total Dissolved Solids :	33,788	ppm
Ionic Strength :	0.57		CO2 in Water :	36	mg/l
			CO2 in Gas :	0.03	mole %
Resistivity :		ohm/meters	H2S in Water :	17.0	mg/l
Ammonia :		ppm	Dissolved Oxygen :		ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	0.07	Calcite PTB :	22.8
Calcite (CaCO3) SI @ 100 F :	0.23	Calcite PTB @ 100 F :	71.1
Calcite (CaCO3) SI @ 120 F :	0.44	Calcite PTB @ 120 F :	123.8
Calcite (CaCO3) SI @ 140 F :	0.65	Calcite PTB @ 140 F :	167.8
Calcite (CaCO3) SI @ 160 F :	0.88	Calcite PTB @ 160 F :	207.7
Gypsum (CaSO4) SI :	-0.52	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A



Water Analysis Report

Telephone (801) 789-4327

Customer : Rosewood	Field : Rockhouse
Address :	Lease : Rock House #12
City : Vernal	Location : SW SE Sec. 9, 11S-23E
State : UT Postal Code : 84078-	Sample Point : wellhead
Attention : Ivan Sadler	Date Sampled : 23-Jul-98
cc1 : Salty Miller	Date Received : 24-Jul-98
cc2 : Danny	Date Reported : 24-Jul-98
cc3 :	Salesman : Ed Schwarz
Comments :	Analyst : Karen Hawkins Allen

CATIONS

Calcium : 1,144 mg/l
Magnesium : 272 mg/l
Barium : 0 mg/l
Strontium : 0 mg/l
Iron : 1.0 mg/l
Sodium : 11777 mg/l

ANIONS

Chloride : 18,400 mg/l
Carbonate : 0 mg/l
Bicarbonate : 512 mg/l
Sulfate : 3,088 mg/l

pH (field) : 7.66	Specific Gravity : 1.03 grams/ml
Temperature : 85 degrees F	Total Dissolved Solids : 35,194 ppm
Ionic Strength : 0.59	CO2 in Water : 26 mg/l
Resistivity : ohm/meters	CO2 in Gas : 0.03 mole %
Ammonia : ppm	H2S in Water : 0.0 mg/l
	Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI : 0.14	Calcite PTB : 39.1
Calcite (CaCO3) SI @ 100 F : 0.29	Calcite PTB @ 100 F : 75.8
Calcite (CaCO3) SI @ 120 F : 0.50	Calcite PTB @ 120 F : 117.2
Calcite (CaCO3) SI @ 140 F : 0.72	Calcite PTB @ 140 F : 153.9
Calcite (CaCO3) SI @ 160 F : 0.95	Calcite PTB @ 160 F : 184.9
Gypsum (CaSO4) SI : -0.30	Gypsum PTB : N/A
Barite (BaSO4) SI : N/A	Barite PTB : N/A
Celestite (SrSO4) SI : N/A	Celestite PTB : N/A



Water Analysis Report

Telephone (801) 789-4327

Customer : Rosewood
Address :
City : Vernal
State : UT **Postal Code :** 84078-
Attention : Ivan Sadler
cc1 : Salty Miller
cc2 : Danny
cc3 :
Comments :

Field : Rockhouse
Lease : Rock House #4
Location : SE NE Sec. 9, 11S-23E
Sample Point : wellhead
Date Sampled : 23-Jul-98
Date Received : 24-Jul-98
Date Reported : 24-Jul-98
Salesman : Ed Schwarz
Analyst : Karen Hawkins Allen

CATIONS

Calcium : 320 mg/l
Magnesium : 204 mg/l
Barium : 0 mg/l
Strontium : 0 mg/l
Iron : 10.0 mg/l
Sodium : 9771 mg/l

ANIONS

Chloride : 14,000 mg/l
Carbonate : 0 mg/l
Bicarbonate : 3,453 mg/l
Sulfate : 300 mg/l

pH (field) : 7.94
Temperature : 85 degrees F
Ionic Strength : 0.46
Resistivity : ohm/meters
Ammonia : ppm

Specific Gravity : 1.02 grams/ml
Total Dissolved Solids : 28,058 ppm
CO2 in Water : 176 mg/l
CO2 in Gas : 0.03 mole %
H2S in Water : 340.0 mg/l
Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	0.54	Calcite PTB :	181.4
Calcite (CaCO3) SI @ 100 F :	0.70	Calcite PTB @ 100 F :	209.9
Calcite (CaCO3) SI @ 120 F :	0.91	Calcite PTB @ 120 F :	235.0
Calcite (CaCO3) SI @ 140 F :	1.13	Calcite PTB @ 140 F :	252.5
Calcite (CaCO3) SI @ 160 F :	1.35	Calcite PTB @ 160 F :	263.1
Gypsum (CaSO4) SI :	-1.73	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A



Water Analysis Report

Telephone (801) 789-4327

Customer : Rosewood

Address :

City : Vernal

State : UT **Postal Code :** 84078-

Attention : Ivan Sadler

cc1 : Salty Miller

cc2 : Danny

cc3 :

Comments :

Field : Rockhouse

Lease : Cracker #1

Location : SE NE Sec. 8, 11S-23E

Sample Point : wellhead

Date Sampled : 23-Jul-98

Date Received : 24-Jul-98

Date Reported : 24-Jul-98

Salesman : Ed Schwarz

Analyst : Karen Hawkins Allen

CATIONS

Calcium : 520 mg/l
 Magnesium : 180 mg/l
 Barium : 0 mg/l
 Strontium : 0 mg/l
 Iron : 4.0 mg/l
 Sodium : 11058 mg/l

ANIONS

Chloride : 17,200 mg/l
 Carbonate : 0 mg/l
 Bicarbonate : 439 mg/l
 Sulfate : 1,410 mg/l

pH (field) : 7.68
 Temperature : 85 degrees F
 Ionic Strength : 0.52

Resistivity : ohm/meters

Ammonia : ppm

Specific Gravity : 1.02 grams/ml
 Total Dissolved Solids : 30,811 ppm
 CO2 in Water : 88 mg/l
 CO2 in Gas : 0.03 mole %
 H2S in Water : 0.0 mg/l
 Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	-0.80	Calcite PTB :	N/A
Calcite (CaCO3) SI @ 100 F :	-0.65	Calcite PTB @ 100 F :	N/A
Calcite (CaCO3) SI @ 120 F :	-0.44	Calcite PTB @ 120 F :	N/A
Calcite (CaCO3) SI @ 140 F :	-0.22	Calcite PTB @ 140 F :	N/A
Calcite (CaCO3) SI @ 160 F :	0.01	Calcite PTB @ 160 F :	2.0
Gypsum (CaSO4) SI :	-0.91	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A



Water Analysis Report

Telephone (801) 788-4327

Customer : Rosewood

Field : Rockhouse

Address :

Lease : Oil Springs #13

City : Vernal

Location : SW SE Sec. 5, 12S-24E

State : UT Postal Code : 84078-

Sample Point : wellhead

Attention : Ivan Sadler

Date Sampled : 04-Aug-98

cc1 : Salty Miller

Date Received : 04-Aug-98

cc2 : Danny

Date Reported : 04-Aug-98

cc3 :

Salesman : Ed Schwarz

Comments : Acid gases not ran in field.

Analyst : Karen Hawkins Allen

CATIONS

Calcium : 288 mg/l
Magnesium : 228 mg/l
Barium : 0 mg/l
Strontium : 0 mg/l
Iron : 3.0 mg/l
Sodium : 2043 mg/l

ANIONS

Chloride : 3,400 mg/l
Carbonate : 0 mg/l
Bicarbonate : 1,281 mg/l
Sulfate : 245 mg/l

pH (field) : 7.32
Temperature : 85 degrees F
Ionic Strength : 0.12
Resistivity : ohm/meters
Ammonia : ppm

Specific Gravity : 1.01 grams/ml
Total Dissolved Solids : 7,488 ppm
CO2 in Water : 79 mg/l
CO2 in Gas : 0.03 mole %
H2S in Water : 0.0 mg/l
Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	0.65	Calcite PTB :	159.4
Calcite (CaCO3) SI @ 100 F :	0.81	Calcite PTB @ 100 F :	183.0
Calcite (CaCO3) SI @ 120 F :	1.02	Calcite PTB @ 120 F :	205.6
Calcite (CaCO3) SI @ 140 F :	1.23	Calcite PTB @ 140 F :	221.3
Calcite (CaCO3) SI @ 160 F :	1.46	Calcite PTB @ 160 F :	233.1
Gypsum (CaSO4) SI :	-1.69	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A

Wells Within 1/2 Mile Radius of Atchee #1

Well Name	1/4 1/4	Sec	Twnp	Rng	Footages	Status	API Number	Compl. Date	Surface Pipe	Cement	Production Casing	Cement	Cement Top	Perforations	Cement Plugs
Rockhouse 2	SESE	15	11S	23E	925 FSL 554 FEL	Plugged		1/28/61	13-3/8 @ 234	250 sx.	7" 23/26# @ 5737	700 Sx	2800	4970-94 Was	20 sx 4923-5030 20 sx 107-0 100 sx in Annulus
Rockhouse 16	NWNW	15	11S	23E	890 FNL 1075 FWL	Plugged	43-047-32761	7/1/96	9-5/8 @ 264	160 sx	None	None		None	120 sx 3485-3685 144 sx 1409-1759 88 sx 164-364 45 sx 0-50
Rockhouse 20	NENE	15	11S	23E	941 FNL 517 FEL	Producing	43-047-32875	8/14/97	8-5/8 @ 300	196 sx	4-1/2 11.6# @ 5700 DV Tool @ 2589	720 sx 300 sx	2990 Surface	4028-4755 Was 5152-5386 MV	
Rockhouse 22	NENW	15	11S	23E	795 FNL 2034 FWL	Producing	43-047-33027	7/11/98	8-5/8 @ 480	350 sx	4-1/2 11.6# @ 5400 DV Tool @ 3010	350 sx 250 sx	3612 1100	4426-4680 Was	
Rockhouse 24	NWSW	15	11S	23E	794 FWL 1838 FSL	Producing	43-047-33028	6/9/98	8-5/8 @ 315	235 sx	4-1/2 11.6# @ 5438 DV Tool @ 2126	590 sx 220 sx	2550 650	4573-89 Was	
Atchee 1	SWNE	15	11S	23E	2381 FNL 1852 FEL	Shut In	43-047-33026	5/23/98	8-5/8 @ 325	250 sx	4-1/2 11.6# @ 5100 DV Tool @ 2513	500 sx 240 sx	3070 500	4010-14 Was	

EXHIBIT #20

The following is a list of owners for the following lands:

T. 11 S., R. 23 E. Uintah County, Utah
Sec. 10: S $\frac{1}{2}$;
Sec. 14: W $\frac{1}{2}$;
Sec. 15: All;

SURFACE OWNER:

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

OIL & GAS LESSEE AND OPERATORS:

(From a examination of Federal Oil & Gas leases files U-0779, U-0780, U-76729)

Best Exploration Inc.
P.O. Box 60006
Grand Junction, CO 81506

Rosewood Resources, Inc.
100 Crescent Court, #500
Dallas, TX 75201

Don F. Bradshaw, Trustee
448 S 400 E.
Salt Lake City, UT 84111

DJ Investment Co.
448 S 400 E.
Salt Lake City, UT 84111

Walter S. Fees Invevivos Trust No 1.
2516 Foresight
Grand Junction, CO 81505

Harold L. & Eva L. Holden 1995 Living Trust
PO Box 1743
Billings, MT 59103

Morgan Marathon LTD Company
1999 Broadway #2450
Denver, CO 80202

Morgan United LLC
1999 Broadway #2450
Denver, CO 80202

T-K Production Co.
PO Box 2235
Billings, MT 59103

Great Northern Drilling Co.
P.O. Box 1953
Billings, MT 59103-1953

Montana & Wyoming Oil Co.
P.O. Box 1324
Billings, MT 59103

Exhibit #20 Page 2.

OIL & GAS LESSEE AND OPERATORS CONT:

Western Independent Oil Co.
Box 190
Miles City, MT 59303

E. Earl Norwood
2708 1st Ave. #350
Billings, MT 59101

Fran Fox Trust
P.O. Box 20231
Billings, MT 59104-0321

AFFIDAVIT OF MAILING

LISA L. SMITH, of lawful age, after having been first duly sworn upon her oath, deposes and states:

That she is the authorized agent for Rosewood Resources, Inc. and that the individuals, firms and corporations set forth on the attached list are Surface Owners, Oil & Gas Lessees and/or Operators within a one-half mile radius of the Atchee #1, SW NE Sec. 15, T11S - R23E, Uintah County, Utah.

That a copy of the attached Application was mailed to each such owner by First Class mail, at the addresses set forth on said Exhibit #20, by duly depositing the same in the United States Mail on the 14th day of October, 1999.



Lisa L. Smith
Lisa L. Smith

STATE OF COLORADO)
COUNTY OF WELD)

Subscribed and sworn to before me this 14th day of October, 1999.

Maria E. Sanchez
Maria E. Sanchez - Notary Public

July 30, 2000
My Commission Expires



14421 Weld County Rd.10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577
E-MAIL Permitco 1@aol.com

1/18/00

Mike —

Attached is a copy of the ad
re Rosewood Achee #1 that was
run in the Vernal paper.

Sorry it took so long to get
this to you —

Lisa Smith

RECEIVED

JAN 21 2000

DIVISION OF
OIL, GAS AND MINING

Published in the Vernal Express Jan. 12, 29 and 2000.

NOTICE OF AGENCY ACTION
CAUSE NO. UIC-247
BEFORE THE
DIVISION OF OIL,
GAS AND MINING
DEPARTMENT OF
NATURAL
RESOURCES
STATE OF UTAH

IN THE MATTER OF
THE APPLICATION OF
ROSEWOOD
RESOURCES IN COR-
PORATED FOR
ADMINISTRATIVE
APPROVAL OF THE
ATCHEE #1 WELL
LOCATED IN SECTION
15, TOWNSHIP 11
SOUTH, RANGE 23
EAST, S.L.M., UINTAH
COUNTY, UTAH, AS A
CLASS II INJECTION
WELL.

THE STATE OF UTAH
TO ALL PERSONS
INTERESTED IN THE
ABOVE ENTITLED
MATTER.

Notice is hereby given that the Division of Oil, Gas and Mining (the "Division") is commencing an informal adjudicative proceeding to consider the application of Rosewood Resources Inc., for administrative approval of the Atchee #1 well, located in Section 15, Township 11 South, Range 23 East, Uintah County, Utah, for conversion to a Class II injection well. The proceeding will be conducted in accordance with Utah Admin. R.649-10, Administrative Procedures.

The interval from 4882 feet to 5044 feet (Wasatch Formation) will be selectively perforated for water injection. The maximum requested injection pressure is 1500 psig surface pressure with a maximum rate of 1,000 BWPD.

Any person desiring to object to the application or otherwise intervene in the proceeding, must file a written protest or notice of intervention with the Division within fifteen days following publication of this notice. If such a protest or notice of intervention is received, a hearing will be scheduled before the Board of Oil, Gas and Mining. Protestants and/or intervenors should be prepared to demonstrate at the hearing how this matter affects their interests.

Dated this 5th day of January, 2000.
STATE OF UTAH
DIVISION OF OIL,
GAS & MINING
JOHN R. BAZA,
Associate Director, Oil
& Gas

Published in the Vernal Express Jan. 12, 2000.

Committee is seeking nominations from local students and parents. Any Uintah County teacher is eligible for the recognition.

Education Committee member Ken Wallentine noted that there are many fine teachers in Uintah County who have influenced many children, or who have reached that one child and made a difference where no one else has been successful.

"I attribute much, if not all, of my academic success to my eighth grade civics teacher. When I struggled with the material, she would

American history homework. I know that there are countless teachers just as dedicated here in Vernal," explained Wallentine.

To nominate a teacher for the Teacher of the Month award, include the name of the teacher and the reason this teacher is special on a sheet of paper and mail it to Vernal Chamber of Commerce, 134 W. Main Street, Vernal UT 84078 or drop it off. Nominations can also be made by telephoning Ken Wallentine at 781-5435.

Rep. Cannon responds to monument designation

In response to Tuesday's creation of the Grand Canyon-Parashant National Monument in Arizona, U.S. Rep. Chris Cannon released the following statement:

"Once again, without any input from local and federal officials, and with little public knowledge, this administration and this president have chosen to play politics with the lives of individuals and our public lands.

"As in 1996 with the designation of the Grand Staircase-Escalante Monument in Utah, President Clinton has chosen to abuse his power rather than work honestly and thoughtfully with Arizona officials on land management issues. Despite the efforts of Congress to preserve and maintain our public lands, the President has chosen to bypass the process with a swift

stroke of a pen.

"The Utah monument caused great pain to local Americans. It stripped their communities of their land base and their economy. I fear the same consequences for Arizonans.

"I am hopeful that this action will cause more Americans to take seriously their involvement in politics. As the President is showing with this declaration, power can be abused, but because of today's technological advances, Americans can better see and understand what the government is doing. They can also share information and ideas easily and with more people. I hope that Americans will now see how important it is to be involved."

Local rancher leads Utah delegation

Shane Frost of Randlett, chair of the Young Farmers and Ranchers Committee for the Utah Farm Bureau, is representing Utah this week at the Young Farmers and Ranchers Conference, held in conjunction with the American Farm Bureau annual convention in Houston, Texas Jan. 9-13.

The Randlett resident will lead Utah's candidates for Top Young Farmer and Rancher and the discussion meet contest.

Six thousand farmers and ranchers from across the nation, including 53 Utah Farm Bureau members, are in Houston this week for the annual national convention packed with competitions and opportunities to examine the future of agriculture.

Frost will be accompanied by his wife, who is also a member of the Utah Young Farmers and Ranchers Committee.

The Frost's have a cattle and hay operation outside of Randlett and are busy raising their two children. They have been members of the Farm Bureau since 1992.

The Utah Young Farmers and Ranchers Committee is a group of farmers and ranchers under 35 years of age committed to agricultural

It is affiliated with the American Farm Bureau Federation, the world's largest general farm organization, with nearly 49 million family members in 50 states and Puerto Rico.

Ashley El Mabel, my neig because she is alw me and my brothe brother got hurt re was Salt Lake C was working. Ma' him.

"When I was in came to visit me got. She is very I brother got his ton was there, too. Wl surgeries, she was dad had his back there. When my I really sick, Mabel

When we go to t watches my baby family likes her. S when she's "on c lot of people. Eve She helps everybo

Mabel always g holidays. On Hal us a lot of candy

Forest new e

The USDA F implementing a mated temporary gram, making it individuals to fin within the Agency

This new an offers applicants Service jobs in m tions nationwide "one-stop" shopp vidual. Previous Service office recruitment bulle ing applicants t offices.

"We have work of Personnel Man lish an easy and people to find ten the Forest Serv Nelson, director Service's Office Resource Manag system will bene cant and the-fe because it use approach, providi process for appl

NOTICE TO LICENSED (E-100) CONTRACTORS

The Uintah Special Service District (USSD) is compiling the 2000 USSD list of approved E-100 Licensed Contractors bidding on selected USSD funded projects. Statements of Interest and Qualifications are available at the Uintah Special Service District offices at 14 West Main Street, Suite 201, Vernal, Utah. It must be received by noon (12:00 p.m.) on March 2, 2000.

For Statements of Interest and Qualifications please contact the District Office at 435-789-4636 or visit our website at www.usssd.state.ut.us. Please submit Statements

Interests and Qualifications to the USSD offices at the address above. The approved list with statements of Interest and Qualifications will be available for public view at the District Office during regular business hours after March 8, 2000.

The right is reserved by USSD to reject any and all proposals. Dated this 10th day of January, 2000.

CATHRYN ERICKSON,
Executive Director
Uintah Special Service District

Published in the Vernal Express Jan. 12, Feb. 9 and Mar. 1, 2000.

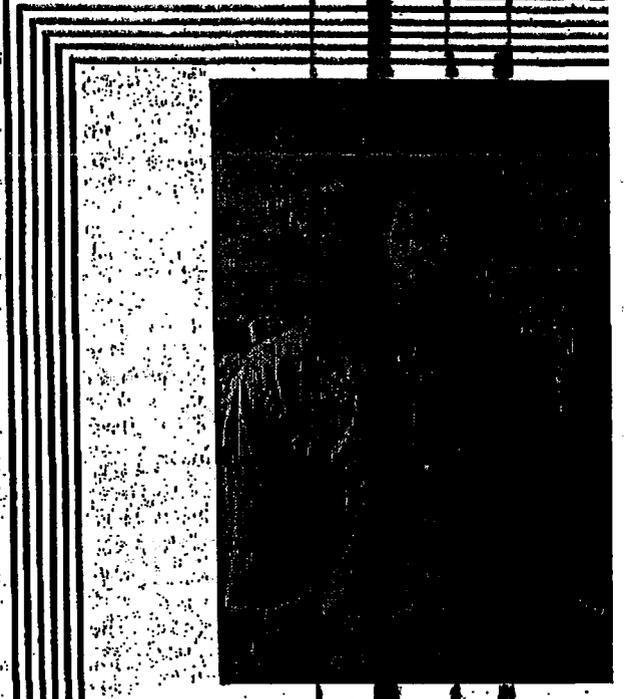
NOTICE OF SALE UINTAH COUNTY SHERIFF'S OFFICE

In the District Court of the Eighth Judicial District in and for the County of Uintah, State of Utah; Civil No. 708000130MI. Palsy Gardiner, Plaintiff, vs. Morris J. Freestone and Shirley Freestone Defendants.

To be sold at Sheriff's sale at the South Main Entrance, Uintah County Courthouse, 147 East Main, Vernal, Utah, on the 7th day of February, 2000 at 11:00 a.m. of said day, all rights, title and interest of said defendants, in and to that certain piece of parcel of real property situate in Uintah County, State of Utah, described as follows to-wit:

Beginning 135 feet south of the Northwest corner of Block 10, Plat "A", Original Vernal,

R=96%





14421 Weld County Rd.10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco.1@aol.com

February 3, 2000

RECEIVED

FEB 07 2000

DIVISION OF
OIL, GAS AND MINING

EPA Region VIII Office
999-18th Street
Denver, CO 80202

Attn: Dan Jackson

Utah Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801
Attn: Mike Hebertson

Re: Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Sec. 15, T11S - R23E
Uintah County, Utah

Dear Dan,

As per your request, I have revised the previously submitted UIC Application utilizing EPA's format. I am also forwarding a copy to the Utah Division of Oil, Gas and Mining for their review.

If there is additional information that you will require, please notify us at your earliest convenience. Thank you for your assistance in this matter.

Sincerely,

PERMITCO INC.

A handwritten signature in black ink, appearing to read "Lisa L. Smith".

Lisa L. Smith
Consultant for:
Rosewood Resources, Inc.

Enc.

cc: Rosewood Resources, Inc. - Vernal, UT

Form
4
UIC



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
**UNDERGROUND INJECTION CONTROL
PERMIT APPLICATION**
*(Collected under the authority of the Safe Drinking
Water Act, Sections 1421, 1422, 40 CFR 144)*

I. EPA ID NUMBER

		T/A	C
U			

READ ATTACHED INSTRUCTIONS BEFORE STARTING
FOR OFFICIAL USE ONLY

Application approved mo day year	Date Received mo day year	Permit/Well Number	Comments

II. FACILITY NAME AND ADDRESS				III. OWNER/OPERATOR AND ADDRESS			
Facility Name Atchee #1 Disposal Well				Owner/Operator Name Attn: Danny Widner Rosewood Resources, Inc.			
Street Address P.O. Box 1668				Street Address P.O. Box 1668			
City Vernal		State UT	ZIP Code 84078	City Vernal		State UT	ZIP Code 84078

IV. OWNERSHIP STATUS (Mark 'x')	V. SIC CODES
<input type="checkbox"/> A. Federal <input type="checkbox"/> B. State <input checked="" type="checkbox"/> C. Private <input type="checkbox"/> D. Public <input type="checkbox"/> E. Other (Explain)	1310 (Oil and Gas)

VI. WELL STATUS (Mark 'x')
<input type="checkbox"/> A. Operating <input checked="" type="checkbox"/> B. Modification/Conversion <input type="checkbox"/> C. Proposed
Date Started mo day year

VII. TYPE OF PERMIT REQUESTED (Mark 'x' and specify if required)			
<input checked="" type="checkbox"/> A. Individual	<input type="checkbox"/> B. Area	Number of Existing wells	Number of Proposed wells
Name(s) of field(s) or project(s)			

VIII. CLASS AND TYPE OF WELL (see reverse)			
A. Class(es) (enter code(s))	B. Type(s) (enter code(s))	C. If class is "other" or type is code 'x,' explain	D. Number of wells per type (if area permit)
II	D		N/A

IX. LOCATION OF WELL(S) OR APPROXIMATE CENTER OF FIELD OR PROJECT													X. INDIAN LANDS (Mark 'x')	
A. Latitude			B. Longitude			Township and Range							<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Deg	Min	Sec	Deg	Min	Sec	Twsp	Range	Sec	1/4 Sec	Feet from	Line	Feet from		
39	51	40	109	19	34	11S	23E	15	NE	2381	N	1852	E	

XI. ATTACHMENTS

(Complete the following questions on a separate sheet(s) and number accordingly; see instructions)
FOR CLASSES I, II, III (and other classes) complete and submit on separate sheet(s) Attachments A — U (pp 2-6) as appropriate. Attach maps where required. List attachments by letter which are applicable and are included with your application:

XII. CERTIFICATION

I certify under the penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. (Ref. 40 CFR 144.32)

RECEIVED

A. Name and Title (Type or Print) Danny Widner, District Manager	B. Phone No. (Area Code and No.) 435/789-0414
C. Signature <i>Danny Widner</i>	D. Date Signed 2/2/00

DIVISION OF
OIL, GAS AND MINING

FEB 07 2000

Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT A
AREA OF REVIEW METHODS

The size of the area of review is a ½ mile radius from the proposed injection well, as specified by the State of Utah and as indicated on the attached map.

ATTACHMENT B
MAPS OF WELLS/AREA AND AREA OF REVIEW

**For a Listing of Wells within a ½ Mile Radius of the proposed injection well,
please refer to Exhibit 19, attached.**

There are no intake or discharge structures within a 1 mile radius of the proposed injection facility.
There are no hazardous waste, treatment, storage or disposal facilities within a 1-mile radius of the proposed facility.

There are no surface bodies of water, springs, mines (surface or subsurface), quarries within a 1-mile radius of the proposed injection facility.

The only pertinent surface feature within 1 mile radius is the Atchee Wash Road which is an improved oilfield road.

There are no drinking water wells within a one-quarter mile radius of the facility property boundary.

Rosewood Resources, Inc.
Atchee #1 Disposal Well
 SW NE Section 15, T11S - R23E
 Uintah County, Utah

ATTACHMENT C
 CORRECTIVE ACTION PLAN AND WELL DATA

<i>Well Name</i>	<i>Well Type</i>	<i>Construction</i>	<i>Dated Drilled</i>	<i>Location</i>	<i>Depth</i>	<i>Plugged/Completed</i>	<i>Over Fracture*</i>	<i>Penetrate**</i>
Rock House #19	Gas	Drilled	7/15/97	NE SW Sec. 10	5500'	Completed 10/8/97	None	All
Rock House #14	Gas	Drilled	1/29/96	SW SW Sec. 10	5935'	Completed 3/13/96	None	All
Rock House #9	Plugged	Drilled	3/18/62	SE NW Sec. 14	6647'	Plugged 8/29/73	None	All
Rock House #16	Plugged	Drilled	6/2/96	NE NW Sec. 15	5480'	Plugged 6/30/96	None	All
Rock House #22	Gas	Drilled	5/23/98	NE NW Sec. 15	5424'	Completed 7/10/98	None	All
Rock House #20	Gas	Drilled	6/28/97	NE NE Sec. 15	5700'	Completed 11/19/97	None	All
Rock House #2	Plugged	Drilled	11/13/60	SE SE Sec. 15	6476'	Plugged 10/1/66	None	All
Atchee #1	Plugged	Drilled	4/28/98	SW NE Sec. 15	5100'	Completed 5/27/98	None	All
Rock House #24	Gas	Drilled	5/2/98	NW SW Sec. 15	5460'	Completed 6/9/98	None	All
Rock House #18	Gas	Drilled	7/18/96	NE NE Sec. 16	5504'	Completed 9/5/96	None	All
Rock House #10	Plugged	Drilled	4/22/62	SE NE Sec. 22	6243'	Plugged 4/23/62	None	All

- Wells operating over the fracture pressure of the injection formation. - NONE
- ** Wells which penetrate formations affected by the increase in pressure. - ALL

Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT D
MAPS AND CROSS SECTIONS OF USDW's

Not Applicable

Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT E
NAME AND DEPTH OF USDW's (Class II)

Please refer to the Structure Map and Cross Sections Attached.

ATTACHMENT F
MAPS AND CROSS SECTIONS OF GEOLOGIC STRUCTURE OF AREA

See Structure Map Attached.

Lithology

The injection interval in the Atchee #1 well (4882-5044') is referred to as the basal portion of the Wasatch Formation and the upper portion of the Mesa Verde Formation. According to sample descriptions, this interval consists of sandstone, white to dirty white, fine to medium grain, rounded to sub-angular, mostly unconsolidated with some calcareous cement. There was no fluorescence or cut associated with this interval.

The confining beds (4785-4800') and (5045-5060') consist of shale intervals which are dark green to greenish gray, with some red-brown to brown. Density porosity in the confining beds is below 5% and there is no indication of permeability or fracturing in these intervals.

Fresh water sands in the wellbore, which are capable of producing water with less than 10,000 ppm total dissolved solids do not appear to be present based on the offset water analysis.

ATTACHMENT G.
 GEOLOGICAL DATA ON INJECTION AND CONFINING ZONES (CLASS II)

<i>Injection Zone Lithologic Description</i>	<i>Geological Name</i>	<i>Thickness</i>	<i>Depth</i>	<i>Fracture Pressure</i>
Sandstone, white to dirty white, fine to medium grain, rounded to sub-angular, mostly unconsolidated with some calcareous cement. There was no fluorescence or cut associated with this interval.	Basal portion of the Wasatch Formation and the upper portion of the Mesa Verde Formation	162 feet	4882-5044'	2065 psi surface
<i>Confining Zone Lithologic Description</i>	<i>Geological Name</i>	<i>Thickness</i>	<i>Depth</i>	<i>Fracture Pressure</i>
Shale intervals which are dark green to greenish gray, with some red-brown to brown. Density porosity in the confining beds is below 5% and there is no indication of permeability or fracturing in these intervals.	Basal Wasatch	15'	4785-4800'	2235 psi surface
	Mesa Verde	15'	5045-5060'	2134 psi surface

Attached for your review is the frac job summary on comparable zones in the Rock House #19 well.

Rosewood Resources, Inc.
Atchee #1 Disposal Well
 SW NE Section 15, T11S - R23E
 Uintah County, Utah

ATTACHMENT H
OPERATING DATA

	<i>Average</i>	<i>Maximum</i>
Daily rate and volume of the fluids to be injected	150 Bbls./Day	1000 Bbls./1500 psi*
Injection Pressure	1500 psi	1500 psi
Nature of annulus fluid	Inhibited fresh water	
Source and analysis of the physical and chemical characteristics of the injection fluid.	The water to be disposed into the Atchee #1 will be primarily Wasatch produced water from the Rosewood operated wells in the Rock House, Hanging Rock, Oil Springs, Rainbow, Thimble Rock and Marble Mansion Units. No third party produced water will be accepted for disposal. **	

- The maximum pressure was determined using a .78 fracture gradient. The final maximum pressure will be determined based upon the results of the Step Rate Test.

** See water analysis reports attached. (Exhibits 10-18)

Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT I
FORMATION TESTING PROGRAM

After the well is perforated in the injection zone, formation fluids will be obtained and analyzed for compatibility. A Step Rate Test will be performed to determine the formation fracture gradient. All data will be reported to both the EPA and State of Utah prior to injection.

Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT J
STIMULATION PROGRAM

No stimulation of the well is determined to be necessary at this time.

Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT K
INJECTION PROCEDURES

Produced water from various wells will be trucked to the Atchee location and stored in the tanks. Periodically, the pump will be started and the water disposed into the Atchee #1.

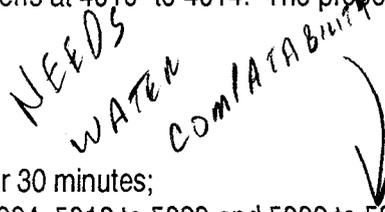
See Schematic attached.

ATTACHMENT L
CONSTRUCTION PROCEDURES

The Atchee #1 is currently completed as a shut-in gas well with perms at 4010- to 4014. The proposed conversion operation will be conducted as listed below:

1. Squeeze existing Wasatch perms with cement;
2. Drill out cement and clean out to 5050;
3. Test casing and squeeze to 1500 psi surface pressure for 30 minutes;
4. Perforate Wasatch 4882 to 4900, 4960-4980, 49888 to 4994, 5012 to 5028 and 5032 to 5044;
5. Run 2-3/8" coated tubing and packer to 4800;
6. Test tubing/casing annulus to 1000 psi surface pressure for 30 minutes with recorder;
7. Conduct Step Rate Test as per EPA guidelines; and,
8. Prepare well for injection and construct surface facilities.

*NEEDS
WATER
COMPLIANCE*



Attached are Exhibits 2 and 3 (Atchee wellbore diagrams - current and proposed).

Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT M
CONSTRUCTION DETAILS

Refer to Exhibits 2 and 3 for current and proposed wellbore construction.
Refer to Diagram # 1 for proposed surface facilities.

Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT N
CHANGES IN INJECTED FLUID
(Class III Wells Only)

Not Applicable

Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT O
PLANS FOR WELL FAILURES

No migration of injected fluids is anticipated into any USDW due to well construction and the lack of any USDW in the area of review.

ATTACHMENT P
MONITORING PROGRAM

Operating Requirements:

- 1) Injection pressure at the wellhead shall not exceed a maximum which shall be calculated so as to assure that the pressure during injection does not initiate new fractures or propagate existing fractures in the confining zone adjacent to the USDWs. In no case shall injection pressure cause the movement of injection or formation fluids into an underground source of drinking water.
- 2) Injection between the outermost casing protecting underground sources of drinking water and the wellbore shall be prohibited.

Monitoring Requirements:

- 1) Monitoring of the nature of injected fluids at time intervals sufficiently frequent to yield data representative of their characteristics;
- 2) Observation of injection pressure, annulus pressure, flow rate, and cumulative volume at least with the following frequencies:
 - i) Weekly for produced fluid disposal operations;

And recording of one observation of injection pressure, flow rate and cumulative volume at reasonable intervals no greater than 30 days.

Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT Q
PLUGGING AND ABANDONMENT PLAN

	Top of Plugs	Bottom of Plugs
Type, number and placement of plugs	CIBP @ 4800+/- with 20' cement plug on top. 100' cement plug from 3960-4060'	100' cement plug from 600-500' Circulate cement in and out from 500'
Type, grade and quantity of cement to be used	Class "H"	
Method to place plugs	CIBP set with wireline truck, cement plugs set thru tubing.	

See Form 7520-14 Attached.

Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT R
NECESSARY RESOURCES

Attached please find a plugging estimate for the proposed Atchee #1 injection well, along with a plugging diagram, indicating that the estimated costs to plug this well are \$15,000.00.

Also attached is a copy of Bond No. 5892478 in the amount of \$15,000.00 which was originally filed for the Center Fork Disposal Well #F-17-4. This well was never completed as an injection well and we are requesting that you transfer this bond over to the Atchee #1.

Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT S
AQUIFER EXEMPTIONS

- 1) Does not serve as a source of drinking water
- 2) Cannot now and will not in the future serve as a source of drinking water;
- 3) The TDS content of the ground water is more than 3,000 and less than 10,000 mg/l and is not reasonably expected to supply a public water system.

Rosewood Resources, Inc. requests that the Wasatch aquifer be exempt as an USDW since this formation currently produces oil and gas. In addition, the salinity is high and would not be considered for consumptive use.

See Exhibits 10-18 showing water analyses of surrounding wells in the area.

Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT T
EXISTING EPA PERMITS

There are no other EPA permits currently on file.

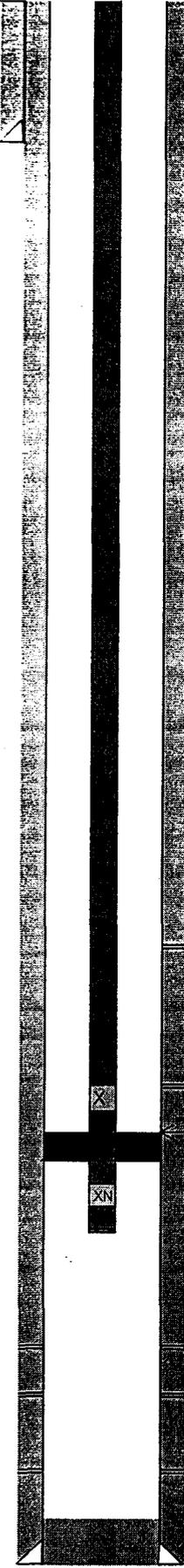
Rosewood Resources, Inc.
Atchee #1 Disposal Well
SW NE Section 15, T11S - R23E
Uintah County, Utah

ATTACHMENT U
DESCRIPTION OF BUSINESS

Rosewood Resources, Inc. operates, drills for and produces oil and natural gas in the Uinta Basin, Uintah County, Utah, together with other areas in the United States, Europe and South American.

ATCHEE # 1
CURRENT
SWNE Sec. 15 T11S R23E
UINTAH COUNTY, UTAH

.B.- 5912'
G.L.- 5897'



12 1/4" HOLE
WELLHEAD
CASING HEAD
TUBING HEAD
UPPER TREE ASSY

8 5/8" SOW x 11" 3M
11" 3M X 7 1/16" 5M
7 1/16" 3M X 2 3/8"

8 5/8" CSG @ 325
CMTD TO SURFACE

CONDUCTOR

TOP OF CEMENT CEMENT
STG 2--500' from surface

SURFACE

JTS.	WT.	GRADE	CPLG.	AMT. SET
8	24#	J-55	ST&C	325 KB

7 7/8" HOLE
TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DV TOOL 2513'
DEPTH SET
CEMENT

325'
250 sx 'G', 2% CaCl, 1/4#/sx celloflake

TOP OF CEMENT
STAGE 1-3070'

**PRODUCTION /
INTERMEDIATE**

JTS.	WT.	GRADE	CPLG.	AMT. SET
119	11.6#	J-55	LT&C	5100' KB

Top Wasatch 3302

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT Stage 1
Stage 2

5100'
500 sx 'G', 10% Gyp, 10% salt, .4% FL25
190 sx 'G', 3% salt, 16% gel, 5#/sx Gilsonite

**LINER
SIZE**

JTS.	WT.	GRADE	CPLG.	AMT. SET
------	-----	-------	-------	----------

P.B.R. HANGER
MISC. EQUIPMENT
FLOAT EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

ARROWSET 1 PKR @ 3965'
TUBING
8' PUP JT
OTIS XN- NIPPLE
COLLAR @ 3981

JTS.	WT.	GRADE	CPLG.	AMT. SET
127	4.7#	J-55	EUE	3981

TUBING DETAIL

KB CORRECTION 14.00'

Perfs 4010-4014

Top Mesa Verde 5065

RODS
POLISH ROD
PONY RODS
1" RODS
7/8" RODS
3/4" RODS
SINKER BARS
PUMP SIZE

126 JTS 2 3/8 4.7# EUE TUBING 3917
X- NIPPLE 1.2
1 JT 2 3/8" TBG 31.24
ON/OFF TOOL 1.5
ARROWSET 1 PKR 3965 6.48
8' PUP, XN NIPPLE, COLLAR

.B.- 5912'
G.L.- 5897'

WELL NO.

ATCHEE # 1

PROPOSED

SWNE Sec. 15 T11S R23E
UINTAH COUNTY, UTAH

12 1/4" HOLE **WELLHEAD**
CASING HEAD
TUBING HEAD
UPPER TREE ASSY

8 5/8" SOW x 11" 3M
11" 3M X 7 1/16" 5M
7 1/16" 3M X 2 3/8"

8 5/8" CSG @ 325
CMTD TO SURFACE

CONDUCTOR

TOP OF CEMENT CEMENT
STG 2--500' from surface

SURFACE

SIZE 8 5/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
8	24#	J-55	ST&C	325 KB

7 7/8" HOLE

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DV TOOL 2513'
DEPTH SET
CEMENT

325'
250 sx 'G', 2% CaCl, 1/4#/sx celloflake

TOP OF CEMENT
STAGE 1-3070'

PRODUCTION / INTERMEDIATE

SIZE 4 1/2"

JTS.	WT.	GRADE	CPLG.	AMT. SET
119	11.6#	J-55	LT&C	5100' KB

Top Wasatch @ 3302

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT Stage 1
Stage 2

5100'
500 sx 'G', 10% Gyp, 10% salt, .4% FL25
190 sx 'G', 3% salt, 16% gel, 5#/sx Gilsonite

LINER

SIZE

P.B.R. HANGER
MISC. EQUIPMENT
FLOAT EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

JTS.	WT.	GRADE	CPLG.	AMT. SET

ON/OFF
TOOL

PACKER @ 4800'

TUBING

SIZE 2 3/8"

8' PUP JT
OTIS XN- NIPPLE

JTS.	WT.	GRADE	CPLG.	AMT. SET
	4.7#	J-55	EUE	

TUBING DETAIL

KB CORRECTION 14.00'

X- NIPPLE 1.2

ON/OFF TOOL 1.5

ARROWSET 1 PKR 6.48

8' PUP, XN NIPPLE, COLLAR

Proposed Perfs

4882-4900
4960-4980
4988-4994
5012-5028
5032-5044

RODS

POLISH ROD
PONY RODS
1" RODS
7/8" RODS
3/4" RODS
SINKER BARS
PUMP SIZE

Top Mesa Verde
@ 5065

P.B.T.D. 5050'
T.D. 5100'



Water Analysis Report

Telephone (801) 789-4327

Customer : Rosewood
 Address :
 City : Vernal
 State : UT Postal Code : 84078-
 Attention : Ivan Sadler
 cc1 : Salty Miller
 cc2 : Danny
 cc3 :
 Comments :

Field : Rockhouse
 Lease : Hanging Rock #11-8
 Location : SE NE Sec. 11, 12S-23E
 Sample Point : wellhead *Mesa Verde*
 Date Sampled : 23-Jul-98
 Date Received : 24-Jul-98
 Date Reported : 24-Jul-98
 Salesman : Ed Schwarz
 Analyst : Karen Hawkins Allen

CATIONS

Calcium : 240 mg/l
 Magnesium : 170 mg/l
 Barium : 0 mg/l
 Strontium : 0 mg/l
 Iron : 1.0 mg/l
 Sodium : 2558 mg/l

ANIONS

Chloride : 2,800 mg/l
 Carbonate : 110 mg/l
 Bicarbonate : 3,416 mg/l
 Sulfate : 108 mg/l

pH (field) : 7.99
 Temperature : 85 degrees F
 Ionic Strength : 0.14
 Resistivity : ohm/meters
 Ammonia : ppm

Specific Gravity : 1.005 grams/ml
 Total Dissolved Solids : 9,403 ppm
 CO2 in Water : 1 mg/l
 CO2 in Gas : 0.03 mole %
 H2S in Water : 0.0 mg/l
 Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	3.25	Calcite PTB :	209.7
Calcite (CaCO3) SI @ 100 F :	3.41	Calcite PTB @ 100 F :	209.8
Calcite (CaCO3) SI @ 120 F :	3.62	Calcite PTB @ 120 F :	209.8
Calcite (CaCO3) SI @ 140 F :	3.84	Calcite PTB @ 140 F :	209.8
Calcite (CaCO3) SI @ 160 F :	4.06	Calcite PTB @ 160 F :	209.8
Gypsum (CaSO4) SI :	-2.10	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A



Water Analysis Report

Telephone (801) 789-4327

Customer : Rosewood	Field : Rockhouse
Address :	Lease : Hanging Rock #11-8W
City : Vernal	Location : SE NE Sec. 11, 12S-23E'
State : UT Postal Code : 84078-	Sample Point : wellhead
Attention : Ivan Sadler	Date Sampled : 23-Jul-98
cc1 : Salty Miller	Date Received : 24-Jul-98
cc2 : Danny	Date Reported : 24-Jul-98
cc3 :	Salesman : Ed Schwarz
Comments :	Analyst : Karen Hawkins Allen

CATIONS

Calcium :	368	mg/l
Magnesium :	146	mg/l
Barium :	0	mg/l
Strontium :	0	mg/l
Iron :	1.0	mg/l
Sodium :	5228	mg/l

ANIONS

Chloride :	6,400	mg/l
Carbonate :	1,769	mg/l
Bicarbonate :	1,867	mg/l
Sulfate :	2,240	mg/l

pH (field) :	8.24		Specific Gravity :	1.015	grams/ml
Temperature :	85	degrees F	Total Dissolved Solids :	18,019	ppm
Ionic Strength :	0.26		CO2 in Water :	1	mg/l
Resistivity :		ohm/meters	CO2 in Gas :	0.03	mole %
Ammonia :		ppm	H2S in Water :	0.0	mg/l
			Dissolved Oxygen :		ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	2.62	Calcite PTB :	320.2
Calcite (CaCO3) SI @ 100 F :	2.77	Calcite PTB @ 100 F :	320.7
Calcite (CaCO3) SI @ 120 F :	2.98	Calcite PTB @ 120 F :	321.1
Calcite (CaCO3) SI @ 140 F :	3.20	Calcite PTB @ 140 F :	321.4
Calcite (CaCO3) SI @ 160 F :	3.42	Calcite PTB @ 160 F :	321.5
Gypsum (CaSO4) SI :	-0.77	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A



Water Analysis Report

Telephone (801) 789-4327

<p>Customer : Rosewood Address : City : Vernal State : UT Postal Code : 84078- Attention : Ivan Sadler cc1 : Salty Miller cc2 : Danny cc3 : Comments :</p>	<p>Field : Rockhouse Lease : LaPaglia #1 Location : NE SE Sec. 3, 11S-23E Sample Point : wellhead Date Sampled : 23-Jul-98 Date Received : 24-Jul-98 Date Reported : 24-Jul-98 Salesman : Ed Schwarz Analyst : Karen Hawkins Allen</p>
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CATIONS

Calcium : 752 mg/l
 Magnesium : 10 mg/l
 Barium : 0 mg/l
 Strontium : 0 mg/l
 Iron : 19.0 mg/l
 Sodium : 9284 mg/l

ANIONS

Chloride : 15,000 mg/l
 Carbonate : 0 mg/l
 Bicarbonate : 1,025 mg/l
 Sulfate : 108 mg/l

<p>pH (field) : 7.34 Temperature : 85 degrees F Ionic Strength : 0.44 Resistivity : ohm/meters Ammonia : ppm</p>	<p>Specific Gravity : 1.02 grams/ml Total Dissolved Solids : 26,198 ppm CO2 in Water : 106 mg/l CO2 in Gas : 0.03 mole % H2S in Water : 34.0 mg/l Dissolved Oxygen : ppm</p>
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SI calculations based on Tomson-Oddo parameters

<p>Calcite (CaCO3) SI : 0.10 Calcite (CaCO3) SI @ 100 F : 0.26 Calcite (CaCO3) SI @ 120 F : 0.47 Calcite (CaCO3) SI @ 140 F : 0.69 Calcite (CaCO3) SI @ 160 F : 0.91 Gypsum (CaSO4) SI : -1.80 Barite (BaSO4) SI : N/A Celestite (SrSO4) SI : N/A</p>	<p>Calcite PTB : 46.2 Calcite PTB @ 100 F : 110.5 Calcite PTB @ 120 F : 184.9 Calcite PTB @ 140 F : 251.7 Calcite PTB @ 160 F : 305.7 Gypsum PTB : N/A Barite PTB : N/A Celestite PTB : N/A</p>
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Water Analysis Report

Telephone (801) 789-4327

Customer : Rosewood	Field : Rockhouse
Address :	Lease : Rock House #30
City : Vernal	Location : SW NW Sec. 24, 11S - 23E
State : UT Postal Code : 84078-	Sample Point : wellhead
Attention : Ivan Sadler	Date Sampled : 23-Jul-98
cc1 : Salty Miller	Date Received : 24-Jul-98
cc2 : Danny	Date Reported : 24-Jul-98
cc3 :	Salesman : Ed Schwarz
Comments :	Analyst : Karen Hawkins Allen

CATIONS

Calcium : 456 mg/l
 Magnesium : 209 mg/l
 Barium : 0 mg/l
 Strontium : 0 mg/l
 Iron : 4.0 mg/l
 Sodium : 6659 mg/l

ANIONS

Chloride : 10,600 mg/l
 Carbonate : 0 mg/l
 Bicarbonate : 281 mg/l
 Sulfate : 1,248 mg/l

pH (field) : 7.19	Specific Gravity : 1.025 grams/ml
Temperature : 85 degrees F	Total Dissolved Solids : 19,457 ppm
Ionic Strength : 0.33	CO2 in Water : 150 mg/l
Resistivity : ohm/meters	CO2 in Gas : 0.03 mole %
Ammonia : ppm	H2S in Water : 17.0 mg/l
	Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	-1.24	Calcite PTB :	N/A
Calcite (CaCO3) SI @ 100 F :	-1.08	Calcite PTB @ 100 F :	N/A
Calcite (CaCO3) SI @ 120 F :	-0.87	Calcite PTB @ 120 F :	N/A
Calcite (CaCO3) SI @ 140 F :	-0.65	Calcite PTB @ 140 F :	N/A
Calcite (CaCO3) SI @ 160 F :	-0.43	Calcite PTB @ 160 F :	N/A
Gypsum (CaSO4) SI :	-0.94	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A



Water Analysis Report

Telephone (801) 789-4327

Customer : Rosewood	Field : Rockhouse
Address :	Lease : Rock House #18
City : Vernal	Location : NE NE Sec. 16, 11S-23E
State : UT Postal Code : 84078-	Sample Point : wellhead
Attention : Ivan Sadler	Date Sampled : 23-Jul-98
cc1 : Salty Miller	Date Received : 24-Jul-98
cc2 : Danny	Date Reported : 24-Jul-98
cc3 :	Salesman : Ed Schwarz
Comments :	Analyst : Karen Hawkins Allen

CATIONS

Calcium : 848 mg/l
 Magnesium : 92 mg/l
 Barium : 0 mg/l
 Strontium : 0 mg/l
 Iron : 3.0 mg/l
 Sodium : 11881 mg/l

ANIONS

Chloride : 18,000 mg/l
 Carbonate : 0 mg/l
 Bicarbonate : 634 mg/l
 Sulfate : 2,330 mg/l

pH (field) : 7.70	Specific Gravity : 1.025 grams/ml
Temperature : 85 degrees F	Total Dissolved Solids : 33,788 ppm
Ionic Strength : 0.57	CO2 in Water : 36 mg/l
	CO2 in Gas : 0.03 mole %
Resistivity : ohm/meters	H2S in Water : 17.0 mg/l
Ammonia : ppm	Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI : 0.07	Calcite PTB : 22.8
Calcite (CaCO3) SI @ 100 F : 0.23	Calcite PTB @ 100 F : 71.1
Calcite (CaCO3) SI @ 120 F : 0.44	Calcite PTB @ 120 F : 123.8
Calcite (CaCO3) SI @ 140 F : 0.65	Calcite PTB @ 140 F : 167.8
Calcite (CaCO3) SI @ 160 F : 0.88	Calcite PTB @ 160 F : 207.7
Gypsum (CaSO4) SI : -0.52	Gypsum PTB : N/A
Barite (BaSO4) SI : N/A	Barite PTB : N/A
Celestite (SrSO4) SI : N/A	Celestite PTB : N/A



Water Analysis Report

Telephone (801) 789-4327

Customer : Rosewood	Field : Rockhouse
Address :	Lease : Rock House #12
City : Vernal	Location : SW SE Sec. 9, 11S-23E
State : UT Postal Code : 84078-	Sample Point : wellhead
Attention : Ivan Sadler	Date Sampled : 23-Jul-98
cc1 : Salty Miller	Date Received : 24-Jul-98
cc2 : Danny	Date Reported : 24-Jul-98
cc3 :	Salesman : Ed Schwarz
Comments :	Analyst : Karen Hawkins Allen

CATIONS

Calcium : 1,144 mg/l
Magnesium : 272 mg/l
Barium : 0 mg/l
Strontium : 0 mg/l
Iron : 1.0 mg/l
Sodium : 11777 mg/l

ANIONS

Chloride : 18,400 mg/l
Carbonate : 0 mg/l
Bicarbonate : 512 mg/l
Sulfate : 3,088 mg/l

pH (field) : 7.66	Specific Gravity : 1.03 grams/ml
Temperature : 85 degrees F	Total Dissolved Solids : 35,194 ppm
Ionic Strength : 0.59	CO2 in Water : 26 mg/l
Resistivity : ohm/meters	CO2 in Gas : 0.03 mole %
Ammonia : ppm	H2S in Water : 0.0 mg/l
	Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI : 0.14	Calcite PTB : 39.1
Calcite (CaCO3) SI @ 100 F : 0.29	Calcite PTB @ 100 F : 75.8
Calcite (CaCO3) SI @ 120 F : 0.50	Calcite PTB @ 120 F : 117.2
Calcite (CaCO3) SI @ 140 F : 0.72	Calcite PTB @ 140 F : 153.9
Calcite (CaCO3) SI @ 160 F : 0.95	Calcite PTB @ 160 F : 184.9
Gypsum (CaSO4) SI : -0.30	Gypsum PTB : N/A
Barite (BaSO4) SI : N/A	Barite PTB : N/A
Celestite (SrSO4) SI : N/A	Celestite PTB : N/A



Water Analysis Report

Telephone (801) 789-4327

Customer : Rosewood	Field : Rockhouse
Address :	Lease : Rock House #4
City : Vernal	Location : SE NE Sec. 9, 11S-23E
State : UT Postal Code : 84078-	Sample Point : wellhead
Attention : Ivan Sadler	Date Sampled : 23-Jul-98
cc1 : Salty Miller	Date Received : 24-Jul-98
cc2 : Danny	Date Reported : 24-Jul-98
cc3 :	Salesman : Ed Schwarz
Comments :	Analyst : Karen Hawkins Allen

CATIONS

Calcium : 320 mg/l
 Magnesium : 204 mg/l
 Barium : 0 mg/l
 Strontium : 0 mg/l
 Iron : 10.0 mg/l
 Sodium : 9771 mg/l

ANIONS

Chloride : 14,000 mg/l
 Carbonate : 0 mg/l
 Bicarbonate : 3,453 mg/l
 Sulfate : 300 mg/l

pH (field) : 7.94
 Temperature : 85 degrees F
 Ionic Strength : 0.46
 Resistivity : ohm/meters
 Ammonia : ppm

Specific Gravity : 1.02 grams/ml
 Total Dissolved Solids : 28,058 ppm
 CO2 in Water : 176 mg/l
 CO2 in Gas : 0.03 mole %
 H2S in Water : 340.0 mg/l
 Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	0.54	Calcite PTB :	181.4
Calcite (CaCO3) SI @ 100 F :	0.70	Calcite PTB @ 100 F :	209.9
Calcite (CaCO3) SI @ 120 F :	0.91	Calcite PTB @ 120 F :	235.0
Calcite (CaCO3) SI @ 140 F :	1.13	Calcite PTB @ 140 F :	252.5
Calcite (CaCO3) SI @ 160 F :	1.35	Calcite PTB @ 160 F :	263.1
Gypsum (CaSO4) SI :	-1.73	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A



Water Analysis Report

Telephone (801) 789-4327

<p>Customer : Rosewood Address : City : Vernal State : UT Postal Code : 84078-</p> <p>Attention : Ivan Sadler cc1 : Salty Miller cc2 : Danny cc3 :</p> <p>Comments :</p>	<p>Field : Rockhouse Lease : Cracker #1 Location : SE NE Sec. 8, 11S-23E Sample Point : wellhead</p> <p>Date Sampled : 23-Jul-98 Date Received : 24-Jul-98 Date Reported : 24-Jul-98</p> <p>Salesman : Ed Schwarz Analyst : Karen Hawkins Allen</p>
--	--

CATIONS

Calcium :	520	mg/l
Magnesium :	180	mg/l
Barium :	0	mg/l
Strontium :	0	mg/l
Iron :	4.0	mg/l
Sodium :	11058	mg/l

ANIONS

Chloride :	17,200	mg/l
Carbonate :	0	mg/l
Bicarbonate :	439	mg/l
Sulfate :	1,410	mg/l

<p>pH (field) : 7.68 Temperature : 85 degrees F Ionic Strength : 0.52</p> <p>Resistivity : ohm/meters Ammonia : ppm</p>	<p>Specific Gravity : 1.02 grams/ml Total Dissolved Solids : 30,811 ppm CO2 in Water : 88 mg/l CO2 in Gas : 0.03 mole % H2S in Water : 0.0 mg/l Dissolved Oxygen : ppm</p>
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SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	-0.80	Calcite PTB :	N/A
Calcite (CaCO3) SI @ 100 F :	-0.65	Calcite PTB @ 100 F :	N/A
Calcite (CaCO3) SI @ 120 F :	-0.44	Calcite PTB @ 120 F :	N/A
Calcite (CaCO3) SI @ 140 F :	-0.22	Calcite PTB @ 140 F :	N/A
Calcite (CaCO3) SI @ 160 F :	0.01	Calcite PTB @ 160 F :	2.0
Gypsum (CaSO4) SI :	-0.91	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A



Water Analysis Report

Telephone (801) 786-4327

<p>Customer : Rosewood Address : City : Vernal State : UT Postal Code : 84078- Attention : Ivan Sadler cc1 : Salty Miller cc2 : Danny cc3 : Comments : Acid gases not ran in field.</p>	<p>Field : Rockhouse Lease : Oil Springs #13 Location : SW SE Sec. 5, 12S-24E Sample Point : wellhead Date Sampled : 04-Aug-98 Date Received : 04-Aug-98 Date Reported : 04-Aug-98 Salesman : Ed Schwarz Analyst : Karen Hawkins Allen</p>
---	---

CATIONS

Calcium :	288	mg/l
Magnesium :	228	mg/l
Barium :	0	mg/l
Strontium :	0	mg/l
Iron :	3.0	mg/l
Sodium :	2043	mg/l

ANIONS

Chloride :	3,400	mg/l
Carbonate :	0	mg/l
Bicarbonate :	1,281	mg/l
Sulfate :	245	mg/l

<p>pH (field) : 7.32 Temperature : 85 degrees F Ionic Strength : 0.12 Resistivity : ohm/meters Ammonia : ppm</p>	<p>Specific Gravity : 1.01 grams/ml Total Dissolved Solids : 7,488 ppm CO2 in Water : 79 mg/l CO2 in Gas : 0.03 mole % H2S in Water : 0.0 mg/l Dissolved Oxygen : ppm</p>
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SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	0.65	Calcite PTB :	159.4
Calcite (CaCO3) SI @ 100 F :	0.81	Calcite PTB @ 100 F :	183.0
Calcite (CaCO3) SI @ 120 F :	1.02	Calcite PTB @ 120 F :	205.6
Calcite (CaCO3) SI @ 140 F :	1.23	Calcite PTB @ 140 F :	221.3
Calcite (CaCO3) SI @ 160 F :	1.46	Calcite PTB @ 160 F :	233.1
Gypsum (CaSO4) SI :	-1.69	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A

Wells Within 1/2 Mile Radius of Atchee #1

Well Name	1/4 1/4	Sec	Twnp	Rng	Footages	Status	API Number	Compl. Date	Surface Pipe	Cement	Production Casing	Cement	Cement Top	Perforations	Cement Plugs
Rockhouse 2	SESE	15	11S	23E	925 FSL 554 FEL	Plugged		1/28/61	13-3/8 @ 234	250 sx.	7" 23/26# @ 5737	700 Sx	2800	4970-94 Was	20 sx 4923-5030 20 sx 107-0 100 sx in Annulus
Rockhouse 16	NWNW	15	11S	23E	890 FNL 1075 FWL	Plugged	43-047-32761	7/1/96	9-5/8 @ 264	160 sx	None	None		None	120 sx 3485-3685 144 sx 1409-1759 88 sx 164-364 45 sx 0-50
Rockhouse 20	NENE	15	11S	23E	941 FNL 517 FEL	Producing	43-047-32875	8/14/97	8-5/8 @ 300	196 sx	4-1/2 11.6# @5700 DV Tool @ 2589	720 sx 300 sx	2990 Surface	4028-4755 Was 5152-5386 MV	
Rockhouse 22	NENW	15	11S	23E	795 FNL 2034 FWL	Producing	43-047-33027	7/11/98	8-5/8 @ 480	350 sx	4-1/2 11.6# @ 5400 DV Tool @ 3010	350 sx 250 sx	3612 1100	4426-4680 Was	
Rockhouse 24	NWSW	15	11S	23E	794 FWL 1838 FSL	Producing	43-047-33028	6/9/98	8-5/8 @ 315	235 sx	4-1/2 11.6# @ 5438 DV Tool @ 2126	590 sx 220 sx	2550 650	4573-89 Was	
Atchee 1	SWNE	15	11S	23E	2381 FNL 1852 FEL	Shut In	43-047-33026	5/23/98	8-5/8 @ 325	250 sx	4-1/2 11.6# @ 5100 DV Tool @ 2513	500 sx 240 sx	3070 500	4010-14 Was	

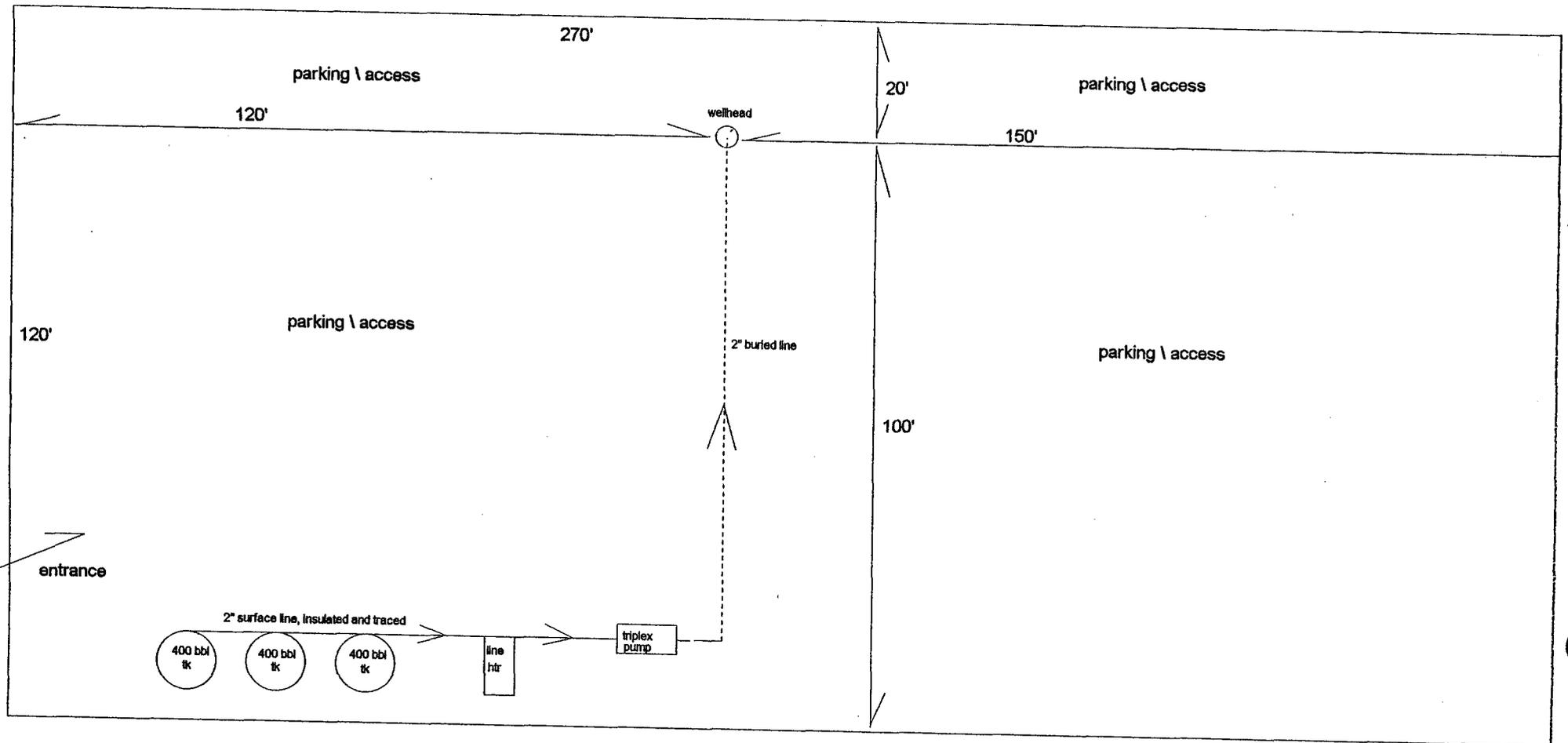
Rockhouse 19
 Frac Job Summary
 KB 5885'

Interval	Treatment Volumes	Avg. Rate	Avg. Pressure	Instant Shut-in Pressure	Frac Gradient
Wasatch 4784-98	32,430# 20/40 sand, 8,160 gal KCl water.	10.7 BPM	2000 psi	2250 psi	.909 psi/ft.
Wasatch 4922-25	20,050# 20/40 sand, 6,258 gal KCl water.	10.8 BPM	2500 psi	2800 psi	1.008 psi/ft.
Mesa Verde - 5048-54	20,050# 20/40 sand, 5,082 gal KCl water	10.8 BPM	1975 psi	2100 psi	.856 psi/ft.

ROSEWOOD RESOURCES, INC
ATCHEE 1 DISPOSAL FACILITY
SWNE Sec. 15 T11S R23E
UINTAH COUNTY, UTAH



DIAGRAM #1





PLUGGING AND ABANDONMENT PLAN

NAME AND ADDRESS OF FACILITY Atchee #1 Disposal Well C/O Rosewood Resources, Inc. P.O. Box 1668, Vernal, UT 84078	NAME AND ADDRESS OF OWNER/OPERATOR Rosewood Resources, Inc. P.O. Box 1668 Vernal, UT 84078 435/789-0414
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LOCATE WELL AND OUTLINE UNIT ON SECTION PLAT - 640 ACRES <div style="border: 1px solid black; width: 200px; height: 150px; margin: 0 auto; position: relative;"> N S W E <!-- Grid representation of the section plat --> </div>	STATE UT	COUNTY Uintah	PERMIT NUMBER 435/789-0414
--	--------------------	-------------------------	--------------------------------------

SURFACE LOCATION DESCRIPTION
 SW 1/4 of SE 1/4 of SW 1/4 of NE 1/4 of Section 15 Township 11S Range 23E

LOCATE WELL IN TWO DIRECTIONS FROM NEAREST LINES OF QUARTER SECTION AND DRILLING UNIT
 Surface 2381
 Location _____ ft. from (N/S) _____ Line of quarter section.
 and 1852 ft. from (E/W) _____ Line of quarter section

TYPE OF AUTHORIZATION <input checked="" type="checkbox"/> Individual Permit <input type="checkbox"/> Area Permit <input type="checkbox"/> Rul. Number of Wells <u>1</u>	WELL ACTIVITY <input type="checkbox"/> CLASS I <input checked="" type="checkbox"/> CLASS II <input checked="" type="checkbox"/> Brine Disposal <input type="checkbox"/> Enhanced Recovery <input type="checkbox"/> Hydrocarbon Storage <input type="checkbox"/> CLASS III
Lease Name Atchee	Well Number #1

CASING AND TUBING RECORD AFTER PLUGGING					METHOD OF EMPLACEMENT OF CEMENT PLUGS	
SIZE	WT(LB/FT)	TO BE PUT IN WELL (FT)	TO BE LEFT IN WELL (FT)	HOLE SIZE		
8-5/8	24	325	325	12-1/4	<input checked="" type="checkbox"/> The Balance Method	
4-1/2	11.6	5100	5100	7-7/8	<input checked="" type="checkbox"/> The Dump Bailer Method	
					<input type="checkbox"/> The Two-Plug Method	
					<input type="checkbox"/> Other	

CEMENTING TO PLUG AND ABANDON DATA:							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Size of Hole or Pipe in which Plug Will Be Placed (inches)	4-1/2	4-1/2	4-1/2	4-1/2	4-1/2 x	8-5/8	
Depth to Bottom of Tubing or Drill Pipe (ft.)	4300	4300	4060	600	500		
Sacks of Cement To Be Used (each plug)	--	3	10	10	160		
Slurry Volume To Be Pumped (cu. ft.)	--	3.18	10.6	10.6	170		
Calculated Top of Plug (ft.)	4800	4765	3960	500	Surf		
Measured Top of Plug (if tagged ft.)							
Slurry Wt. (Lb./Gal.)		16.4	16.4	16.4	16.4		
Type Cement or Other Material (Class III)	CIBP	Class H	Class H	Class H	Class H		

LIST ALL OPEN HOLE AND/OR PERFORATED INTERVALS AND INTERVALS WHERE CASING WILL BE VARIED (If any)			
From	To	From	To
4882	4900		
4960	4980		
4988	4994		
5012	5028		
5032	5044		

Estimated Cost to Plug Wells
 \$15,000 (See Plugging Estimate Attached)

CERTIFICATION

I certify under the penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. (Ref. 40 CFR 144.32)

NAME AND OFFICIAL TITLE (Please type or print) Danny Widner/ District Manager	SIGNATURE 	DATE SIGNED 2/2/00
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ROSEWOOD RESOURCES, INC.

MEMORANDUM

TO: LISA SMITH (PERMITCO)

FROM: SALTY MILLER

DATE: JANUARY 31, 2000

SUBJECT: PLUGGING ESTIMATES FOR ATCHEE #1 SWD

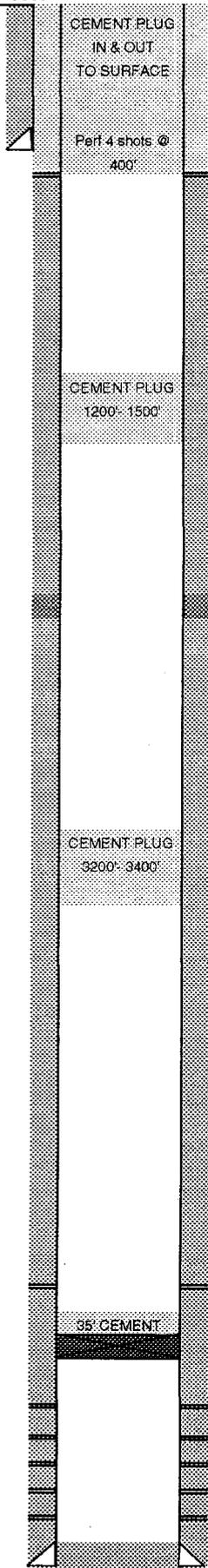
Plugging estimates to abandon the Atchee #1 disposal well located in Uintah County, Utah are as follows:

Workover Rig (2 days @ \$2000/day)	\$4000
BOPE	\$200
Water	\$1000
Cement & services	\$5300
Wireline (CIBP & Perforating)	\$3600
Misc	<u>\$900</u>
Total	\$15000

Estimates do not take into account any salvage for tubulars or wellhead equipment.

If you have any questions or concerns please feel free to contact me at (435) 789-0414 ext. #15

K.B.- 5912'
G.L.- 5897'



12 1/4" HOLE
8 5/8" CSG @ 325'
Cemented to Surface
EST TOP OF CEMENT 2nd STAGE @ 500'
7 7/8" HOLE
Mahogany Oil Shale
DV STAGE TOOL @ 2513'
EST TOP OF CEMENT 1st STAGE @ 3070'
TOP OF WASATCH @ 3302'
PERFS 4010'- 14' CEMENT SQUEEZE!!
CIBP @ 4800' +/-
PERFS 4882'- 4900'
PERFS 4960'- 80'
PERFS 4988'- 94'
PERFS 5012'- 28'
PERFS 5032'- 44'
TOP OF MESA VERDE @ 5065'

WELLHEAD
CASING HEAD
TUBING HEAD
UPPER TREE ASSY

8 5/8" SOW X 11" 3M
11" 5M X 7 1/16" 5M
2 1/16" 5M

CONDUCTOR
CEMENT

SURFACE
SIZE 8 5/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
8	36#	K-55	ST&C	325' KB

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

325'
250 SX "G" W/ 2% CaCl & .25#/sk Cello-Flake

PRODUCTION /
INTERMEDIATE
SIZE 4 1/2"

JTS.	WT.	GRADE	CPLG.	AMT. SET
119	11.6#	J-55	LT&C	5100'

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT Stage #1
Stage #2

DV TOOL @ 2513'
5100'
500sx "G", 10%Gyp, 10% Salt, .4% FL25
190sx "G", 3% Salt, 16% Gel, .5#/sx Gilsonite

LINER
SIZE

JTS.	WT.	GRADE	CPLG.	AMT. SET
------	-----	-------	-------	----------

P.B.R. HANGER
MISC. EQUIPMENT
FLOAT EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

TUBING
SIZE 2 3/8"

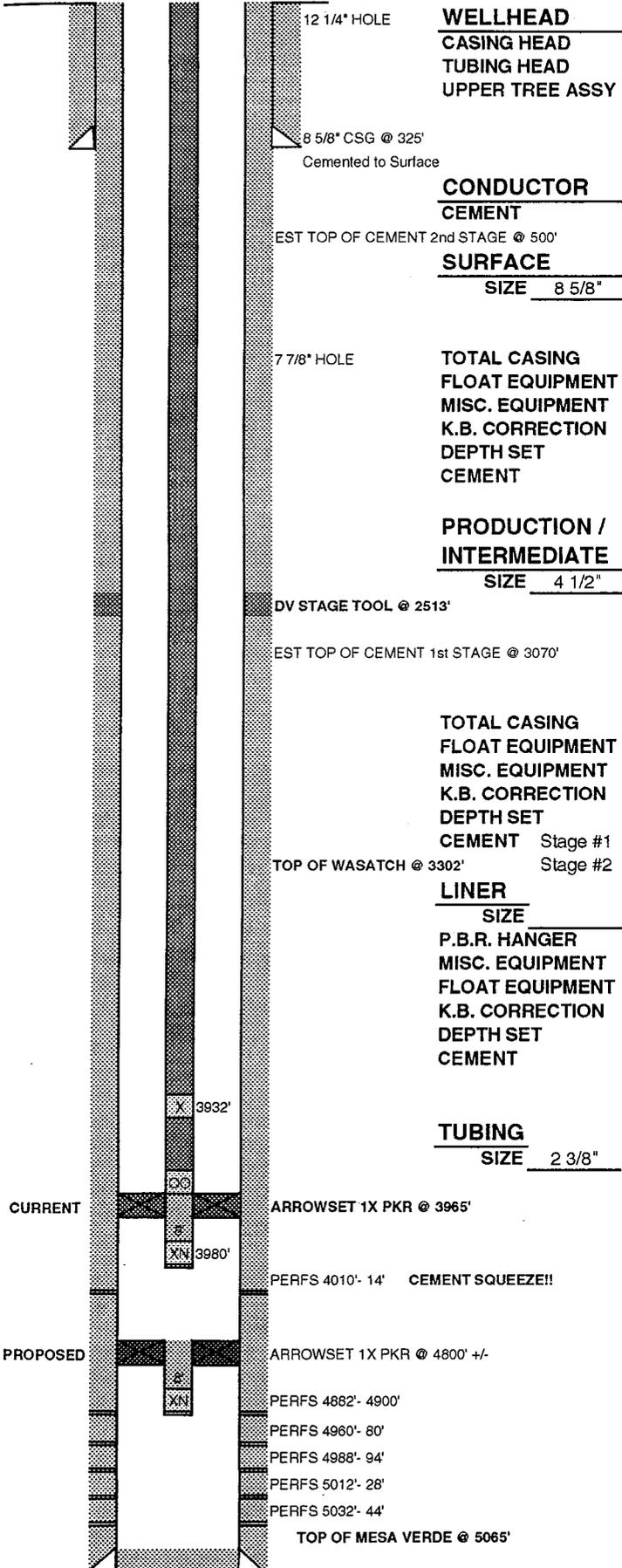
JTS.	WT.	GRADE	CPLG.	AMT. SET
127	4.7#	J-55	EUE	3980'

TUBING DETAIL

KB	14.00'
TUBING HANGER	.82'
126 JTS TBG	3917.00'
X- NIPPLE @ 3932'	1.20'
1 JT TBG	31.24'
Arrowset IX PKR @ 3965'	6.48'
8' PUP JT	8.07'
XN- NIPPLE @ 3980'	1.50'
EOT @	3980'

P.B.T.D. 5040'
T.D. 5100'

K.B.- 5912'
G.L.- 5897'



8 5/8" SOW X 11" 3M
11" 5M X 7 1/16" 5M
2 1/16" 5M

JTS.	WT.	GRADE	CPLG.	AMT. SET
8	36#	K-55	ST&C	325' KB

TOTAL CASING	
FLOAT EQUIPMENT	
MISC. EQUIPMENT	
K.B. CORRECTION	
DEPTH SET	325'
CEMENT	250 SX "G" W/ 2% CaCl & .25#/sk Cello-Flake

JTS.	WT.	GRADE	CPLG.	AMT. SET
119	11.6#	J-55	LT&C	5100'

DV TOOL @ 2513'	
5100'	
500sx "G", 10%Gyp, 10% Salt, .4% FL25	
190sx "G", 3% Salt, 16% Gel, .5#/sx Gilsonite	

JTS.	WT.	GRADE	CPLG.	AMT. SET

JTS.	WT.	GRADE	CPLG.	AMT. SET
127	4.7#	J-55	EUE	3980'

TUBING DETAIL	
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Arrowset IX PKR @ 3965'	6.48'
8' PUP JT	8.07'
XN- NIPPLE @ 3980'	1.50'
EOT @	3980'

P.B.T.D. 5040'
T.D. 5100'

SURETY PERFORMANCE BOND

U.S. ENVIRONMENTAL PROTECTION AGENCY
UNDERGROUND INJECTION CONTROL
FINANCIAL RESPONSIBILITY REQUIREMENT

TO: Regional Administrator
ATTN: Underground Injection Control 8ENF-T

Financial Responsibility
U.S. EPA Region VIII
999 18th Street, Suite 500
Denver, Colorado 80202-2466

BOND COVERS THE PLUGGING OF INJECTION WELLS

Date bond executed: February 2, 1998

Effective Date: February 2, 1998

Principal: Rosewood Resources, Inc.
(Legal name of owner or operator)

100 Crescent Court #500, Dallas, TX 75201
(Business address of owner or operator)

Type of organization: Corporation
(Individual, joint venture, partnership, or corporation)

State of incorporation: Delaware

Surety(ies): Safeco Insurance Company of America
(Name)
500 N. Central Expressway #300, Plano, TX 75074
(Business Address)

EPA Identification number, name, address, and plugging and abandonment amount(s) for each injection well guaranteed by this bond. (Indicate plugging and abandonment amounts for each well. Attach separate list if necessary.)

<u>Injection Well Information</u>	<u>Plug & Abandon Amount</u>
Center Fork Disposal Well, Well No. F-17-4 NW/4 of the NW/4 of Sec. 17. T 12S-R 24 E, Uintah County, Utah	<u>\$15,000.00</u>

Total penal sum of bond: \$ 15,000.00

Surety's bond number: 5892478

KNOW ALL PERSONS BY THESE PRESENTS, That we, the Principal and Surety(ies) hereto are firmly bound to the U.S. Environmental Protection Agency (hereinafter called EPA), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is it set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under the Underground Injection Control Regulations, as amended, to have a permit or comply with provisions to operate under rule for each injection well identified above, and

WHEREAS said Principal is required to provide financial assurance for plugging and abandonment as a condition of the permit or approval to operate under rule, and

WHEREAS said Principal shall establish a standby trust fund as is required when a surety bond is used to provide such financial assurance;

NOW, THEREFORE, the conditions of this obligation are such that if the Principal shall faithfully perform plugging and abandonment, whenever required to do so, of each injection well for which this bond guarantees plugging and abandonment, in accordance with the plugging abandonment plan and other requirements of the permit or provisions for operating under rule and other requirements of the permit or provisions for operating under rule as may be amended, pursuant to all applicable laws, statutes, rules and regulations, as such laws, statutes, rules, and regulations may be amended,

Or, if the Principal shall provide alternate financial assurance as specified in Subpart F of 40 CFR 144, and obtain the EPA Regional Administrator's written approval of such assurance, within 90 days after the date of notice of cancellation is received by both the Principal and the EPA Regional Administrator(s), from the Surety(ies), then this obligation shall be null and void. Otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above.

Upon notification by an EPA Regional Administrator that the Principal has been found in violation of the plugging and abandonment requirements of 40 CFR 144, for an injection well which

this bond guarantees performances of plugging and abandonment, the Surety(ies) shall either perform plugging and abandonment with the plugging and abandonment plan and other permit conditions or provisions for operating under rule and other requirements or place the amount for plugging and abandonment into a standby trust fund as directed by the EPA Regional Administrator.

Upon notification by an EPA Regional Administrator that the Principal has failed to provide alternate financial assurance as specified in Subpart F of 40 CFR 144, and obtain written approval of such assurance from the EPA Regional Administrator(s) during the 90 days following receipt by both the Principal and the EPA Regional Administrator(s) of a notice of cancellation of the bond, the Surety(ies) shall place funds in the amount guaranteed for the injection well(s) into the standby trust fund as directed by the EPA Regional Administrator.

The Surety(ies) hereby waive(s) notification of amendments to plugging and abandonment plans, permits, applicable laws, statutes, rules, and regulations and agrees that no such amendment shall in any way alleviate its (their) obligation on this bond.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice by certified mail to the owner or operator and to the EPA Regional Administrator(s) for the Region(s) in which the injection well(s) is (are) located, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by both the Principal and the EPA Regional Administrator(s), as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies); provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond by the EPA Regional Administrator(s) of the EPA Region(s) in which the bonded injection well(s) is (are) located.

IN WITNESS WHEREOF, The Principal and Surety(ies) have executed this Performance Bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies) and that the wording on this surety bond is identical to the wording specified in 40 CFR 144.70(c), as such regulation was constituted on the date this bond was executed.

PRINCIPAL:

Rosewood Resources, Inc.
(Name)

100 Crescent Court #500
Dallas, TX 75201
(Address)

Gary E. Conrad
(Signature)

Gary E. Conrad
(Title) President 3

Corporate Seal

Delaware
State of Incorporation

\$ 150.00
Bond Premium

CORPORATE SURETY(IES):

Safeco Insurance Company of America
(Name)

500 N. Central Expressway #300
Plano, TX 75074
(Address)

972/516-8600
(Surety Telephone Number)

Lisa M. Bonnot
(Signature)

Lisa M. Bonnot, Attorney-in-fact
(Title)

Corporate Seal

Washington
State of Incorporation

\$ 15,000.00
Liability Limit

(For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.)



POWER OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

No. 7273

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint
*****RUTH GOODENOUGH; LISA M. BONNOT; Dallas, Texas*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 16 day of September, 19 97

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, R. A. Pierson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 2nd day of February, 19 98

STANDBY TRUST AGREEMENT

U.S. ENVIRONMENTAL PROTECTION AGENCY
UNDERGROUND INJECTION CONTROL
FINANCIAL RESPONSIBILITY REQUIREMENT

TO: Regional Administrator
ATTN: Underground Injection Control SWM-DW-UIC
Financial Responsibility
U.S. EPA Region VIII
999 18th Street, Suite 500
Denver, Colorado 80202-2466

TRUST AGREEMENT, the "Agreement," entered into as of 2/3/98
(date)

by and between ROSEWOOD RESOURCES, INC.
(name of owner or operator)

a DELAWARE CORPORATION, the "Grantor,"
(name of state) (corporation, partnership,
association, or proprietorship)

and Bank One, Texas N.A., () incorporated in
(name of corporate trustee)

the State of _____ or (X) a national bank, the
"Trustee."

WHEREAS, the United States Environmental Protection Agency, "EPA," an agency of the United States Government, has established certain regulations applicable to the Grantor, requiring that an owner or operator of an injection well shall provide assurance that funds will be available when needed for plugging and abandonment of the injection well, and

WHEREAS, the Grantor has elected to obtain () a surety bond () a letter of credit and establish a standby trust to provide all or part of such financial assurance for the facility(ies) identified herein, and

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee,

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 5. Payments Comprising the Fund. Payments made to the Trustee for the Fund shall consist of cash or securities acceptable to the Trustee.

Section 6. Trustee Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this Section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge his duties with respect to the trust fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims, except that:

(a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2.(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;

(b) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or State government; and

(c) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

(a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and

(b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq., including one which may be created, managed, underwritten or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 10. Annual Valuation. Commencing after initial funding of the trust, the Trustee shall annually, at least 30 days prior to the anniversary date of establishment of the Fund, furnish to the Grantor and to the appropriate EPA Regional Administrator a statement confirming the value of the Trust. Any securities in the Fund shall be valued at the market value as of no more than 60 days prior to the anniversary date of establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the EPA Regional Administrator shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 13. Successor Trustee. The Trustee may resign or the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the EPA Regional Administrator, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 9.

Section 18. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of _____.

Section 19. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

IN WITNESS WHEREOF, the parties below have caused this Agreement to be executed by their respective officers duly authorized and corporate seals to be hereunto affixed and attested as of the date first above written.

BY: Gary E. Conrad
(Signature of Grantor)
Gary E. Conrad
(Name) President
(Title)

BY: Nancy Patterson
(Signature of Trustee)
Nancy Patterson
(Name)
VICE PRESIDENT
(Title)
Bank One, Texas, N.A.
(Bank Name)
8111 Preston Rd., 2nd Fl., Dallas, TX 75225
(Bank Address)
214/360-3978
(Bank Telephone Number)

Attest: [Signature]
Assistant Vice President
(Title)

(Seal)

CERTIFICATE OF ACKNOWLEDGEMENT

FOR

STANDBY TRUST AGREEMENT

STATE OF TEXAS

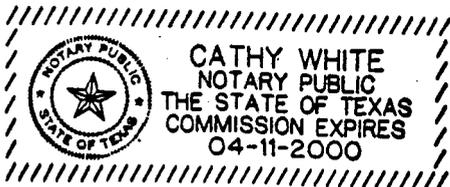
COUNTY OF DALLAS

On this 2nd day of April, 1998, before me personally came Nancy Patterson to me known, (owner or operator)

who, being by me duly sworn, did depose and say that she/he resides at 102 Chevy Chase Ln., Waxahachie TX 75165 (address)

that she/he is Vice President of Bank One, Texas, N.A. (title) (corporation)

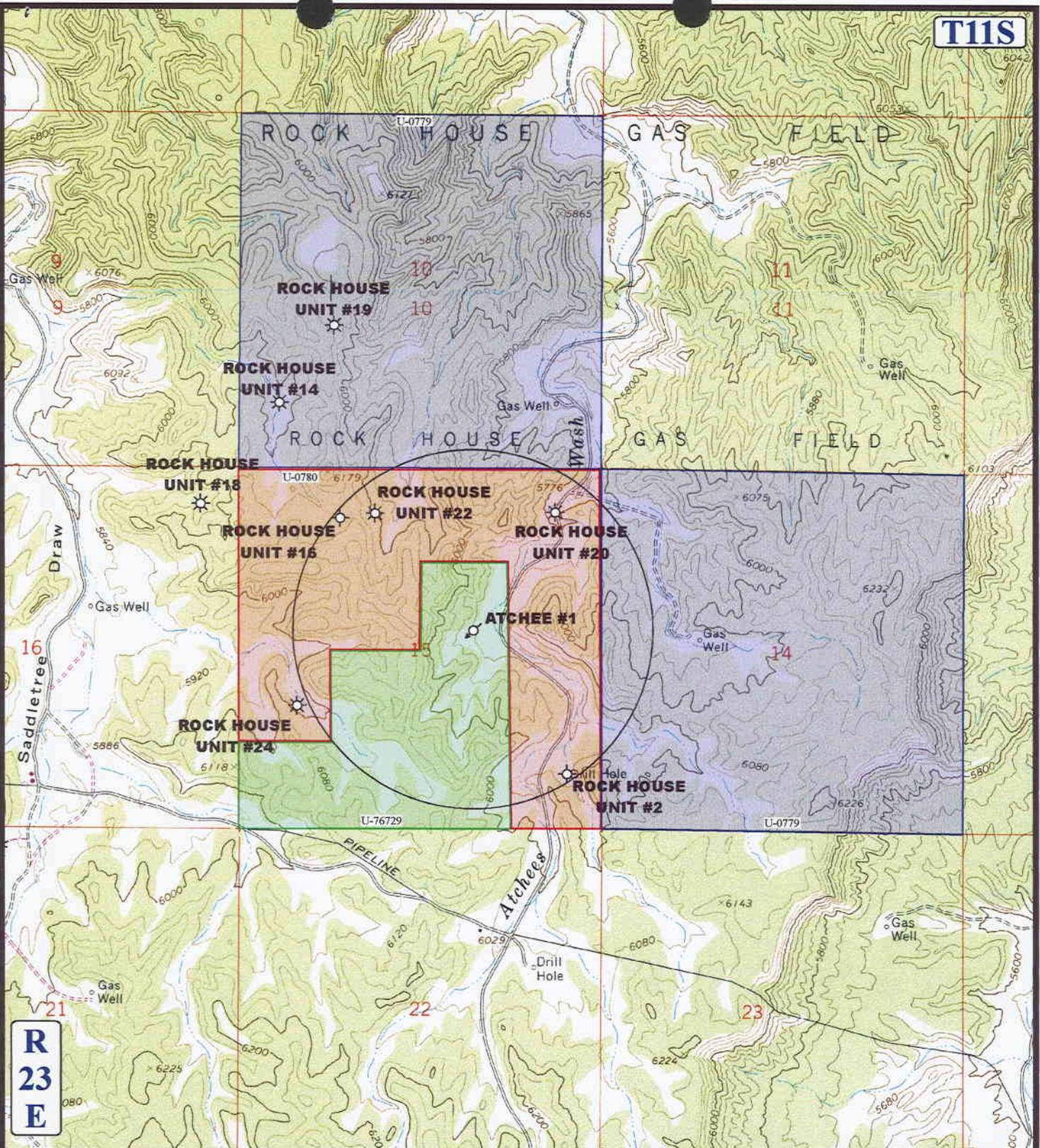
the corporation described in and which executed the above instrument; that she/he knows the seal of said corporation; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she/he signed her/his name thereto by like order.



Cathy White
(Notary Public)

(Seal)

T11S



R
23
E

LEGEND:

- OIL WELL
- ☼ GAS WELL
- ⊗ PLUGGED & ABANDONED WELL
- ☼ GAS INJECTION WELL
- ⊗ PLUGGED EX-PRODUCING WELL
- ⊗ TEMPORARILY ABANDONED WELL
- ⊗ WATER INJECTION WELL
- U-0779
- U-76729
- U-0780

ROSEWOOD RESOURCES INC.

ATCHEE #1
SECTION 15, T11S, R23E, S.L.B.&M.
2381' FNL 1852' FEL



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



TOPOGRAPHIC 12 13 99
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00

3
TOPO

UNITED ROSEWOOD
R H FED R H U

16

22

858 890

ROSEWOOD

ROCK HOUSE UNIT

A'

20

1052

ROSEWOOD
ATCHEE

1

986

ROSEWOOD

R H U

24

1035

A

11S/23E/15

DIAMOND SHAM

ROCK HOUSE

1132

200. 0. 200.400.600.8001000. feet



Rosewood Resources, Inc.

PROPOSED R.R.I. ATCHEE #1 SWD
ROCK HOUSE UNIT
STRUCTURE TOP OF THE MESA VERDE

kelley

1/3/00

1"=50'

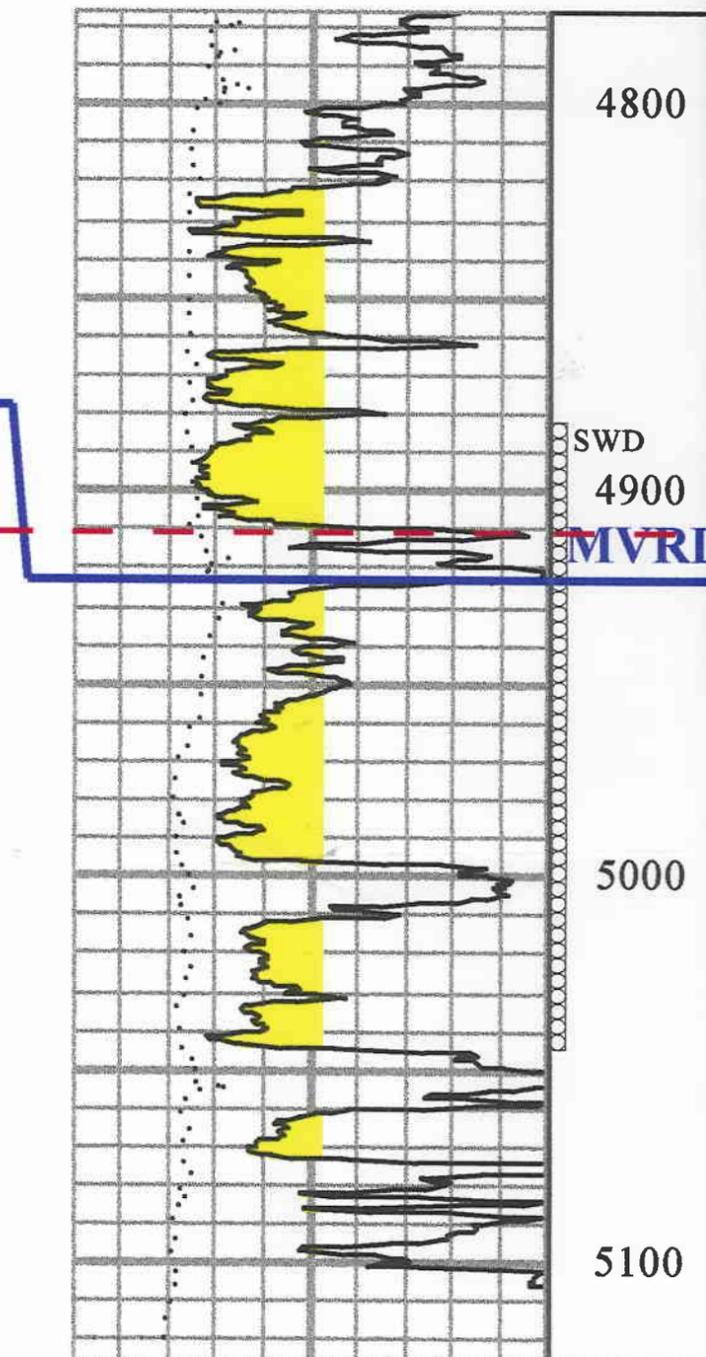
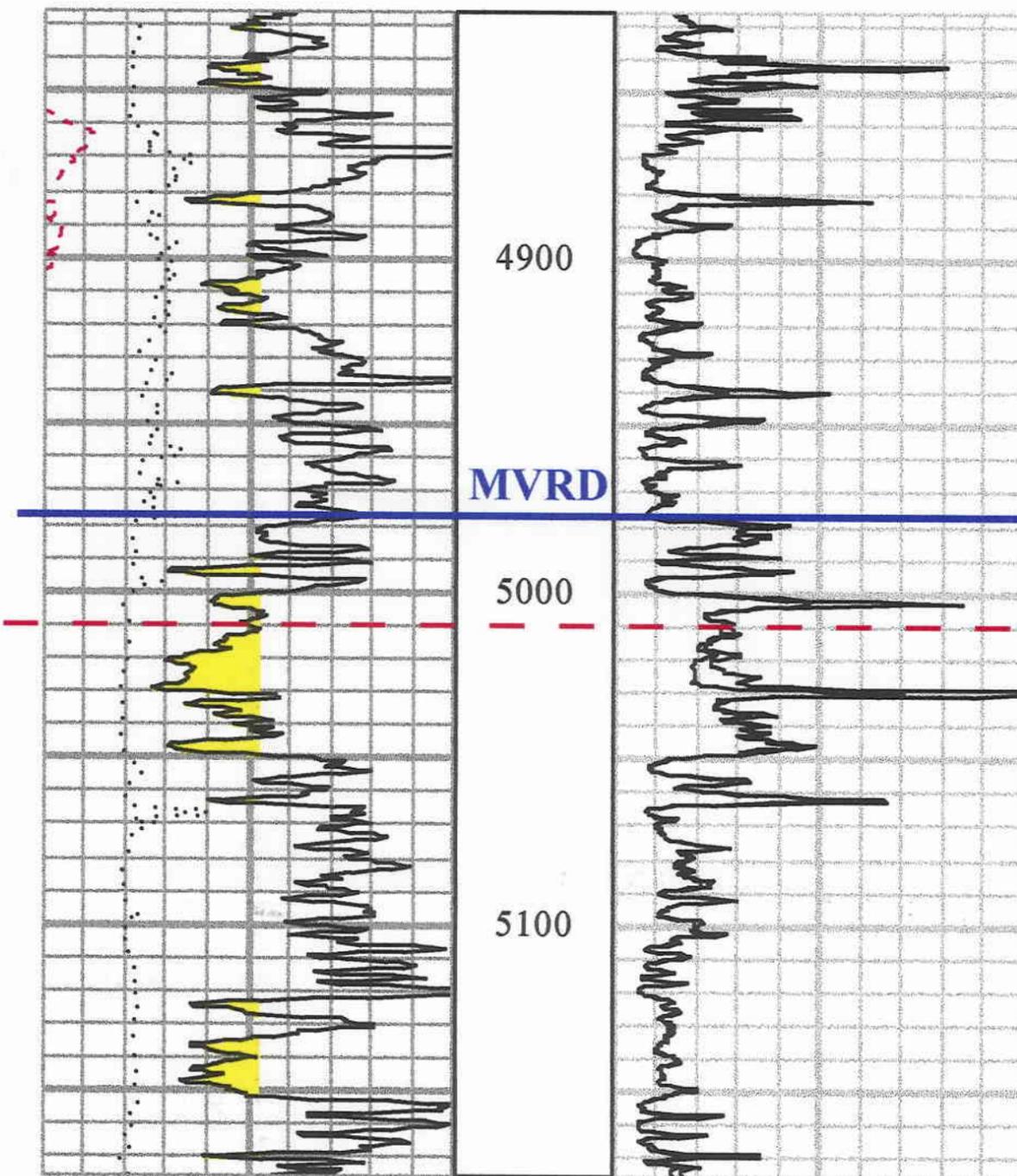
STRUCTURAL CROSS

A

ATCHEE 1 SWD W

Well RHU 24
Well ID 43047330280000
Field ROCKHOUSE
County UTAH
State/Province UTAH
Country 11S 23E 15

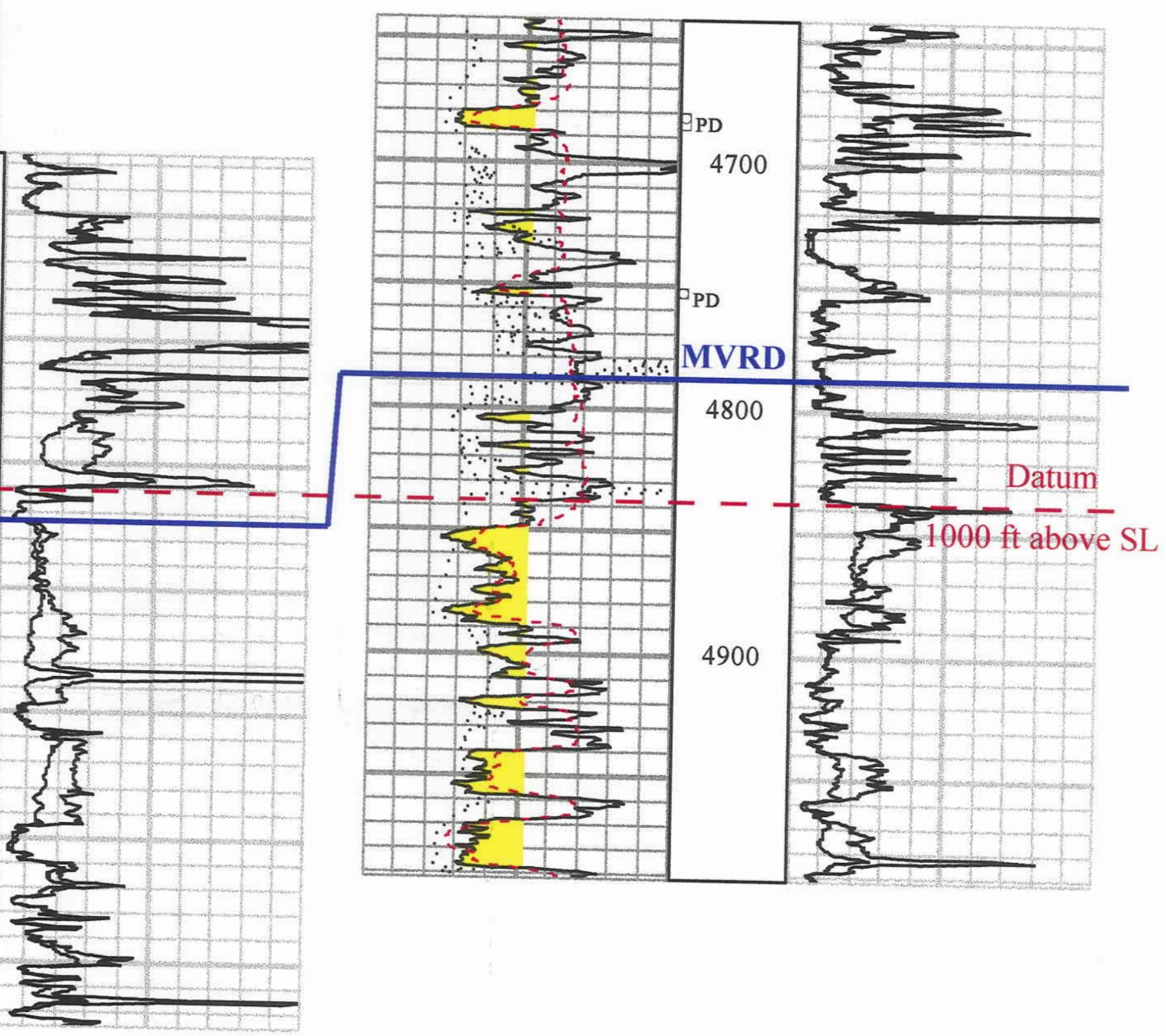
Well ATCHEE 1
Well ID 43047330260000
Field ROCKHOUSE
County UTAH
State/Province UTAH
Country 11S 23E 15



S-SECTION A - A' WELL PROPOSAL

A'

Well RHU 20
Well ID 43047328750000
Field ROCKHOUSE
County UINTAH
State/Province
Country IIS 23E 15





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

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

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

February 10, 2000

Rosewood Resources Inc.
P.O. Box 1668
Vernal, Utah 84078

Re: Atchee #1 Section 15, Township 11 South, Range 23 East, Uintah County, Utah

Gentlemen:

Pursuant to Utah Admin. Code R649-5-3-3, the Division of Oil, Gas and Mining (the "Division") issues its administrative approval for conversion of the referenced well to a Class II injection well. Accordingly, the following stipulations shall apply for full compliance with this approval:

1. Compliance with all applicable requirements for the operation, maintenance and reporting for Underground Injection Control ("UIC") Class II injection wells pursuant to Utah Admin. Code R649-1 et seq.
2. Conformance with all conditions and requirements of the complete application submitted by Rosewood Resources Inc.
3. A fracture gradient will be obtained from the Step Rate Test, and submitted to the Division of Oil, Gas & Mining.
4. Obtain a connate water sample from the well prior to any testing or injection.
5. A water compatibility study for the connate water and water to be injected.
6. Conduct a Mechanical Integrity Test.
7. Obtain a BLM right-of-way to inject at this location, if necessary.

The above stipulations will be complied with prior to the issuance of a final injection permit. If you have any questions regarding this approval or the necessary requirements, please contact K. Michael Hebertson (801) 538-5333 at this office.

Sincerely,



John R. Baza
Associate Director, Oil and Gas

cc: Dan Jackson, Environmental Protection Agency
Bureau of Land Management, Vernal
Uintah County Commission



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

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

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

February 10, 2000

2/18/00
Mike,
This is your
Copy.

Rosewood Resources Inc.
P.O. Box 1668
Vernal, Utah 84078

Re: Atchee #1 Section 15, Township 11 South, Range 23 E

Gentlemen:

Pursuant to Utah Admin. Code R649-5-3-3, the Division ("Division") issues its administrative approval for conversion of injection well. Accordingly, the following stipulations shall apply for full compliance with this approval:

1. Compliance with all applicable requirements for the operation, maintenance and reporting for Underground Injection Control ("UIC") Class II injection wells pursuant to Utah Admin. Code R649-1 et seq.
2. Conformance with all conditions and requirements of the complete application submitted by Rosewood Resources Inc.
3. A fracture gradient will be obtained from the Step Rate Test, and submitted to the Division of Oil, Gas & Mining.
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Sincerely,

John R. Baza
Associate Director, Oil and Gas

cc: Dan Jackson, Environmental Protection Agency
Bureau of Land Management, Vernal
Uintah County Commission

DIVISION OF OIL, GAS AND MINING
UNDERGROUND INJECTION CONTROL PROGRAM

**PERMIT
STATEMENT OF BASIS**

Applicant: Rosewood Resources Inc.

Well: Atchee #1 Disposal Well

Location: T11S, R23E, S15, Uintah Co., UT

API: 43-047-33026

Ownership Issues:

The well is located in section 15, T11S, R23E, Uintah County, Utah, on Federal land and it is underlain by a federal mineral lease, No. UTU-76729. An Affidavit of Notification of surface owners within a half mile radius of the well has been provided as part of the original filing.

Well Integrity:

Description of the Casings and Cement:

8 5/8 24#/foot, J55, 8rnd, conductor pipe installed from 0' to 325' cemented to surface with 250 sxs Class G cement w/2% CaCl₂, & .25#/sx cello flake circulated to surface.

4.5", 11.6#/ft., J-55 production casing,, installed from 0' to 5,100' using 500 sxs Class "G" w/10% gypsum, .4% FL-25, .1% R-3, 10% salt, circulated to ~2,700'. A DV tool was placed at 2,513' and a second stage was pumped as follows: 190 sxs, Class "G" cement w/3% salt, 16%gel, 5#/sx Gilsonite, and .24#/sx cello flake. 2 BBLS cement circulated to surface.

At the time the Bond Log was run the casing was pressured to 1000 psi and the log was run under pressured conditions. The casing held 1000 psi pressure during the entire logging operation and indicates that the casing had good mechanical integrity in May of 1998. Another MIT will be required prior to approval of the final permit to inject in order to establish integrity under injection conditions.

The Cement Bond Log was run from 5,094' PBD to 282' . The cement appears to be well bonded over the injection interval from 4,882' to 5044'. And there are 96' of excellent bond from the 4,888' up to 4,792 where a micro annulus or channeling begins. Good bonding returns from 3,712 up to 3,662. The top of the first stage of the primary cement was located at 3,070' not at 2,700' as calculated from the volumetrics of the open hole logs.

The 4.5" casing was perforated and fracture stimulated in the Wasatch formation from

4,010' to 4,014' and production testing was begun. The well has been shut in since the production testing was finished on 27, May, 1998. The proposed recompletion for conversion to an injection well has not been undertaken, and the workover of the well is expected as part of the approval to convert.

Ground Water Protection:

There were no aquifers with high-quality ground water encountered or reported while drilling the well. The surface and production casing strings have been set and cemented in place and will adequately protect any shallow zones of fresh water. For all the casing strings cement was circulated back to surface as part of the first or second stage of the primary cement job.

The Mesa Verde, Wasatch and Green River formations will be providing the produced waters that are to be injected in this well. The various formations are supplying water ranging in TDS from 7,488 ppm on the low end to 35,194 ppm for a high end value. No water from the intended injected zone has been tested, and there is no compatibility study upon which to base the final approval for injection. The compatibility study will be a condition issued with the approval to convert.

The water analysis that have been provided were performed by Champion Technologies Inc. of Vernal Utah, an oil field related company specializing in chemical treatment and supply for the oil industry.

A review of Technical Publication No. 92, Base of Moderately Saline Ground Water in the Uinta Basin, Utah published by the Department of Natural Resources State of Utah, places the base of the moderately saline ground waters at ~2,870' in the injection well. The intended zone for injection is at 4,882' to 5,044', another 2,000 feet downhole. This will place the injected water well into the saline zone at this location. The 1985 Rocky Mountain Formation Water Resistivities, published by Petroleum Information Corporation of Denver, Colorado, provides Wasatch water Resistivities in the 20,000- 37,000 range based on NaCl in the water. These readings were calculated from wells within 6 miles of the Atchee #1. Much lower resistivities are obtained from the Wasatch within 18 miles of this well, however the intended injection waters do not exceed 35,194 TDS.

After reviewing the well history, well logs, water analysis, cross sections, structure map, and other information supplied with the application by Rosewood Resources Inc. it does not appear that injection at this location will substantially impact the quality of the waters in the Wasatch formation. It is expected that a pressure increase near the wellbore, will be caused by the injection of fluids. This, however, will dissipate over time, after injection ceases. It is therefore concluded that no long term negative impacts are anticipated resulting from injection of produced water into the subject well, in the Wasatch formation.

Oil/Gas & Other Mineral Resources Protection:

As part of the technical review a cross section was built, by Division Personnel covering the lower portion of the Wasatch formation and a datum line of +1,500' was calculated for each well in section 15. Rosewood also provided a cross section of a similar interval with a datum line of +1,000'. Based on these cross sections no two wells are completed in the same productive interval. However the Rock House #20 is perforated in zones as close as 30 vertical feet, below the top injection zone of the Atchee #1. The rest of the wells in this section are protected by casing and cement which will provide adequate protection. Other known potentially producible mineral or hydrocarbon zones encountered in this well are protected by cement and pipe that will contain injection in the intended zone.

The injection zone in the Atchee #1 is isolated nearly 900' below the productive Wasatch interval, and good to excellent cement bond covers a sufficient length of hole to protect the upper formation, including bond of ~100% across the injection zone and for 96 feet above the topmost set of perforations. It is noted that the operator has selected a 15 foot shale zone located at 4,785' to 4,800', which is 82' above the injection perfs, as the topmost confining beds, and a zone located at 5,045' to 5,060', which is 1 foot below the injection perfs, as the bottom confining beds. According to the operator the density porosity in these zones is below 5% and there is no indication of permeability or fracture enhancement in these intervals.

A review of the well records of the Division of Oil, Gas and Mining for the half mile area of review indicated that the existing well bores within a half mile of the proposed disposal well produce from the Wasatch formation at depth that are more shallow than the Atchee #1 well. One notable exception has already been discussed and is noted as the Rock House #20.

Bonding:

Rosewood Resources Inc. is covered by a \$15,000 Surety Performance Bond which is issued to cover only the plugging of this well and is held by Safeco Insurance Company. Rosewood is the operator of record for this well.

Actions Taken and Further Approvals Needed:

Notice of this application was published in the Salt Lake Tribune and The Vernal Express. In addition, copies of the notice were provided to the EPA, and the BLM (Vernal, UT). The notice stated the proposed interval for injection into the Wasatch formation was from 4,882' to 5,044'.

A properly designed and constructed injection well, combined with periodic mechanical integrity tests, poses no threat to fresh or useable groundwater supplies. The Division staff

recommends approval of this application contingent upon no additional or unforeseen information being presented which will change this analysis or the data presented herein.

To obtain a final approval the operator will need to provide the following information:

1. A connate water sample from the well.
2. A water compatibility study for the connate water and water to be injected.
3. A Step Rate Test designed to show injection pressures at the maximum applied for injection rate and pressures which will be run below parting pressure.
4. A Mechanical Integrity Test.
5. A BLM right-of-way to inject at this location, if necessary.

Reviewer(s): K. Michael Hebertson

Date: 10 February 2000

February 10, 2000

Rosewood Resources Inc.
P.O. Box 1668
Vernal, Utah 84078

Re: Atchee #1 Section 15, Township 11 South, Range 23 East, Uintah County, Utah

Gentlemen:

Pursuant to Utah Admin. Code R649-5-3-3, the Division of Oil, Gas and Mining (the "Division") issues its administrative approval for conversion of the referenced well to a Class II injection well. Accordingly, the following stipulations shall apply for full compliance with this approval:

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2. Conformance with all conditions and requirements of the complete application submitted by Rosewood Resources Inc.
3. A fracture gradient will be obtained from the Step Rate Test, and submitted to the Division of Oil, Gas & Mining.
4. Obtain a connate water sample from the well prior to any testing or injection.
5. A water compatibility study for the connate water and water to be injected.
6. Conduct a Mechanical Integrity Test.
7. Obtain a BLM right-of-way to inject at this location, if necessary.

The above stipulations will be complied with prior to the issuance of a final injection permit. If you have any questions regarding this approval or the necessary requirements, please contact K. Michael Hebertson (801) 538-5333 at this office.

Sincerely,

John R. Baza
Associate Director, Oil and Gas

cc: Dan Jackson, Environmental Protection Agency
Bureau of Land Management, Vernal
Uintah County Commission

Champion Technologies, Inc.

2060 South 1500 East
Vernal, Utah 84078

435-789-4327 Phone

435-789-4315 Fax

To: Sally
Fax Number: 789-0497
From: Karen Allen
Date: 10-27-00
Pages: 2

(Including Cover Page)

fax

Message:



2060 SOUTH 1500 EAST
VERNAL, UTAH 84078

Telephone (435) 789-4327

Water Analysis Report

Customer : Rosewood

Date Sampled : 26-Oct-00

Date Reported : 27-Oct-00

Date Received : 27-Oct-00

Address :

City : Vernal

State : UT **Postal Code :** 84078-

Field : Rockhouse

Lease : Rockhouse

Location : Atchee #1

Sample Point : wellhead

Attention : Ivan Sadler

cc1 : Salty Miller

cc2 : Danny

cc3 :

Salesman : Ed Schwarz

Comments : ACID GASES NOT RAN IN FIELD.

Analyst : Karen Hawkins Allen

CATIONS

Calcium : 216 mg/l
Magnesium : 156 mg/l
Barium : 0 mg/l
Strontium : 0 mg/l
Iron : 17.0 mg/l
Sodium : 6400 mg/l

ANIONS

Chloride : 10,000 mg/l
Carbonate : 390 mg/l
Bicarbonate : 903 mg/l
Sulfate : 245 mg/l

pH (field) : 8.48
Temperature : 85 degrees F
Ionic Strength : 0.30
Resistivity : 0.87 ohm/meters
Ammonia : ppm

Specific Gravity : 1.0200 grams/ml
Total Dissolved Solids : 18,327 ppm
CO2 in Water : 1 mg/l
CO2 in Gas : 0.03 mole %
H2S in Water : 2.0 mg/l
Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	1.68	Calcite PTB :	179.7
Calcite (CaCO3) SI @ 100 F :	1.83	Calcite PTB @ 100 F :	182.2
Calcite (CaCO3) SI @ 120 F :	2.04	Calcite PTB @ 120 F :	184.7
Calcite (CaCO3) SI @ 140 F :	2.26	Calcite PTB @ 140 F :	186.3
Calcite (CaCO3) SI @ 160 F :	2.49	Calcite PTB @ 160 F :	187.4
Gypsum (CaSO4) SI :	-1.89	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A



2060 SOUTH 1500 EAST
 VERNAL, UTAH 84078

Telephone (435) 789-4327

Water Analysis Report

Customer : Rosewood

Date Sampled : 27-Oct-00

Date Reported : 27-Oct-00

Date Received : 27-Oct-00

Address :

City : Vernal

State : UT **Postal Code :** 84078-

Field : Rockhouse

Lease : Rockhouse

Location : Atchee #1

Sample Point : wellhead

Attention : Ivan Sadler

cc1 : Salty Miller

cc2 : Danny

cc3 :

Salesman : Ed Schwarz

Comments : ACID GASES NOT RAN IN FIELD.

Analyst : Karen Hawkitts Allen

CATIONS

Calcium : 208 mg/l
Magnesium : 136 mg/l
Barium : 0 mg/l
Strontium : 0 mg/l
Iron : 17.0 mg/l
Sodium : 6177 mg/l

ANIONS

Chloride : 9,400 mg/l
Carbonate : 244 mg/l
Bicarbonate : 1,293 mg/l
Sulfate : 188 mg/l

pH (field) : 7.75
Temperature : 85 degrees F
Ionic Strength : 0.29
Resistivity : 0.86 ohm/meters
Ammonia : ppm

Specific Gravity : 1.0150 grams/ml
Total Dissolved Solids : 17,663 ppm
CO2 in Water : 1 mg/l
CO2 in Gas : 0.03 mole %
H2S in Water : 3.0 mg/l
Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	1.99	Calcite PTB :	178.7
Calcite (CaCO3) SI @ 100 F :	2.15	Calcite PTB @ 100 F :	179.7
Calcite (CaCO3) SI @ 120 F :	2.36	Calcite PTB @ 120 F :	180.5
Calcite (CaCO3) SI @ 140 F :	2.58	Calcite PTB @ 140 F :	181.0
Calcite (CaCO3) SI @ 160 F :	2.80	Calcite PTB @ 160 F :	181.4
Gypsum (CaSO4) SI :	-2.01	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A

Confidential

Champion Technologies, Inc.
 Vernal District Technical Services



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION VIII

999 18th STREET - SUITE 500
DENVER, COLORADO 80202-2466

RECEIVED

NOV 15 2000

DIVISION OF
OIL, GAS AND MINING

REF: 8P-W-GW

AUG 28 2000

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Danny Widner
District Manager
Rosewood Resources, Inc.
P.O. Box 1668
Vernal, Utah 84078

Re: FINAL UIC Permit
EPA Permit No. UT2871-04527
Atchee #1
Rock House Gas Field
Uintah County, Utah

Dear Mr. Widner:

Enclosed is a copy of a FINAL Permit for an Underground Injection Control (UIC) Program Class II non-commercial salt water disposal injection well, UIC Permit No. UT2871-04527, for the Atchee #1, located at SW NE Section 15 T11S R23E, Rock House Gas Field, Uintah County, Utah. A Statement of Basis that discusses development of conditions of the Permit also is enclosed.

The Public Comment period ended July 27, 2000. There were no comments on the draft permit received from the general public, landowners or from the applicant. Therefore, the Final Permit becomes effective on the date of issuance. All conditions set forth herein refer to Title 40 Parts 124, 144, 146, and 147 of the Code of Federal Regulations (CFR) and are regulations that are in effect on the date that this permit becomes effective.

Please note that under the terms of the Final Permit, Rosewood Resources, Inc. (Rosewood) is authorized only to convert the proposed injection well, and must fulfill the "Prior to Commencing Injection" requirements of the Permit, Part II Section C Subpart 1 and obtain written Authorization To Inject prior to commencing injection.

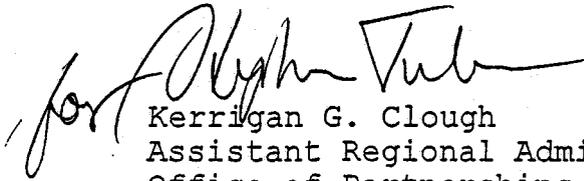
It is the responsibility of the operator to be familiar with and to comply with all provisions of the Final Permit.



The permit and the authorization to inject are issued for the operating life of the well unless terminated (Part III, Section B). This permit will be reviewed by the EPA at least every five (5) years to determine whether action under 40 CFR § 144.36(a) is warranted.

If you have any questions on the enclosed Final Permit or Statement of Basis, please call Dan W. Jackson of my staff at (303) 312-6155.

Sincerely,



Kerrigan G. Clough
Assistant Regional Administrator
Office of Partnerships and
Regulatory Assistance

Enclosures: Final Permit
Final Statement of Basis

cc: Mr. Roland McCook, Chairman
Uintah & Ouray Business Council
P.O. Box 190
Ft. Duchesne, UT 84026

Lisa L. Smith
PermitCo
14421 Weld County Rd. 10
Ft. Lupton, CO 80621

cc: copy of letter only

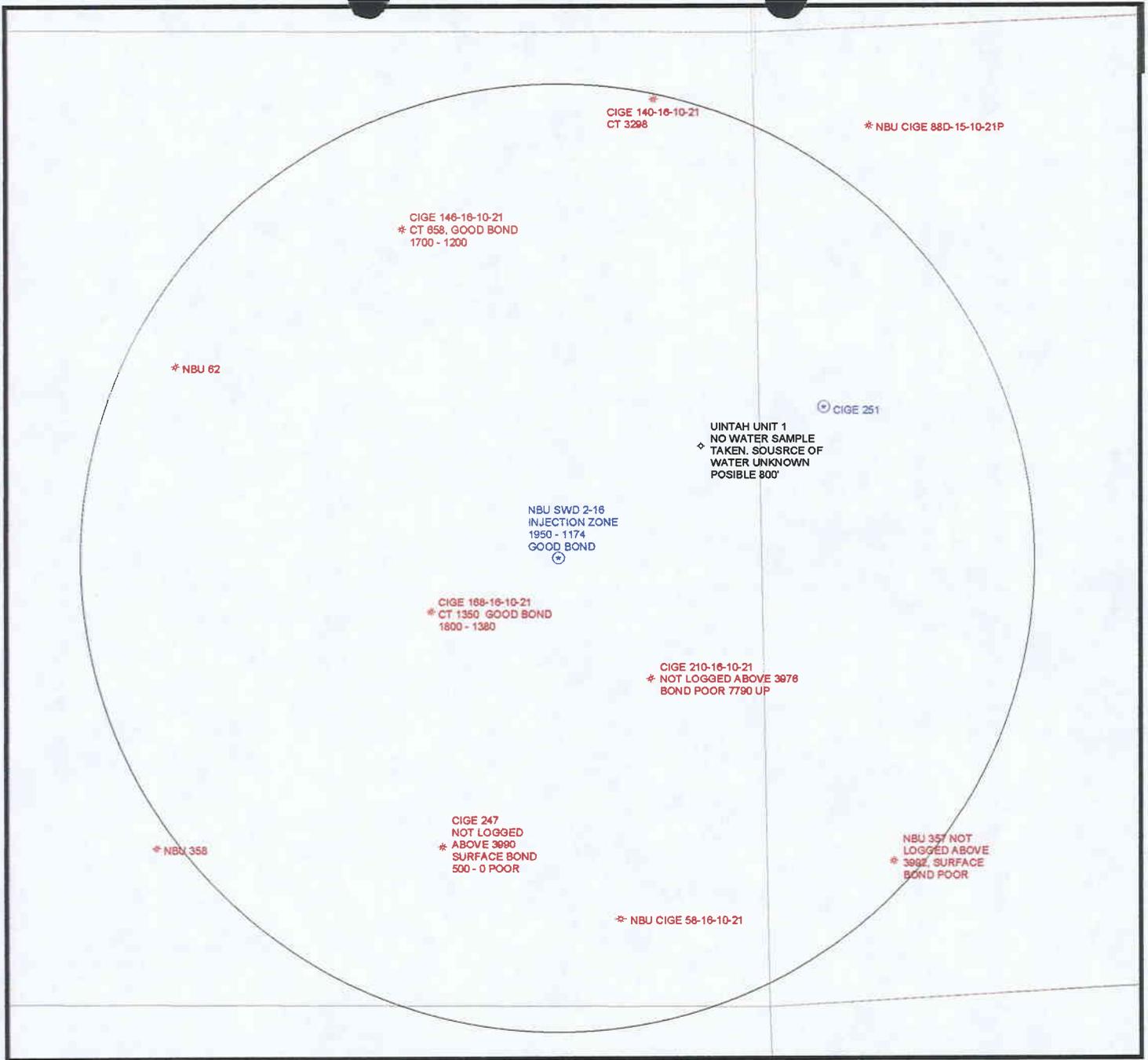
Ms. Elaine Willie, Environmental Director
Ute Indian Tribe
P.O. Box 190
Ft. Duchesne, UT 84026

Mr. Gilbert Hunt
Utah Division of Oil, Gas & Mining
Box 145801
Salt Lake City, UT 84114-5801



Mr. Jerry Kenczka
United States Department of the Interior
Bureau of Land Management, Vernal Field Office
170 South 500 East
Vernal, UT 84078

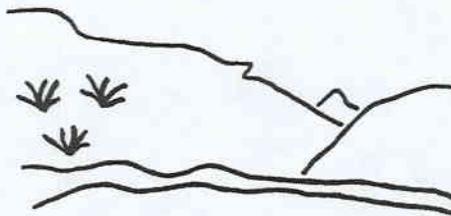




Well Status

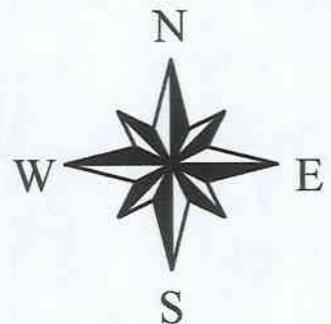
- ⊕ GAS INJECTION
- GAS STORAGE
- × LOCATION ABANDONED
- ⊕ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- * PRODUCING GAS
- PRODUCING OIL
- ⊕ SHUT-IN GAS
- ⊖ SHUT-IN OIL
- × TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ⊕ WATER SUPPLY
- ⊖ WATER DISPOSAL

- Sections
- Township



Utah Oil Gas and Mining

The Division of Oil, Gas & Mining does not warrant or guarantee the accuracy of any data or information contained herein, and is not responsible for the accuracy of data not under its immediate control. The customer has requested data to be projected where there is no official survey, it is not be used as reliable data.





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION VIII
999 18th STREET - SUITE 500
DENVER, COLORADO 80202-2466

Underground Injection Control Program

FINAL PERMIT

UIC Permit No. UT2871-04527

Class II Non-Commercial Salt Water Disposal
Injection Well

Well Name: Atchee #1

Location: SW NE Section 15 T11S R23E
Field Name: Rock House Gas Field
County & State: Uintah County, Utah

issued to:

Rosewood Resources, Inc.
P.O. Box 1668
Vernal, Utah 84078

Date Draft Permit Prepared: May, 2000

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PART I. AUTHORIZATION TO CONVERT AND OPERATE

Pursuant to the Underground Injection Control Regulations of the U. S. Environmental Protection Agency codified at Title 40 of the Code of Federal Regulations, Parts 124, 144, 146, and 147,

Rosewood Resources, Inc.

P.O. Box 1668
Vernal, Utah 84078

is hereby authorized to convert an existing shut-in Wasatch Formation gas well to a basal Wasatch Formation non-commercial salt water disposal injection well, known as the:

Atchee #1

SW NW Section 15 Township 11 South Range 23 East
Uintah County, Utah
API No. 43 047 33027

Injection shall be for the purpose of non-commercial disposal of produced Wasatch Formation salt water (brine) associated with gas production from wells in the Rock House Gas Field, in accordance with conditions set forth herein.

Injection activities shall not commence until the operator has fulfilled all applicable conditions of this permit and has received written authorization from the Director. "Prior to Commencing Injection" requirements are set forth in Part II. Section C. 1. of this permit.

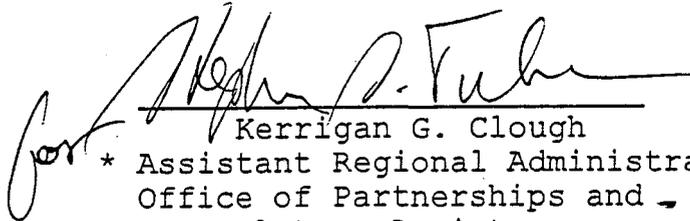
All conditions set forth herein refer to Title 40 §§124, 144, 146, and 147 of the Code of Federal Regulations and are regulations that are in effect on the date that this permit becomes effective.

This permit consists of a total of 30 pages and includes all items listed in the Table of Contents. Further, it is based upon representations made by the applicant and on other information contained in the administrative record.

This permit is issued for the operating life of the well and will be reviewed by the EPA at least every five (5) years to determine whether action under 40 CFR §144.36 (a) is warranted. The permit shall expire upon delegation of primary enforcement responsibility for the underground injection control (UIC) Program to the State of Utah or the Ute Indian Tribe, unless that State or Tribe has the authority and chooses to adopt and enforce this permit as a State or Tribal permit.

Issued this day of AUG 28 2000.

This permit shall become effective AUG 28 2000


Kerrigan G. Clough
* Assistant Regional Administrator
Office of Partnerships and
Regulatory Assistance

* NOTE: The person holding this title is referred to as the "Director" throughout this permit

PART II. SPECIFIC PERMIT CONDITIONS

A. WELL CONSTRUCTION/CONVERSION REQUIREMENTS

1. Casing and Cementing. The existing well casing and cementing construction is approved, and the schematic diagram of well conversion details submitted with the application is hereby incorporated into this permit as Appendix A. During conversion, existing Wasatch Formation perforations from 4010'-4014' shall be sealed by cement squeeze. Injection perforations, proposed at depths from 4882'-4900', 4960'-4980', 4988'-4994', 5012'-5028', and 5032'-5044' are approved. Injection between the outermost casing protecting USDWs and the well bore is prohibited.

Modification of the approved well construction is allowed provided that written approval is obtained prior to actual construction and the well is cased and cemented to prevent migration of fluids into or between USDW's. Remedial cementing may be required if the casing cement is shown to be inadequate, by cement bond log or demonstration of Part II (External) mechanical integrity.

2. Tubing and Packer. Injection tubing shall be installed from the packer up to the surface. The applicant specified 2-3/8" tubing; the tubing shall be 2-3/8" or a similar diameter suitable for injection. An Arrowset IX packer or equivalent shall be set no more than 100' above the top injection perforation.
3. Annulus. The annulus between the tubing and the casing shall be filled with fresh water treated with a corrosion inhibitor.
4. Monitoring Devices. The operator shall install and maintain in good operating condition:
 - (a) a "tap" at an conveniently accessible location on the injection line between the pump house or storage tank(s) and the injection well, for collection of a representative sample of injection fluids, and
 - (b) two (2) one-half (1/2) inch Female Iron Pipe (FIP) fittings with cut-off valves for attachment of pressure gauges; one attached at the wellhead on the tubing and the other attached to the casing/tubing annulus, and
 - (c) attached to the injection flow line, a flow meter with a cumulative volume recorder that is certified for 95

percent accuracy or more throughout the range of injection rates allowed by the permit, and

(d) the operator shall always have in possession calibrated gauges for use of the field personnel to monitor injection and casing/tubing annulus pressures.

5. Alterations and Workovers. The operator shall give advance notice to the Director, as soon as possible, of any planned physical alterations or additions to the permitted facility. Such alterations or workovers of the permitted well shall meet all conditions as set forth in this permit. The operator shall provide all records of well workovers, logging, and other test data and results to EPA within sixty (60) days of completion of the activity. Appendix B contains appropriate report forms to be used for reporting.

A demonstration of Part I (Internal) mechanical integrity shall be performed after completion of all workovers or alterations that affect the casing, tubing or annulus, and prior to resuming injection activities (see current UIC Guidance).

6. Formation Testing/Logging. The operator shall determine and provide to the Director the pore pressure (static bottom-hole pressure) of the injection zone prior to commencing injection.
7. Mechanical Integrity Testing. The operator shall demonstrate mechanical integrity in accordance with Part II C.1.c. and d. and Part II C.2.
8. Postponement of Conversion. If this well has not been converted to injection status within one (1) year from the effective date of this permit, this authorization to convert and operate shall expire unless the operator requests and is granted an extension. The request shall be made to the Director in writing and shall state the reasons for the delay and confirm the protection of all USDWs. Once authorization to convert and inject expires under this part, the full permitting process, including opportunity for public comment, must be repeated before authorization to construct/convert and operate will be reissued.

B. CORRECTIVE ACTION REQUIREMENTS

No corrective action is required. However, if a leak that may endanger a USDW is detected in any well within the Area of Review in the future, the operator shall notify the Director and

take timely corrective measures necessary to prevent migration of fluids into USDWs (see *Additional Monitoring*, Part II Section D.2.)

C. WELL OPERATION REQUIREMENTS

1. Prior to Commencing Injection. Injection shall not commence until the following conditions have been met and the operator has received written notice from the Director that all submitted information is satisfactory and approval for injection is granted:
 - (a) Conversion work shall be complete and the operator shall submit Well Rework Record Form 7520-12 (in Appendix B) and a schematic showing details of the well as constructed or converted.
 - (b) The operator shall complete all Formation Testing/Logging Requirements of Part II A.6.
 - (c) The operator shall demonstrate Part I (Internal) mechanical integrity, no significant leak in the casing, tubing, or packer. The demonstration shall be made by using a casing-tubing pressure test or an approved alternate test method.
 - (d) The operator shall demonstrate Part II (External) mechanical integrity, no significant fluid movement into a USDW through vertical channels adjacent to the wellbore. The demonstration shall be made using a noise log, temperature log, or the results of a radioactive tracer survey may be acceptable under certain circumstances. The operator shall submit and receive prior approval of the proposed test plan.
 - (e) The operator shall complete all correction action requirements to the satisfaction of the Director.
2. Mechanical Integrity. The operator shall ensure the injection well maintains mechanical integrity at all times. The Director, by written notice, may require the operator to comply with a schedule describing when mechanical integrity demonstrations shall be made.
 - (a) Mechanical Integrity Test Methods. Any of several EPA-approved methods may be used to demonstrate mechanical integrity. A current copy of *Guidance #34 Cement Bond Logging Techniques and Interpretation*, dated April 19, 1995, *Guidance #37, Demonstrating Part II (External)*

Mechanical Integrity, dated August 9, 1995, and Guidance #39, *Pressure Testing Injection Wells for Part I (Internal) Mechanical Integrity*, dated September 27, 1995, are provided at issuance of this permit. Results of tests shall be submitted on the appropriate EPA form to the Director as soon as possible, but no later than sixty (60) days after a test is complete.

- (b) Frequency of Mechanical Integrity Testing. The operator shall demonstrate mechanical integrity prior to commencing injection, at least once every five (5) years during the life of the well, and after workovers. The operator shall arrange for and conduct all required mechanical integrity tests.
 - (c) Prior Notification of Test. The Operator shall notify the Director at least two (2) weeks prior to any required integrity test. The Director may allow a shorter notification period if it is sufficient to enable the EPA to witness the mechanical integrity test. Notification may be in the form of a yearly or quarterly schedule of planned mechanical integrity tests or it may be on an individual well basis.
 - (d) Loss of Mechanical Integrity. If the well fails to demonstrate mechanical integrity during a test, or a loss of mechanical integrity as defined by 40 CFR § 146.8 becomes evident during operation, the operator shall notify the Director in accordance with Part III E.11. of this permit. Injection activities shall be terminated immediately, and operations shall not be resumed until the operator has taken necessary actions to restore integrity to the well and the Director has given approval to recommence injection.
3. Approved Injection Zone. Injection shall be limited to an interval within the basal Wasatch Formation between the depths of 4800'-5045'. Injection between the outermost casing protecting USDWs and the well bore is prohibited.
4. Injection Pressure Limitation. The maximum surface injection pressure (MIP) shall not exceed an amount that the Director determines is appropriate to ensure that injection does not initiate new fractures or propagate existing fractures in the confining zone overlying the injection zones; in this well the MIP shall not exceed 1500 psig. A different MIP may be requested by the operator; such a request shall be accompanied by a step rate test or other approved test of the injection zone.

5. Injection Volume Limitation. There is no limitation on the number of barrels of water per day or total volume of produced water that may be injected, provided that in no case shall the injection pressure exceed the approved MIP or cause formation or injected fluids to migrate into a USDW.
6. Approved Injection Fluid. The approved injection fluid source is limited to a produced water mixture derived from wells in the Rock House Gas Field as listed in Exhibit 9 of the October 14, 1999, permit application. Fluids from other fluid sources must be approved by the Director prior to injection. The approved injection fluid is limited to a produced water mixture brought to the surface in connection with natural gas storage operations or conventional oil and gas production, and may be commingled with waste waters from gas plants which are an integral part of production operations unless those waters are classified as a hazardous waste at the time of injection. [see 40 CFR §144.6(b)] The well is not approved for use as a commercial disposal well.

D. MONITORING, RECORDKEEPING, AND REPORTING OF RESULTS

1. Injection Well Monitoring Program. Samples and measurements shall be representative of the monitored activity. The operator shall utilize the applicable analytical methods described in Table 1 of 40 CFR §136.3 or in Appendix III of 40 CFR Part 261, or in certain circumstances by other methods that have been approved by the Director. The injection well monitoring program shall consist of:
 - (a) Analysis of the injection fluid submitted to the Director:
 - (i) annually, for specific gravity, Total Dissolved Solids (TDS), pH, and specific conductivity, and
 - (ii) whenever there is a change in the source of injection fluids, a comprehensive water analysis shall be submitted within thirty (30) days.
 - (b) Weekly observations of injection pressure, annulus pressure, injection flow rate and cumulative volume. At least one value for each of the above (whether or not fluid is being injected) shall be recorded at reasonable intervals no greater than thirty (30) days, and shall be representative of values obtained during operating conditions.
2. Additional Monitoring. At least once a month, observation shall be made of 'backside' casing pressure and other indicators of potential leaks which may endanger a USDW for

all wells within the area of review. If casing pressure or other indication of a leak which may endanger a USDW is detected in any well within the area of review, the operator shall notify the Director pursuant to *Twenty four Hour Reporting* requirements of Part III E.11., halt injection, and take timely measures necessary to correct the problem prior to receiving approval from the Director to recommence injection, or plug and abandon the problem well.

3. Monitoring Information. Records of any monitoring activity required under this permit shall include:
 - (a) The date, exact place, the time of sampling or field measurements;
 - (b) The name of the individual(s) who performed the sampling or measurements;
 - (c) The exact sampling method(s) used to take samples;
 - (d) The date(s) laboratory analyses were performed;
 - (e) The name of the individual(s) who performed the analyses;
 - (f) The analytical techniques or methods used by laboratory personnel; and
 - (g) The results of such analyses.

4. Recordkeeping.
 - (a) The operator shall retain records concerning:
 - (i) the nature and composition of all injected fluids until three (3) years after the completion of plugging and abandonment which has been carried out in accordance with the approved Plugging and Abandonment Plan C that is consistent with 40 CFR §146.10., and
 - (ii) all monitoring information including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation and copies of all reports required by this permit, for a period of at least five (5) years from the date of the sample, measurement or report, throughout the operating life of the well.
 - (b) The operator shall continue to retain such records

after the retention period specified in paragraphs (a) (i) and (a) (ii) unless he delivers the records to the Director or obtains written approval from the Director to discard the records.

- (c) The operator shall maintain copies (or the originals) of all pertinent records at the operator office, presently located at:

Rosewood Resources, Inc.
P.O. Box 1668
Vernal, Utah 84078

5. Annual Reporting. The operator shall submit to the Director an Annual Report that includes a summary the results of the monitoring required by Part II D.1.a. and b. of this permit, whether the well is injecting or not. EPA Form 7520-11 shall be submitted with the Annual Report. Appendix B contains a blank EPA Form 7520-11 which may be copied.

The Annual Report shall be submitted by February 15 of the year following the data collection year. The first Annual Report shall cover the period from the effective date of the permit through December 31. Subsequent Annual Reports shall cover the period from January 1, through December 31 of the data collection year.

6. Water Analysis. Whenever there is a change in the source of injection fluids, a comprehensive water analysis shall be submitted to the Director within thirty (30) days.

E. PLUGGING AND ABANDONMENT

1. Prior Notice of Plugging and Abandonment. The operator shall notify the Director at least forty-five (45) days prior to conversion or abandonment of the well.
2. Plugging and Abandonment Plan. The operator shall plug and abandon the well in accordance with the approved Plugging and Abandonment Plan, Appendix C of this permit. The approved Plugging and Abandonment Plan incorporates information supplied by the operator and other additional requirements specified by the EPA.

The Director may change the manner in which the well will be plugged if the well is modified during its permitted life or if the well is not consistent with EPA requirements for construction and mechanical integrity. The Director may require the operator to update the estimated plugging cost periodically. Such estimates are to be based upon costs

incurred by a third party for plugging the well according to the plan.

3. Plugging and Abandonment Report. Within sixty (60) days after plugging the well, the operator shall submit a report on Form 7520-13 to the Director. The report shall be certified as accurate by the person who performed the plugging operation and the report shall consist of either:
 - (a) a statement that the well was plugged in accordance with the plan; or
 - (b) where actual plugging differed from the plan, a statement that specifies the different procedures followed.

4. Plugging An Inactive Well. After a two (2) year period of injection inactivity, 40 CFR § 144.52(a)(6), the operator shall plug and abandon the well in accordance with approved Plugging and Abandonment Plan, unless the operator:
 - (a) Provides notice to the Director, including a demonstration that the well will be used in the future, and
 - (b) describes actions or procedures that the operator will take to ensure that the well will not endanger USDWs during the period of inactivity. These actions and procedures shall include continuing Financial Responsibility and mechanical integrity demonstrations and maintaining compliance with permit requirements designed for the protection of USDWs, and
 - (c) receives written notice by the Director temporarily waiving plugging and abandonment requirements.

F. FINANCIAL RESPONSIBILITY

1. Demonstration of Financial Responsibility. The operator shall maintain continuous financial responsibility and resources to close, plug and abandon the injection well as provided in the plugging and abandonment plan.
 - (a) The operator may, upon his own initiative and upon written request to the Director, change the type of financial mechanism or instrument utilized. Any change in the type demonstration of financial responsibility must be approved by the Director.

2. Insolvency of Financial Institution. The operator shall

submit an alternate demonstration of financial responsibility acceptable to the Director within sixty (60) days after either of the following events occur:

- (a) The institution issuing the trust or financial instrument files for bankruptcy; or
- (b) The authority of the trustee institution to act as trustee, or the authority of the institution issuing the financial instrument, is suspended or revoked.

3. Cancellation of Demonstration by Financial Institution. If the institution issuing the trust or financial instrument serves, to the Director, a 120-day notice of their intent to cancel the trust or financial instrument, the operator must submit an alternative demonstration of financial responsibility, acceptable to the Director, within sixty (60) days of such notice.

PART III. GENERAL PERMIT CONDITIONS

A. EFFECT OF PERMIT

The operator is allowed to engage in underground injection in accordance with the conditions of this permit.

The operator, as authorized by this permit, shall not construct, operate, maintain, convert, plug, abandon, or conduct any other injection activity in a manner that allows the movement of fluid containing any contaminant into underground sources of drinking water, if the presence of that contaminant may cause a violation of any primary drinking water regulation under 40 CFR, Part 142 or otherwise adversely affect the health of persons.

Any underground injection activity not authorized in this permit or otherwise authorized by permit or rule is prohibited. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of State or local law or regulations.

Compliance with the terms of this permit does not constitute a defense to any enforcement action brought under the provisions of Section 1431 of the Safe Drinking Water Act (SDWA) or any other law governing protection of public health or the environment for any imminent and substantial endangerment to human health, or the environment, nor does it serve as a shield to the operator's independent obligation to comply with all UIC regulations.

B. PERMIT ACTIONS

1. Modifications, Reissuance, or Termination. The Director may, for cause or upon a request from the operator, modify, revoke and reissue, or terminate this permit in accordance with 40 CFR §§ 124.5, 144.12, 144.39, and 144.40. This permit is subject to minor modifications for cause as specified in 40 CFR § 144.41. The filing of a request for a permit modification, revocation and reissuance, or termination or the notification of planned changes or anticipated noncompliance on the part of the operator does not stay the applicability or enforceability of any permit condition.
2. Conversions (Non-Class II). The Director may, for cause or upon a request from the operator, allow conversion of the well from a Class II injection well to a non-Class II well. Requests to convert the injection well from its Class II status to a non-Class II well such as a hydrocarbon

production well, must be made in writing to the Director. Conversion may not proceed until a permit modification indicating the conditions of the proposed conversion is received by the operator. Conditions of the modification may include such items as demonstration of mechanical integrity and well-specific monitoring and reporting requirements following conversion.

3. Transfers. This permit is not transferrable to any person except after compliance with requirements of 40 CFR §144.38 and notice is provided to the Director. The Director may require modification or revocation and reissuance of the permit to change the name of the operator and incorporate such other requirements as may be necessary under the SDWA.
4. Operator Change of Address. Notice shall be given to the appropriate EPA office upon operator change of address.

C. SEVERABILITY

The provisions of this permit are severable, and if any provision of this permit or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit shall not be affected thereby.

D. CONFIDENTIALITY

In accordance with 40 CFR Part 2 and 40 CFR §144.5, any information submitted to EPA pursuant to this permit may be claimed as confidential by the submitter. Any such claim must be asserted at the time of submission by stamping the words "confidential business information" on each page containing such information. If no claim is made at the time of submission, EPA may make the information available to the public without further notice. If a claim is asserted, the validity of the claim will be assessed in accordance with the procedures in 40 CFR Part 2 (Public Information). Claims of confidentiality for the following information will be denied:

- The name and address of the operator, and
- Information which deals with the existence, absence or level of contaminants in drinking water.

E. GENERAL DUTIES AND REQUIREMENTS

1. Duty to Comply. The operator shall comply with all conditions of this permit, except to the extent and for the duration such noncompliance is authorized by an emergency permit. Any permit noncompliance constitutes a violation of

the SDWA and is grounds for enforcement action, permit termination, revocation and reissuance, or modification. Such noncompliance may also be grounds for enforcement action under the Resource Conservation and Recovery Act (RCRA).

2. Penalties for Violations of Permit Conditions. Any person who violates a permit requirement is subject to civil penalties, fines, and other enforcement action under the SDWA and may be subject to such actions pursuant to the RCRA. Any person who willfully violates permit conditions may be subject to criminal prosecution.
3. Need to Halt or Reduce Activity not a Defense. It shall not be a defense for a operator in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.
4. Duty to Mitigate. The operator shall take all reasonable steps to minimize or correct any adverse impact on the environment resulting from noncompliance with this permit.
5. Proper Operation and Maintenance. The operator shall, at all times, properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the operator to achieve compliance with the conditions of this permit. Proper operation and maintenance includes effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls, including appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems only when necessary to achieve compliance with the conditions of this permit.
6. Duty to Provide Information. The operator shall furnish the Director, within a time specified, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with the permit. The operator shall also furnish to the Director, upon request, copies of records required to be kept by this permit.
7. Inspection and Entry. The operator shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:
 - (a) Enter upon the operator's premises where a regulated facility or activity is located or conducted, or where

records must be kept under the conditions of this permit;

- (b) Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;
 - (c) Inspect, at reasonable times, any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and
 - (d) Sample or monitor, at reasonable times, for the purpose of assuring permit compliance or as otherwise authorized by the SDWA any substances or parameters at any location.
8. Records of Permit Application. The operator shall maintain records of all data required to complete the permit application and any supplemental information submitted for a period of five (5) years from the effective date of this permit. This period may be extended by request of the Director at any time.
9. Signatory Requirements. All reports or other information requested by the Director shall be signed and certified according to 40 CFR §144.32.
10. Reporting of Noncompliance.
- (a) Anticipated Noncompliance. The operator shall give advance notice to the Director of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.
 - (b) Compliance Schedules. Reports of compliance or noncompliance with or any progress reports on, interim and final requirements contained in any compliance schedule of this permit shall be submitted no later than thirty (30) days following each schedule date.
 - (c) Written notice of any noncompliance which may endanger health or the environment shall be provided to the Director within five (5) days of the time the operator becomes aware of the noncompliance. The written notice shall contain a description of the noncompliance and its cause; the period of noncompliance including exact dates and times; if the noncompliance has not been corrected the anticipated time it is expected to continue; and steps taken or planned to prevent or reduce recurrence of the noncompliance.

11. Twenty Four Hour Noncompliance Reporting. The operator shall report to the Director any noncompliance which may endanger health or the environment. Information shall be provided orally within twenty-four (24) hours from the time the operator becomes aware of the circumstances by telephoning EPA at 303.. 1.6485 (during normal business hours) or 303.293.1788 (for reporting at all other times). The following information shall be included in the verbal report:
- (i) Any monitoring or other information which indicates that any contaminant may cause endangerment to a USDW.
 - (ii) Any noncompliance with a permit condition or malfunction of the injection system which may cause fluid migration into or between underground sources of drinking water..
12. Other Noncompliance. The operator shall report all other instances of noncompliance not otherwise reported at the time monitoring reports are submitted. The reports shall contain the information listed in Part III Section E.10.c.ii. of this permit.
13. Other Information. Where the operator becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application, or in any report to the Director, the operator shall submit such correct facts or information within two (2) weeks of the time such information became known to him.

APPENDIX A

(Construction/Conversion Plans)

APPENDIX B

(Reporting Forms)

EPA Form 7520- 7:	Application to Transfer Permit
EPA Form 7520-10:	Well Completion Report
EPA Form 7520-11:	Annual Well Monitoring Report
EPA Form 7520-12:	Well Rework Record
EPA Form 7520-13:	Plugging Record
EPA Form R8:	Mechanical Integrity Pressure Test

APPENDIX B

(Reporting Forms)

EPA Form 7520- 7:	Application to Transfer Permit
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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

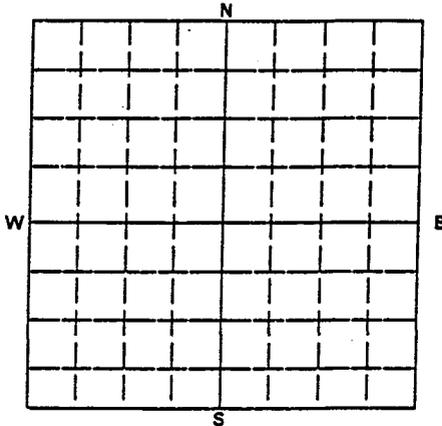


APPLICATION TO TRANSFER PERMIT

NAME AND ADDRESS OF EXISTING PERMITTEE

NAME AND ADDRESS OF SURFACE OWNER

LOCATE WELL AND OUTLINE UNIT ON SECTION PLAT — 640 ACRES



STATE

COUNTY

PERMIT NUMBER

SURFACE LOCATION DESCRIPTION

¼ OF

¼ OF

¼ SECTION

TOWNSHIP

RANGE

LOCATE WELL IN TWO DIRECTIONS FROM NEAREST LINES OF QUARTER SECTION AND DRILLING UNIT

Surface

Location _____ ft. from (N/S) _____ Line of quarter section

and _____ ft. from (E/W) _____ Line of quarter section

WELL ACTIVITY

WELL STATUS

TYPE OF PERMIT

- Class I
- Class II
 - Brine Disposal
 - Enhanced Recovery
 - Hydrocarbon Storage
- Class III
- Other

- Operating
- Modification/Conversion
- Proposed

- Individual
- Area
- Number of Wells _____

Lease Name

Well Number

NAME(S) AND ADDRESS(ES) OF NEW OWNER(S)

NAME AND ADDRESS OF NEW OPERATOR

Attach to this application a written agreement between the existing and new permittee containing a specific date for transfer of permit responsibility, coverage, and liability between them.

The new permittee must show evidence of financial responsibility by the submission of surety bond, or other adequate assurance, such as financial statements or other materials acceptable to the director.

CERTIFICATION

I certify under the penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. (Ref. 40 CFR 144.32)

NAME AND OFFICIAL TITLE (Please type or print)

SIGNATURE

DATE SIGNED



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

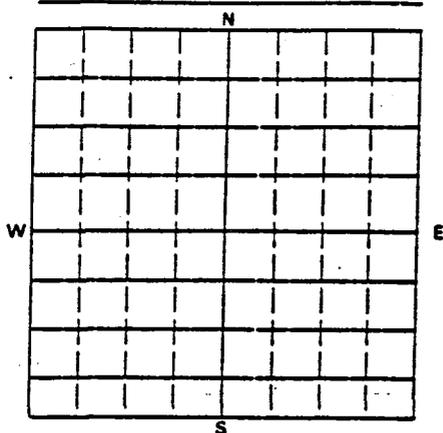
Form Approved
OMB No. 2040-0042

**COMPLETION REPORT FOR BRINE DISPOSAL,
HYDROCARBON STORAGE, OR ENHANCED RECOVERY WELL**

NAME AND ADDRESS OF EXISTING PERMITTEE

NAME AND ADDRESS OF SURFACE OWNER

LOCATE WELL AND OUTLINE UNIT ON
SECTION PLAT — 640 ACRES



STATE

COUNTY

PERMIT NUMBER

SURFACE LOCATION DESCRIPTION

___ 1/4 of ___ 1/4 of ___ 1/4 of ___ 1/4 of Section ___ Township ___ Range ___

LOCATE WELL IN TWO DIRECTIONS FROM NEAREST LINES OF QUARTER SECTION AND DRILLING UNIT

Surface Location ___ ft. from (N/S) ___ Line of quarter section

and ___ ft. from (E/W) ___ Line of quarter section

WELL ACTIVITY

TYPE OF PERMIT

Brine Disposal

Individual

Estimated Fracture Pressure
of Injection Zone

Enhanced Recovery

Area

Hydrocarbon Storage

Number of Wells ___

Anticipated Daily Injection Volume (Bbls)

Injection Interval

Average

Maximum

Feet

to Feet

Anticipated Daily Injection Pressure (PSI)

Depth to Bottom of Lowermost Freshwater Formation (Feet)

Average

Maximum

(Feet)

Type of Injection Fluid (Check the appropriate block(s))

Salt Water

Brackish Water

Fresh Water

Liquid Hydrocarbon

Other

Lease Name

Well Number

Name of Injection Zone

Date Drilling Began

Date Well Completed

Permeability of Injection Zone

Date Drilling Completed

Porosity of Injection Zone

CASING AND TUBING

CEMENT

HOLE

OD Size

Wt/Pt — Grade — New or Used

Depth

Sacks

Class

Depth

Bit Diameter

INJECTION ZONE STIMULATION

WIRE LINE LOGS, LIST EACH TYPE

Interval Treated

Materials and Amount Used

Log Types

Logged Intervals

Complete Attachments A — E listed on the reverse.

CERTIFICATION

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NAME AND OFFICIAL TITLE (Please type or print)

DATE SIGNED

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

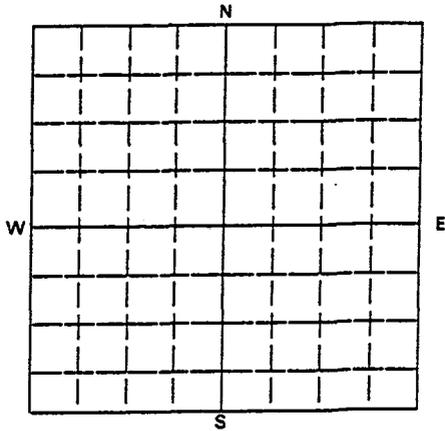


WELL REWORK RECORD

NAME AND ADDRESS OF PERMITTEE

NAME AND ADDRESS OF CONTRACTOR

LOCATE WELL AND OUTLINE UNIT ON SECTION PLAT — 640 ACRES



STATE	COUNTY	PERMIT NUMBER
SURFACE LOCATION DESCRIPTION		
¼ OF	¼ OF	¼ SECTION
TOWNSHIP		RANGE
LOCATE WELL IN TWO DIRECTIONS FROM NEAREST LINES OF QUARTER SECTION AND DRILLING UNIT		
Surface Location ____ ft. from (N/S) ____ Line of quarter section		
and ____ ft. from (E/W) ____ Line of quarter section		
WELL ACTIVITY <input type="checkbox"/> Brine Disposal <input type="checkbox"/> Enhanced Recovery <input type="checkbox"/> Hydrocarbon Storage Lease Name	Total Depth Before Rework Total Depth After Rework Date Rework Commenced Date Rework Completed	TYPE OF PERMIT <input type="checkbox"/> Individual <input type="checkbox"/> Area Number of Wells ____ Well Number

WELL CASING RECORD — BEFORE REWORK

Casing		Cement		Perforations		Acid or Fracture Treatment Record
Size	Depth	Sacks	Type	From	To	

WELL CASING RECORD — AFTER REWORK (Indicate Additions and Changes Only)

Casing		Cement		Perforations		Acid or Fracture Treatment Record
Size	Depth	Sacks	Type	From	To	

DESCRIBE REWORK OPERATIONS IN DETAIL
USE ADDITIONAL SHEETS IF NECESSARY

WIRE LINE LOGS, LIST EACH TYPE	
Log Types	Logged Intervals

CERTIFICATION

I certify under the penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. (Ref. 40 CFR 144.32).

NAME AND OFFICIAL TITLE (Please type or print)	SIGNATURE	DATE SIGNED
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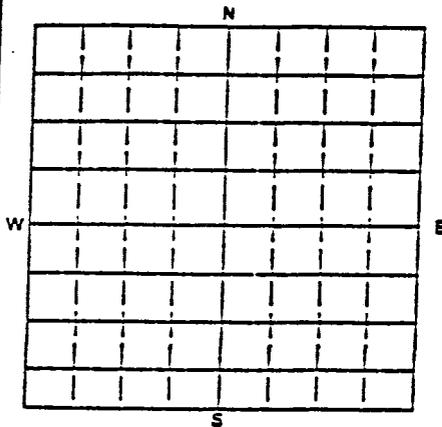
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

PLUGGING RECORD

NAME AND ADDRESS OF PERMITTEE

NAME AND ADDRESS OF CEMENTING COMPANY

LOCATE WELL AND OUTLINE UNIT ON SECTION PLAT — 640 ACRES



STATE	COUNTY	PERMIT NUMBER
SURFACE LOCATION DESCRIPTION		
1/4 OF	1/4 OF	1/4 SECTION TOWNSHIP RANGE
LOCATE WELL IN TWO DIRECTIONS FROM NEAREST LINES OF QUARTER SECTION AND DRILLING UNIT		
Surface Location _____ ft. from (N/S) _____ Line of quarter section		
and _____ ft. from (E/W) _____ Line of quarter section		

TYPE OF PERMIT <input type="checkbox"/> Individual <input type="checkbox"/> Area Number of Wells _____	Describe in detail the manner in which the fluid was placed and the method used in introducing it into the hole _____ _____ _____ _____
---	---

CASING AND TUBING RECORD AFTER PLUGGING

SIZE	WT(LB/FT)	PUT IN WELL (FT)	LEFT IN WELL (FT)	HOLE SIZE	WELL ACTIVITY	METHOD OF EMPLACEMENT OF CEMENT PLUGS
					<input type="checkbox"/> Brine Disposal <input type="checkbox"/> Enhanced Recovery <input type="checkbox"/> Hydrocarbon Storage	<input type="checkbox"/> The Balance Method <input type="checkbox"/> The Dump Sailer Method <input type="checkbox"/> The Two-Plug Method
					Lease Name _____	Well Number _____

CEMENTING TO PLUG AND ABANDON DATA:

	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of Hole or Pipe in which Plug Placed (inches)							
Depth to Bottom of Tubing or Drill Pipe (ft.)							
Sacks of Cement Used (each plug)							
Slurry Volume Pumped (cu. ft.)							
Calculated Top of Plug (ft.)							
Measured Top of Plug (if tagged ft.)							
Slurry Wt. (Lb./Gal.)							
Type Cement							

LIST ALL OPEN HOLE AND/OR PERFORATED INTERVALS

From	To	From	To

Signature of Cementer or Authorized Representative	Signature of EPA Representative
--	---------------------------------

CERTIFICATION

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. (Ref. 40 CFR 122.22).

NAME AND OFFICIAL TITLE (Please type or print)	SIGNATURE	DATE SIGNED
--	-----------	-------------

Mechanical Integrity Test

Casing or Annulus Pressure Mechanical Integrity Test

U.S. Environmental Protection Agency
Underground Injection Control Program Mail Code 8ENF-T
999 18th Street, Suite 500 Denver, CO 80202-2466

EPA Witness: _____ Date: ____ / ____ / ____

Test conducted by: _____

Others present: _____

Well Name: _____	Type: ER SWD	Status: AC TA UC
Field: _____		
Location: _____	Sec: ____ T ____ N/S R ____ E/W	County: _____ State: ____
Operator: _____		
Last MIT: ____ / ____ / ____	Maximum Allowable Pressure: _____	PSIG

Is this a regularly scheduled test? Yes No

Initial test for permit? Yes No

Test after well rework? Yes No

Well injecting during test? Yes No If Yes, rate: _____ bpd

Pre-test casing/tubing annulus pressure: _____ psig

MIT DATA TABLE	Test #1	Test #2	Test #3
TUBING PRESSURE			
Initial Pressure	psig	psig	psig
End of test pressure	psig	psig	psig
CASING / TUBING ANNULUS PRESSURE			
0 minutes	psig	psig	psig
5 minutes	psig	psig	psig
10 minutes	psig	psig	psig
15 minutes	psig	psig	psig
20 minutes	psig	psig	psig
25 minutes	psig	psig	psig
30 minutes	psig	psig	psig
minutes	psig	psig	psig
minutes	psig	psig	psig
RESULT	<input type="checkbox"/> Pass <input type="checkbox"/> Fail	<input type="checkbox"/> Pass <input type="checkbox"/> Fail	<input type="checkbox"/> Pass <input type="checkbox"/> Fail

Does the annulus pressure build back up after the test? Yes No

PLUGGING AND ABANDONMENT PLAN

UIC Permit No. UT2871-04527

Class II Non-Commercial Salt Water Disposal Injection Well

Well Name: Atchee #1

Location: SW NE Section 15 T11S R23E

Field Name: Rock House Gas Field

County & State: Uintah County, Utah

- Plug #1 and #2 Set 36' of cement on top of a cast iron bridge plug (CIBP) set at the approximate depth of 4800'.
- Plug #3 Set 120' cement plug inside the casing at 3960'-4080' depth.
- Plug #3A *Set 400' cement plug inside the casing at 2800'-3200' depth. (Added by EPA to isolate base of USDWs)*
- Plug #4 Set 120' cement plug inside the casing at 500'-620' depth.
- Plug #5 Perforate casing at 400', and pump 160 sacks of cement inside casing and into surface casing annulus from 500' to surface.

Underground Injection Control Program

STATEMENT OF BASIS

for

EPA Permit No. UT2871-04527

Class II Non-Commercial Salt Water Disposal
Injection Well Permit

Well Name: Atchee #1

Well Location: Rock House Gas Field
SW NE Section 15 T11S R23E
Uintah County, Utah

Rosewood Resources, Inc.

P.O. Box 1668
Vernal, Utah 84078

CONTACT: Dan W. Jackson, Mail Code 8P-W-GW
U. S. Environmental Protection Agency
999 18th Street, Suite 500
Denver, Colorado 80202-2466
Telephone: 303 312-6155

This Statement of Basis (SOB) gives the derivation of the site-specific permit conditions and reasons for them. Referenced sections and conditions correspond to sections and conditions in the draft permit. General permit conditions for which content is mandatory and not subject to site-specific differences (reference 40 CFR Parts 144, 146 and 147) are not discussed in this statement of basis.

Rosewood Resources, through it's agent PermitCo, has submitted all required information and data necessary to issue draft UIC Permit UT2871-04527 in accordance with 40 CFR Parts 144, 146 and 147. The proposed permit will be issued for the operating life of the well, unless terminated for reasonable cause under 40 CFR 144.39, 144.40 or 144.41. The permit will be reviewed every five years.

Permit Considerations (40 CFR 146.24)

General Information and Description of Facility:

On October 15, 1999, and again on February 3, 2000, Rosewood Resources, Incorporated (Rosewood) applied with the Region VIII Ground Water Program offices of the Environmental Protection Agency (EPA) for an underground injection control (UIC) Class II non-commercial salt water disposal injection well permit in the Rock House Gas Field, in the SW NE of Section 15, T11S, R23E, Uintah County, Utah.

In the application, Rosewood proposed to convert an existing Wasatch Formation well to a Class II salt water disposal well used to inject Wasatch Formation water produced from Rosewood operated wells in the Rock House, Hanging Rock, Oil Springs, Rainbow, Thimble Rock and Marble Mansion units back into the Wasatch Formation. No third party produced water is to be accepted for disposal. Produced water will be trucked to the well location and stored in on site tanks prior to injection.

The area described in the application is located wholly within the exterior boundaries of the Uinta and Ouray Indian Reservation. Notice of intent of the proposed activity was published by the applicant in the Vernal [Utah] Express, and notices sent to the Vernal District Office of the U.S. Bureau of Land Management and the Utah Division of Oil, Gas and Mining.

Wells in the Rock House Gas Field were drilled as early as 1960. The well proposed for conversion was drilled in May, 1998, and is described as follows:

Atchee #1

SW/4 NE/4 Section 15, Township 11 South, Range 23 East
Uintah County, Utah
API No. 43 047 33027

Area of Review (AOR)

Rosewood submitted information for wells in a one half mile area of review, which was determined to be adequate considering the low population and groundwater usage in the area, the compatibility of injected and formation fluids, and historical production of hydrocarbons from the immediate surrounding area. At present in the AOR there exist five wells that penetrate the proposed injection zone, the Atchee #1, a shut in gas well proposed for conversion to disposal injection service, two producing gas wells, the Rock House Unit #20 and #22, and two plugged and abandoned wells, the Rock House Unit #2 and #16 (see Exhibit 19 of the application). According to the applicant, there are no surface bodies of water, spring, mine, quarries, or

known drinking water supply wells within the area of review. The closest population center of Ouray, Utah, is approximately twenty miles northwest from the Rock House Gas Field.

Geologic Units of Primary Importance

Primary relevant geologic formations in the permit area include the Uinta Formation, the Green River Formation, the Wasatch Formation, and the Mesa Verde Formation. The Uinta Formation extends from surface to a depth of approximately 800' to 900', and consists of interbedded sands and shales. Underlying the Uinta is the Green River Formation, a lacustrine shale and sand unit that extends to the depth of 3302'. Below the Green River is the Wasatch Formation, consisting of interbedded sands and shales that extend to the depth of 5065'. The Wasatch Formation is gas bearing in this area, and the basal (bottom) portion of the Wasatch Formation will be used for produced water disposal. On top of the basal Wasatch Formation injection zone is approximately 15' of low porosity black shale. The Mesa Verde Formation underlies the Wasatch Formation. Between the basal Wasatch Formation injection zone and the underlying Mesa Verde Formation is approximately 15' of low porosity black shale.

Underground Sources of Drinking Water (USDWs)

USDW's are aquifers or portions thereof that contain less than 10,000 mg/l total dissolved solids (TDS) and which are being or could be used as a source of drinking water.

Analysis of Rock House Gas Field produced water indicate that water produced from the Wasatch Formation contains between 18,019 and 35,194 mg/l total dissolved solids, and therefore the proposed Wasatch Formation injection zone is not considered to be a USDW in this locale. *Technical Publication No. 92, Base of Moderately Saline Ground Water in the Uinta Basin, Utah*, published by the U.S. Geological Survey and the Utah Division of Oil, Gas and Mining indicates the base of moderately saline groundwater, considered as the base of USDW's, is at an approximate elevation of 3050' (approximate depth of 2860') in the Green River Formation in this well.

Confining Zones and Injection Zone

Two confining zones, one above and one below the proposed injection zone, are identified by the applicant at depths of 4785'-4800' and 5045'-5060'. Both are described as black shale with porosity of less than 5 percent and no indications of permeability or fracturing in this area. A geophysical log cross section provided by the applicant indicates the upper confining zone has adequate areal extent within the area of review.

The proposed injection zone is an interval of the basal Wasatch Formation that is to be perforated between the depths of 4882' and 5044' during well conversion. Injection will be limited to the basal Wasatch Formation between the upper and lower confining zones between the depths of 4800'-5045'.

Wells in AOR:

The Rockhouse 2 (SESE Sec15 T11S R23E) was drilled in 1960, completed with top of cement at 2800', then plugged and abandoned in 1966 with 20 sacks cement across the Wasatch Formation perforations from 4970'-4994', 20 sacks from 107' to surface, and 100 sacks cement in surface casing annulus to surface, with drilling mud between plugs. The Rockhouse 16 (NWNW Sec15 T11S R23E) was drilled, then plugged and abandoned as a dry hole with no casing in 1996 using four cement plugs. The Rockhouse 20 (NENE Sec15 T11S R23E) was drilled in 1997, completed with top of cement at 2990', and is producing from the Wasatch Formation at 5152'-5386'. The Rockhouse 24 (NENW Sec15 T11S R23E) was drilled in 1998, completed with top of cement at 3612', and is producing from the Wasatch Formation at 4426'-4680'. Although no corrective action was determined for any of these wells, they are to be monitored on a monthly basis for potential leaks.

SECTION A - WELL CONSTRUCTION REQUIREMENTS

Casing and Cementing (40 CFR 146.22)

(Condition 1)

A 12-1/4" diameter hole was drilled to a depth of 325' and 8- 5/8" surface casing cemented to surface using 250 sacks cement. A 7-7/8" hole was drilled to total well depth of 5100' and completed with 119 joints of 4-1/2" 11.6# J-55 casing that was two-stage cemented from a total depth of 5100' up to a depth of 500'. The cement bond log (CBL) shows top of cement for stage one is at the depth of 3070' and stage two cement extends up to the base of surface casing at 325'. The CBL indicates less than 80 percent bond index for the cement through the confining zone, as described in Ground Water Program Guidance #34 "Cement Bond Logging Techniques and Interpretation", dated 4/19/94, and Ground Water Program Guidance #37 "Demonstrating Part II (External) Mechanical Integrity for a Class II Injection Well Permit", dated 8/9/95. The construction, casing and cementing of this well is considered adequate. However, the operator will be required to demonstrate Part II mechanical integrity because the CBL does not demonstrate that the cement through the confining zone is adequate to prevent the movement of fluid into or between USDW's. Such a demonstration is being required to be made using a noise log or a temperature log, or Region VIII may accept results from a radioactive tracer survey under certain circumstances.

Production perforations are in the Wasatch Formation from depths of 4010'-4014'. For conversion to injection service, these perforations are to be sealed off by cement squeeze, the casing pressure tested to 1500 psi (surface pressure), and new perforations completed at depths from 4882'-4900', 4960'-4980', 4988'-4994', 5012'-5028', and 5032'-5044'.

Tubing, Packer, and Annulus

(Condition 2)

Injection tubing: Approximately 4800' of 2-3/8" tubing, proposed to be run from surface to the packer, is approved. The operator may choose a tubing diameter suitable for injection.

Packer: The proposed Arrowset IX packer or equivalent proposed to be set at a depth of approximately 4800 feet is approved. The packer is to be set no more than 100 feet above the top injection perforation at 4882'.

Annulus: The casing-tubing annulus is to be filled with fresh water that contains a corrosion inhibitor.

Monitoring Devices

(Condition 3)

In order to fulfill monitoring requirements and allow inspections of the well, the operator is to install and maintain: a 1/2" fittings with a cut-off valve on the injection tubing at the wellhead and on the casing/tubing annulus; a calibrated flow meter to be used to measure cumulative volumes of injected fluid; and a sampling tap on the supply line to the injection well. Accurate pressure gauges are to be available to company field staff at all times to be used for monitoring the injection and annulus fluid pressures.

Injection Formation Testing

(Condition 6)

The operator must determine and submit the injection zone fluid pore pressure (static bottom-hole pressure), in order to record pre-injection reservoir conditions.

SECTION B - CORRECTIVE ACTION REQUIREMENTS

Wells in the AOR were determined to be constructed or plugged and abandoned in a manner considered adequate to prevent uphole migration of fluid from Class II brine disposal injection activity, and no corrective action is required. However, if a leak is detected in any of these wells in the future, the operator will be required to halt injection and take timely corrective measures necessary to restore the well's mechanical integrity or plug and abandon the problem well.

SECTION C - WELL OPERATION REQUIREMENTS (40 CFR 146.23)

Prior to Commencing Injection

(Condition 1)

Conversion work and corrective action must be satisfactorily completed, *EPA Form 7520-12 Well Rework Record* with a schematic showing details of the well as constructed or converted must be submitted, the injection zone fluid pore pressure (static bottom-hole pressure) must be determined, and the mechanical integrity of the well, both Part I (Internal) and Part II (External), must be satisfactorily demonstrated according to current EPA Guidance.

Mechanical Integrity

(Condition 2)

There are several approved methods for demonstrating mechanical integrity. Part I (Internal) MI may be shown using a standard tubing/casing annulus pressure test, and if a test other than a cement bond log is used to demonstrate Part II (External) MI, the Part II test may also be required to be repeated every five years. Part I (Internal) MI also must be demonstrated within thirty (30) days of completion of any workover and/or alterations affecting the casing, tubing or packer, and prior to resuming injection activities.

Injection Zone

(Condition 3)

Injection will be limited to the basal Wasatch Formation between the upper and lower confining zones, from between the depths of 4800'-5045'.

Injection Pressure Limitation

(Condition 4)

Maximum surface injection pressure (MIP) of 1500 pounds per square inch (psi) is the initial approved MIP, as requested by the applicant. The requested MIP, using a fracture gradient (Fg) of .78 psi/ft, is based on Wasatch Formation fracture information from the nearby Rock House #19 well. Because conditions and formation depths are similar in both wells, applying the submitted Fg to the subject well is considered appropriate for determining the initial MIP. A step rate test is to be run in the Atchee #1 well after conversion to verify those results and for determining the final operating MIP.

The operator may also request a change of MIP at any time during the operating life of the well by submitting test results intended to show that the confining zone will not be fractured and that fluid will not migrate out of the injection zone. A step rate test according to current EPA guidance may be used to support this request.

The following formula based on information provided in the application was used to determine the initial MIP.

$$\text{MIP} = [\text{FG} - (\text{S}_g * 0.433)] * h$$

Where: MIP = Maximum Surface Injection Pressure (psig)
 FG = fracture gradient
 h = depth to top of perforations
 S_g = specific gravity of injected fluid

$$\text{MIP} = [.78 - (1.03 * 0.433)] * 4882 = \underline{1631 \text{ psig}}$$

Where: FG = 0.78 psig/ft
 h = 4882 feet
 S_g = 1.030 (estimated)

Injection Fluid Limitations

(Condition 5)

The approved injection fluid will be limited to a produced water mixture which meets requirements pursuant to 40 CFR § 144.6(b), and is derived from wells in the Rock House Gas Field as listed in the application. The well is not approved for use as a commercial disposal well, and fluids from any other additional fluid sources must be approved prior to injection.

Volume limitations:

The purpose of the proposed activity is disposal of produced water. Because the disposed produced water is being injected into a known hydrocarbon producing formation that is not a USDW, EPA will not place a limit on the total fluid volume that may be injected during the life of the well, provided that in no case will the injection operation allow formation or injected fluids to migrate into an underground source of drinking water.

Section D - WELL MONITORING AND REPORTING REQUIREMENTS

The operator is to report annually the Specific Gravity, Total Dissolved Solids (TDS) concentration in Mg/l, Specific Conductivity, and pH. A new analysis is to be submitted any time there is a change in the source of injectate. Because analyses were submitted with the application, the operator is not required to submit a water analysis report during the first year of authorization unless there is a change of source.

Observations of flow rate, cumulative volume, injection pressure and annulus pressure are required on a weekly basis. At least one observation each for flow rate, cumulative volume, injection pressure and annulus pressure is to be recorded on intervals no greater than 30 days and reported to EPA annually.

Copies (or originals) of all pertinent records are to be maintained at company offices, presently in Vernal, Utah.

Section E PLUGGING AND ABANDONMENT REQUIREMENTS
(40 CFR 146.24)

Plugging and Abandonment

(Condition 2)

The following plugging and abandonment plan was submitted by the applicant. *EPA adds one additional plug, Plug #3A, to the submitted plan for the purpose of isolating the base of USDWs at approximately 2860' down to and across the top of casing cement at 3070'.*

- Plug #1 Set 36' of cement on top of a cast iron bridge plug
and #2 (CIBP) set at the approximate depth of 4800'.
- Plug #3 Set 120' cement plug inside the casing at 3960'-4080'
depth.
- Plug #3A Set 400' cement plug inside the casing at 2800'-3200'
depth.
- Plug #4 Set 120' cement plug inside the casing at 500'-620'
depth.
- Plug #5 Perforate casing at 400', and pump 160 sacks of cement
inside casing and into surface casing annulus from 500'
to surface.

This plugging plan is considered adequate for protection of USDWs. The applicant has provided an independent estimate of their proposed plugging cost at \$15,000.00.

Section F FINANCIAL RESPONSIBILITY

Demonstration of Financial Responsibility

(Condition 1)

Rosewood requested that a Surety Performance Bond in the amount of \$15,000.00, Safeco Insurance Company Number 5892478, originally provided for the purpose of demonstration of financial responsibility and resources to close, plug and abandon the Center Fork Disposal Well #F-17-4 be transferred for coverage of the Atchee #1. The Center Fork Disposal Well #F-17-4 was never completed as an injection well. EPA will approve coverage of the Atchee #1 using Surety Performance Bond Safeco Insurance Company Number 5892478 in the amount of \$15,000.00, provided that Rosewood submit a bond rider and an updated Attachment A that describes the transfer and designates the Atchee #1 for coverage by the bond. The final permit will not be issued by the Director until the demonstration of financial responsibility conditions have been satisfactorily met.



Fax Transmission

U.S.EPA Region 8

(303) 312-7084

To: R Miller
Rosewood Resources
(435) 789-0414

Fax #: (435) 789-0497

Pages: 7 (including cover sheet)

From: Dan Jackson
Region 8 Groundwater Program
(303) 312-6155 jackson.dan@epa.gov

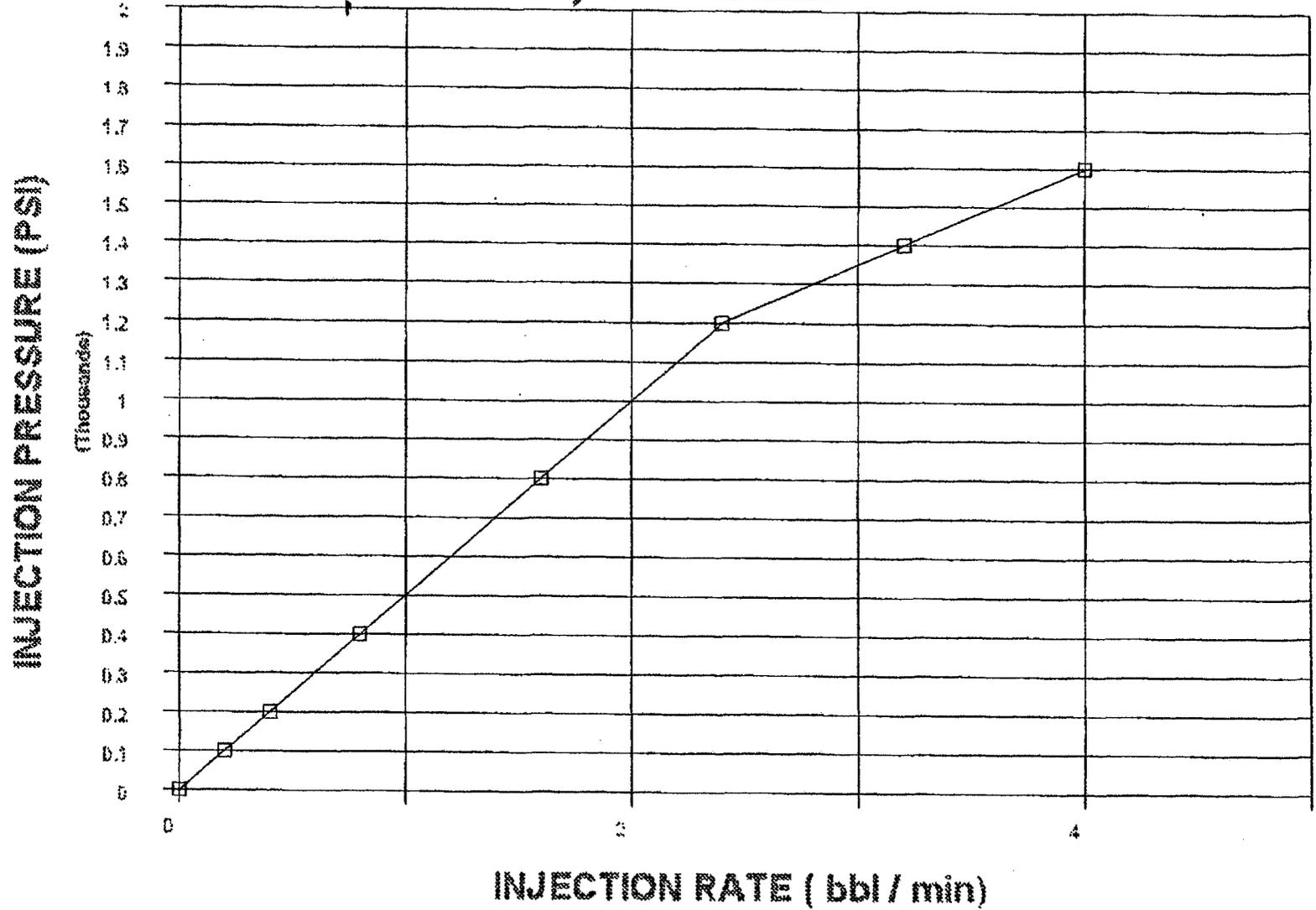
Date: October 27, 2000

Subject: Step Rate Test guidance

COMMENTS:

STEP-RATE TEST EXAMPLE

ATM WELL #1





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION VIII

999 18th STREET - SUITE 500
DENVER, COLORADO 80202-2466

STEP-RATE TEST PROCEDURE

January 12, 1999

PURPOSE:

The purpose of this document is to provide a guideline for the acquisition of a Step Rate Test (SRT). These procedures are consistent with acceptable oilfield practices. Test results may be used by the Region 8 Underground Injection Control (UIC) offices to determine a Maximum Surface Injection Pressure (MSIP) to provide for the protection of the underground sources of drinking water at an injection well having mechanical integrity. Attached is a form that you may copy and use to record data from your test.

Step rate test results must be documented with service company or other appropriate (acceptable) records and/or charts, and the test should be witnessed by an EPA inspector. Arrangements may be made by contacting the Region 8 UIC offices using the EPA toll-free number 1-800-227-8917 (ask for extension 6155 or 6137).

STEP-RATE TEST PROCEDURE:

- 1) The well should be shut in long enough prior to testing such that the bottom hole pressures approximate shut-in formation pressures. If the shut-in well flows to the surface, the wellhead injection string should be equipped with a gauge and the static surface pressure read and recorded.
- 2) A series of successively higher injection rates are determined using guidelines below, and the elapsed time and pressure values are read and **recorded for each rate and time step**. **Each rate step should last exactly as long as the preceding rate**. If stabilized pressure values are not obtained within the rate steps suggested below, the test results may be considered as inconclusive.

Formation Permeability (md)

Total time per rate-step (min)

≤ 5 md
≥ 10 md

60 min
30 min

- 3) Suggested injection rates:

5%	} Of Anticipated Maximum Injection Rate
10%	
20%	
40%	
60%	
80%	
100%	}

- 4) Injection rates should be controlled with a constant flow regulator that has been tested prior to use. A throttling device is not considered sufficient.

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- 5) Flow rates should be measured with a calibrated turbine flowmeter.
- 6) Record injection rates using a chart recorder or a strip chart.
- 7) Measure pressures with a down hole pressure bomb. If a surface gauge is used, the test pressures must be corrected for the estimated friction loss at each particular flow rate.
- 8) Measure and record injection pressures with a gauge or recorder (for immediate test results). **Record each time step and corresponding pressure.**
- 9) A plot of injection rates and the corresponding stabilized pressure values should be graphically represented as a constant slope straight line to a point at which the formation fracture, or "breakdown", pressure is exceeded. The slope of this subsequent straight line should be less than that of the before-fracture straight line (see example).
- 10) If the formation fracture pressure has definitively been exceeded, as evidenced by at least two injection rate-pressure combinations greater than the breakdown pressure, the injection pump can be stopped, and the line valve closed and pressure allowed to bleed-off into the injection zone. There will occur a significant instantaneous pressure drop (Instantaneous Shut-in Pressure or ISIP), after which the pressure values will level out. This ISIP value must be read and recorded. The ISIP obtained in this manner may be considered to be the minimum pressure required to hold open a fracture in this formation at this well.
- 11) Once the ISIP is obtained, the SRT is concluded.
- 12) In the event that the breakdown pressure was not obtained at the maximum test injection pressure utilized, the test results may indicate that the formation is accepting fluids without fracturing.

STEP RATE TEST DATA

Well: _____ Date: _____ Operator _____

STEP #1 Test Rate (5% of maximum rate) _____ (bbl/min)

Time (min) :	_____	_____	_____	_____	_____	_____
Pressure (psi):	_____	_____	_____	_____	_____	_____

STEP #2 Test Rate (10% of maximum rate) _____ (bbl/min)

Time (min) :	_____	_____	_____	_____	_____	_____
Pressure (psi):	_____	_____	_____	_____	_____	_____

STEP #3 Test Rate (20% of maximum rate) _____ (bbl/min)

Time (min) :	_____	_____	_____	_____	_____	_____
Pressure (psi):	_____	_____	_____	_____	_____	_____

STEP #4 Test Rate (40% of maximum rate) _____ (bbl/min)

Time (min) :	_____	_____	_____	_____	_____	_____
Pressure (psi):	_____	_____	_____	_____	_____	_____

STEP #5 Test Rate (60% of maximum rate) _____ (bbl/min)

Time (min) :	_____	_____	_____	_____	_____	_____
Pressure (psi):	_____	_____	_____	_____	_____	_____

STEP #6 Test Rate (80% of maximum rate) _____ (bbl/min)

Time (min) :	_____	_____	_____	_____	_____	_____
Pressure (psi):	_____	_____	_____	_____	_____	_____

STEP #7 Test Rate (100% of maximum rate) _____ (bbl/min)

Time (min) :	_____	_____	_____	_____	_____	_____
Pressure (psi):	_____	_____	_____	_____	_____	_____

ISIP : _____ (psi)

Test Run / Witnessed By: _____

EXAMPLE STEP RATE TEST DATAWell: ANNWELL #1 Date: 2/31/94 Operator Lotus Oil Company**STEP #1 Test Rate** (5% of maximum rate) 0.2 (bbl/min)

Time (min)	:	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi):		<u>0</u>	<u>90</u>	<u>95</u>	<u>98</u>	<u>99</u>	<u>100</u>	<u>100</u>

STEP #2 Test Rate (10% of maximum rate) 0.4 (bbl/min)

Time (min)	:	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi):		<u>80</u>	<u>170</u>	<u>185</u>	<u>195</u>	<u>199</u>	<u>200</u>	<u>200</u>

STEP #3 Test Rate (20% of maximum rate) 0.8 (bbl/min)

Time (min)	:	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi):		<u>190</u>	<u>325</u>	<u>385</u>	<u>392</u>	<u>398</u>	<u>399</u>	<u>400</u>

STEP #4 Test Rate (40% of maximum rate) 1.6 (bbl/min)

Time (min)	:	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi):		<u>380</u>	<u>700</u>	<u>790</u>	<u>792</u>	<u>795</u>	<u>798</u>	<u>802</u>

STEP #5 Test Rate (60% of maximum rate) 2.4 (bbl/min)

Time (min)	:	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi):		<u>750</u>	<u>990</u>	<u>1030</u>	<u>1090</u>	<u>1150</u>	<u>1180</u>	<u>1201</u>

STEP #6 Test Rate (80% of maximum rate) 3.2 (bbl/min)

Time (min)	:	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi):		<u>1100</u>	<u>1250</u>	<u>1326</u>	<u>1370</u>	<u>1390</u>	<u>1395</u>	<u>1400</u>

STEP #7 Test Rate (100% of maximum rate) 4.0 (bbl/min)

Time (min)	:	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi):		<u>1350</u>	<u>1450</u>	<u>1500</u>	<u>1530</u>	<u>1570</u>	<u>1590</u>	<u>1600</u>

ISIP : 1000 (psi)Test Run / Witnessed By: Alan Testor



2080 SOUTH 1600 EAST
VERNAL, UTAH 84078

Telephone (435) 789-4327

Water Analysis Report

Customer : Rosewood

Date Sampled : 27-Oct-00

Address :

Date Reported : 27-Oct-00

Date Received : 27-Oct-00

City : Vernal

Field : Rockhouse

State : UT **Postal Code :** 84078-

Lease : Rockhouse

Attention : Ivan Sadler

Location : Atchee #1

cc1 : Salty Miller

Sample Point : wellhead

cc2 : Danny

cc3 :

Salesman : Ed Schwarz

Comments : ACID GASES NOT RAN IN FIELD.

Analyst : Karen Hawkins Allen

CATIONS

Calcium : 208 mg/l
Magnesium : 136 mg/l
Barium : 0 mg/l
Strontium : 0 mg/l
Iron : 17.0 mg/l
Sodium : 6177 mg/l

ANIONS

Chloride : 9,400 mg/l
Carbonate : 244 mg/l
Bicarbonate : 1,293 mg/l
Sulfate : 188 mg/l

pH (field) : 7.75
Temperature : 85 degrees F
Ionic Strength : 0.29
Resistivity : 0.86 ohm/meters
Ammonia : ppm

Specific Gravity : 1.0150 grams/ml
Total Dissolved Solids : 17,663 ppm
CO2 in Water : 1 mg/l
CO2 in Gas : 0.03 mole %
H2S in Water : 3.0 mg/l
Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	1.99	Calcite PTB :	178.7
Calcite (CaCO3) SI @ 100 F :	2.15	Calcite PTB @ 100 F :	179.7
Calcite (CaCO3) SI @ 120 F :	2.36	Calcite PTB @ 120 F :	180.5
Calcite (CaCO3) SI @ 140 F :	2.58	Calcite PTB @ 140 F :	181.0
Calcite (CaCO3) SI @ 160 F :	2.80	Calcite PTB @ 160 F :	181.4
Gypsum (CaSO4) SI :	-2.01	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A



2060 SOUTH 1600 EAST
VERNAL, UTAH 84078

Water Analysis Report

Telephone (435) 789-4327

Customer : Rosewood
Address :
City : Vernal
State : UT **Postal Code :** 84078
Attention : Ivan Sadler
cc1 : Salty Miller
cc2 : Danny
cc3 :
Comments : ACID GASES NOT RAN IN FIELD.

Date Sampled : 26-Oct-00
Date Reported : 27-Oct-00
Date Received : 27-Oct-00
Field : Rockhouse
Lease : Rockhouse
Location : Atchee #1
Sample Point : wellhead
Salesman : Ed Schwarz
Analyst : Karen Hawkins Allen

CATIONS

Calcium : 216 mg/l
Magnesium : 156 mg/l
Barium : 0 mg/l
Strontium : 0 mg/l
Iron : 17.0 mg/l
Sodium : 8400 mg/l

ANIONS

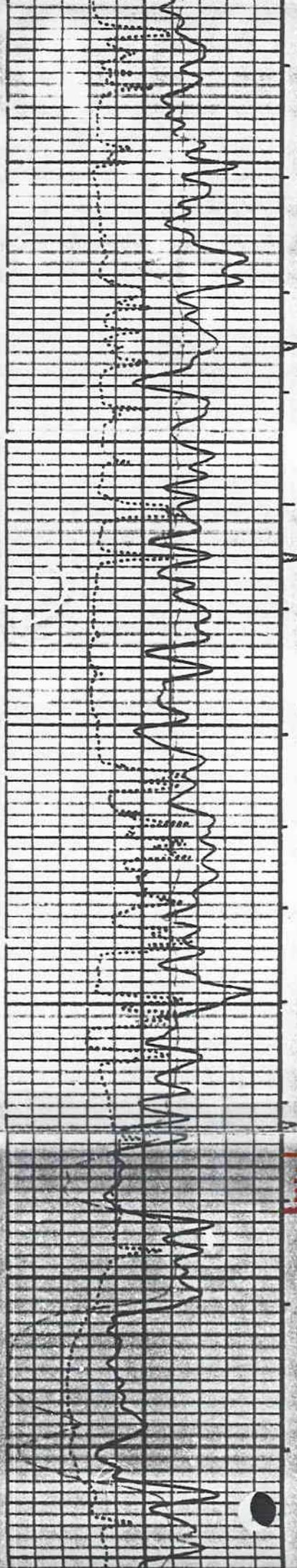
Chloride : 10,000 mg/l
Carbonate : 390 mg/l
Bicarbonate : 903 mg/l
Sulfate : 245 mg/l

pH (field) : 8.49
Temperature : 85 degrees F
Ionic Strength : 0.30
Resistivity : 0.87 ohm/meters
Ammonia : ppm

Specific Gravity : 1.0200 grams/ml
Total Dissolved Solids : 18,327 ppm
CO2 in Water : 1 mg/l
CO2 in Gas : 0.03 mole %
H2S in Water : 2.0 mg/l
Dissolved Oxygen : ppm

SI calculations based on Tomson-Odde parameters

Calcite (CaCO3) SI :	1.88	Calcite PTB :	179.7
Calcite (CaCO3) SI @ 100 F :	1.83	Calcite PTB @ 100 F :	182.2
Calcite (CaCO3) SI @ 120 F :	2.04	Calcite PTB @ 120 F :	184.7
Calcite (CaCO3) SI @ 140 F :	2.26	Calcite PTB @ 140 F :	186.3
Calcite (CaCO3) SI @ 160 F :	2.49	Calcite PTB @ 160 F :	187.4
Gypsum (CaSO4) SI :	-1.89	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A

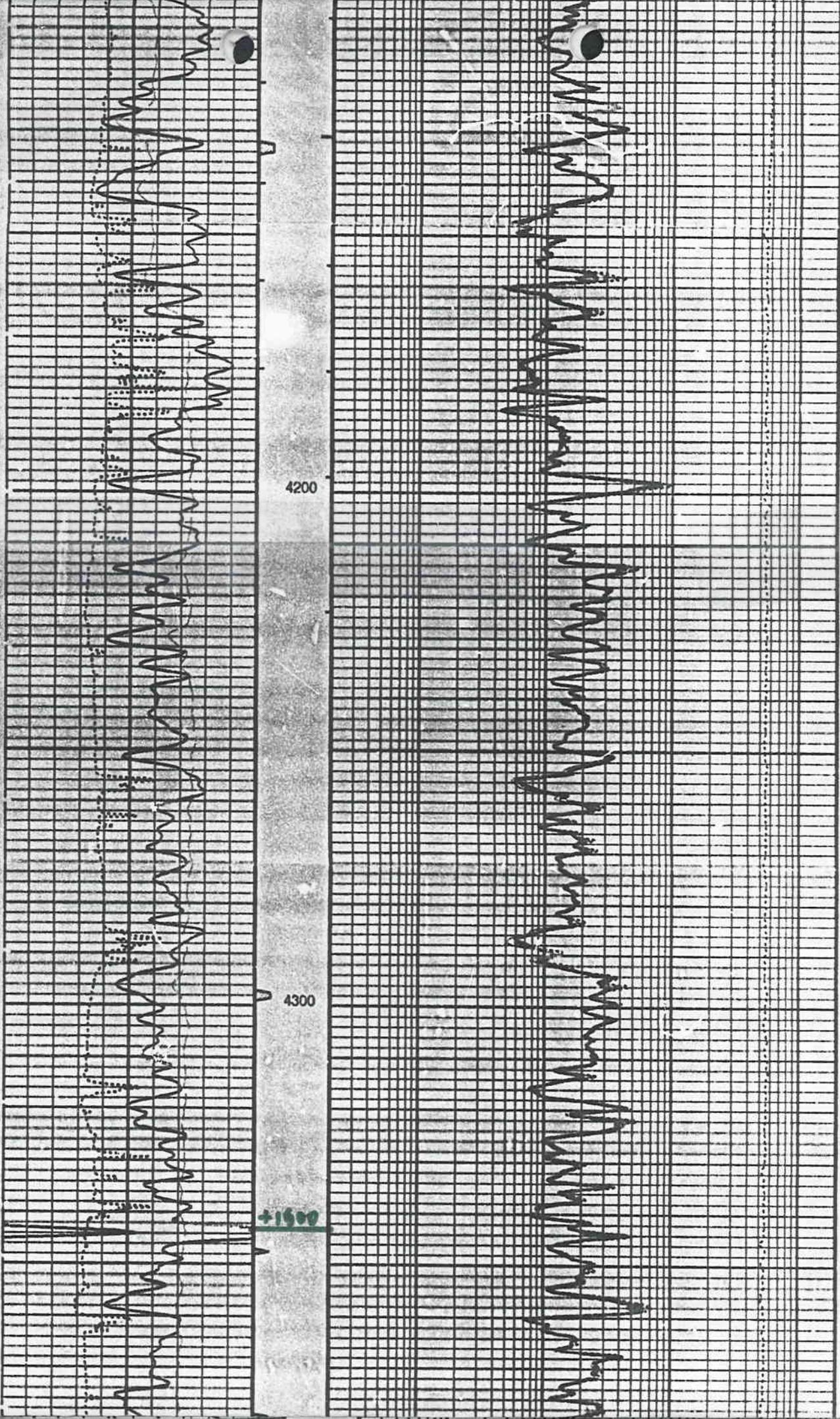


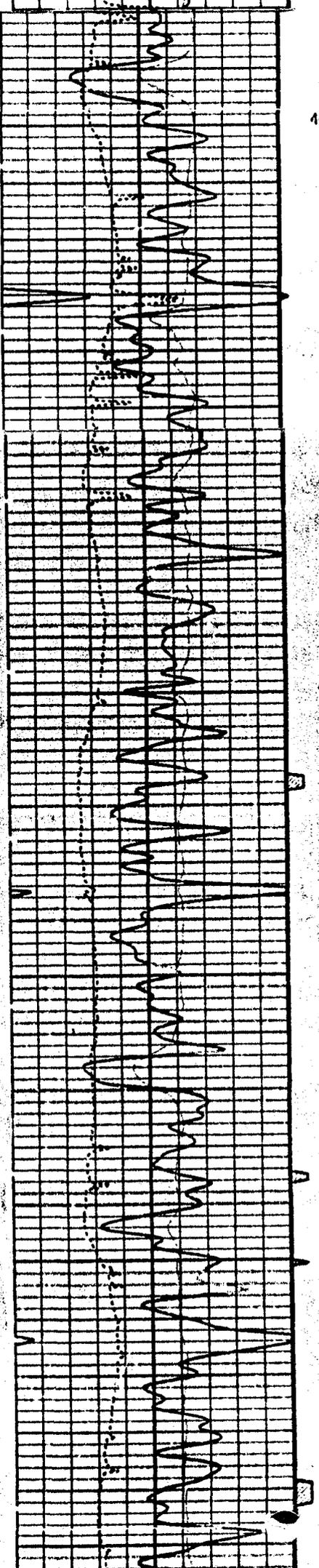
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4000

4100



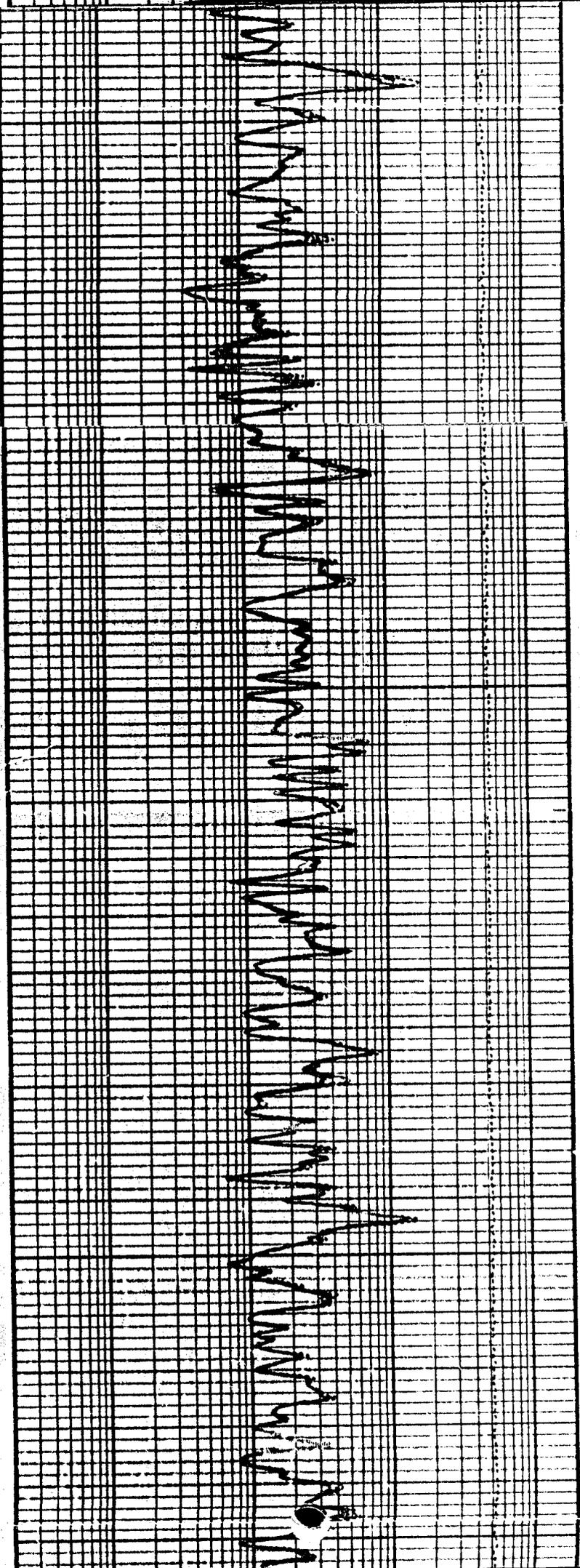


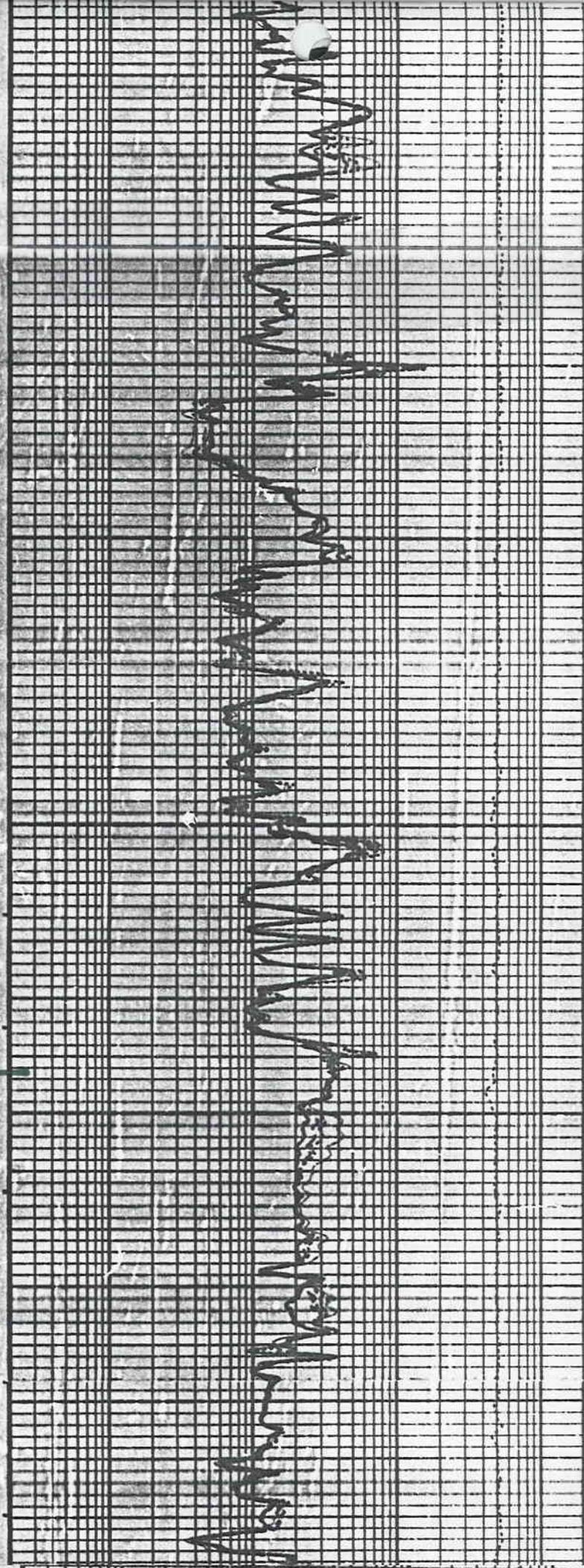
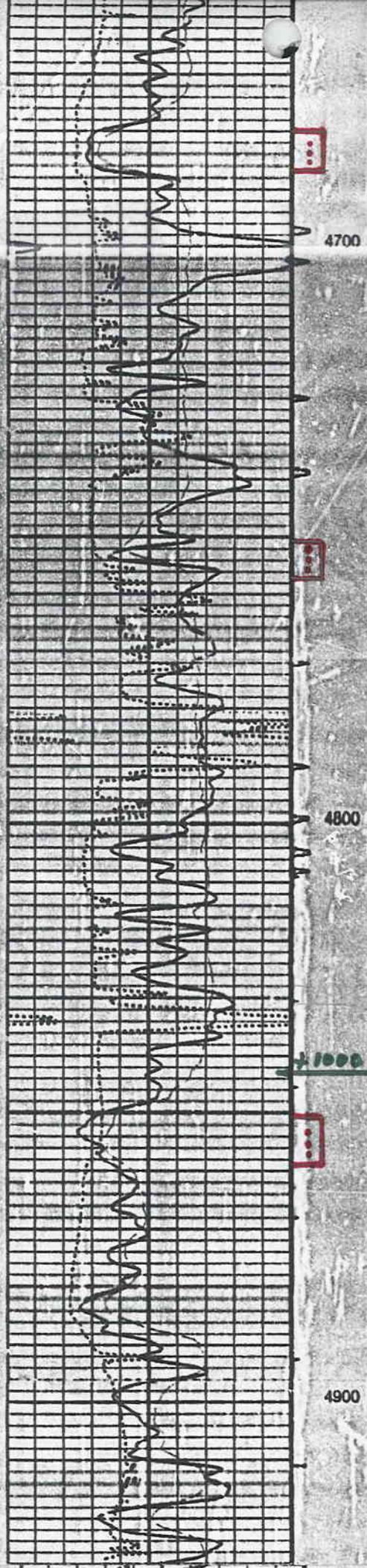


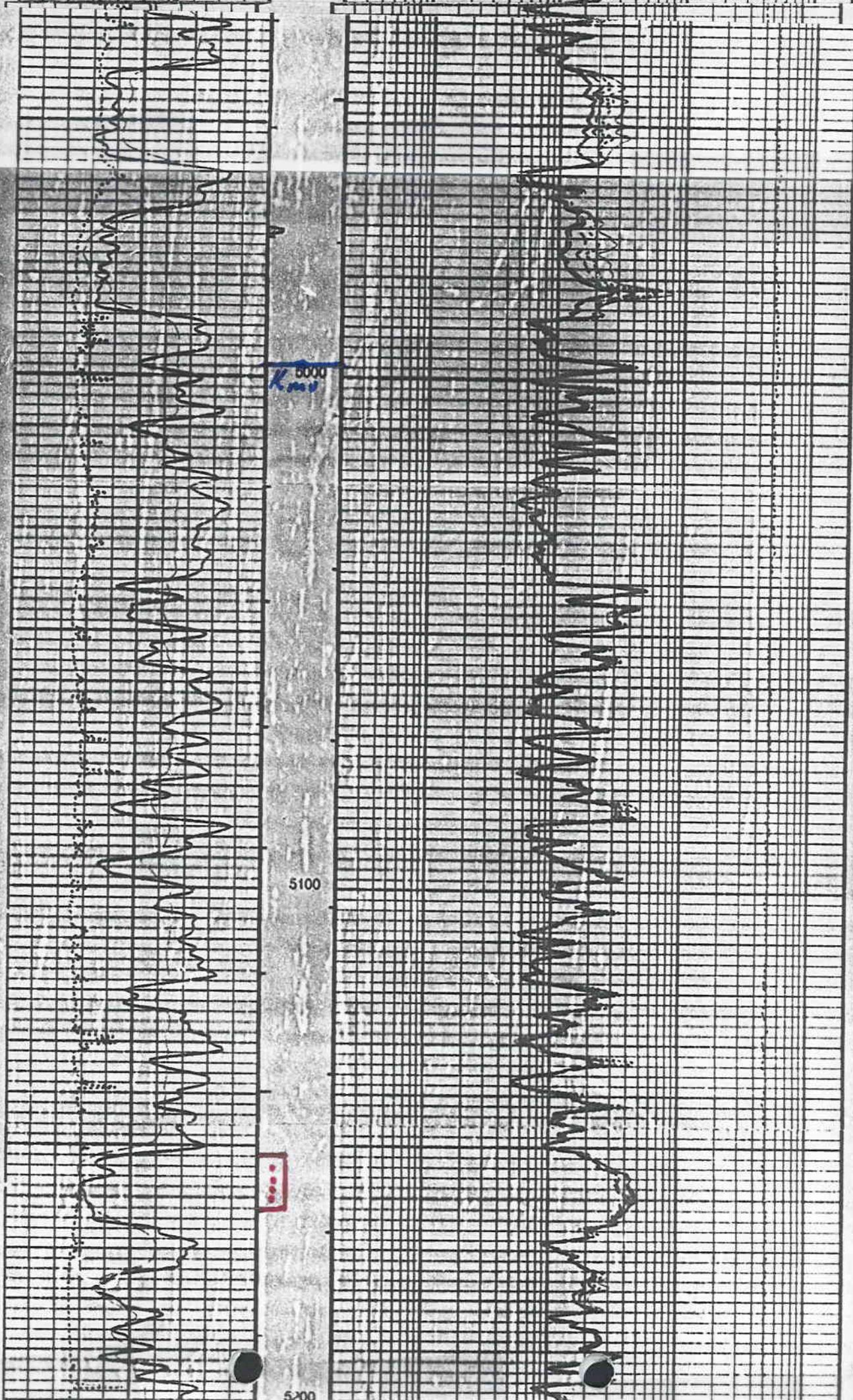
4400

4500

4600







6000
Kms

5100



5200

COMPANY: ROSEWOOD RESOURCES INC.

WELL: ROCK HOUSE #22

FIELD: ROCK HOUSE

COUNTY: UINTAH STATE: UTAH

Location: 795' FNL & 2034' FWL
 Well: ROCK HOUSE #22
 Company: ROSEWOOD RESOURCES INC

Schlumberger		ARRAY INDUCTION with Linear Correlation GAMMA RAY	
795' FNL & 2034' FWL NE 1/4 NW 1/4		Elev.: K.B. 6014 F G.L. 6001 F D.F. 6013 F	
Permanent Datum: <u>GROUND LEVEL</u>		Elev.: <u>6001 F</u>	
Log Measured From: <u>KELLY BUSHING</u>		13.0 F above Perm. Datum	
Drilling Measured From: <u>KELLY BUSHING</u>		<i>27 CC</i>	
API Serial No. 43-047-33027	SECTION / 5	TOWNSHIP 11S	RANGE 23E

Logging Date	29-MAY-1998		
Run Number	ONE		
Depth Driller	5431 F		
Schlumberger Depth	5412 F		
Bottom Log Interval	5400 F		
Top Log Interval	75 F		
Casing Driller Size @ Depth	8.625 IN	@	465 F
Casing Schlumberger	506 F		
Bit Size	7.875 IN		
Type Fluid In Hole	LSND		
Density	9.3 LB/G	44 S	
Viscosity		10	
PH			
Source Of Sample	MUD TANK		
RM @ Measured Temperature	2.660 OHMM	@	68 DEGF
RMF @ Measured Temperature	0.400 OHMM	@	80 DEGF
RMC @ Measured Temperature		@	
Source RMF	FILTERED		
RM @ MRT	1.557 @ 121	0.272 @ 121	@
RMF @ MRT			@
Maximum Recorded Temperatures	121 DEGF		
Circulation Stopped	Time	29-MAY-1998 3:45	
Logger On Bottom	Time	29-MAY-1998 10:00	
Unit Number	8426	VERNAL, UTAH	
Recorded By	BODAR DRUCKER		
Witnessed By	BO SHERMAN		

MUD

Logging Date			
Run Number			
Depth Driller			
Schlumberger Depth			
Bottom Log Interval			
Top Log Interval			
Casing Driller Size @ Depth			@
Casing Schlumberger			
Bit Size			
Type Fluid In Hole			
Density			
Viscosity			
Fluid Loss			
PH			
Source Of Sample			@
RM @ Measured Temperature			@
RMF @ Measured Temperature			@
RMC @ Measured Temperature			@
Source RMF			
RMC			
RM @ MRT			@
RMF @ MRT			@
Maximum Recorded Temperatures			
Circulation Stopped	Time		
Logger On Bottom	Time		
Unit Number		Location	
Recorded By			
Witnessed By			

Run 1 Run 2 Run 3

ALL INTERPRETATIONS ARE OPINIONS BASED ON INFERENCES FROM ELECTRICAL OR OTHER MEASUREMENTS AND WE CANNOT, AND DO NOT GUARANTEE THE ACCURACY OR CORRECTNESS OF ANY INTERPRETATIONS, AND WE SHALL NOT, EXCEPT IN THE CASE OF GROSS OR WILLFUL NEGLIGENCE ON OUR PART, BE LIABLE OR RESPONSIBLE FOR ANY LOSS, COSTS, DAMAGES OR EXPENSES INCURRED OR SUSTAINED BY ANYONE RESULTING FROM ANY INTERPRETATION MADE BY ANY OF OUR OFFICERS, AGENTS OR EMPLOYEES. THESE INTERPRETATIONS ARE ALSO SUBJECT TO CLAUSE 4 OF OUR GENERAL TERMS AND CONDITIONS AS SET OUT IN OUR CURRENT PRICE SCHEDULE.

OTHER SERVICES1

OS1:
OS2:
OS3:
OS4:
OS5:

OTHER SERVICES2

OS1:
OS2:
OS3:
OS4:
OS5:

REMARKS: RUN NUMBER 1

REMARKS: RUN NUMBER 2

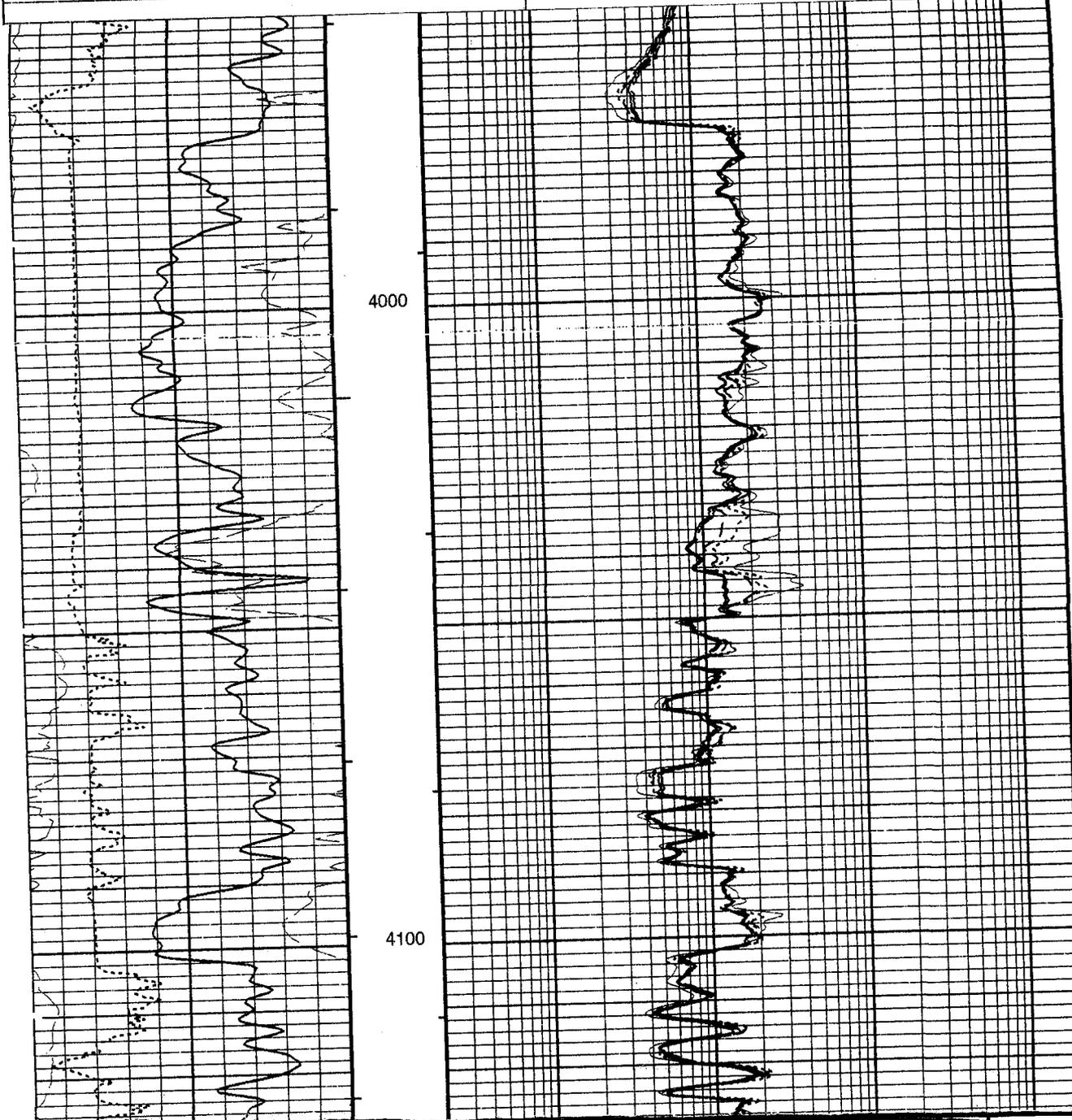
1.125" STANDOFFS RUN ON AIT
CNL ECCENTRALIZED WITH BOWSPRING.

SANDSTONE MATRIX: 2.68 G/CC

THIS LOG IS THE PRIMARY DEPTH REFERENCE

THANK YOU FOR CHOOSING SCHLUMBERGER!!

RIG CAZA 56

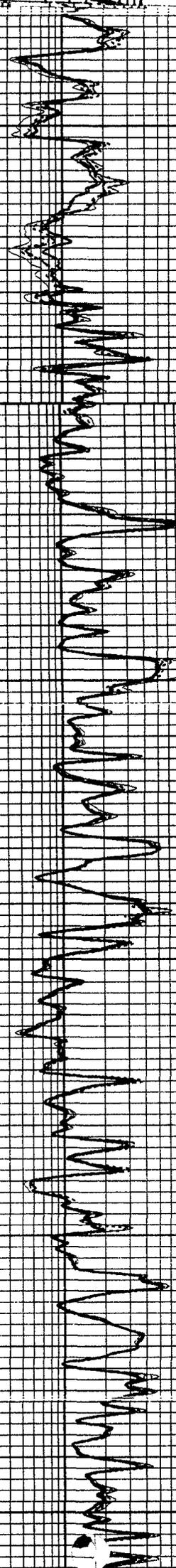


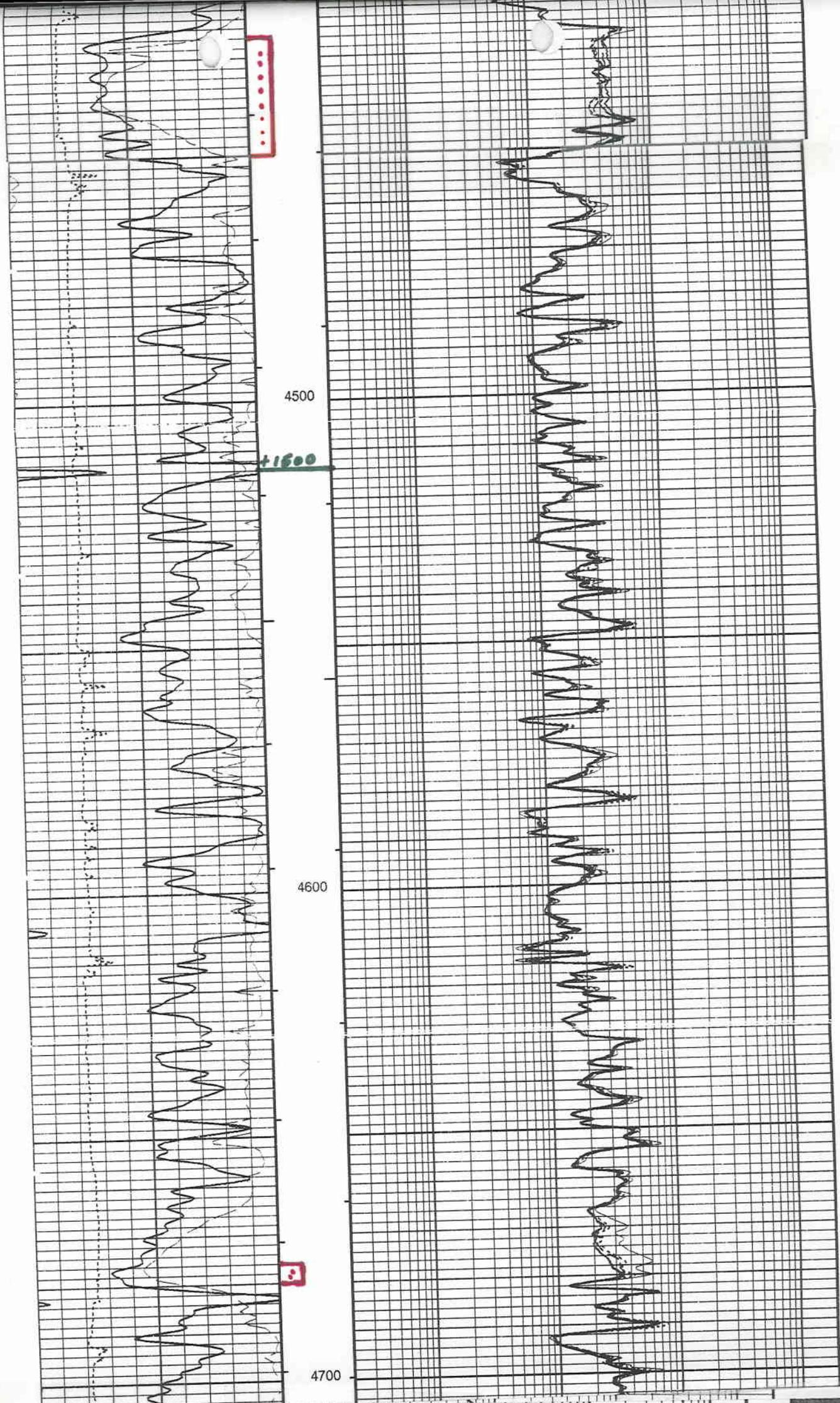


4200

4300

4400



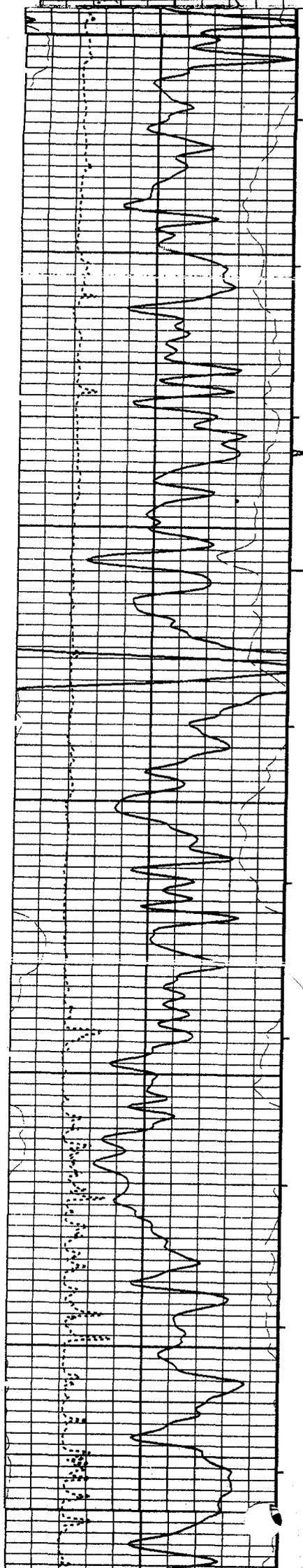


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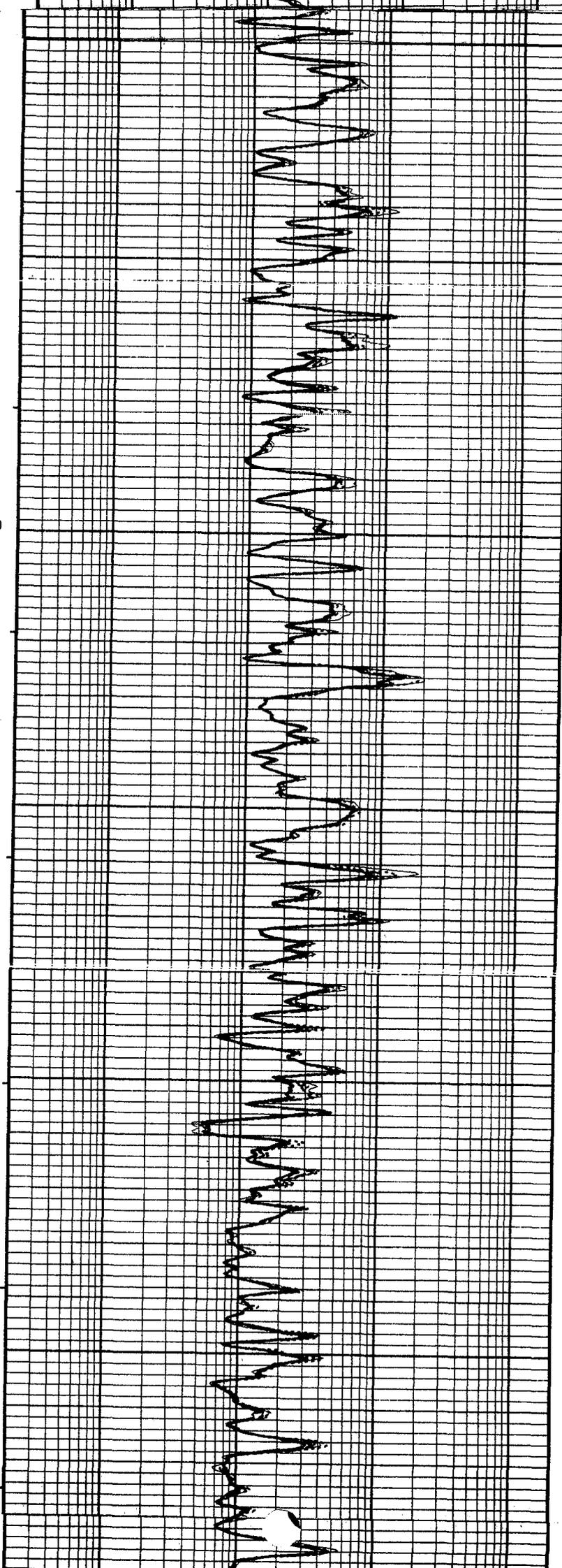
+1600

4600

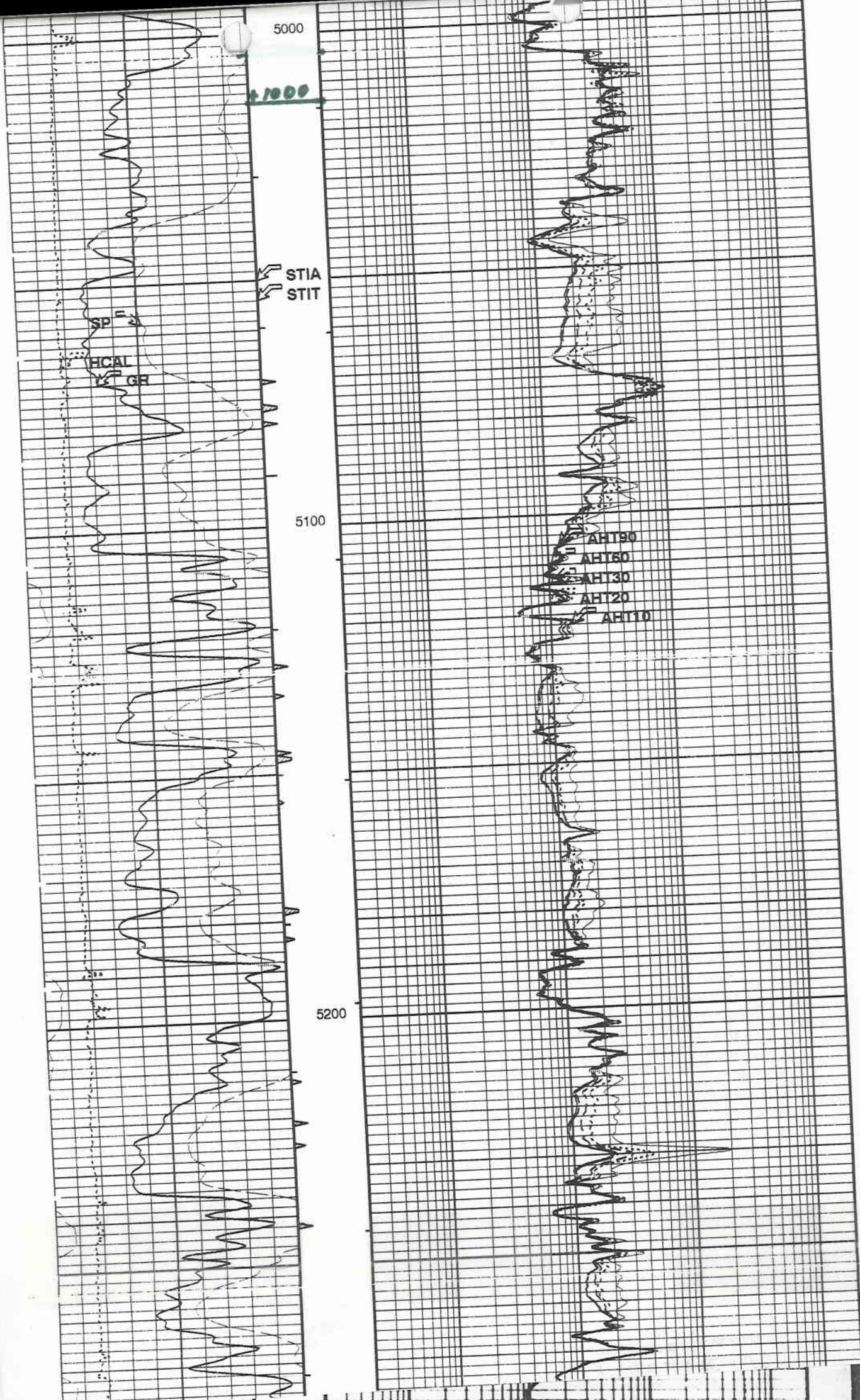
4700



4800



4900



5000

+1000

STIA
STIT

SP

HCAL

GR

5100

AHT90

AHT60

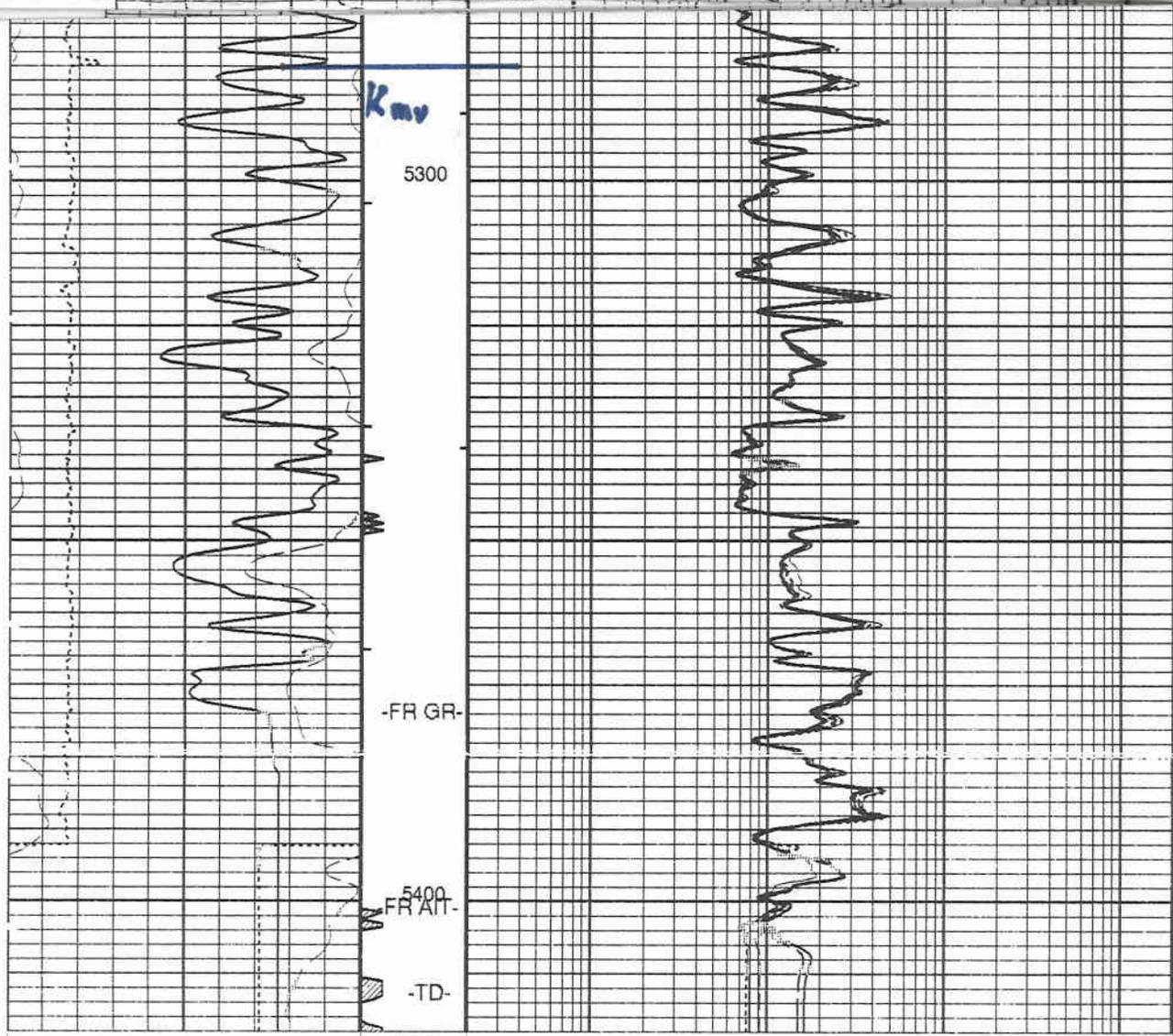
AHT30

AHT20

AHT10

5200





SP (SP) (MV)	20	Stuck Stretch (STIT) 0 (F) 50	0.2	AIT-H 10 Inch Investigation (AHT10) (OHMM)	2000
Gamma Ray (GR) (GAPI)	150	Cable Drag From STIA to STIT	0.2	AIT-H 20 Inch Investigation (AHT20) (OHMM)	2000
HILT Caliper (HCAL) (IN)	16	Tool/Tot. Drag From D3T to STIA	0.2	AIT-H 30 Inch Investigation (AHT30) (OHMM)	2000
MAIN PASS			0.2	AIT-H 60 Inch Investigation (AHT60) (OHMM)	2000
			0.2	AIT-H 90 Inch Investigation (AHT90) (OHMM)	2000

PIP SUMMARY

- ┌ Integrated Hole Volume Minor Pip Every 10 F3
- ┌ Integrated Hole Volume Major Pip Every 100 F3
- └ Integrated Cement Volume Minor Pip Every 10 F3
- └ Integrated Cement Volume Major Pip Every 100 F3

Time Mark Every 60 S

AIT-H Answer Product Processing Summary. Data taken with tool # 144 (AHTNO)
 ...Acquired data from HILT/HAIT

***** Bhole Correction *****

Effective Tool Standoff computed. Borehole diameter and mud res. taken as input (see GCSE and GRSE parameters)
 Tool is run in ECCENTERED mode with a tool stand-off of 1.13 IN. Bit Size is 7.88 IN.

***** Input Selections to AIT Answer Product processing *****

Caliper (GCSE): HCAL Mud Resistivity (GRSE): AHMF Temperature (GTSE): LINEAR_ESTIMATE Porosity (FPHI): DPHZ

***** Other parameters used by AIT-H Answer Product processing *****

Surface Hole Temperature (SHT) 68.000 DEGF Bottom Temperature (BHT) 121.000 DEGF
 Total Depth (TD) 5431.000 FT

***** AIT-H Answer Product processing control parameters *****

(AHAPL): 2_BholeCorr_BasicLogs
 (AHBHM): 2_ComputeStandoff (AHBLM): wo

COMPANY: UNITED UTILITIES CORPORATION

WELL: ROCKHOUSE UNIT 16

FIELD: ROCKHOUSE GAS FIELD

COUNTY: UINTAH STATE: UTAH

**ARRAY INDUCTION
with Linear Correlation
and GAMMA RAY**

Schlumberger

890 FNL & 1075' FWL ✓

NW / NW

PA 6-28-76

Elev: K.B. 6081.9 F

G.L. 6069.9 F

D.F. 6080.9 F

Permanent Datum: GROUND LEVEL

Elev: 6069.9 F

Log Measured From: KELLY BUSHING

120 F above Perm. Datum

Drilling Measured From: KELLY BUSHING

2500

API Serial No
43-047-32761

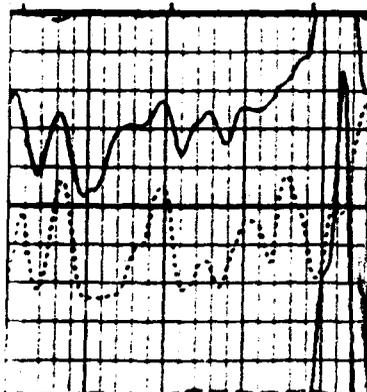
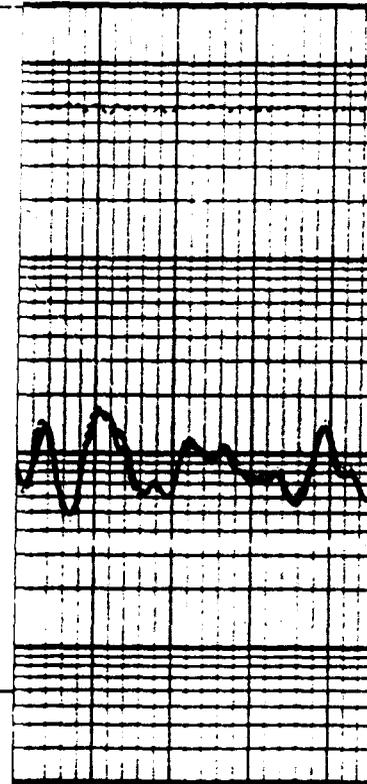
SECTION
15

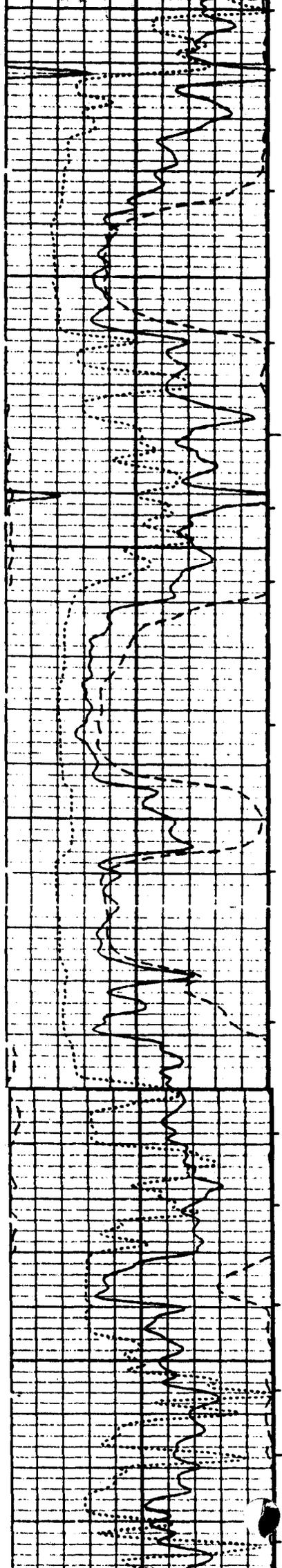
TOWNSHIP
11 S

RANGE
23 E

Log Date: 29-JUN-1966
 Log Number: ONE
 Driller: 5480 F
 Schlumberger Depth: 5366 F
 Log Interval: 5345 F
 Log Interval: 100 F
 Casing Size (at Depth): 9.625 IN
 Schlumberger: 272 F
 Fluid In Hole: 7.875 IN
 Viscosity: L.S.N.C.
 PH: 9.4 LB/G 49 S
 PH: 8.8 C3 9.6
 Source Of Sample: MUD TANK
 Measured Temperature: 2.790 OHMM @ 79 DEGF
 Measured Temperature: 2.400 OHMM @ 79 DEGF
 Measured Temperature: 2.270 OHMM @ 79 DEGF
 RMF: MEASURED RMC: CALCULATED
 MRT: RMF @ MRT: 1.750 @ 130 : 505 @ 130
 Maximum Recorded Temperatures: 130 DEGF
 Circulation Stopped: Time: 29-JUN-1966 9.30
 Logger On Bottom: Time: 29-JUN-1966 14.00
 Unit Number: Location: 2018 VERNAL UTAH
 Logged By: T. BECKER
 Witnessed By: T. COX & B. BUHRMAN

Logging Date:
 Run Number:
 Depth Driller:
 Schlumberger Depth:
 Bottom Log Interval:
 Top Log Interval:
 Casing Driller Size @ Depth:
 Casing Schlumberger:
 Bit Size:
 Type Fluid In Hole:
 Density: Viscosity:
 Fluid Loss:
 Source Of Sample:
 RM @ Measured Temperature:
 RMF @ Measured Temperature:
 RMC @ Measured Temperature:
 Source RMF: RMC:
 RM @ MRT: RMF @ MRT:
 Maximum Recorded Temperatures:
 Circulation Stopped: Time:
 Logger On Bottom: Time:
 Unit Number: Location:
 Recorded By:
 Witnessed By:

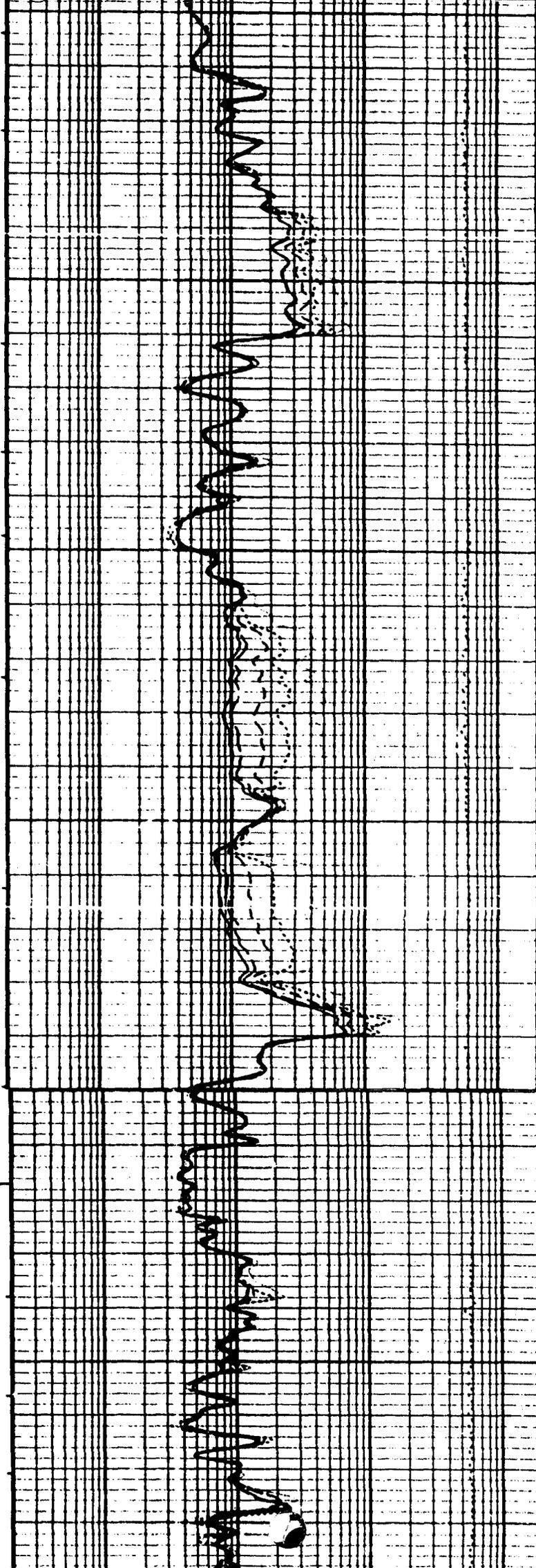


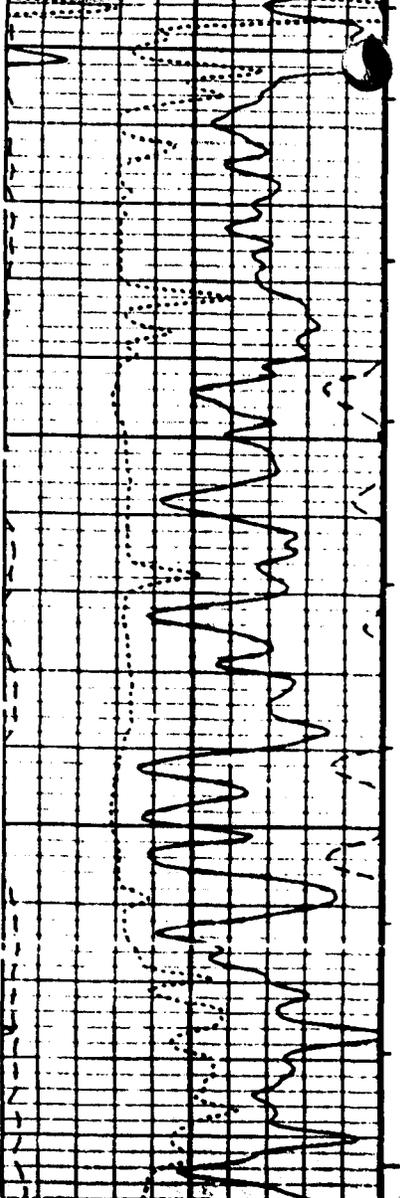


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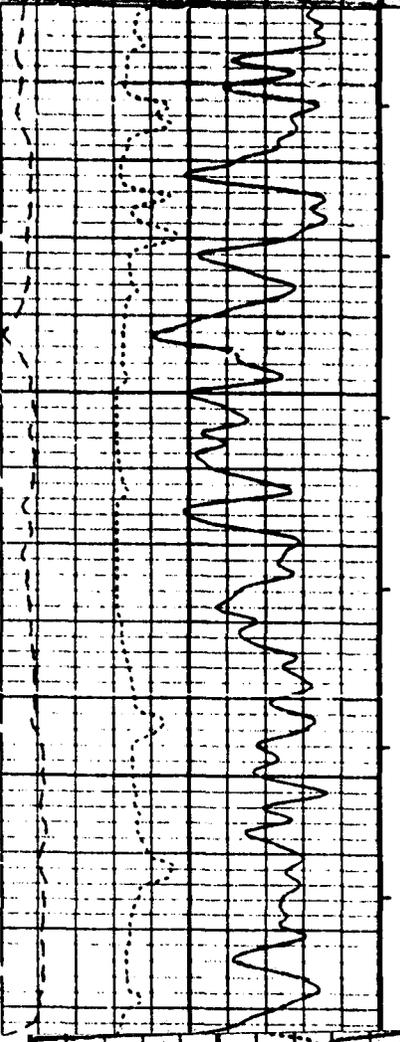
4100

4200

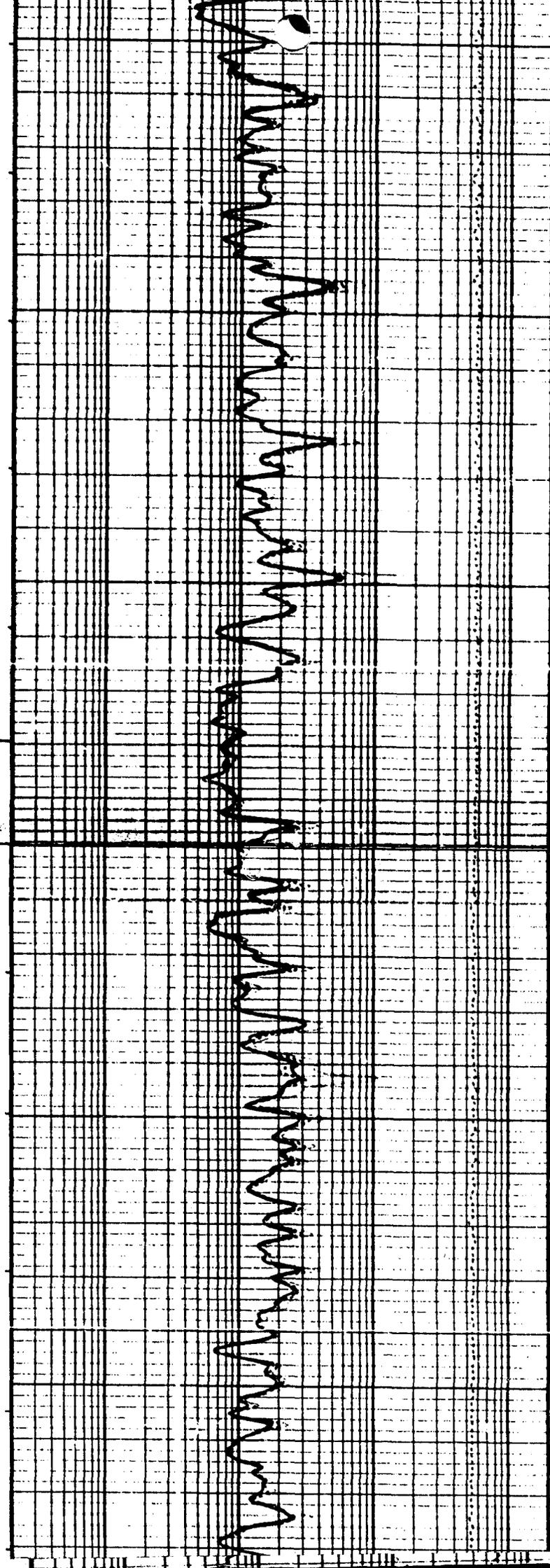


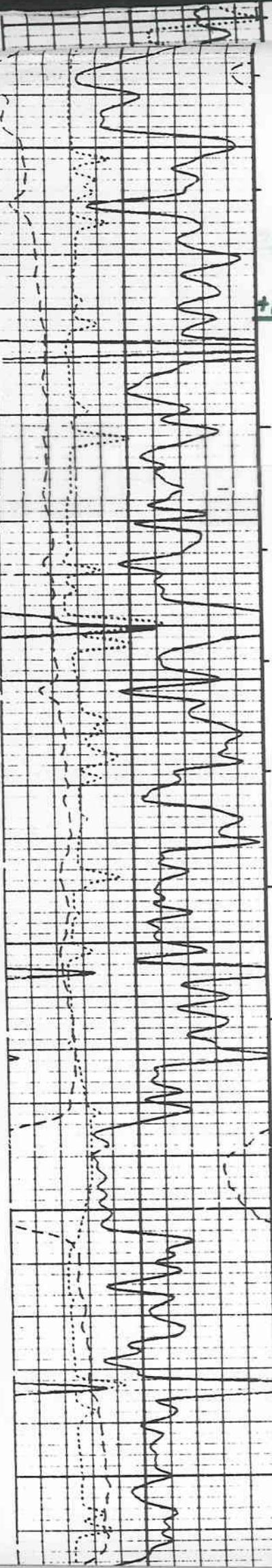


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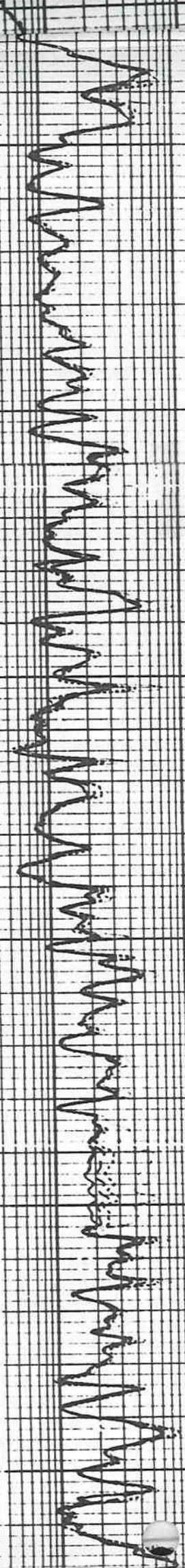


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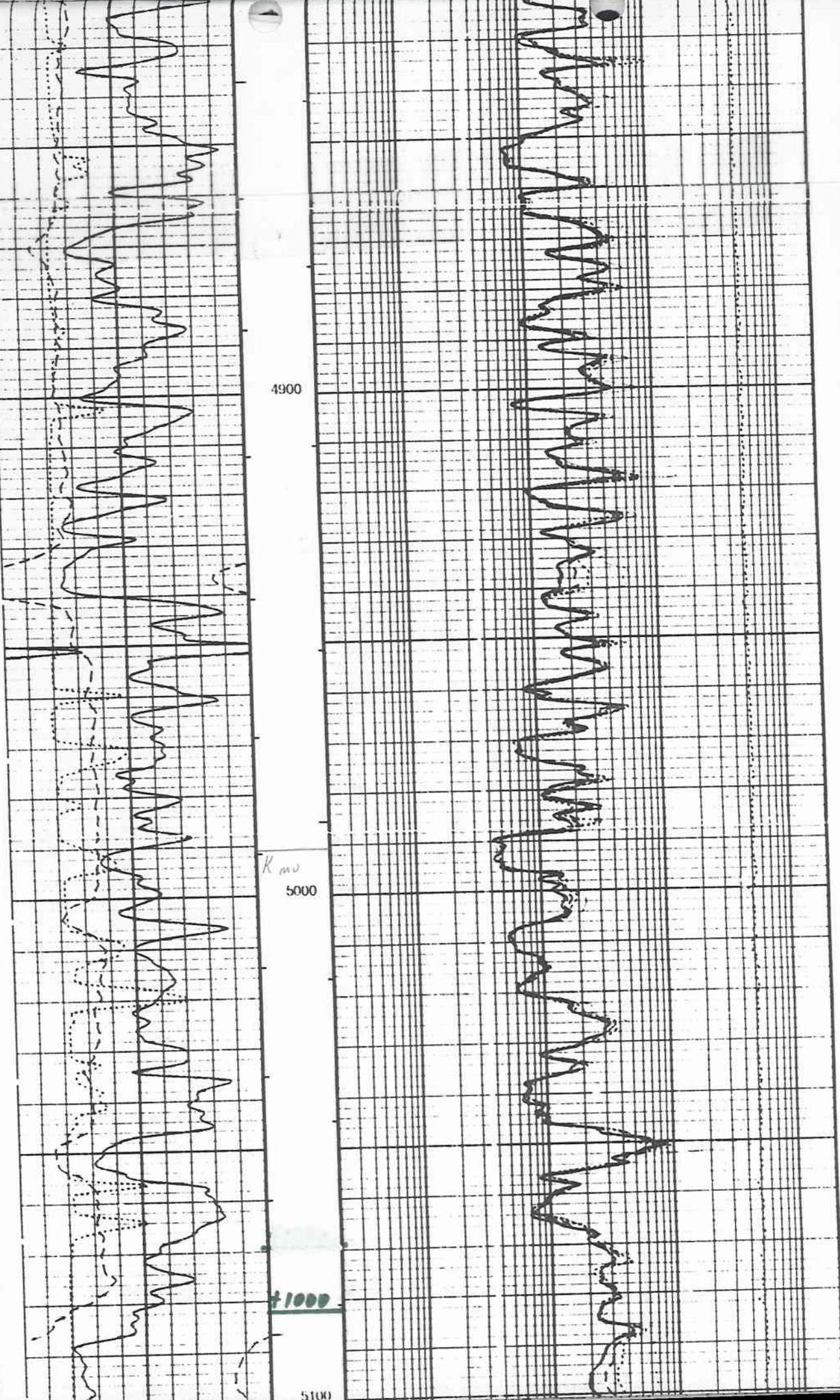


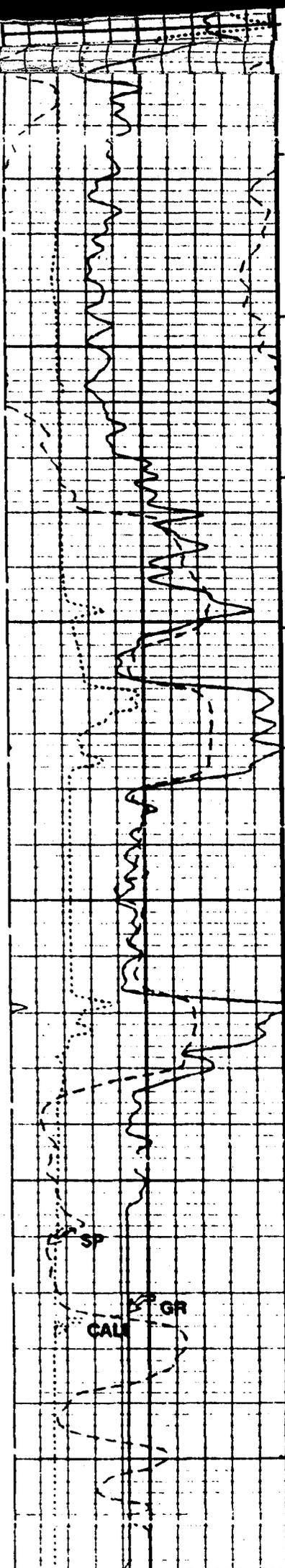
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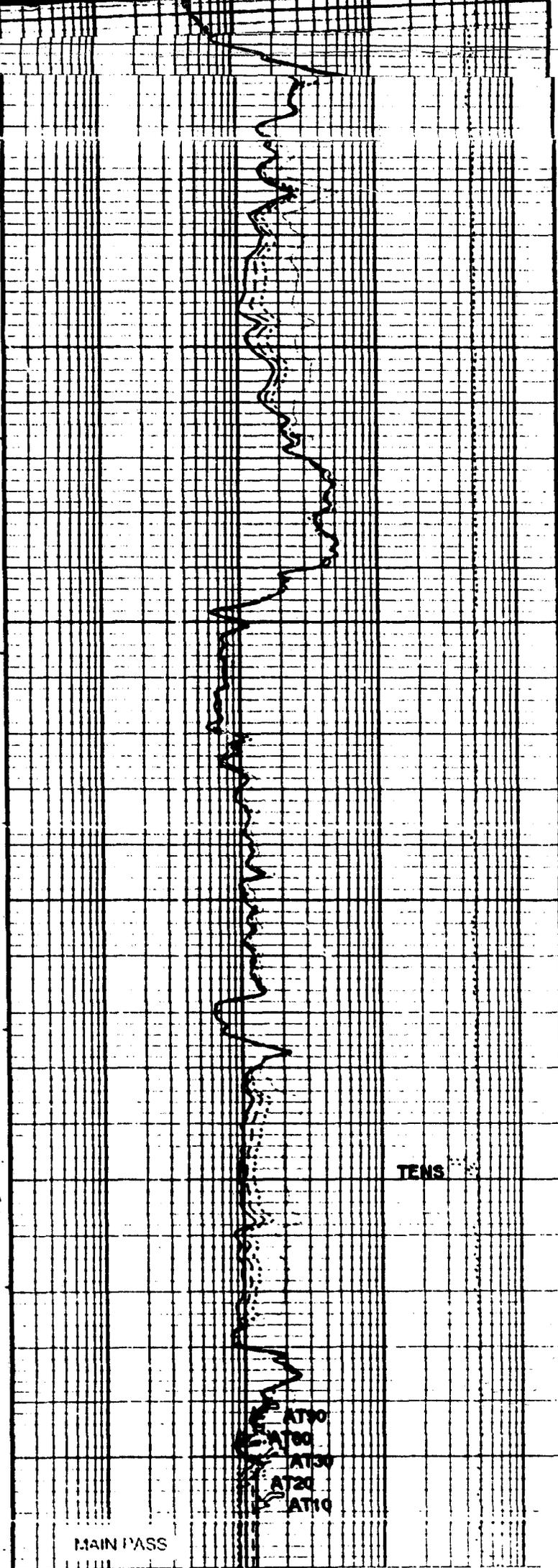
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TENS

AIT 10
AIT 8
AIT 6
AIT 4
AIT 2

MAIN PASS

COMPANY: ROSEWOOD RESOURCES

WELL: ATCHEE #1

FIELD:

COUNTY: Uintah

STATE: UT

43047 33026
Schlumberger

ARRAY INDUCED
with Linear Co
GAMMA RAY

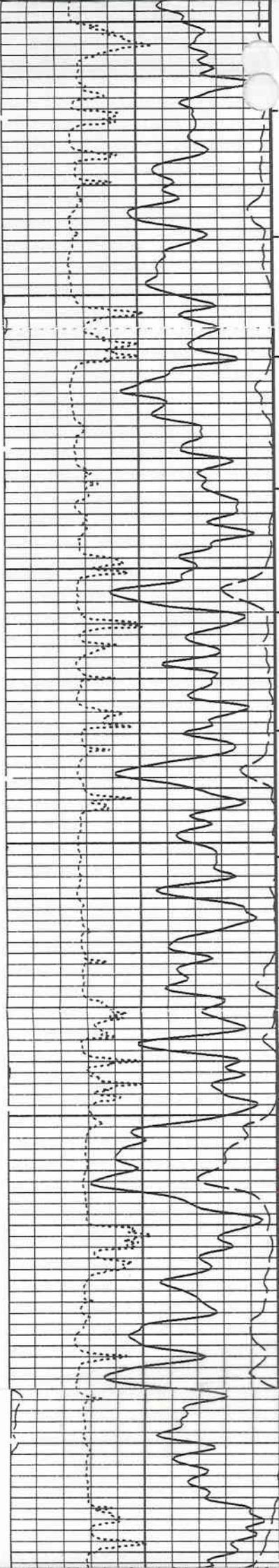
Location: 2381' FNL & 1852' FEL
 Well: ATCHEE #1
 Company: ROSEWOOD RESOURCES, INC

LOCATION

2381' FNL & 1852' FEL
SW / NE
DRL
Permanent Datum: GROUND LEVEL
Log Measured From: KELLY BUSHING
Drilling Measured From: KELLY BUSHING

API Serial No. 43-047-33026	SECTION 15	TOWN 11
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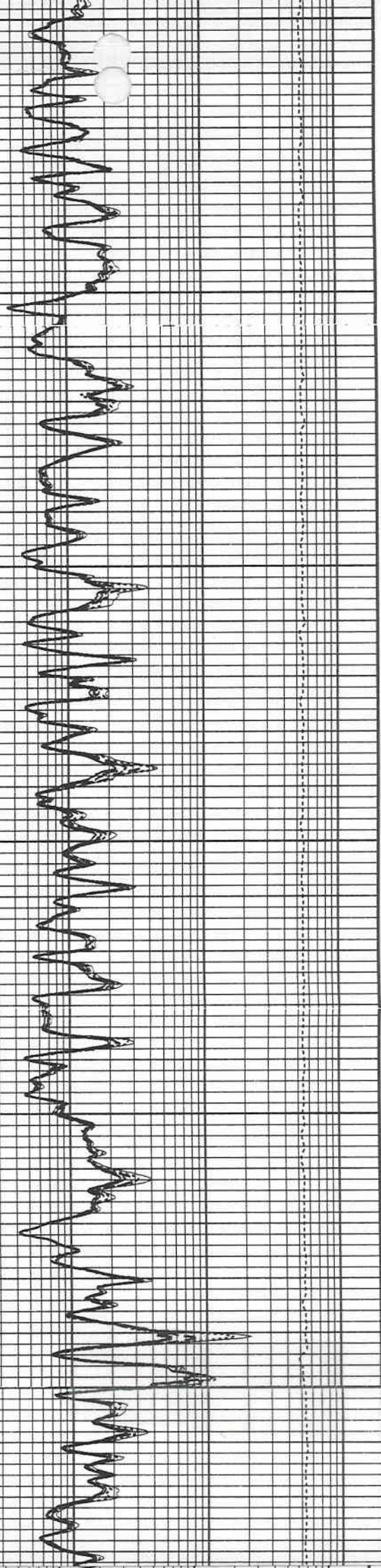
Log Date	28-APR-1998		
Log Number	ONE		
Driller	5160 F		
Schlumberger Depth	5138 F		
Log Interval	5130 F		
Log Interval	338 F		
Log Driller Size @ Depth	8.625 IN	@	325 F
Log Schlumberger	338 F		
Log	7.875 IN		
Fluid In Hole	LSND		
Viscosity	9.3 LB/G		36 S
PH			9.8
Type Of Sample	FLOWLINE		
Measured Temperature	2.180 OHMM	@	70 DEGF
@ Measured Temperature	2.780 OHMM	@	70 DEGF
@ Measured Temperature	@		
Type RMF	RMC		
MRT	1.374 @ 115	1.753 @ 115	
Minimum Recorded Temperatures	115 DEGF		
Time Stopped	28-APR-1998		10:00
Time On Bottom	28-APR-1998		17:06
Log Number	2018	VERNAL, UTAH	
Checked By	JAMES JARVI		
Processed By	DANNY WIDNER		

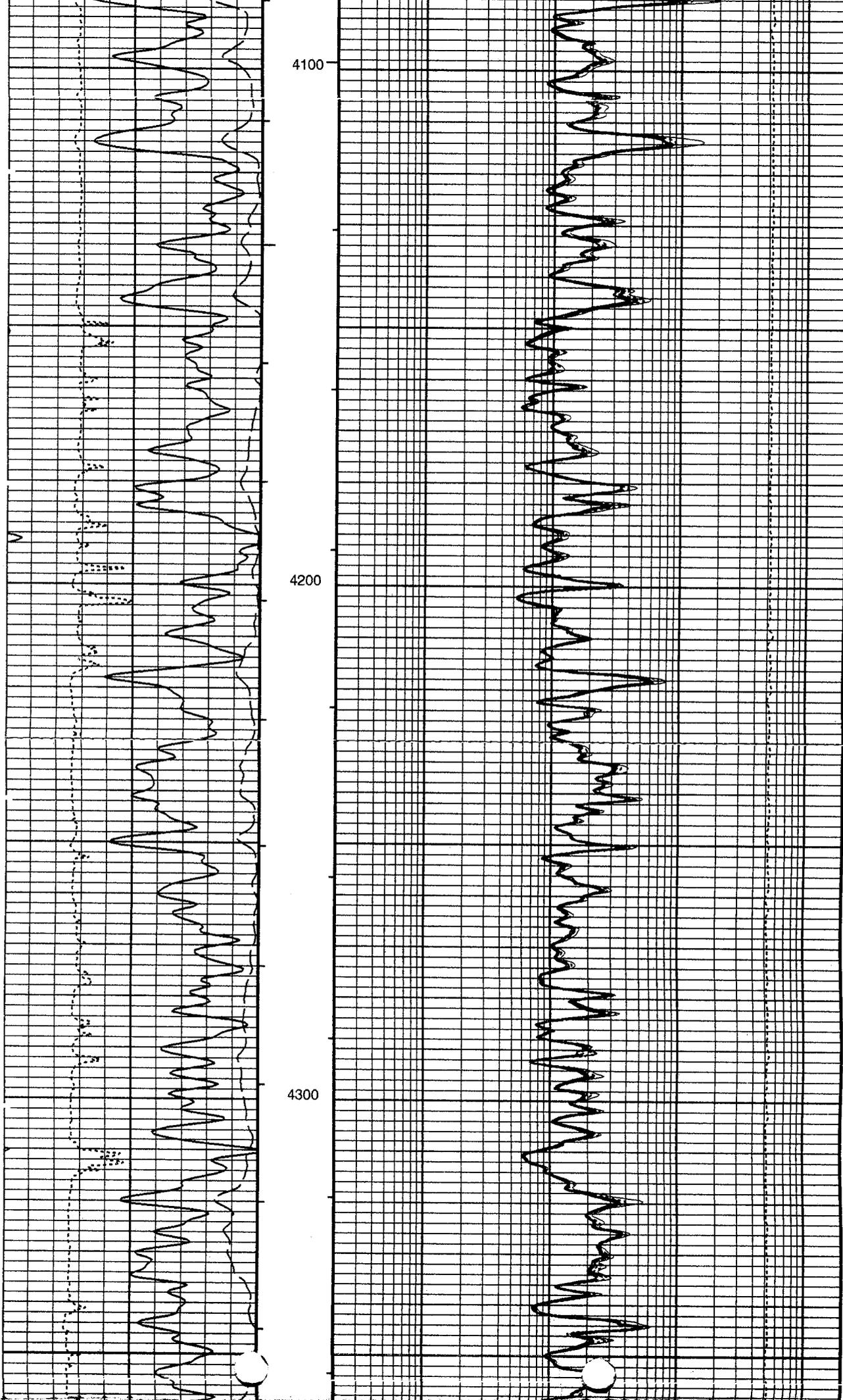


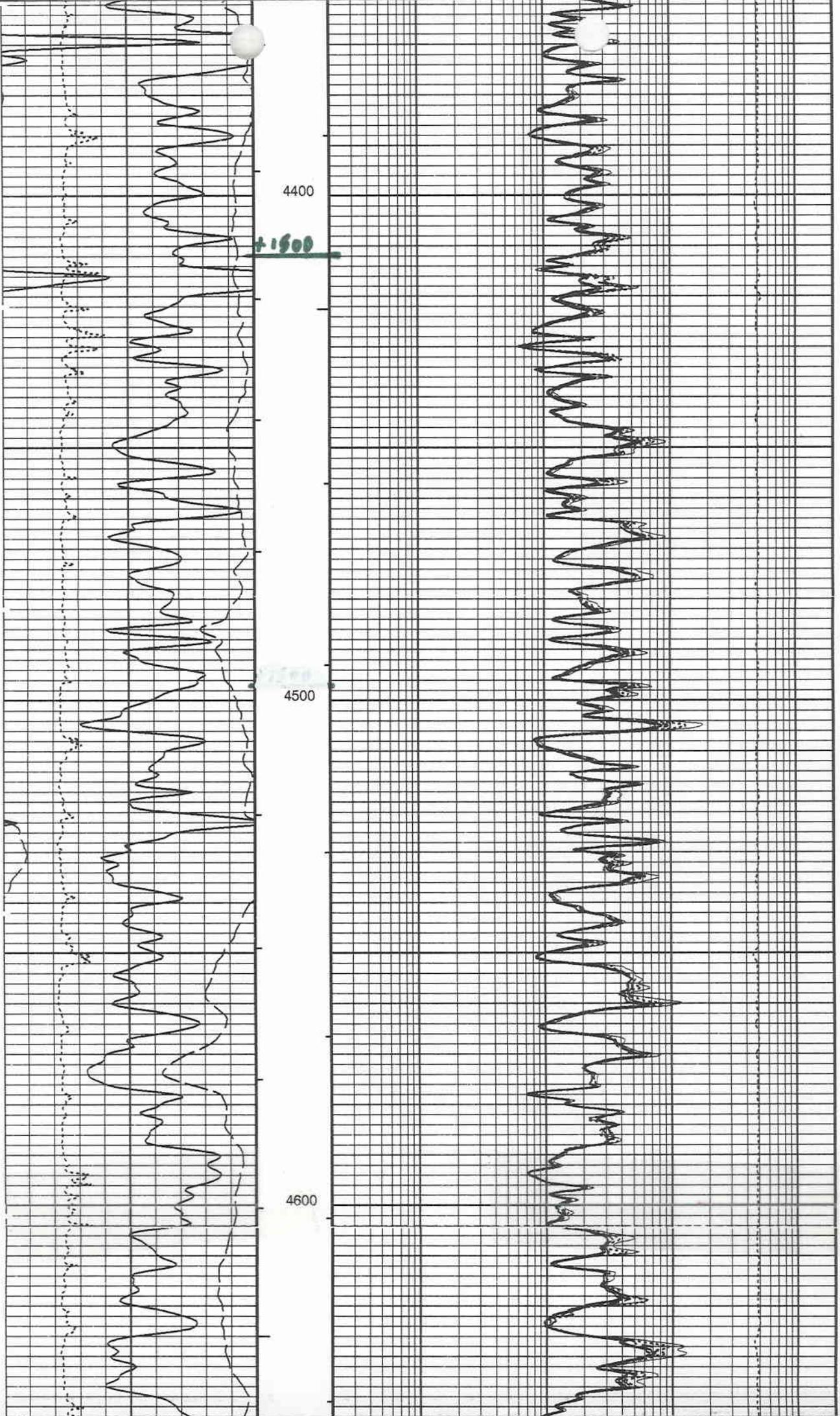
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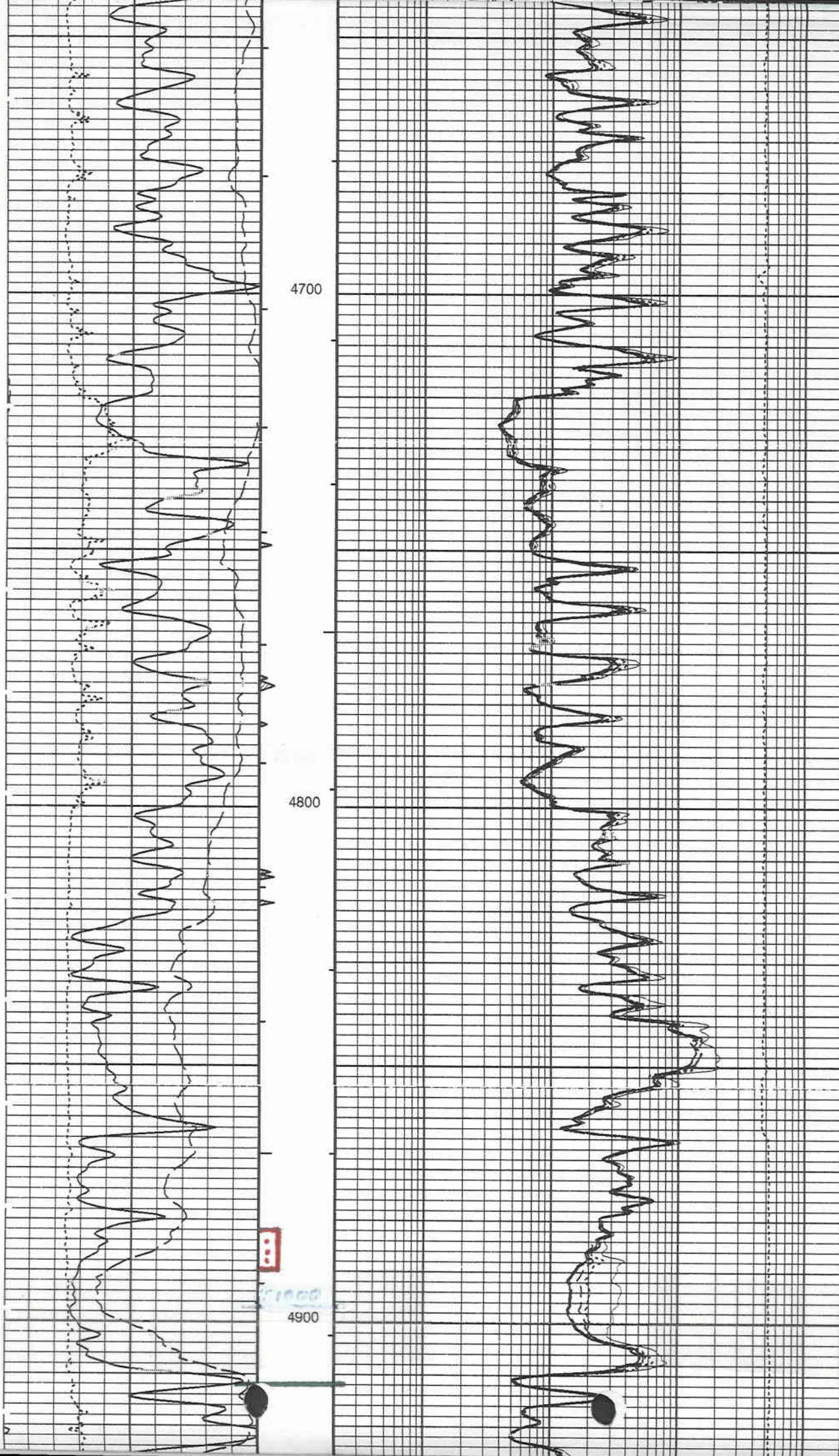
3900

4000









COMPANY: ROSEWOOD RESOURCES

WELL: ROCK HOUSE #24

FIELD: ROCK HOUSE

COUNTY: UINTAH

STATE: UTAH

Schlumberger

**ARRAY INDUCTION
with Linear Correlation
GAMMA RAY**

794' FWL & 1838' FSL
NW 1/4 SW 1/4

Elev. K.B. 6010 F
G.L. 5996 F
D.F. 6009 F

Permanent Datum: GROUND LEVEL Elev.: 5996 F
Log Measured From: KELLY BUSHING 14.0 F above Perm. Datum
Drilling Measured From: KELLY BUSHING

27 CC

API Serial No.
43-047-33028

SECTION
15-

TOWNSHIP
11S

RANGE
23E

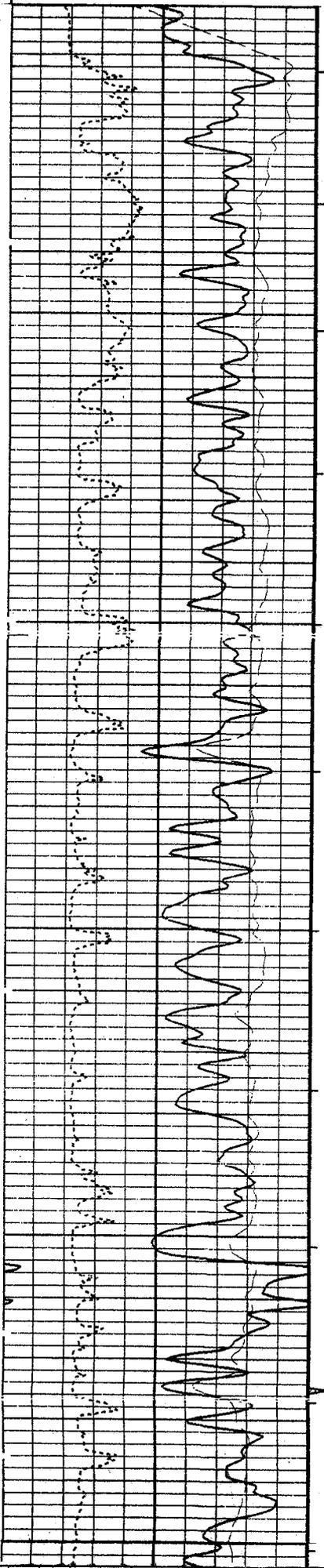
Location: 794' FWL & 1838' FSL
Well: ROCK HOUSE #24
Company: ROSEWOOD RESOURCES

LOCATION

Logging Date	9-MAY-1998	
Run Number	ONE	
Casing Driller	5462 F	
Schlumberger Depth	5464 F	
Bottom Log Interval	5456 F	
Top Log Interval	322 F	
Casing Driller Size @ Depth	8.625 IN @	315 F @
Casing Schlumberger	322 F	
Casing Bit Size	7.850 IN	
Fluid In Hole	LSND	
Fluid Viscosity	9.7 LB/G	37 S
Fluid PH	10.5	
Source Of Sample	PIT	
RMF @ Measured Temperature	3.670 OHMM @	66 DEG F @
RMC @ Measured Temperature	3.670 OHMM @	66 DEG F @
RMF @ Measured Temperature	@	
RMC @ Measured Temperature	@	
Source RMF	RMC	PIT
RMF @ MRT	2.027 @ 125	2.027 @ 125 @
RMC @ MRT	125 DEG F	125 @
Circulation Stopped Time	9-MAY-1998	7:30
Logger On Bottom Time	9-MAY-1998	15:03
Well Number	8426	VERNAL UTAH
Logged By	KEITH NELSON	
Witnessed By	DARWIN KULLAND	

Logging Date	
Run Number	
Depth Driller	
Schlumberger Depth	
Bottom Log Interval	
Top Log Interval	
Casing Driller Size @ Depth	
Casing Schlumberger	
Bit Size	
Type Fluid In Hole	
Density	Viscosity
Fluid Loss	PH
Source Of Sample	
RMF @ Measured Temperature	
RMC @ Measured Temperature	
Source RMF	RMC
RMF @ MRT	RMC @ MRT
Maximum Recorded Temperature	
Circulation Stopped Time	
Logger On Bottom Time	
Unit Number	Location
Recorded By	
Witnessed By	

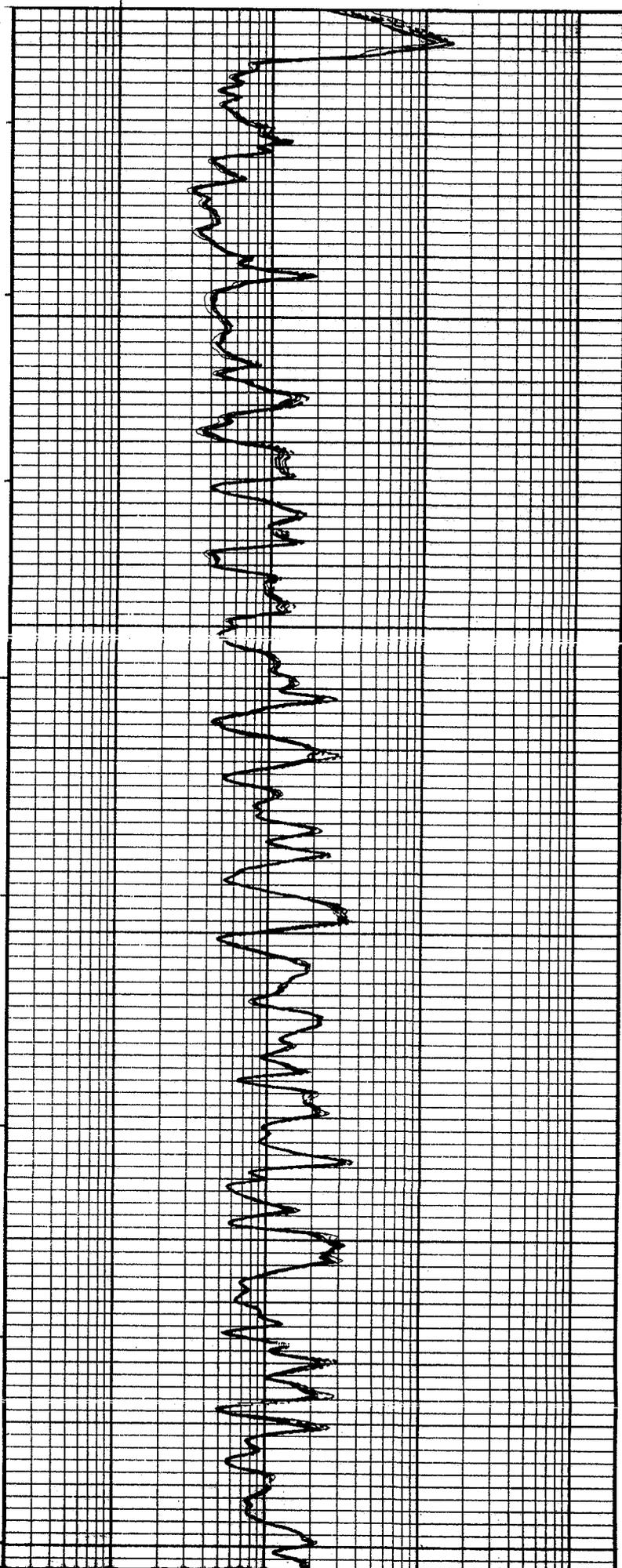
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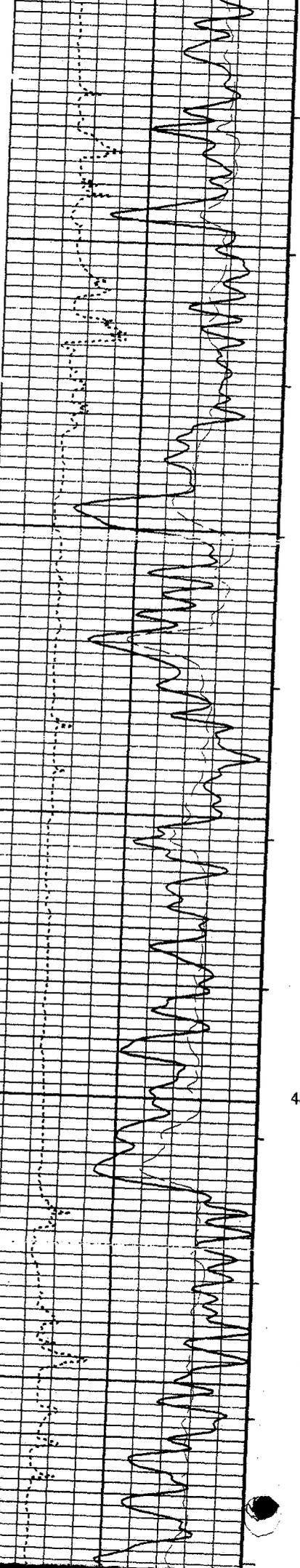


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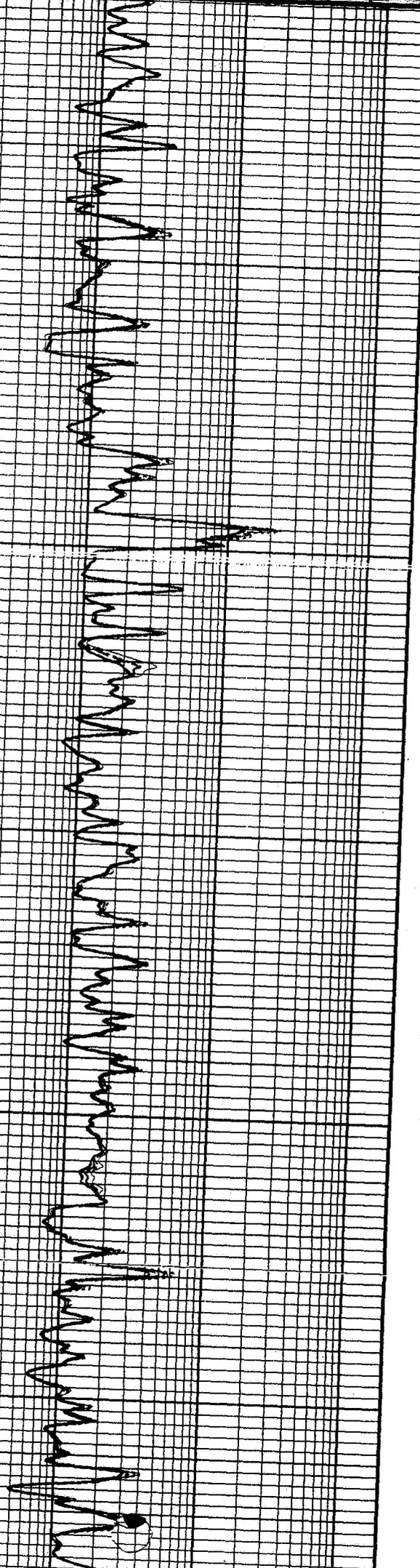
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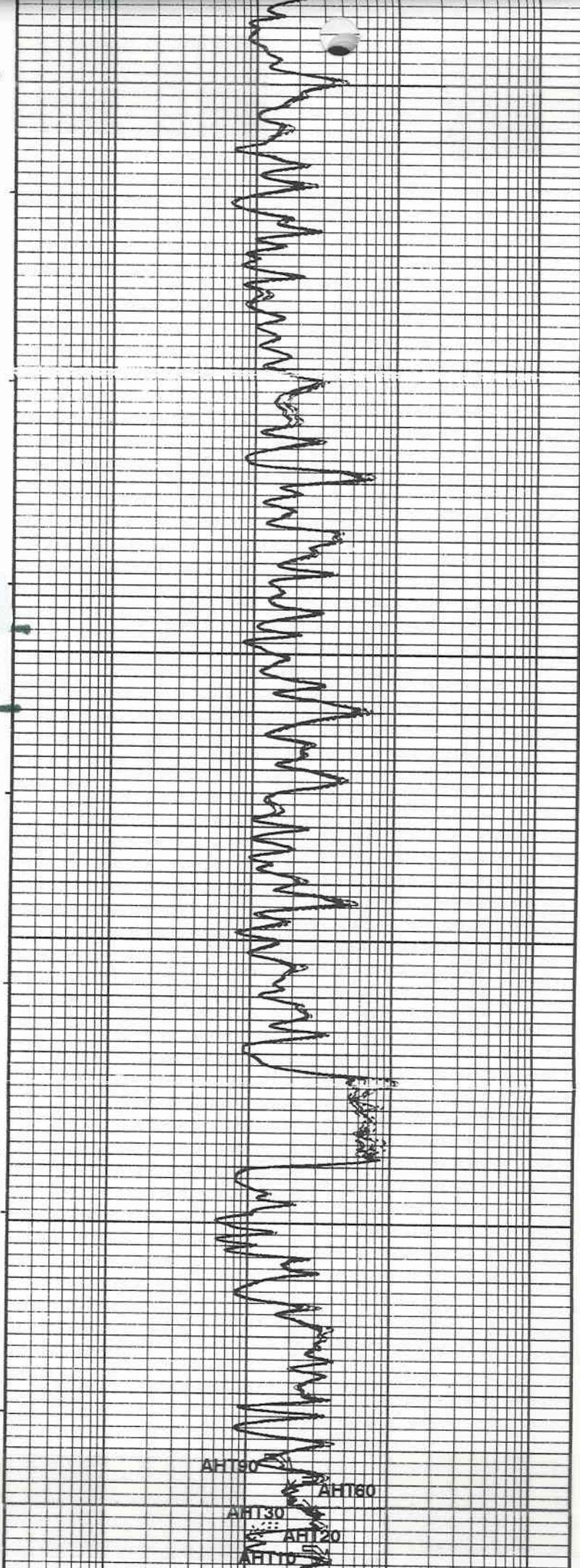
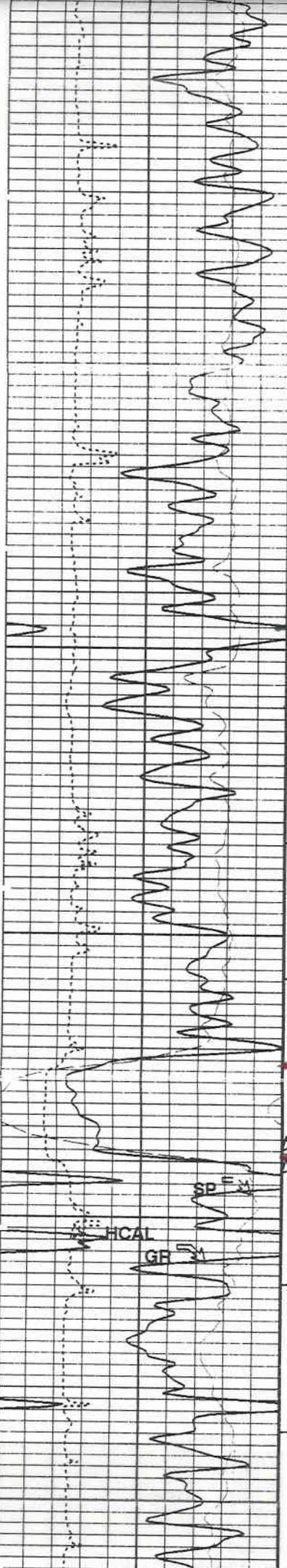
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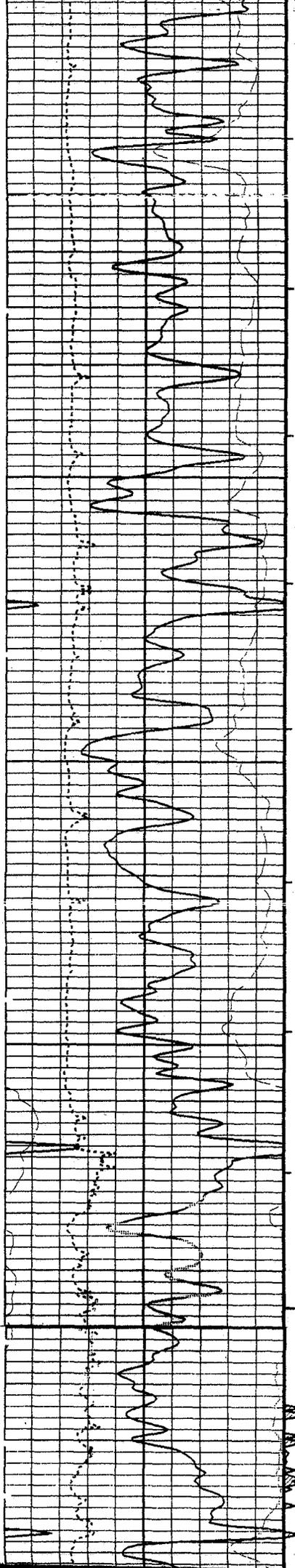
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AHT30

AHT20

AHT10

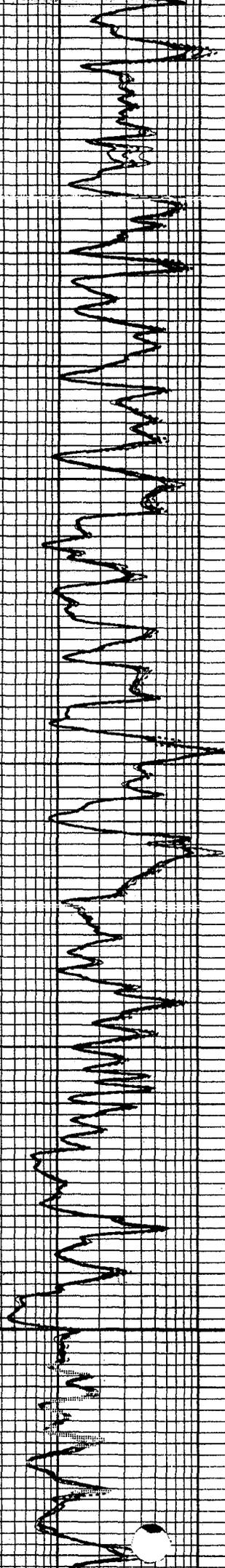


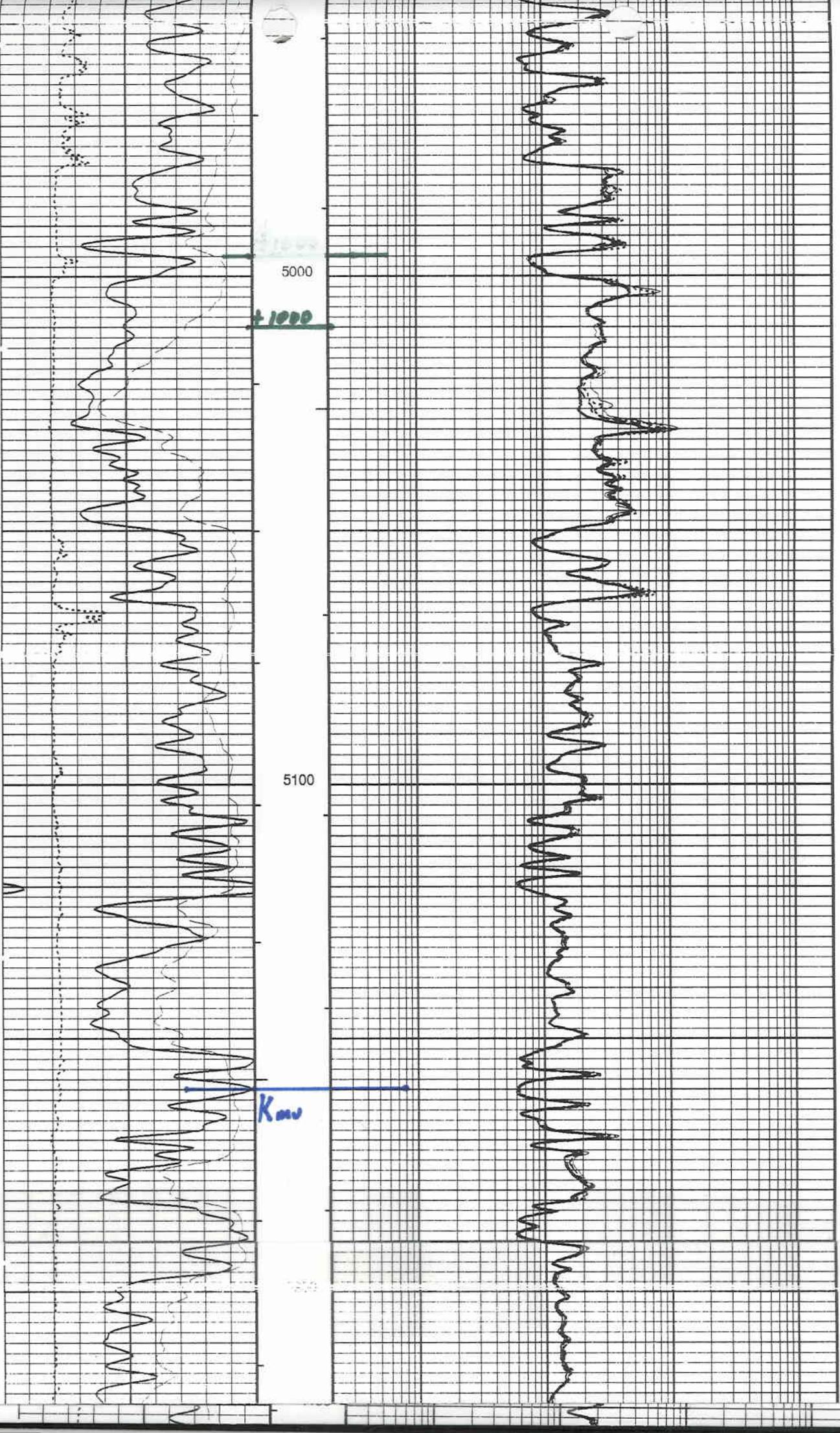


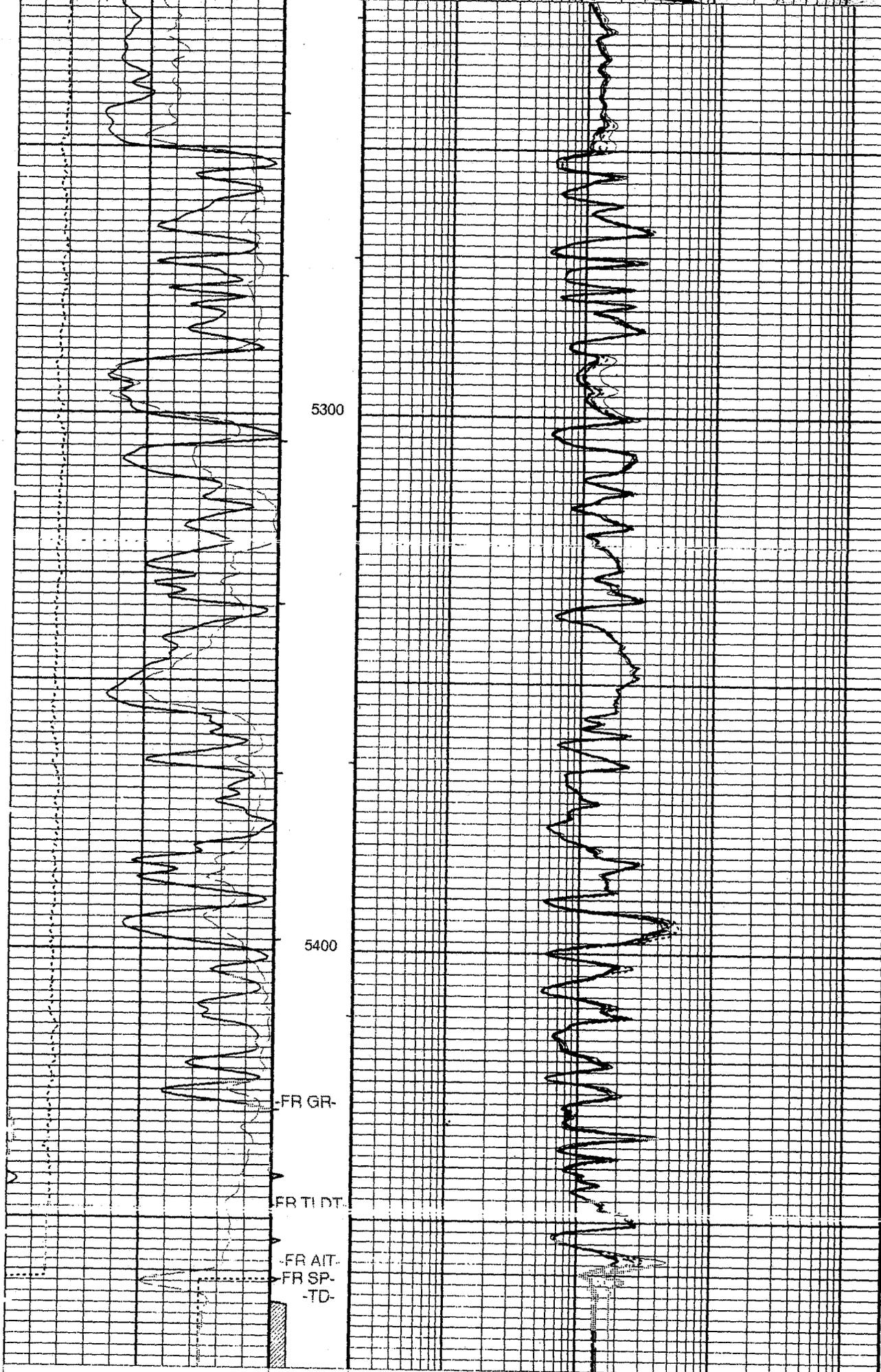
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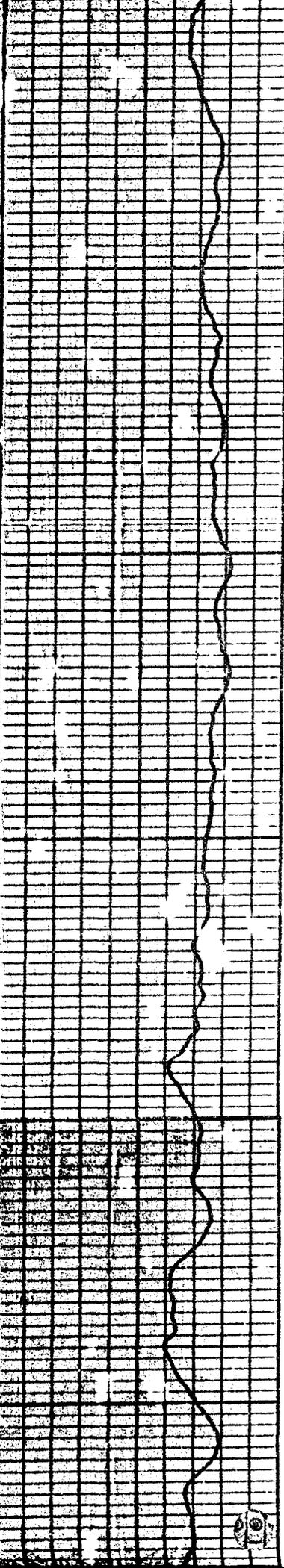
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AIT-H 10 Inch Investigation (AHT10)

(OHMM)

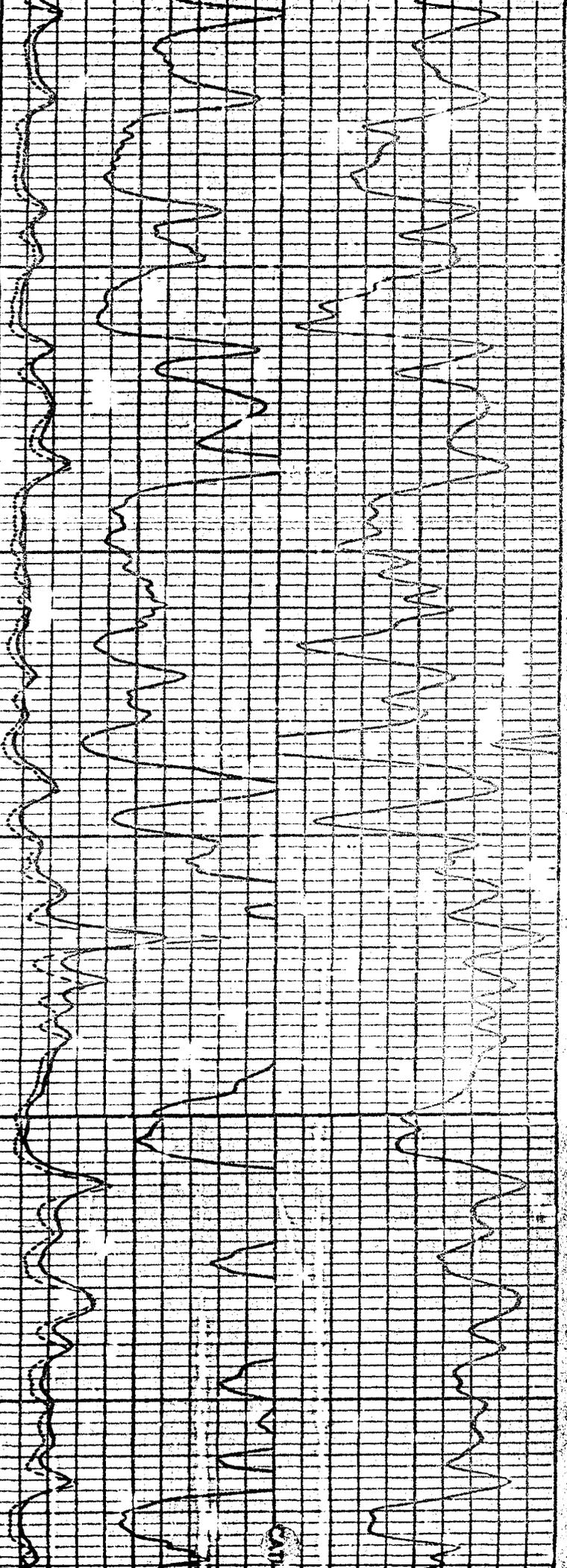
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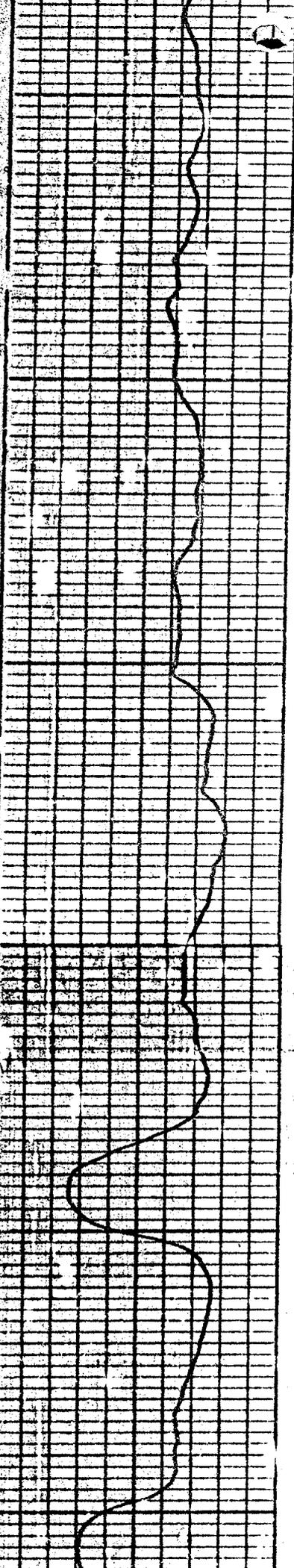


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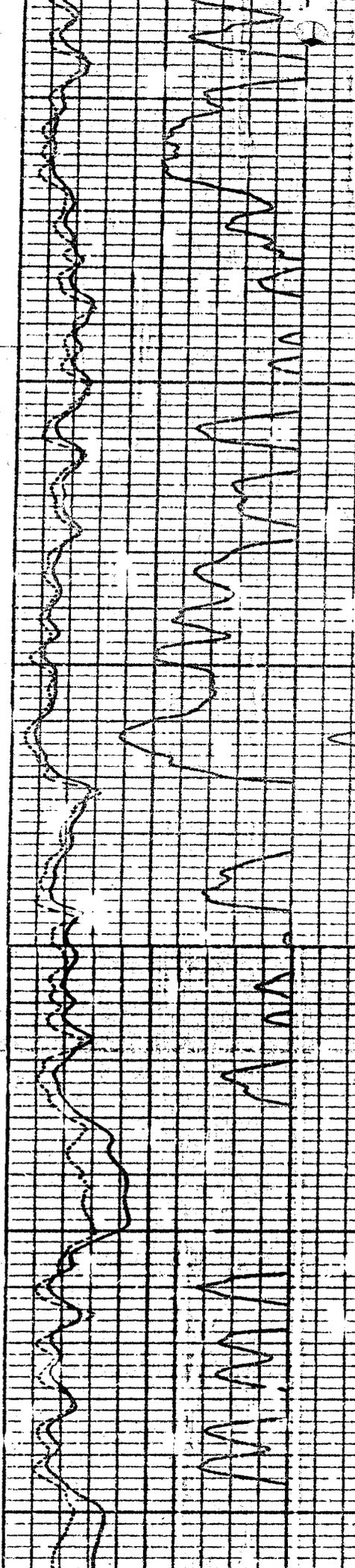
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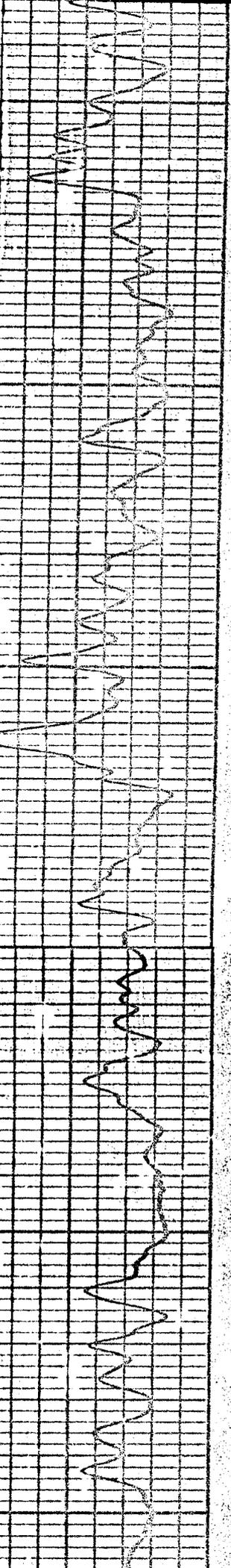




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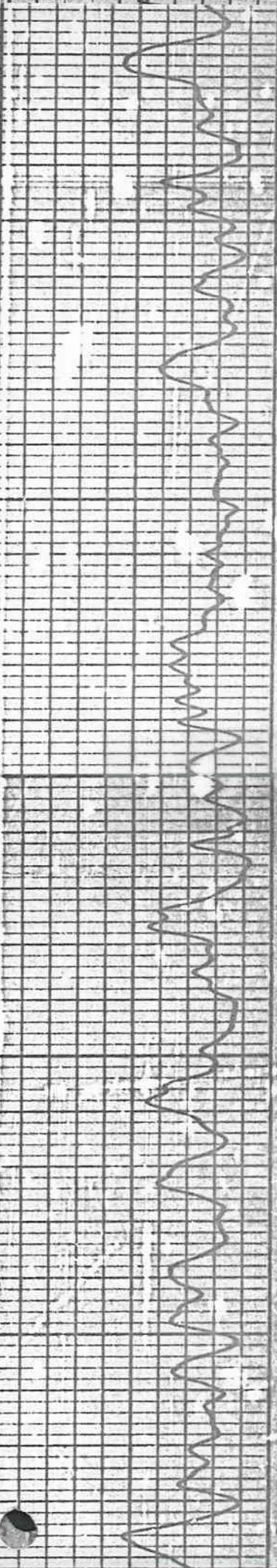
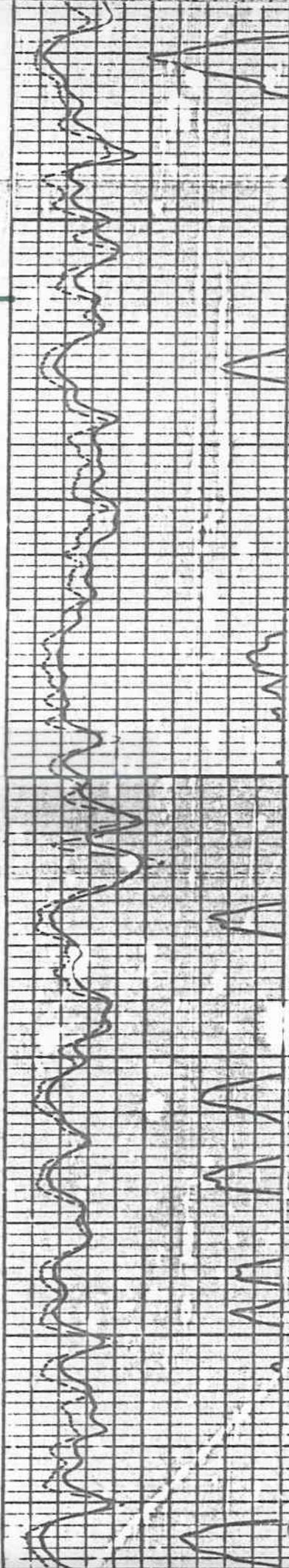
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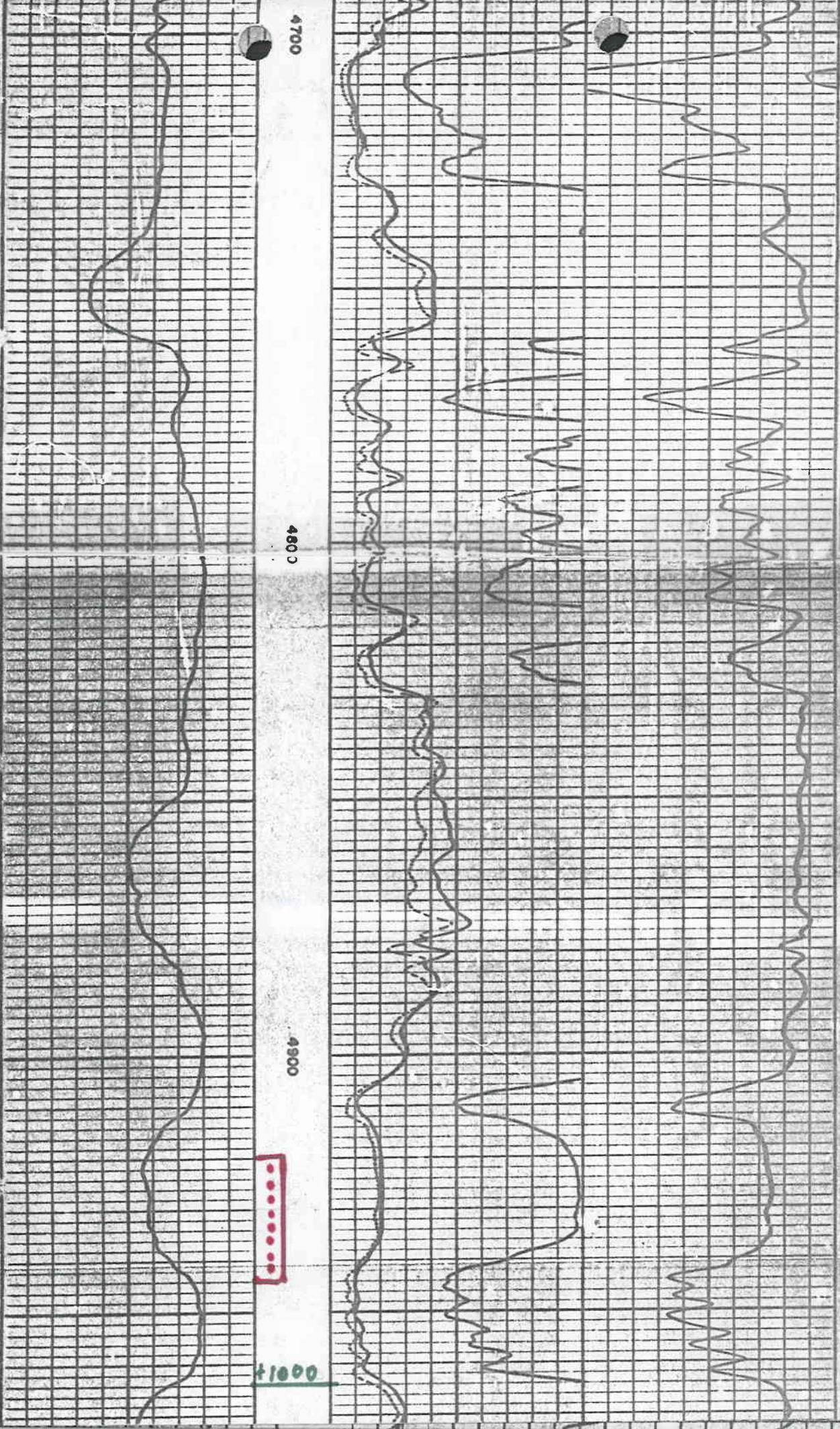
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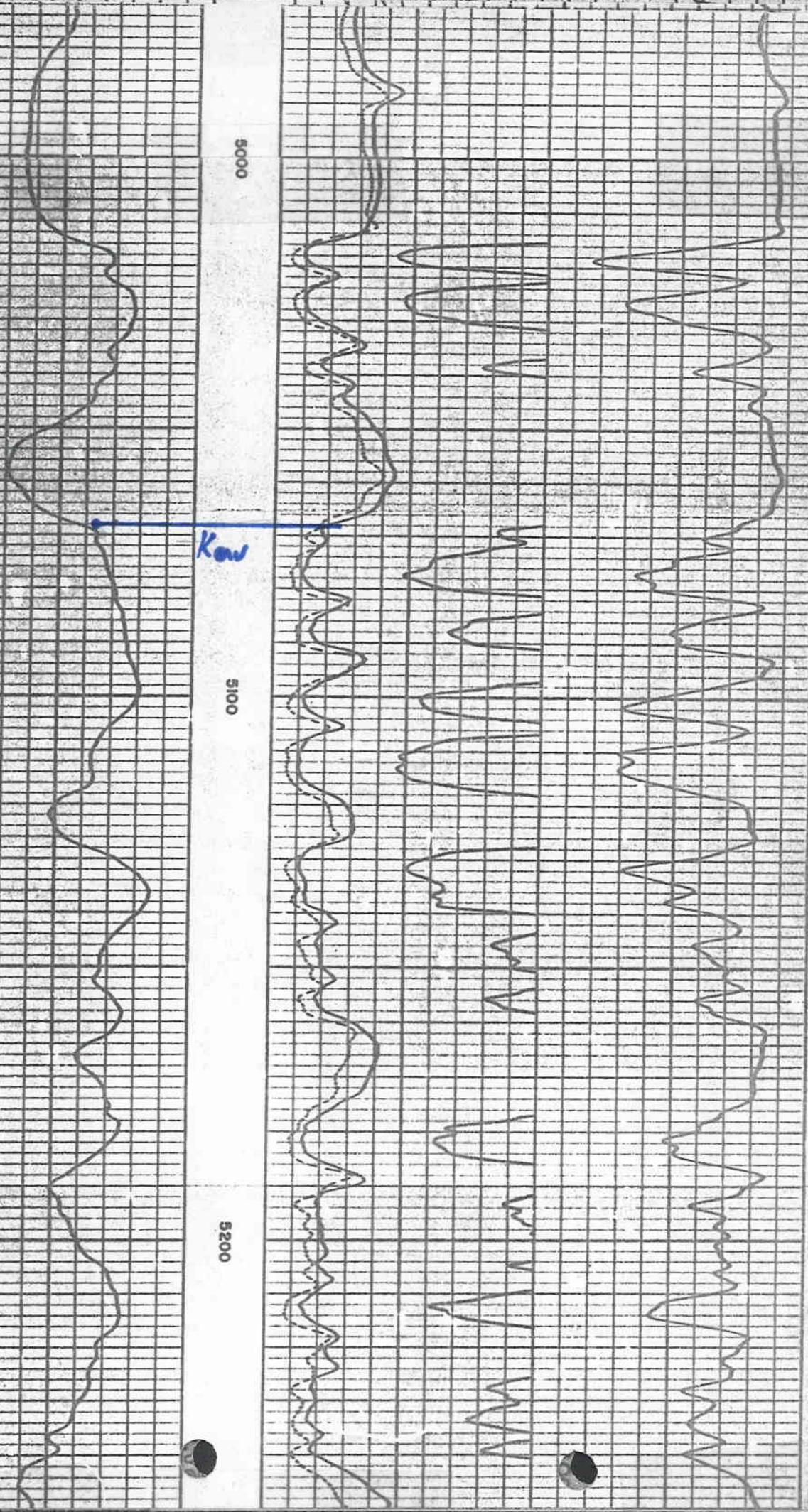


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DIVISION OF OIL, GAS AND MINING
UNDERGROUND INJECTION CONTROL PROGRAM

PERMIT
STATEMENT OF BASIS

Applicant: Rosewood Resources Inc.

Well: Atchee #1 Disposal Well

Location: T11S, R23E, S15, Uintah Co., UT

API: 43-047-33026

Ownership Issues:

The well is located in section 15, T11S, R23E, Uintah County, Utah, on Federal land and it is underlain by a federal mineral lease, No. UTU-76729. An Affidavit of Notification of surface owners within a half mile radius of the well has been provided as part of the original filing.

Well Integrity:

Description of the Casings and Cement:

8 5/8 24#/foot, J55, 8rnd, conductor pipe installed from 0' to 325' cemented to surface with 250 sxs Class G cement w/2% CaCl₂, & .25#/sx cello flake circulated to surface.

4.5", 11.6#/ft., J-55 production casing,, installed from 0' to 5,100' using 500 sxs Class "G" w/10% gupsum, .4% FL-25, .1% R-3, 10% salt, circulated to ~2,700'. A DV tool was placed at 2,513' and a second stage was pumped as follows: 190 sxs, Class "G" cement w/3% salt, 16%gel, 5#/sx Gilsonite, and .24#/sx cello flake. 2 BBLS cement circulated to surface.

At the time the Bond Log was run the casing was pressured to 1000 psi and the log was run under pressured conditions. The casing held 1000 psi pressure during the entire logging operation and indicates that the casing had good mechanical integrity in May of 1998.

The Cement Bond Log was run from 5,094' PBTB to 282'. The cement appears to be well bonded over the injection interval from 4,882' to 5044'. And there are 96' of excellent bond from the 4,888' up to 4,792 where a micro annulus or channeling begins. Good bonding returns from 3,712 up to 3,662. The top of the first stage of the primary cement was located at 3,070' not at 2,700' as calculated from the volumetrics of the open hole logs.

The 4.5" casing was perforated and fracture stimulated in the Wasatch formation from 4,010' to 4,014' and production testing was begun. The well has been shut in since the production testing was finished on 27, May, 1998. The proposed recompletion for conversion to an injection well has not been undertaken, and therefore is conditional as part of the permit.

Ground Water Protection:

There were no aquifers with high-quality ground water encountered or reported while drilling the well. The surface and production casing strings have been set and cemented in place and will adequately protect any shallow zones of fresh water not reported. For all the casing strings cement was circulated back to surface as part of the first or second stage of the primary cement job.

The Mesa Verde, Wasatch and Green River formations will be providing the produced waters that are to be injected in this well. The various formations are supplying water ranging in TDS from 7,488 ppm on the low end to 35,194 ppm for a high end value. No water from the intended injected zone has been tested, and there is no compatibility study upon which to base the final approval for injection. The compatibility study will be a condition issued with the permit to convert.

The water analysis that have been provided were performed by Champion Technologies Inc. of Vernal Utah, an oil field related company specializing in chemical treatment and supply for the oil industry.

A review of Technical Publication No. 92, Base of Moderately Saline Ground Water in the Uinta Basin, Utah published by the Department of Natural Resources State of Utah, places the base of the moderately saline ground waters at ~2,870' in the injection well. The intended zone for injection is at 4,882' to 5,044', another 2,000 feet downhole. This will place the injected water well into the saline zone at this location. The 1985 Rocky Mountain Formation Water Resistivities, published by Petroleum Information Corporation of Denver, Colorado, provides Wasatch water Resistivities in the 20,000- 37,000 range based on NaCl in the water. These readings were calculated from wells within 6 miles of the Atchee #1. Much higher resistivities are obtained from the Wasatch within 18 miles of this well, however the intended injection waters do not exceed 35,194.

After reviewing the well history, logs, water analysis, cross sections, and other information supplied with the application by Rosewood Resources Inc. it does not now appear that injection at this location will substantially impact the quality of the waters in the Wasatch formation. It is expected that a pressure increase near the wellbore, will be caused by the injection of fluids. This, however, will dissipate over time, after injection ceases. It is therefore concluded that no long term negative impacts are anticipated resulting from injection of produced water into the subject well, in the Wasatch formation.

Oil/Gas & Other Mineral Resources Protection:

As part of the technical review a cross section was built covering the lower portion of the Wasatch formation and a datum line of +1,500' was calculated for each well in section 15. Based on the cross section no two wells are completed in the same productive interval. However, the Wasatch zone could experience some enhancement to production by injection into the Atchee #1. Although there are no wells within ½ mile of this location that

are perforated in the same zones, if the pressures were allowed to exceed fracture gradient it is possible that some enhanced recovery could occur in the Rock House #20. This well is perforated in zones as close as 30 vertical feet, below the top injection zone of the Atchee #1. The rest of the wells in this section are protected by casing and cement which will provide adequate protection. Other known potentially producible mineral or hydrocarbon zones encountered in this well are protected by cement and pipe that will contain injection in the intended zone.

The injection zone in the Atchee #1 is isolated nearly 900' below the productive Wasatch interval, and good to excellent cement bond covers a sufficient length of hole to protect the upper formations, including bond of ~100% across the injection zone and for 96 feet above the topmost set of perforations.

A review of the well records of the Division of Oil, Gas and Mining for the half mile area of review indicated that the existing well bores within a half mile of the proposed disposal well produce from the Wasatch formation at depth that are more shallow than the Atchee #1 well. One notable exception has already been discussed and is noted as the Rock House #20.

Bonding:

Rosewood Resources Inc. is covered by a \$125,000 Federal bond and is the operator of record for this well.

Actions Taken and Further Approvals Needed:

Notice of this application was published in the Salt Lake Tribune and The Vernal Express. In addition, copies of the notice were provided to the EPA, and the BLM (Vernal, UT). The notice stated the proposed interval for injection into the Wasatch formation was from 4,882' to 5,044'.

A properly designed and constructed injection well, combined with periodic mechanical integrity tests, poses no threat to fresh or useable groundwater supplies. The Division staff recommends approval of this application contingent upon no additional or unforeseen information being presented which will change this analysis or the data presented herein.

Reviewer(s): K. Michael Hebertson

Date: 3 February 2000

DIVISION OF OIL, GAS AND MINING
UNDERGROUND INJECTION CONTROL PROGRAM

PERMIT
STATEMENT OF BASIS

Applicant: Rosewood Resources Inc.

Well: Atchee #1 Disposal Well

Location: T11S, R23E, S15, Uintah Co., UT

API: 43-047-33026

Ownership Issues:

The well is located in section 15, T11S, R23E, Uintah County, Utah, on Federal land and it is underlain by a federal mineral lease, No. UTU-76729. An Affidavit of Notification of surface owners within a half mile radius of the well has been provided as part of the original filing.

Well Integrity:

Description of the Casings and Cement:

8 5/8 24#/foot, J55, 8rnd, conductor pipe installed from 0' to 325' cemented to surface with 250 sxs Class G cement w/2% CaCl₂, & .25#/sx cello flake circulated to surface.

4.5", 11.6#/ft., J-55 production casing,, installed from 0' to 5,100' using 500 sxs Class "G" w/10% gypsum, .4% FL-25, .1% R-3, 10% salt, circulated to ~2,700'. A DV tool was placed at 2,513' and a second stage was pumped as follows: 190 sxs, Class "G" cement w/3% salt, 16%gel, 5#/sx Gilsonite, and .24#/sx cello flake. 2 BBLS cement circulated to surface.

At the time the Bond Log was run the casing was pressured to 1000 psi and the log was run under pressured conditions. The casing held 1000 psi pressure during the entire logging operation and indicates that the casing had good mechanical integrity in May of 1998. Another MIT will be required prior to approval of the final permit to inject in order to establish integrity under injection conditions.

The Cement Bond Log was run from 5,094' PBTB to 282' . The cement appears to be well bonded over the injection interval from 4,882' to 5044'. And there are 96' of excellent bond from the 4,888' up to 4,792 where a micro annulus or channeling begins. Good bonding returns from 3,712 up to 3,662. The top of the first stage of the primary cement was located at 3,070' not at 2,700' as calculated from the volumetrics of the open hole logs.

The 4.5" casing was perforated and fracture stimulated in the Wasatch formation from 4,010' to 4,014' and production testing was begun. The well has been shut in since the

production testing was finished on 27, May, 1998. The proposed recompletion for conversion to an injection well has not been undertaken, and therefore is conditional as part of the permit.

Ground Water Protection:

There were no aquifers with high-quality ground water encountered or reported while drilling the well. The surface and production casing strings have been set and cemented in place and will adequately protect any shallow zones of fresh water not reported. For all the casing strings cement was circulated back to surface as part of the first or second stage of the primary cement job.

The Mesa Verde, Wasatch and Green River formations will be providing the produced waters that are to be injected in this well. The various formations are supplying water ranging in TDS from 7,488 ppm on the low end to 35,194 ppm for a high end value. No water from the intended injected zone has been tested, and there is no compatibility study upon which to base the final approval for injection. The compatibility study will be a condition issued with the permit to convert.

The water analysis that have been provided were performed by Champion Technologies Inc. of Vernal Utah, an oil field related company specializing in chemical treatment and supply for the oil industry.

A review of Technical Publication No. 92, Base of Moderately Saline Ground Water in the Uinta Basin, Utah published by the Department of Natural Resources State of Utah, places the base of the moderately saline ground waters at ~2,870' in the injection well. The intended zone for injection is at 4,882' to 5,044', another 2,000 feet downhole. This will place the injected water well into the saline zone at this location. The 1985 Rocky Mountain Formation Water Resistivities, published by Petroleum Information Corporation of Denver, Colorado, provides Wasatch water Resistivities in the 20,000- 37,000 range based on NaCl in the water. These readings were calculated from wells within 6 miles of the Atchee #1. Much higher resistivities are obtained from the Wasatch within 18 miles of this well, however the intended injection waters do not exceed 35,194.

After reviewing the well history, well logs, water analysis, cross sections, structure map, and other information supplied with the application by Rosewood Resources Inc. it does not now appear that injection at this location will substantially impact the quality of the waters in the Wasatch formation. It is expected that a pressure increase near the wellbore, will be caused by the injection of fluids. This, however, will dissipate over time, after injection ceases. It is therefore concluded that no long term negative impacts are anticipated resulting from injection of produced water into the subject well, in the Wasatch formation.

Oil/Gas & Other Mineral Resources Protection:

As part of the technical review a cross section was built, by Division Personnel covering the lower portion of the Wasatch formation and a datum line of +1,500' was calculated for each well in section 15. Rosewood also provided a cross section of a similar interval with a datum line of +1,000'. Based on these cross sections no two wells are completed in the same productive interval. However, the Wasatch zone could experience some enhancement to production by injection into the Atchee #1. Although there are no wells within ½ mile of this location that are perforated in the same zones, if the pressures were allowed to exceed fracture gradient it is possible that some enhanced recovery could occur in the Rock House #20. This well is perforated in zones as close as 30 vertical feet, below the top injection zone of the Atchee #1. The rest of the wells in this section are protected by casing and cement which will provide adequate protection. Other known potentially producible mineral or hydrocarbon zones encountered in this well are protected by cement and pipe that will contain injection in the intended zone.

The injection zone in the Atchee #1 is isolated nearly 900' below the productive Wasatch interval, and good to excellent cement bond covers a sufficient length of hole to protect the upper formation, including bond of ~100% across the injection zone and for 96 feet above the topmost set of perforations. It is noted that the operator has selected a 15 foot shale zone located at 4,785' to 4,800', which is 82' above the injection perms, as the topmost confining beds, and a zone located at 5,045' to 5,060', which is 1 foot below the injection perms, as the bottom confining beds. According to the operator the density porosity in these zones is below 5% and there is no indication of permeability or fracture enhancement in these intervals.

A review of the well records of the Division of Oil, Gas and Mining for the half mile area of review indicated that the existing well bores within a half mile of the proposed disposal well produce from the Wasatch formation at depth that are more shallow than the Atchee #1 well. One notable exception has already been discussed and is noted as the Rock House #20.

Bonding:

Rosewood Resources Inc. is covered by a \$15,000 Surety Performance Bond which is issued to cover only the plugging of this well and is held by Safeco Insurance Company. Rosewood is the operator of record for this well.

Actions Taken and Further Approvals Needed:

Notice of this application was published in the Salt Lake Tribune and The Vernal Express. In addition, copies of the notice were provided to the EPA, and the BLM (Vernal, UT). The notice stated the proposed interval for injection into the Wasatch formation was from 4,882' to 5,044'.

A properly designed and constructed injection well, combined with periodic mechanical integrity tests, poses no threat to fresh or useable groundwater supplies. The Division

staff recommends approval of this application contingent upon no additional or unforeseen information being presented which will change this analysis or the data presented herein.

To obtain a final approval the operator will need to provide the following information:

1. A connate water sample from the well.
2. A water compatibility study for the connate water and water to be injected.
3. A Step Rate Test designed to show injection pressures at the maximum applied for injection rate and pressures.
4. A Mechanical Integrity Test.
5. A BLM right-of-way to inject at this location.

Reviewer(s): K. Michael Hebertson

Date: 10 February 2000

R649-5-2. Requirements For Class II Injection Wells Including Water Disposal, Storage And Enhanced Recovery Wells.

COMMENTS

1. Injection wells shall be completed, equipped, operated, and maintained in a manner that will prevent pollution and damage to any USDW, or other resources and will confine injected fluids to the interval approved.
2. The application for an injection well shall include a properly completed UIC Form 1 and the following:
 - 2.1. A plat showing the location of the injection well, all abandoned or active wells within a one-half mile radius of the proposed well, and the surface owner and the operator of any lands or producing leases, respectively, within a one-half mile radius of the proposed injection well.
 - 2.2. Copies of electrical or radioactive logs, including gamma ray logs, for the proposed well run prior to the installation of casing and indicating resistivity, spontaneous potential, caliper, and porosity.
 - 2.3. A copy of a cement bond or comparable log run for the proposed injection well after casing was set and cemented.
 - 2.4. Copies of logs already on file with the division should be referenced, but need not be refiled.
 - 2.5. A description of the casing or proposed casing program of the injection well and of the proposed method for testing the casing before use of the well.
 - 2.6. A statement as to the type of fluid to be used for injection, its source and estimated amounts to be injected daily.
 - 2.7. Standard laboratory analyses of (1) the fluid to be injected, (2) the fluid in the formation into which the fluid is being injected, and (3) the compatibility of the fluids.
 - 2.8. The proposed average and maximum injection pressures.
 - 2.9. Evidence and data to support a finding that the proposed injection well will not initiate fractures through the overlying strata or a confining interval that could enable the injected fluid or formation fluid to enter the fresh water strata.
 - 2.10. Appropriate geological data on the injection interval and confining beds, including the geologic name, lithologic description, thickness, depth, and lateral extent; also information relative to geologic structure near the proposed well which may effect the conveyance and/or storage of the injected fluids.
 - 2.11. A review of the mechanical condition of each well within a one-half mile radius of the proposed injection well to assure that no conduit exists that could enable fluids to migrate up or down the wellbore and enter improper intervals.
 - 2.12. An affidavit certifying that a copy of the application has been provided to all operators, owners, and surface owners within a one-half mile radius of the proposed injection well.
 - 2.13. Any other additional information that the board or division may determine is necessary to adequately review the application.

1. _____
2. OKAY
- 2.1 WELL LOCATIONS OK PLAT OK
LEASE + SURROUNDING LEASE NOS REQUESTED
- 2.2 LOGS AVAILABLE
- 2.3 CBL AVAILABLE
- 2.4 OK
- 2.5 CASING DIAGRAMS PROVIDED WITH
DESCRIPTIONS
- 2.6 KIND, SOURCE & AMOUNTS SUPPLIED.
- 2.7 FLUID COMPATIBILITY AND WATER
SAMPLE NEEDED.
- 2.8. OKAY.
- 2.9. NEEDED
- 2.10. CROSS SECTIONS + STRUCTURAL
MAP REQUESTED LITHO NEEDED,
- 2.11 PROVIDED WITH WELL BORE DIAGRAMS
- 2.12. PROVIDED APPEARS ADEQUATE
- 2.13

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

---ooOoo---

IN THE MATTER OF THE	:	NOTICE OF AGENCY
APPLICATION OF ROSEWOOD	:	ACTION
RESOURCES INCORPORATED FOR	:	
ADMINISTRATIVE APPROVAL OF	:	CAUSE NO. UIC-247
THE ATCHEE #1 WELL LOCATED IN	:	
SECTION 15, TOWNSHIP 11 SOUTH,	:	
RANGE 23 EAST, S.L.M., UINTAH	:	
COUNTY, UTAH, AS A CLASS II	:	
INJECTION WELL	:	

---ooOoo---

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

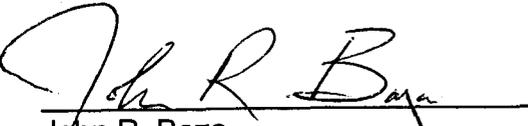
Notice is hereby given that the Division of Oil, Gas and Mining (the "Division") is commencing an informal adjudicative proceeding to consider the application of Rosewood Resources Inc. for administrative approval of the Atchee #1 well, located in Section 15, Township 11 South, Range 23 East, Uintah County, Utah, for conversion to a Class II injection well. The proceeding will be conducted in accordance with Utah Admin. R.649-10, Administrative Procedures.

The interval from 4882 feet to 5044 feet (Wasatch Formation) will be selectively perforated for water injection. The maximum requested injection pressure is 1500 psig surface pressure with a maximum rate of 1,000 BWPD.

Any person desiring to object to the application or otherwise intervene in the proceeding, must file a written protest or notice of intervention with the Division within fifteen days following publication of this notice. If such a protest or notice of intervention is received, a hearing will be scheduled before the Board of Oil, Gas and Mining. Protestants and/or intervenors should be prepared to demonstrate at the hearing how this matter affects their interests.

Dated this 5th day of January 2000

STATE OF UTAH
DIVISION OF OIL, GAS & MINING


John R. Baza
Associate Director, Oil & Gas

**Rosewood Resources Inc.
Atachee #1
Cause No. UIC-247**

Publication Notices were sent to the following:

Rosewood Resources Inc.
P.O. Box 1668
Vernal, UT. 84078

Newspaper Agency Corporation
Legal Advertising
P.O. Box 45838
Salt Lake City, Utah 84145
(Via E-Mail and Fax 237-2577)

Vernal Express
P.O. Box 1000
54 North Vernal Avenue
Vernal, UT. 84078-1000
(Via Fax 435-789-8690)

Vernal District Office
Bureau of Land Management
170 South 500 East
Vernal, Utah 84078

U.S. Environmental Protection Agency
Region VIII
Attn. Dan Jackson
999 18th Street
Denver, Colorado 80202-2466



Evelin Calderon
Office Clerk
January 5, 2000



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

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

January 5, 2000

Facsimile Transmittal
(435) 789-8690

Vernal Express
P.O. Box 1000
54 North Vernal Avenue
Vernal, UT. 84078-1000

Re: Notice of Agency Action - Cause No. UIC-247

Gentlemen:

Enclosed is a copy of the referenced Notice of Agency Action. Please publish the Notice, once only, as soon as possible. Please send proof of publication and billing to the Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

Sincerely,

A handwritten signature in cursive script that reads "Evelin Calderon".

Evelin Calderon
Office Clerk

Enclosure



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

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
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January 5, 2000

Via E-Mail and Fax
237-2577

Newspaper Agency Corporation
Legal Advertising
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Sincerely,

A handwritten signature in black ink that reads "Evelin Calderon".

Evelin Calderon
Office Clerk

Enclosure

```

*****
*                               P. 01                               *
*                               TRANSACTION REPORT                     *
*                               JAN-05-00 TUE 01:10 PM                 *
*                               *                                     *
*                               SEND (M)                               *
*                               *                                     *
*                               DATE  START  RECEIVER  TX TIME PAGES TYPE  NOTE  M# DP *
*-----*-----*-----*-----*-----*-----*-----*-----*
* JAN-05 01:08 PM 14357898690    1'11"  2  SEND    ( M) OK    112  *
*-----*-----*-----*-----*-----*-----*-----*-----*
*                               TOTAL 1M 11S PAGES: 2                 *
*                               *                                     *
*****

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

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
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Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

January 5, 2000

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P.O. Box 1000
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Vernal, UT. 84078-1000

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TRANSACTION REPORT

P. 01

JAN-05-00 TUE 12:01 PM

SEND (M)

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
JAN-05	12:00 PM	2372577	1' 14"	2	SEND	(M) OK	106	

TOTAL 1M 14S PAGES: 2



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

Michael O. Leavitt
 Governor
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 Salt Lake City, Utah 84114-5801
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January 5, 2000

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Re: Notice of Agency Action - Cause No. UIC-247

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

---ooOoo---

IN THE MATTER OF THE	:	NOTICE OF AGENCY
APPLICATION OF ROSEWOOD	:	ACTION
RESOURCES INCORPORATED FOR	:	
ADMINISTRATIVE APPROVAL OF	:	CAUSE NO. UIC-247
THE ATCHEE #1 WELL LOCATED IN	:	
SECTION 15, TOWNSHIP 11 SOUTH,	:	
RANGE 23 EAST, S.L.M., UINTAH	:	
COUNTY, UTAH, AS A CLASS II	:	
INJECTION WELL	:	

---ooOoo---

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

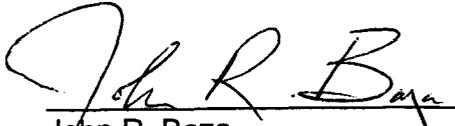
Notice is hereby given that the Division of Oil, Gas and Mining (the "Division") is commencing an informal adjudicative proceeding to consider the application of Rosewood Resources Inc. for administrative approval of the Atchee #1 well, located in Section 15, Township 11 South, Range 23 East, Uintah County, Utah, for conversion to a Class II injection well. The proceeding will be conducted in accordance with Utah Admin. R.649-10, Administrative Procedures.

The interval from 4882 feet to 5044 feet (Wasatch Formation) will be selectively perforated for water injection. The maximum requested injection pressure is 1500 psig surface pressure with a maximum rate of 1,000 BWPD.

Any person desiring to object to the application or otherwise intervene in the proceeding, must file a written protest or notice of intervention with the Division within fifteen days following publication of this notice. If such a protest or notice of intervention is received, a hearing will be scheduled before the Board of Oil, Gas and Mining. Protestants and/or intervenors should be prepared to demonstrate at the hearing how this matter affects their interests.

Dated this 5th day of January 2000

STATE OF UTAH
DIVISION OF OIL, GAS & MINING



John R. Baza
Associate Director, Oil & Gas

Rosewood Resources Inc.
Atachee #1
Cause No. UIC-247

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(Via Fax 435-789-8690)

Vernal District Office
Bureau of Land Management
170 South 500 East
Vernal, Utah 84078

U.S. Environmental Protection Agency
Region VIII
Attn. Dan Jackson
999 18th Street
Denver, Colorado 80202-2466



Evelin Calderon
Office Clerk
January 5, 2000

143 SOUTH MAIN ST.
P.O. BOX 45138
SALT LAKE CITY, UTAH 84145
FED. TAX I.D. # 87-0217663

Newspaper Agency Corporation

The Salt Lake Tribune  DESERET NEWS

CUSTOMER'S COPY

PROOF OF PUBLICATION

CUSTOMER NAME AND ADDRESS	ACCOUNT NUMBER	DATE
DIV OF OIL, GAS & MINING 1594 W NORTH TEMP #1210 P.O. BOX 145801 SALT LAKE CITY, UT 84114	D5385340L-07	01/09/00

SALTY MILLER

ACCOUNT NAME	
DIV OF OIL, GAS & MINING	
TELEPHONE	INVOICE NUMBER
801-538-5340	TL8200HVES1
SCHEDULE	
START 01/09/00 END 01/09/00	
CUST. REF. NO.	
UIC-247	
CAPTION	
BEFORE THE DIVISION OF OIL, GA	
SIZE	
104 LINES	2.00 COLUMN
TIMES	RATE
1	1.16
MISC. CHARGES	AD CHARGES
.00	120.64
TOTAL COST	
120.64	

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

IN THE MATTER OF THE APPLICATION OF ROSEWOOD RESOURCES INCORPORATED FOR ADMINISTRATIVE APPROVAL OF THE ATCHEE #1 WELL LOCATED IN SECTION 15, TOWNSHIP 14 SOUTH, RANGE 3 EAST, LINCOLN COUNTY, UTAH, AS A CLASS I INJECTION WELL.

NOTICE OF AGENCY ACTION
CAUSE NO. UIC-247

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

Notice is hereby given that the Division of Oil, Gas and Mining (the Division) is commencing an informal adjudicative proceeding to consider the application of Rosewood Resources Inc. for administrative approval of the Atchee #1 well located in Section 15, Township 14 South, Range 3 East, Lincoln County, Utah, for conversion to a Class I injection well. The proceeding will be conducted in accordance with Utah Admin. R. 649-10 Administrative Procedures.

The interval from 4882 feet to 5044 feet (Wasatch Formation) will be selectively perforated for water injection. The maximum requested injection pressure is 4500 psig surface pressure with a maximum rate of 1,000 BWPD.

Any person desiring to object to the application or otherwise intervene in the proceeding must file a written protest or notice of intervention with the Division within fifteen days following publication of this notice or such a protest or notice of intervention is received, a hearing will be scheduled before the Board of Oil, Gas and Mining. Protestants and/or intervenors should be prepared to demonstrate at the hearing how this matter affects their interests.

Dated this 5th day of January 2000.

STATE OF UTAH
DIVISION OF OIL, GAS & MINING
John R. Bazo
Associate Director, Oil & Gas

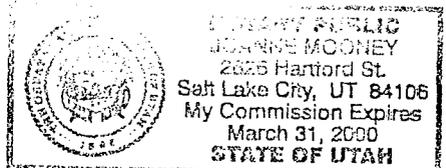
AFFIDAVIT OF PUBLICATION

AS NEWSPAPER AGENCY CORPORATION LEGAL BOOKKEEPER, I CERTIFY ADVERTISEMENT OF BEFORE THE DIVISION OF OIL, GAS & MINING WAS PUBLISHED BY CORPORATION, AGENT FOR THE SALT LAKE TRIBUNE AND DESERET PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH.

PUBLISHED ON START 01/09/00 END 01/09/00

SIGNATURE *John R. Bazo*

DATE 01/09/00



THIS IS NOT A STATEMENT BUT A "PROOF OF PUBLICATION"
PLEASE PAY FROM BILLING STATEMENT.

2827 REL 6131 NUADD01G GEDD

Mike;

Attached is the Step Rate test for the work we did on the Atchee #1 well.
If you need anything or have any questions let us know.

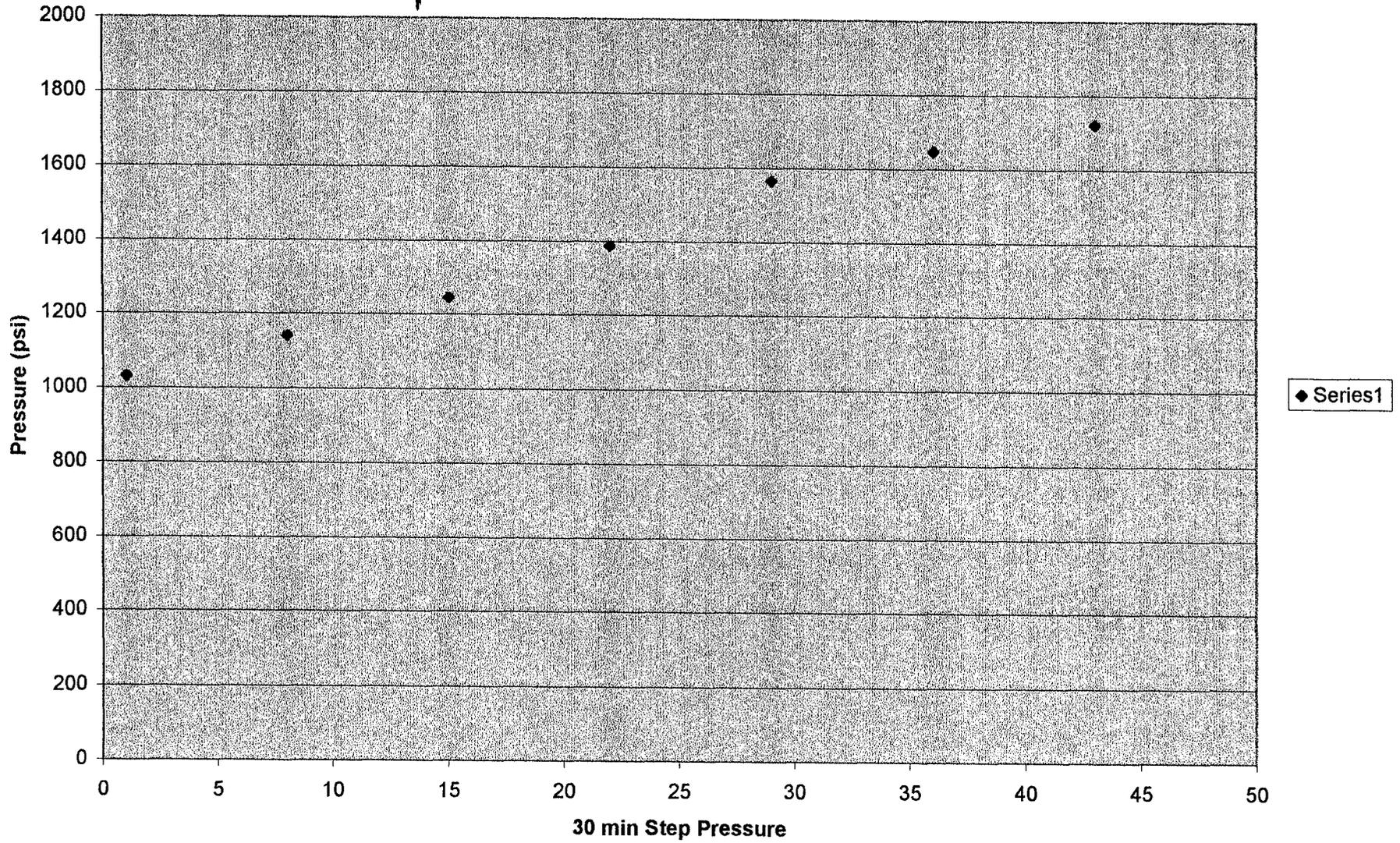
Thanks,
Jill Henrie
(435) 789-0414 ext. 10

RECEIVED

NOV 28 2000

DIVISION OF
OIL, GAS AND MINING

Atchee #1 Step Rate Test





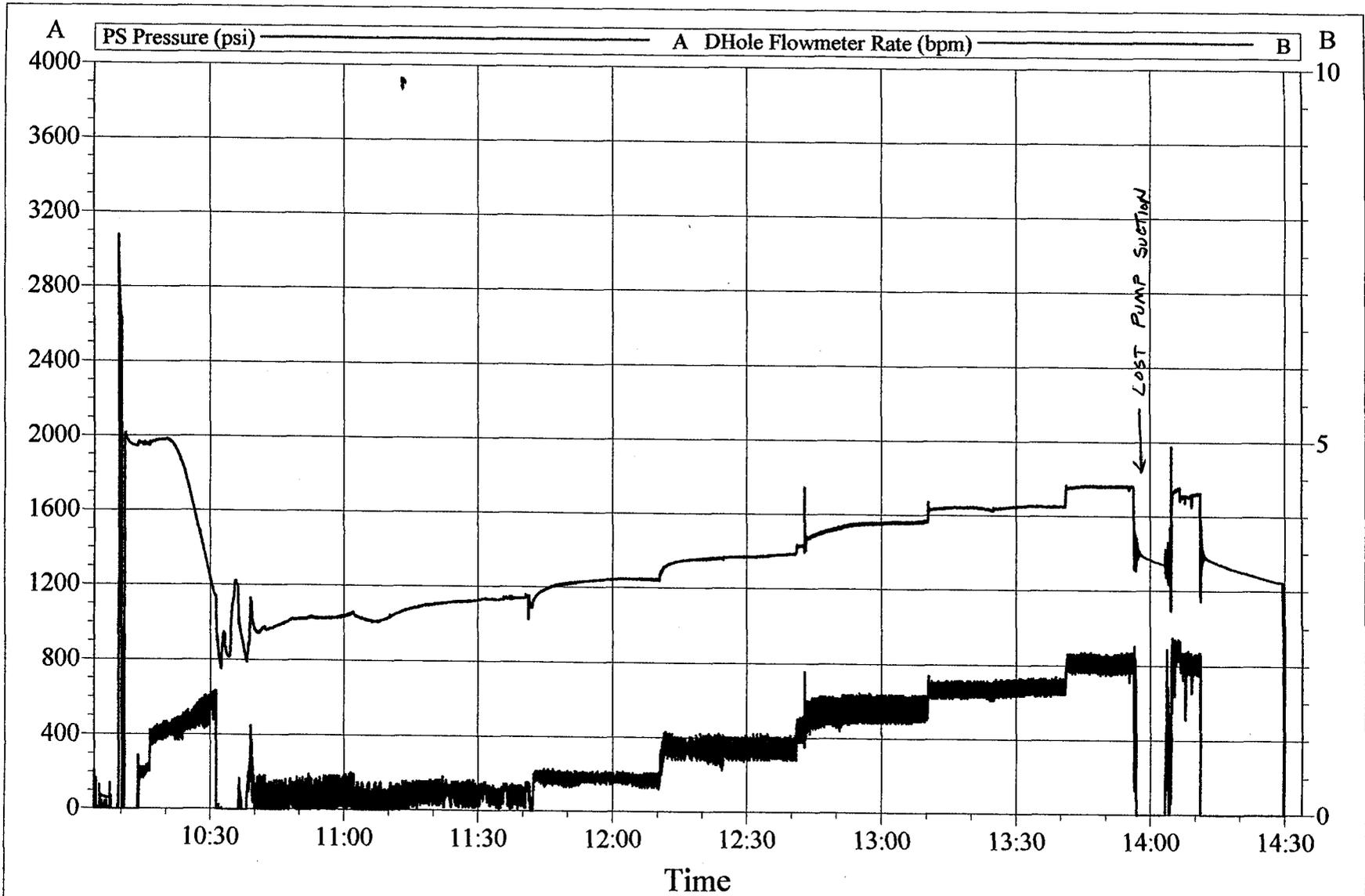
Ticket Number		Company		Lease Name		Well No.	Date	
988102		ROSEWOOD RESOURCES		ATCHEE		#1	NOV.16,2000	2
Chart No.	Time	Rate (BPM)	Volume (GAL)	Pmps		Press (PSI)		Job Description / Remarks
				T	C	Tbg	Cog	
	12:28	1.2				1427		RATE AND PRESSURE AT 1.2 BPM,STAGE FIVE
	12:33	1.2				1490		" " "
	12:38	1.2				1530		" " "
	12:43	1.2				1555		" " "
	12:48	1.2				1557		" " "
	12:53	1.2				1558		" " "
	12:58	1.2	101.0			1568		" " "
		1.6				1618		RATE AND PRESSURE AT 1.6 BPM,STAGE SIX
	13:03	1.6				1638		" " "
	13:08	1.6				1644		" " "
	13:13	1.6				1632		" " "
	13:18	1.6				1647		" " "
	13:23	1.6				1649		" " "
	13:28	1.6	149.0			1649		" " "
		2				1749		RATE AND PRESSURE AT 2 BPM,STAGE SEVEN
	13:33	2				1759		" " "
	13:38	2				1760		" " "
	13:43	2				1743		" " "
	13:48							SHUT DOWN,PROBLEM WITH WATER TRUCKS
	13:53	2				1722		CONTINUE AT TWO BPM
	13:58	2	205.0			1720		" " "
	14:00					1722		SHUT DOWN,END STEP RATE TEST
	14:00					1470		ISIP
	14:05					1326		FIVE MINUTE SHUT IN PRESSURE
	14:10					1290		TEN MINUTE SHUT IN PRESSURE
	14:15					1257		FIFTEEN MINUTE SHUT IN PRESSURE
	14:16							END JOB,RIG DOWN.
								THANKS-HALLIBURTON CREW



Job Log

TICKET #	988102	TICKET DATE	NOV.16,2000
REGION	NWA / COUNTRY	BDA / STATE	COUNTY
NORTH AMERICA LAND	ROCKY MNT	UTAH	UINTAH
MBU ID / EMPL #	H.E.S EMPLOYEE NAME	PSL DEPARTMENT	
VEO-101-121896	DAN HUBER	ZONAL ISOLATION	
LOCATION	COMPANY	CUSTOMER REP / PHONE	
VERNAL	ROSEWOOD RESOURCES	SALTY MILLER	
TICKET AMOUNT	WELL TYPE	API/UWI #	
\$4,219.43	02-Gas	LEASE#UTU-76729	
WELL LOCATION	DEPARTMENT	JOB PURPOSE CODE	
SO.BONANZA,BOOK CLIFF AREA	ZONAL ISOLATION	STEP RATE TEST	
LEASE / WELL #	Well No.	SEC / TWP / RNG	
ATCHEE	#1	SEC.15, TWP.11 SO., RNG.23 E.	

Chart No.	Time	Rate (BPM)	Volume (BBL/GAL)	Pmps		Press. (PSI)		Job Description / Remarks
				T	C	T _g	C _g	
ov.16,2000	03:00							CALL OUT
ov.16,2000	07:45							SAFETY MEETING ON LOCATION
								GO OVER PROCEDURES WITH CUSTOMER
	08:00							SPOT EQUIPMENT,SET UP
	10:00					2500		PRIME PUMP UP,PRESSURE TEST PUMP AND LINES
	10:05					2000		OPEN WELL HEAD,WELL PRESSURE 2000 PSI.
	10:06	1.0				1965		START KCL,FILL WELL BORE,20-BBL.
	10:28	1.0	20.0			1150		WELL FULL,ADJUST RATES,START STEP RATE TEST.
	10:28	0.1	20.0			958		RATE AND PRESSURE AT .1 BPM.STAGE ONE
	10:33	0.1				989		" " "
	10:38	0.1				1021		" " "
	10:43	0.1				1026		" " "
	10:48	0.1				1040		" " "
	10:53	0.1				1014		" " "
	10:58	0.1	23.0			1032		" " "
		0.2				1037		RATE AND PRESSURE AT .2 BPM,STAGE TWO
	11:03	0.2				1080		" " "
	11:08	0.2				1104		" " "
	11:13	0.2				1120		" " "
	11:18	0.2				1129		" " "
	11:23	0.2				1130		" " "
	11:28	0.2	29.0			1147		" " "
		0.4				1145		RATE AND PRESSURE AT .4 BPM,STAGE THREE
	11:33	0.4				1197		" " "
	11:38	0.4				1221		" " "
	11:43	0.4				1235		" " "
	11:48	0.4				1244		" " "
	11:53	0.4				1245		" " "
	11:58	0.4	41.0			1246		" " "
		0.8				1280		RATE AND PRESSURE AT .8 BPM,STAGE FOUR
	12:03	0.8				1342		" " "
	12:08	0.8				1358		" " "
	12:13	0.8				1366		" " "
	12:18	0.8				1370		" " "
	12:23	0.8				1379		" " "
	12:28	0.8	65.0			1388		" " "
								CONTINUED ON PAGE TWO



Customer: rosewood
Well Desc: ATCHE #1

Job Date: 11\16\00
Job Type: STEP RATE

Ticket #: 988102



CemWin v1.2.0
16-Nov-00 14:38

REPORT NO.
6549348

PAGE NO. 1

TEST DATE:
16-nov-00

STAR

Schlumberger Testing Data Report Pressure Data Report

Schlumberger

COMPANY: ROSEWOOD		WELL: ATCHEE #1	
TEST IDENTIFICATION		WELL LOCATION	
Test Type	slickline	Field	ROCKHOUSE
Test No.	1	County	UINTAH
Formation	LOWER WASATCH	State	UTAH
Test Interval (ft)		Sec/Twn/Rng	SEC15, T11SE
COMPLETION CONFIGURATION		TEST STRING CONFIGURATION	
Total Depth (MD/TVD) (ft)	5034 PB	Tubing Length (ft)/I.D. (in) ..	
Casing/Liner I.D. (in)	4.50	Tubing Length (ft)/I.D. (in) ..	
Hole Size (in)		Packer Depth (ft)	
Perforated Interval (ft)	4882 to 5034	Gauge Depth (ft)/Type	
Shot Density (shots/ft)		Downhole Valve (Y/N)/Type ...	
Perforation Diameter (in)		TEST CONDITIONS	
Net Pay (ft)	238	Tbg/Wellhead Pressure (psi) ..	
		Separator Pressure (psi)	
INTERPRETATION RESULTS		ROCK/FLUID/WELLBORE PROPERTIES	
Model of Behavior		Oil Density (deg. API)	
Fluid Type Used for Analysis..		Basic Solids (%)	
Reservoir Pressure (psi)		Gas Gravity	
Transmissibility (md.ft/op) ..		GOR (scf/STB)	
Effective Permeability (md) ..		Water Cut (%)	
Skin Factor		Viscosity (cp)	
Storativity Ratio, Omega		Total Compressibility (1/psi) ..	
Interporos.Flow Coef., Lambda..		Porosity (%)	
Distance to an Anomaly (ft) ..		Reservoir Temperature (F)	
Radius of Investigation (ft) ..		Form.Vol.Factor (bbl/STB)	

PRODUCTION RATE DURING TEST: Data Report

COMMENTS:

This test was mechanically successful.

Thank you for using Schlumberger. For questions about this report please call the Turbo C++
- Copyright 1990 Borland Intl. Testin

 ** WELL TEST DATA PRINTOUT **

COMPANY: rosewood
 WELL: ATCHEE #1

FIELD REPORT NO. 6549358
 INSTRUMENT NO. SLSR0 1195

RECORDER CAPACITY: 10000 PSI
 DEPTH REFERENCE: KB

GRADIENT INFORMATION

TIME OF DAY HH:MM:SS	DATE DD-MMM	ELAPSED TIME, HR	DEPTH FROM REF. FT	PRESSURE AT DEPTH PSIA	PRES. GRADIENT PSI/FT	TEMPERATURE AT DEPTH DEG F	TEMP. GRADIENT DEG F/FT
9:11:07	16-NOV	0.160	0.0	1962.17		44.35	
9:20:17	16-NOV	0.313	985.0	2024.29	0.0631	56.75	0.0126
9:28:27	16-NOV	0.449	1985.0	2084.26	0.0600	74.75	0.0180
9:37:17	16-NOV	0.596	2985.0	2142.70	0.0584	94.03	0.0193
9:44:07	16-NOV	0.710	3485.0	2173.29	0.0612	105.80	0.0235
9:51:07	16-NOV	0.827	3985.0	2201.60	0.0566	115.27	0.0189
9:58:07	16-NOV	0.944	4985.0	2229.84	0.0282	123.30	0.00803
10:04:57	16-NOV	1.058	4985.0	2269.03		130.50	
10:11:07	16-NOV	1.160	5000.0	2275.96	0.462	134.44	0.263

WELL TEST INTERPRETATION REPORT #: 6549348		PAGE: 2, 17-NOV-**
CLIENT : ROSEWOOD	SEQUENCE OF EVENTS	FIELD: ROCKHOUSE
REGION : WESTERN		ZONE : LOWER WASATCH
DISTRICT: VERNAL		WELL : ATCHEE #1
BASE : DENVER		LOCATION: SEC15, T11SE
ENGINEER: C RICHARDS		

DATE	TIME (HR:MIN)	DESCRIPTION	ET (MINS)	BHP (PSIA)	WHP (PSIG)
16-NOV	09:04	OPEN WELL • SURFACE	0		
	09:11	GRADIENT STOP 985'	7	1962	
	09:20	GRADIENT STOP 1985'	16	2024	
	09:28	GRADIENT STOP 2985'	24	2084	
	09:37	GRADIENT STOP 3485'	33	2143	
	09:44	GRADIENT STOP 3985'	40	2173	
	09:51	GRADIENT STOP 4485'	47	2202	
	10:04	GRADIENT STOP 4985'	60	2230	
	10:11	GRADIENT STOP 5000'	67	2269	
	10:41	PUMP PRESSURE	97		
	11:09	PUMP PRESSURE	125		
	11:42	PUMP PRESSURE	158		
	12:10	PUMP PRESSURE	186		
	12:41	PUMP PRESSURE	217		
	13:09	PUMP PRESSURE	245		
	13:40	PUMP PRESSURE	276		
	14:12	PUMP PRESSURE	308		

BOTTOMHOLE PRESSURE LOG

FIELD REPORT NO. 6549358

COMPANY : rosewood

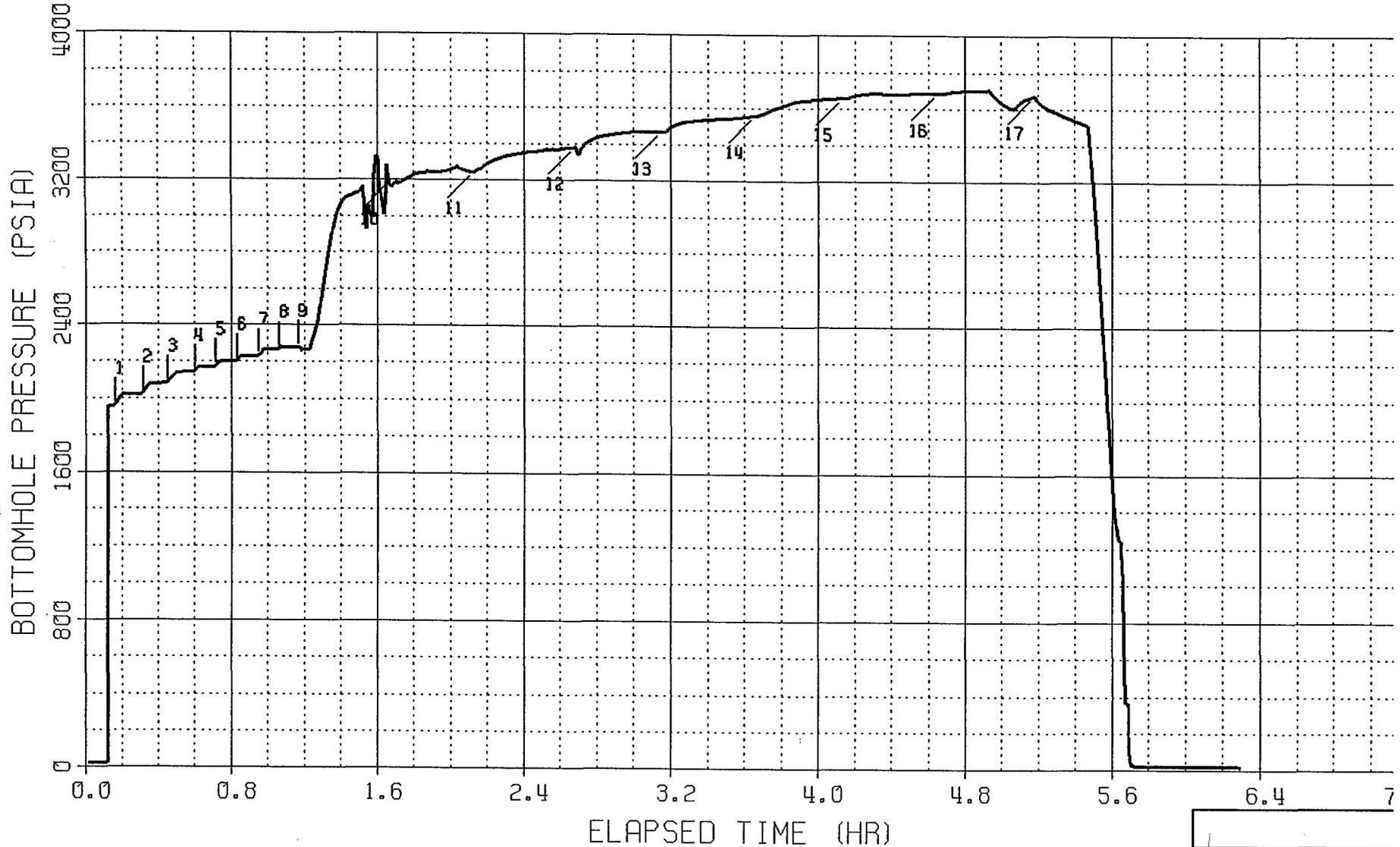
INSTRUMENT NO. SLSR0 1195

WELL : ATCHEE #1

DEPTH : 5000 FT

CAPACITY : 10000 PSI

PORT OPENING : OUTSIDE



BOTTOMHOLE TEMPERATURE LOG

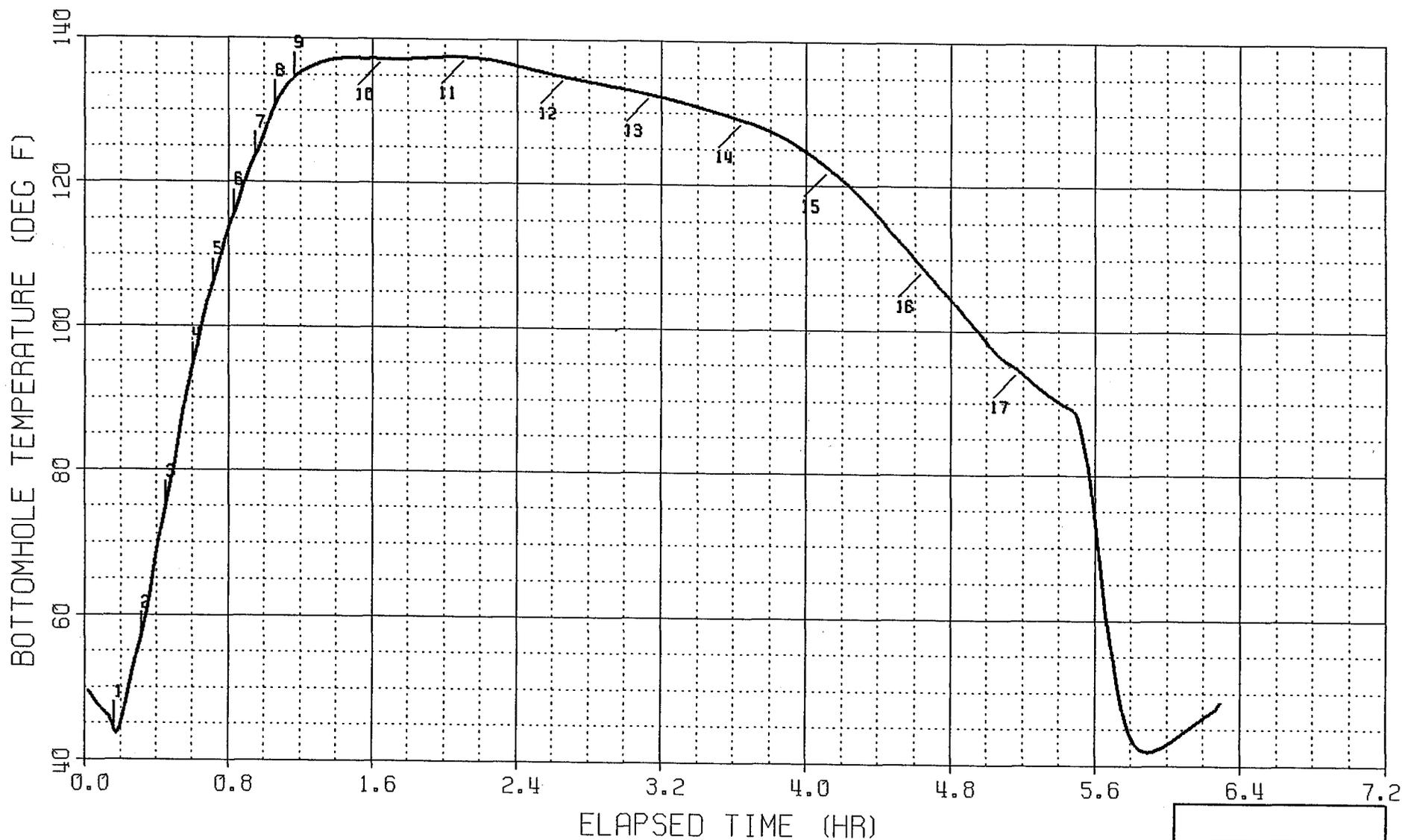
FIELD REPORT NO. 6549358

COMPANY : rosewood

INSTRUMENT NO. SLSRØ 1195

WELL : ATHHEE #1

DEPTH : 5000 FT



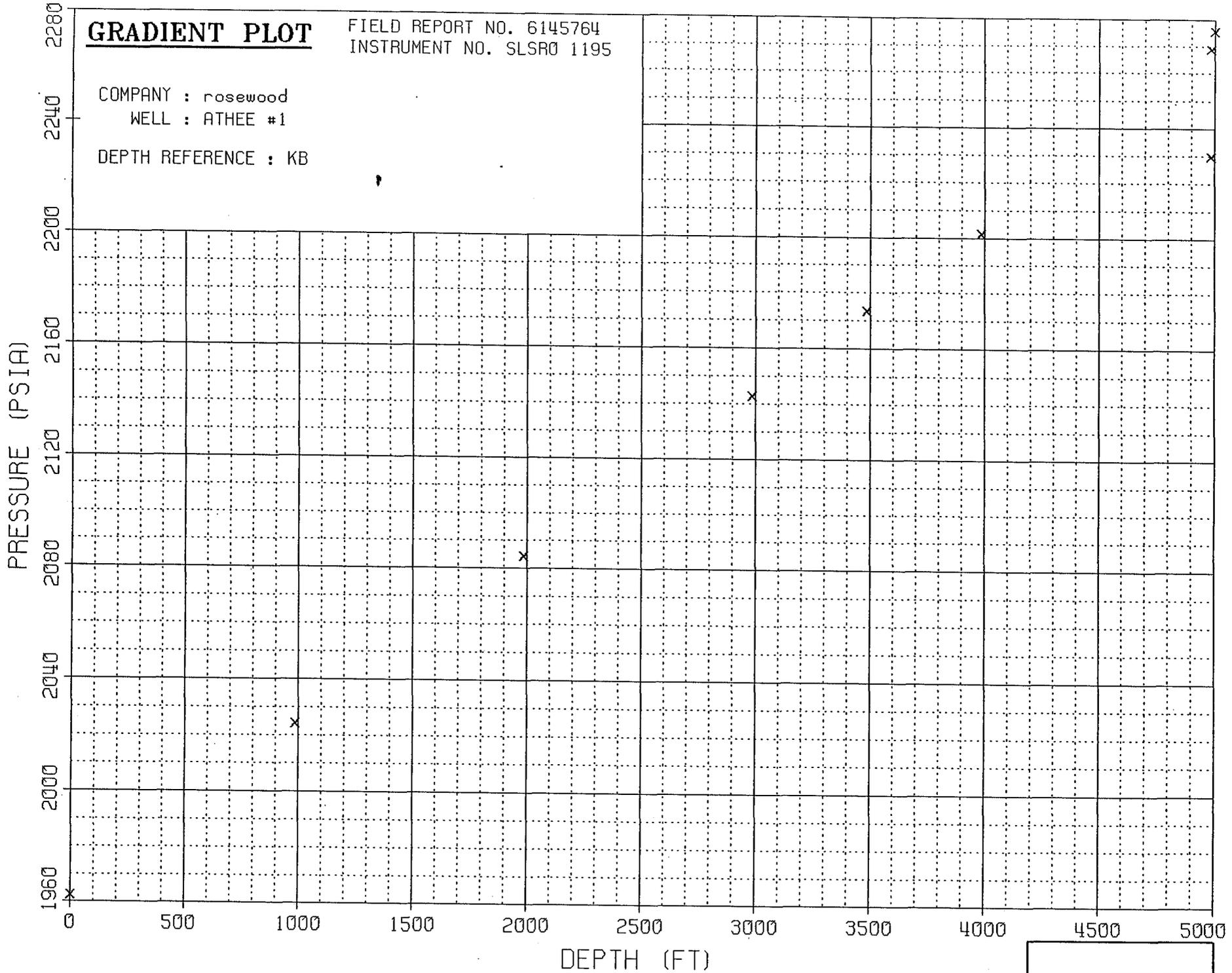
Schlumberger

GRADIENT PLOT

FIELD REPORT NO. 6145764
INSTRUMENT NO. SLSR0 1195

COMPANY : rosewood
WELL : ATHEE #1

DEPTH REFERENCE : KB



 ** WELL TEST DATA PRINTOUT **

COMPANY: rosewood
 WELL: ATCHEE #1

FIELD REPORT NO. 6549358
 INSTRUMENT NO. SLSR0 1195

RECORDER CAPACITY: 10000 PSI PORT OPENING: OUTSIDE DEPTH: 5000 FT

MNEMONICS : ET = ELAPSED TIME (MIN)
 PW = BOTTOMHOLE PRESSURE (PSIA)
 TW = BOTTOMHOLE TEMPERATURE (DEG F)
 DPH = DEPTH BELOW DEPTH REFERENCE (FT)

#	CODE	EXPLANATION	ET	PW	TW	DPH
1	37	GRADIENT STOP	9.62	1962.17	44.35	0.0
2	37	GRADIENT STOP	18.78	2024.29	56.75	985.0
3	37	GRADIENT STOP	26.95	2084.26	74.75	1985.0
4	37	GRADIENT STOP	35.78	2142.70	94.03	2985.0
5	37	GRADIENT STOP	42.62	2173.29	105.80	3485.0
6	37	GRADIENT STOP	49.62	2201.60	115.27	3985.0
7	37	GRADIENT STOP	56.62	2229.84	123.30	4985.0
8	37	GRADIENT STOP	63.45	2269.03	130.50	4985.0
9	37	GRADIENT STOP	69.62	2275.96	134.44	5000.0
10	12	PUMP PRESSURE	99.95	3180.47	137.25	
11	12	PUMP PRESSURE	127.62	3243.20	137.55	
12	12	PUMP PRESSURE	160.78	3379.98	134.85	
13	12	PUMP PRESSURE	189.28	3466.47	132.48	
14	12	PUMP PRESSURE	219.45	3558.83	128.97	
15	12	PUMP PRESSURE	248.12	3658.90	122.23	
16	12	PUMP PRESSURE	279.45	3684.00	108.45	
17	12	PUMP PRESSURE	310.62	3672.21	94.55	



2060 SOUTH 1500 EAST
VERNAL, UTAH 84078

Telephone (435) 789-4327

Water Analysis Report

Customer : Rosewood

Date Sampled : 26-Oct-00

Date Reported : 27-Oct-00

Date Received : 27-Oct-00

Address :

City : Vernal

State : UT **Postal Code :** 84078-

Field : Rockhouse

Lease : Rockhouse

Location : Atchee #1

Sample Point : wellhead

Attention : Ivan Sadler

cc1 : Salty Miller

cc2 : Danny

cc3 :

Salesman : Ed Schwarz

Comments : ACID GASES NOT RAN IN FIELD.

Analyst : Karen Hawkins Allen

CATIONS

Calcium : 216 mg/l
Magnesium : 156 mg/l
Barium : 0 mg/l
Strontium : 0 mg/l
Iron : 17.0 mg/l
Sodium : 6400 mg/l

ANIONS

Chloride : 10,000 mg/l
Carbonate : 390 mg/l
Bicarbonate : 903 mg/l
Sulfate : 245 mg/l

pH (field) : 8.48
Temperature : 85 degrees F
Ionic Strength : 0.30
Resistivity : 0.87 ohm/meters
Ammonia : ppm

Specific Gravity : 1.0200 grams/ml
Total Dissolved Solids : 18,327 ppm
CO2 in Water : 1 mg/l
CO2 in Gas : 0.03 mole %
H2S in Water : 2.0 mg/l
Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	1.68	Calcite PTB :	179.7
Calcite (CaCO3) SI @ 100 F :	1.83	Calcite PTB @ 100 F :	182.2
Calcite (CaCO3) SI @ 120 F :	2.04	Calcite PTB @ 120 F :	184.7
Calcite (CaCO3) SI @ 140 F :	2.26	Calcite PTB @ 140 F :	186.3
Calcite (CaCO3) SI @ 160 F :	2.49	Calcite PTB @ 160 F :	187.4
Gypsum (CaSO4) SI :	-1.89	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A

Confidential

Champion Technologies, Inc.
Vernal District Technical Services



2060 SOUTH 1500 EAST
VERNAL, UTAH 84078

Telephone (435) 789-4327

Water Analysis Report

Customer : Rosewood

Date Sampled : 27-Oct-00

Date Reported : 27-Oct-00

Date Received : 27-Oct-00

Address :

City : Vernal

State : UT **Postal Code :** 84078-

Field : Rockhouse

Lease : Rockhouse

Location : Atchee #1

Sample Point : wellhead

Attention : Ivan Sadler

cc1 : Salty Miller

cc2 : Danny

cc3 :

Salesman : Ed Schwarz

Comments : ACID GASES NOT RAN IN FIELD.

Analyst : Karen Hawkins Allen

CATIONS

ANIONS

Calcium : 208 mg/l
Magnesium : 136 mg/l
Barium : 0 mg/l
Strontium : 0 mg/l
Iron : 17.0 mg/l
Sodium : 6177 mg/l

Chloride : 9,400 mg/l
Carbonate : 244 mg/l
Bicarbonate : 1,293 mg/l
Sulfate : 188 mg/l

pH (field) : 7.75
Temperature : 85 degrees F
Ionic Strength : 0.29
Resistivity : 0.86 ohm/meters
Ammonia : ppm

Specific Gravity : 1.0150 grams/ml
Total Dissolved Solids : 17,663 ppm
CO2 in Water : 1 mg/l
CO2 in Gas : 0.03 mole %
H2S in Water : 3.0 mg/l
Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI :	1.99	Calcite PTB :	178.7
Calcite (CaCO3) SI @ 100 F :	2.15	Calcite PTB @ 100 F :	179.7
Calcite (CaCO3) SI @ 120 F :	2.36	Calcite PTB @ 120 F :	180.5
Calcite (CaCO3) SI @ 140 F :	2.58	Calcite PTB @ 140 F :	181.0
Calcite (CaCO3) SI @ 160 F :	2.80	Calcite PTB @ 160 F :	181.4
Gypsum (CaSO4) SI :	-2.01	Gypsum PTB :	N/A
Barite (BaSO4) SI :	N/A	Barite PTB :	N/A
Celestite (SrSO4) SI :	N/A	Celestite PTB :	N/A

STEP RATE TEST DATA

Well: Atchee #1 Date: 11/16/00 Operator: Rosewood Resources

STEP #1 Test Rate (5% of maximum rate) 0.1 (bbl/min)

Time (min)	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi)	<u>958</u>	<u>989</u>	<u>1021</u>	<u>1026</u>	<u>1040</u>	<u>1014</u>	<u>1032</u>

STEP #2 Test Rate (10% of maximum rate) 0.2 (bbl/min)

Time (min)	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi)	<u>1037</u>	<u>1080</u>	<u>1104</u>	<u>1120</u>	<u>1129</u>	<u>1130</u>	<u>1142</u>

STEP #3 Test Rate (20% of maximum rate) 0.4 (bbl/min)

Time (min)	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi)	<u>1145</u>	<u>1197</u>	<u>1221</u>	<u>1235</u>	<u>1244</u>	<u>1245</u>	<u>1246</u>

STEP #4 Test Rate (40% of maximum rate) 0.8 (bbl/min)

Time (min)	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi)	<u>1280</u>	<u>1342</u>	<u>1358</u>	<u>1366</u>	<u>1370</u>	<u>1379</u>	<u>1388</u>

STEP #5 Test Rate (60% of maximum rate) 1.2 (bbl/min)

Time (min)	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi)	<u>1427</u>	<u>1490</u>	<u>1530</u>	<u>1555</u>	<u>1557</u>	<u>1558</u>	<u>1568</u>

STEP #6 Test Rate (80% of maximum rate) 1.6 (bbl/min)

Time (min)	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi)	<u>1618</u>	<u>1638</u>	<u>1644</u>	<u>1632</u>	<u>1647</u>	<u>1649</u>	<u>1649</u>

STEP #7 Test Rate (100% of maximum rate) 2 (bbl/min)

Time (min)	<u>0</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>
Pressure (psi)	<u>1749</u>	<u>1759</u>	<u>1760</u>	<u>1760</u>		<u>1722</u>	<u>1722</u>

ISIP : 1470# (psi)

Test Run / Witnessed By: R.D. Miller

API # 43-047-33026
T11S R23E Sec 15

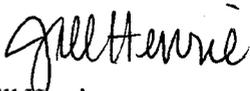
To Whom it may Concern;

Enclosed you will find a copy of the Integrity Log that we ran on our Atchee #1 SWD Well.

If you have any questions please feel free to call us at (435) 798-0414.

Log filed with log files

Thank You,



Jill Henrie
Rosewood Resources, Inc.
Administrative Assistant

RECEIVED

DEC 21 2000

**DIVISION OF
OIL, GAS AND MINING**



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

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

UNDERGROUND INJECTION CONTROL PERMIT

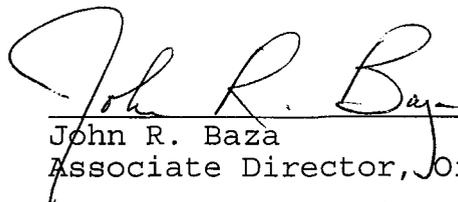
Cause No. UIC-247

Operator: Rosewood Resources Inc.
Wells: Atchee #1
Location: Section 15, Township 11 South, Range 23 East,
County: Uintah
API No.: 43-047-33026
Well Type: Disposal

Stipulations of Permit Approval

1. Approval for conversion to Injection Well issued on February 20, 2000
2. Maximum Allowable Injection Pressure: 1,500 psig
3. Maximum Allowable Injection Rate: Restricted by pressure limitation.
4. Injection Interval: 4,882 feet to 5,032 feet (Wasatch)

Approved by:


John R. Baza
Associate Director, Oil and Gas

6/13/2001
Date

ROSEWOOD RESOURCES, INC.

DAILY WORKOVER REPORT

PROSPECT ATCHEE	WELL NAME & NUMBER #1	SEC. 15	TWP. 11S	RNG. 23E	COUNTY UINTAH	STATE UTAH
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PBTD 5034'	TODAYS OPERATION FINAL REPORT!
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DAYS 1	PERFS 4882' - 5034'	TBG 2 3/8" @ 4839'	PKR / ANCHOR 4 1/2" @ 4836'	CSG 4 1/2" 5100'	CONTRACTOR ACTION HOT OIL
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YESTERDAYS OPERATIONS
R/U ACTION HOT OIL TRUCK & PRESSURE RECORDER. PRESSURE TEST CSG & PKR TO 1500# FOR 30 MIN. HELD OK! TEST WAS PERFORMED & WITNESSED BY R.D. MILLER (ROSEWOOD RESOURCES) & BRIAN ALLEN (ACTION HOT OIL SERVICE). FINAL REPORT!

TUBING DETAIL

12.00'	KB CORRECTION
4821.72'	150 JTS 2 3/8" 4.7# J-55 EUE IPC TBG
1.35'	ON/OFF TOOL W/ 1 1/2" "F" PROFILE
6.20'	ARROWSET 1-X COATED PKR @ 4836'
	EOT @ 4839'

COST DETAIL	Daily	Cumulative	COST DETAIL	Daily	Cumulative
LOCATIONS & ROADS			CASING		
RIG			TUBING		
DOWNHOLE EQUIPMENT			WELLHEAD		
WATER			PRODUCTION EQUIPMENT		
TANKS			HOT OILER	650	650
SUPERVISION	500	500	SNUBBING UNIT & N2		
BOP RENTAL			SLICKLINE		
WIRELINE			ROSEWOOD RENTAL	20	20
TRUCKING					
TREATMENT			WORKOVER COST		1,170
SURF. EQUIP. RENTAL					
CEMENT			TOTAL COSTS	1,170	1,170

WELL SITE REPRESENTATIVE SALTY MILLER	DATE 6/20/01 WEDNESDAY
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ROSEWOOD RESOURCES, INC.

DAILY WORKOVER REPORT

PROSPECT ATCHEE	WELL NAME & NUMBER #1	SEC. 15	TWP. 11S	RNG. 23E	COUNTY UINTAH	STATE UTAH
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PBTD 5034'	TODAYS OPERATION FINAL REPORT!
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DAYS 2	PERFS 4882'- 5034'	TBG 2 3/8" @ 4839'	PKR / ANCHOR 4 1/2" @ 4836'	CSG 4 1/2" 5100'	CONTRACTOR KEY WELL SERVICE
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YESTERDAYS OPERATIONS

CHECK PRESSURE. 750# SICP. BLOW WELL DOWN TO PIT. P/U COATED ARROWSET 1-X PKR, ON/OFF TOOL W/ 1 1/2" 'F' PROFILE & RIH W/ 150 JTS 2 3/8" 4.7# J-55 EUE INTERNALLY PLASTIC COATED TBG. DISPLACE ANNULUS W/ 3% KCL WATER, CORROSION INHIBITOR & O2 SCAVENGER. SET PKR @ 4836' W/ 12K COMPRESSION. PRESSURE TEST CSG & TOOLS TO 1500# FOR 30 MIN. HELD OK! N/D BOP'S & N/U INJECTION TREE. RIG DOWN & RELEASE WORKOVER RIG.

TUBING DETAIL

12.00'	KB CORRECTION
4821.72'	150 JTS 2 3/8" 4.7# J-55 EUE IPC TBG
1.35'	ON/OFF TOOL W/ 1 1/2" "F" PROFILE
6.20'	ARROWSET 1-X COATED PKR @ 4836'
	EOT @ 4839'

COST DETAIL	Daily	Cumulative	COST DETAIL	Daily	Cumulative
LOCATIONS & ROADS			CASING		
RIG	2570	5,380	TUBING		
DOWNHOLE EQUIPMENT	5300	5,800	WELLHEAD		
WATER	600	600	PRODUCTION EQUIPMENT		
TANKS			HOT OILER	650	1300
SUPERVISION	500	1000	SNUBBING UNIT & N2		
BOP RENTAL	175	350	SLICKLINE		
WIRELINE			ROSEWOOD RENTAL		
TRUCKING					
TREATMENT			WORKOVER COST		14,430
SURF. EQUIP. RENTAL					
CEMENT			TOTAL COSTS	9,795	14,430

WELL SITE REPRESENTATIVE SALTY MILLER	DATE 2/10/01 SATURDAY
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ROSEWOOD RESOURCES, INC.

DAILY WORKOVER REPORT

PROSPECT ATCHEE	WELL NAME & NUMBER #1	SEC. 15	TWP. 11S	RNG. 23E	COUNTY UINTAH	STATE UTAH
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PBTD 5034'	TODAYS OPERATION PREP TO RUN INJECTION STEP RATE TEST
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DAYS 10	PERFS 4882'- 5034'	TBG 2 3/8" @ 4850'	PKR / ANCHOR 4 1/2" @ 4837'	CSG 4 1/2"	CONTRACTOR 5100'	CONTRACTOR POOL RIG #812
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YESTERDAYS OPERATIONS
SITP 110#. R/U & SWAB WELL. FLUID LEVEL @ SURFACE. MADE 13 RUNS & RECOVERED 46 BBLS WATER. PUMP INTO PERFS W/ RIG PUMP USING 3% KCL WATER. PUMPED 1 BPM @ 1000# FOR 15 MIN. PUMPED 1.4 BPM @ 1300# FOR 15 MIN. PUMPED 1.8 BPM @ 1500# FOR 30 MIN. ISIP 1250#, 5 MIN 1175#, 10 MIN 1100#, 15 MIN 1000#. R/D PUMP EQUIPMENT. RDMO WORKOVER RIG.

TUBING DETAIL	
14.00'	KB CORRECTION
.82'	TUBING HANGER
4784.88'	154 JTS 2 3/8" 4.7# J-55 EUE TBG
1.20'	X- NIPPLE
31.39'	1 JT TBG
1.35'	ON/OFF TOOL
6.20'	ARROWSET 1-X PKR @ 4837'
8.10'	8' PUP JT
1.30'	XN- NIPPLE
.38'	TUBING COLLAR @ 4850'

COST DETAIL	Daily	Cumulative	COST DETAIL	Daily	Cumulative
LOCATIONS & ROADS			CASING		
RIG	2460	22,640	TUBING		
DOWNHOLE EQUIPMENT		4,200	WELLHEAD		
WATER		2700	PRODUCTION EQUIPMENT		
TANKS	70	700	HOT OILER		
SUPERVISION	500	5000	SNUBBING UNIT & N ₂		
BOP RENTAL		1050	SLICKLINE		
WIRELINE		15,100	ROSEWOOD RENTAL		
TRUCKING		2095			
TREATMENT		10,575	WORKOVER COST		69,990
SURF. EQUIP. RENTAL	20	1980			
CEMENT		3950	TOTAL COSTS	3,050	69,990

WELL SITE REPRESENTATIVE SALTY MILLER	DATE 11/02/00 THURSDAY
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ROSEWOOD RESOURCES, INC.

DAILY WORKOVER REPORT

PROSPECT ATCHEE	WELL NAME & NUMBER #1	SEC. 15	TWP. 11S	RNG. 23E	COUNTY UINTAH	STATE UTAH
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PBTD 5034'	TODAYS OPERATION SWAB TEST AFTER ACID TREATMENT
----------------------	---

DAYS 9	PERFS 4882'- 5034'	TBG 2 3/8" @ 4850'	PKR / ANCHOR 4 1/2" @ 4837'	CSG 4 1/2"	CONTRACTOR 5100'	CONTRACTOR POOL RIG #812
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YESTERDAYS OPERATIONS

SITP 110#. R/U & SWAB WELL. FLUID LEVEL @ SURFACE. MADE 9 RUNS & RECOVERED 33 BBLS WATER. R/U HALLIBURTON. PUMP 2000 GAL 15% HCL ACID W/ ADDITIVES & 300 BALL SEALERS. AVG RATE 3.8 BPM AVG PSI 2320#. MAX RATE 5.7 BPM MAX PSI 3950#. ISIP 1906#, 5 MIN 1442#, 10 MIN 1122#, 15 MIN 962#. HAVE 71 BBLS TOTAL TO RECOVER. R/D HALLIBURTON. R/U & SWAB WELL. MADE 22 RUNS & RECOVERED 83 BBLS FLUID. RECOVERED ALL TREATMENT FLUID PLUS 12 BBLS. FINAL FLUID LEVEL @ 4000'. SION

TUBING DETAIL

14.00'	KB CORRECTION
.82'	TUBING HANGER
4784.88'	154 JTS 2 3/8" 4.7# J-55 EUE TBG
1.20'	X- NIPPLE
31.39'	1 JT TBG
1.35'	ON/OFF TOOL
6.20'	ARROWSET 1-X PKR @ 4837'
8.10'	8' PUP JT
1.30'	XN- NIPPLE
.38'	TUBING COLLAR @ 4850'

COST DETAIL	Daily	Cumulative	COST DETAIL	Daily	Cumulative
LOCATIONS & ROADS			CASING		
RIG	2310	20,180	TUBING		
DOWNHOLE EQUIPMENT	500	4,200	WELLHEAD		
WATER	900	2700	PRODUCTION EQUIPMENT		
TANKS	70	630	HOT OILER		
SUPERVISION	500	4500	SNUBBING UNIT & N2		
BOP RENTAL		1050	SLICKLINE		
WIRELINE		15,100	ROSEWOOD RENTAL		
TRUCKING		2095			
TREATMENT	10,575	10,575	WORKOVER COST		66,940
SURF. EQUIP. RENTAL	20	1960			
CEMENT		3950	TOTAL COSTS	14,875	66,940

WELL SITE REPRESENTATIVE SALTY MILLER	DATE 11/01/00 WEDNESDAY
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ROSEWOOD RESOURCES, INC.

DAILY WORKOVER REPORT

PROSPECT ATCHEE	WELL NAME & NUMBER #1	SEC. 15	TWP. 11S	RNG. 23E	COUNTY UINTAH	STATE UTAH
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PBTD 5034'	TODAYS OPERATION PUMP ACID BREAKDOWN ON INTERVALS 4882'- 5034'
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DAYS 8	PERFS 4882'- 5034'	TBG 2 3/8" @ 4850'	PKR / ANCHOR 4 1/2" @ 4837'	CSG 4 1/2"	CONTRACTOR POOL RIG #812
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YESTERDAYS OPERATIONS
SITP 0#. R/U & SWAB WELL. FLUID LEVEL @ SURFACE. MADE 17 RUNS & RECOVERED 60 BBLS WATER IN 5 HRS. SION

TUBING DETAIL	
14.00'	KB CORRECTION
.82'	TUBING HANGER
4784.88'	154 JTS 2 3/8" 4.7# J-55 EUE TBG
1.20'	X- NIPPLE
31.39'	1 JT TBG
1.35'	ON/OFF TOOL
6.20'	ARROWSET 1-X PKR @ 4837'
8.10'	8' PUP JT
1.30'	XN- NIPPLE
.38'	TUBING COLLAR @ 4850'

COST DETAIL	Daily	Cumulative	COST DETAIL	Daily	Cumulative
LOCATIONS & ROADS			CASING		
RIG	1575	17,870	TUBING		
DOWNHOLE EQUIPMENT		3,700	WELLHEAD		
WATER		1800	PRODUCTION EQUIPMENT		
TANKS	70	560	HOT OILER		
SUPERVISION	500	4000	SNUBBING UNIT & N2		
BOP RENTAL		1050	SLICKLINE		
WIRELINE		15,100	ROSEWOOD RENTAL		
TRUCKING		2095			
TREATMENT			WORKOVER COST		52,065
SURF. EQUIP. RENTAL	20	1940			
CEMENT		3950	TOTAL COSTS	2,165	52,065

WELL SITE REPRESENTATIVE SALTY MILLER	DATE 10/31/00 TUESDAY
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ROSEWOOD RESOURCES, INC.

DAILY WORKOVER REPORT

PROSPECT ATCHEE	WELL NAME & NUMBER #1	SEC. 15	TWP. 11S	RNG. 23E	COUNTY UINTAH	STATE UTAH
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PBTD 5034'	TODAYS OPERATION SWAB TEST
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DAYS 7	PERFS 4882'- 5034'	TBG 2 3/8" @ 4850'	PKR / ANCHOR 4 1/2" @ 4837'	CSG 4 1/2"	CONTRACTOR 5100'	CONTRACTOR POOL RIG #812
------------------	------------------------------	------------------------------	---------------------------------------	----------------------	----------------------------	------------------------------------

YESTERDAYS OPERATIONS
SITP 25# R/U & SWAB WELL. FLUID LEVEL @ SURFACE. MADE 9 RUNS & RECOVERED 30 BBLs WATER. PUMP INTO PERFS W/ RIG PUMP USING 3% KCL WATER. PUMPED 88 BBLs. AVG 1 BPM @ 2100#. ISIP 1700#, 5 MIN 1400#, 10 MIN 1050# & 15 MIN 950#. DRAIN EQUIPMENT. SDFN

TUBING DETAIL

14.00'	KB CORRECTION
.82'	TUBING HANGER
4784.88'	154 JTS 2 3/8" 4.7# J-55 EUE TBG
1.20'	X- NIPPLE
31.39'	1 JT TBG
1.35'	ON/OFF TOOL
6.20'	ARROWSET 1-X PKR @ 4837'
8.10'	8' PUP JT
1.30'	XN- NIPPLE
.38'	TUBING COLLAR @ 4850'

COST DETAIL	Daily	Cumulative	COST DETAIL	Daily	Cumulative
LOCATIONS & ROADS			CASING		
RIG	1750	16,295	TUBING		
DOWNHOLE EQUIPMENT		3,700	WELLHEAD		
WATER		1800	PRODUCTION EQUIPMENT		
TANKS	70	490	HOT OILER		
SUPERVISION	500	3500	SNUBBING UNIT & N2		
BOP RENTAL		1050	SLICKLINE		
WIRELINE		15,100	ROSEWOOD RENTAL		
TRUCKING		2095			
TREATMENT			WORKOVER COST		49,900
SURF. EQUIP. RENTAL	20	1920			
CEMENT		3950	TOTAL COSTS	2,340	49,900

WELL SITE REPRESENTATIVE SALTY MILLER	DATE 10/28/00 SATURDAY
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ROSEWOOD RESOURCES, INC.

DAILY WORKOVER REPORT

PROSPECT ATCHEE	WELL NAME & NUMBER #1	SEC. 15	TWP. 11S	RNG. 23E	COUNTY UINTAH	STATE UTAH
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PBTD 5034'	TODAYS OPERATION SWAB TEST
----------------------	--------------------------------------

DAYS 6	PERFS 4882'- 5034'	TBG 2 3/8" @ 4850'	PKR / ANCHOR 4 1/2" @ 4837'	CSG 4 1/2" 5100'	CONTRACTOR POOL RIG #812
------------------	------------------------------	------------------------------	---------------------------------------	----------------------------	------------------------------------

YESTERDAYS OPERATIONS
P/U XN- NIPPLE, 8' PUP JT, ARROWSET 1-X PKR, ON/OFF TOOL, 1 JT TBG, X- NIPPLE & RIH W/ 154 JTS 2 3/8" TBG. SET PKR @ 4837' & LAND TBG ON HANGER @ 4850'. PRESSURE TEST CSG & TOOLS TO 1500#. HELD OK! R/U & SWAB WELL. FLUID LEVEL @ 1000'. MADE 18 RUNS & RECOVERED 48 BBLs WATER. SION

TUBING DETAIL	
14.00'	KB CORRECTION
.82'	TUBING HANGER
4784.88'	154 JTS 2 3/8" 4.7# J-55 EUE TBG
1.20'	X- NIPPLE
31.39'	1 JT TBG
1.35'	ON/OFF TOOL
6.20'	ARROWSET 1-X PKR @ 4837'
8.10'	8' PUP JT
1.30'	XN- NIPPLE
.38'	TUBING COLLAR @ 4850'

COST DETAIL	Daily	Cumulative	COST DETAIL	Daily	Cumulative
LOCATIONS & ROADS			CASING		
RIG	2385	14,545	TUBING		
DOWNHOLE EQUIPMENT	500	3,700	WELLHEAD		
WATER		1800	PRODUCTION EQUIPMENT		
TANKS	70	420	HOT OILER		
SUPERVISION	500	3000	SNUBBING UNIT & N2		
BOP RENTAL	175	1050	SLICKLINE		
WIRELINE		15,100	ROSEWOOD RENTAL		
TRUCKING		2095			
TREATMENT			WORKOVER COST		47,560
SURF. EQUIP. RENTAL	1000	1900			
CEMENT		3950	TOTAL COSTS	4,630	47,560

WELL SITE REPRESENTATIVE SALTY MILLER	DATE 10/27/00 FRIDAY
---	--------------------------------

ROSEWOOD RESOURCES, INC.

DAILY WORKOVER REPORT

PROSPECT ATCHEE	WELL NAME & NUMBER #1	SEC. 15	TWP. 11S	RNG. 23E	COUNTY UINTAH	STATE UTAH
PBTD 5040'	TODAYS OPERATION DRILLING CEMENT					
DAYS 4	PERFS 4010'- 14'	TBG 2 3/8" @	PKR / ANCHOR	CSG 4 1/2"	CONTRACTOR 5100' POOL RIG #812	

YESTERDAYS OPERATIONS

CONTINUE DRILLING CEMENT FROM 3868'- 4012'. SHUT DOWN DUE TO BAD CIRCULATING RUBBER. CIRCULATE WELL CLEAN & SION.

COST DETAIL	Daily	Cumulative	COST DETAIL	Daily	Cumulative
LOCATIONS & ROADS			CASING		
RIG	3065	9,600	TUBING		
DOWNHOLE EQUIPMENT	100	3,100	WELLHEAD		
WATER	900	1800	PRODUCTION EQUIPMENT		
TANKS	70	280	HOT OILER		
SUPERVISION	500	2000	SNUBBING UNIT & N2		
BOP RENTAL	175	700	SLICKLINE		
WIRELINE		1,870	ROSEWOOD RENTAL		
TRUCKING		2095			
TREATMENT			WORKOVER COST		25,875
SURF. EQUIP. RENTAL	420	480			
CEMENT		3950	TOTAL COSTS	5,230	25,875
WELL SITE REPRESENTATIVE SALTY MILLER				DATE 10/25/00 WEDNESDAY	

ROSEWOOD RESOURCES, INC.

DAILY WORKOVER REPORT

PROSPECT ATCHEE	WELL NAME & NUMBER #1	SEC. 15	TWP. 11S	RNG. 23E	COUNTY UINTAH	STATE UTAH
---------------------------	---------------------------------	-------------------	--------------------	--------------------	-------------------------	----------------------

PBTD 5040'	TODAYS OPERATION DRILLING CEMENT
----------------------	--

DAYS 3	PERFS 4010'- 14'	TBG 2 3/8" @	PKR / ANCHOR	CSG 4 1/2"	CONTRACTOR 5100'	CONTRACTOR POOL RIG #812
------------------	----------------------------	------------------------	--------------	----------------------	----------------------------	------------------------------------

YESTERDAYS OPERATIONS
P/U 3 7/8" BIT, BIT SUB, 4 1/2" CSG SCRAPER, 4- 3 1/8" DC'S & RIH W/ 119 JTS 2 3/8" TBG. TAG CEMENT RETAINER @ 3820'. DRILL OUT RETAINER & CEMENT TO 3868'. SION

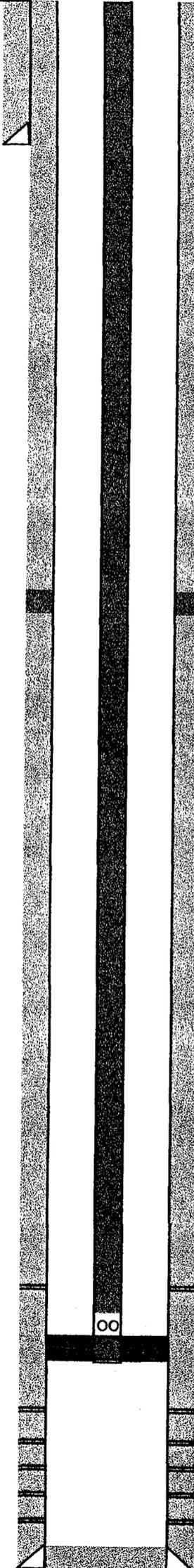
COST DETAIL	Daily	Cumulative	COST DETAIL	Daily	Cumulative
LOCATIONS & ROADS			CASING		
RIG	2680	6,535	TUBING		
DOWNHOLE EQUIPMENT	1000	3,000	WELLHEAD		
WATER		900	PRODUCTION EQUIPMENT		
TANKS	70	210	HOT OILER		
SUPERVISION	500	1500	SNUBBING UNIT & N ₂		
BOP RENTAL	175	525	SLICKLINE		
WIRELIN		1,870	ROSEWOOD RENTAL		
TRUCKING		2095			
TREATMENT			WORKOVER COST		20,645
SURF. EQUIP. RENTAL	20	60			
CEMENT		3950	TOTAL COSTS	4,445	20,645

WELL SITE REPRESENTATIVE SALTY MILLER	DATE 10/24/00 TUESDAY
---	---------------------------------

K.B.- 5912'
G.L.- 5897'

ATC #1

SW/NE SECTION 15, T11S, R23E
UINTAH COUNTY, UTAH



WELLHEAD
CASING HEAD
TUBING HEAD
UPPER TREE ASSY

8 5/8" SOW X 11" 3M
11" 5M X 7 1/16" 5M
2 1/16" 5M

CONDUCTOR
CEMENT

EST TOP OF CEMENT 2nd STAGE @ 500'

SURFACE

SIZE 8 5/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
8	36#	K-55	ST&C	325' KB

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

325'
250 SX "G" W/ 2% CaCl & .25#/sk Cello-Flake

PRODUCTION /
INTERMEDIATE

SIZE 4 1/2"

JTS.	WT.	GRADE	CPLG.	AMT. SET
119	11.6#	J-55	LT&C	5100'

DV STAGE TOOL @ 2513'

EST TOP OF CEMENT 1st STAGE @ 3070'

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

DV TOOL @ 2513'

5100'

TOP OF WASATCH @ 3302' Stage #1
Stage #2

500sx "G", 10%Gyp, 10% Salt, .4% FL25
190sx "G", 3% Salt, 16% Gel, .5#/sx Gilsonite

LINER

SIZE

P.B.R. HANGER
MISC. EQUIPMENT
FLOAT EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

JTS. WT. GRADE CPLG. AMT. SET

TUBING

SIZE 2 3/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
150	4.7#	J-55	EUE	4839'

Tbg & Pkr internally plastic coated.

TUBING DETAIL

KB CORRECTION 12.00'

150 JTS IPC TBG 4821.72'

ON/OFF TOOL 1.35'

Arrowset IX PKR @ 4836' 6.20'

EOT @ 4839'

CEMENTED 10/19/00 W/ 50sx CEMENT
PERFS 4010'- 14'

ON/OFF TOOL W/ 1 1/2" "F" PROFILE
ARROWSET 1X COATED PKR @ 4836'

PERFS 4882'- 4900'

PERFS 4960'- 80'

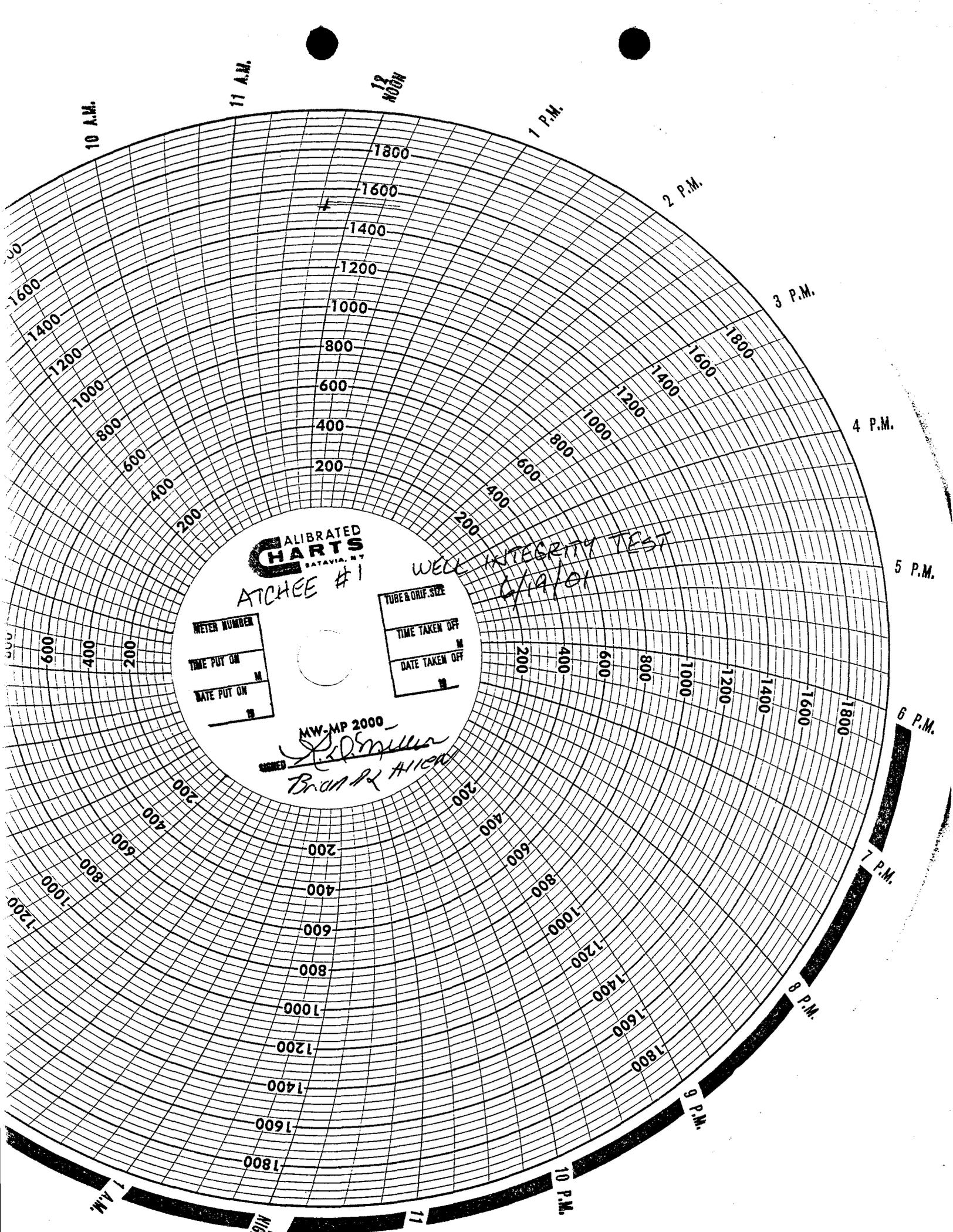
PERFS 4988'- 94'

PERFS 5012'- 28'

PERFS 5024'- 34'

TOP OF MESA VERDE @ 5065'

P.B.T.D. 5034'
T.D. 5100'



CALIBRATED
CHARTS
SATAVIA, NY

ATCHEE #1

WELL INTEGRITY TEST
4/19/01

METER NUMBER
TIME PUT ON
DATE PUT ON

TUBE & ORIF. SIZE
TIME TAKEN OFF
DATE TAKEN OFF

MW-MP 2000
R. D. Miller
BRONX, NY

10 A.M.

11 A.M.

12
NOON

1 P.M.

2 P.M.

3 P.M.

4 P.M.

5 P.M.

6 P.M.

7 P.M.

8 P.M.

9 P.M.

10 P.M.

11 A.M.

12
NOON

1 P.M.

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

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.

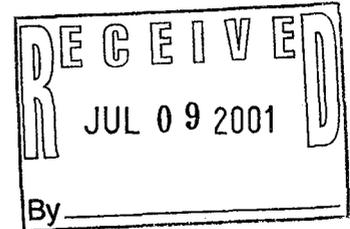
COPIES: BLM - VERNAL/ORIG. & 2 COPIES; DIV. OG&M - DALLAS 1 COPY;



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
999 18TH STREET - SUITE 300
DENVER, CO 80202-2466
<http://www.epa.gov/region08>

JUL 6 2001



REF: 8P-W-GW

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Danny Widner
District Manager
Rosewood Resources, Inc.
P.O. Box 1668
Vernal, Utah 84078

RECEIVED

JUL 13 2001

DIVISION OF
OIL, GAS AND MINING

RE: Authorization to Commence Injection
Rock House Unit Atchee #1 Disposal
Well, EPA Permit UT2871-04527
Uintah County, Utah

Dear Mr. Widner:

Thank you for submitting to the Region VIII Ground Water Program Office of the Environmental Protection Agency (EPA) the information pertaining the Rosewood Resources, Inc. (Rosewood) Atchee #1 Disposal Well. Conditions of Part II Section C Subpart 1 required submittal of the following information:

- (a) Well Rework Record Form 7520-12 and a schematic showing details of the well as constructed or converted,
- (b) results from formation testing/logging required at Part II A.6 (pore pressure/static bottom hole pressure determination),
- (c) demonstration of Part I (Internal) mechanical integrity, no significant leak in the casing, tubing, or packer, made by using a casing-tubing pressure test or an approved alternate test method,
- (d) demonstration of Part II (External) mechanical integrity, no significant fluid movement into a USDW through vertical channels adjacent to the wellbore,



made using a noise log, temperature log, or a radioactive tracer survey under certain circumstances,

- (e) completion of all correction action requirements to the satisfaction of the Director.

On December 21, 2000, we received a copy of the temperature survey (Water Flow Log) run on December 11, 2000. Review of this log indicates no significant fluid movement through channels adjacent to the wellbore, and is approved as a demonstration of Part II (External) Mechanical Integrity (MI). On June 22, 2001, we received results of a casing pressure test run on June 19, 2001. Review of test results indicates no significant leak in the casing, tubing, or packer, and is approved as a demonstration of Part I (Internal) MI. **Demonstration of Part I (Internal) MI is required after well work over involving casing, tubing and packer. Demonstration of both Part I (Internal) and Part II (External) MI is required at least once every five years.**

Conditions specified in Part II (C)(1) have been met and information submitted, and the results have been reviewed and approved by the EPA. Therefore, effective upon your receipt of this letter, Administrative approval hereby is granted for water injection into the Atchee #1 Disposal Well under the conditions of EPA Permit No. UT2871-04527.

Please be reminded of the November 28, 2000, letter from EPA in which the Director determined a **maximum allowable injection pressure of 1,440 psi**, based on the results of the step rate test run in this well on November 16, 2000. Please also be reminded of the Monitoring, Record keeping and Reporting Requirements described in Part II Section D of your permit. It is your responsibility to be aware of and to comply with all conditions of your Permit.

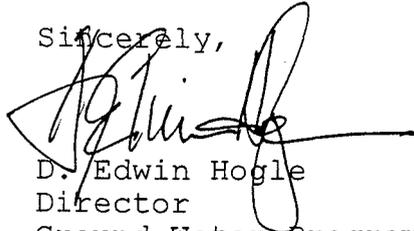
As of this approval, responsibility for permit compliance and enforcement is transferred to the Region VIII UIC Technical Enforcement Program office. Therefore, please direct all future notification, reporting, monitoring and compliance correspondence to the following address, referencing your well and UIC Permit number on all correspondence regarding this well.

Technical Enforcement Program - UIC
U.S. EPA Region VIII, Mail Code 8ENF-T
999 18th Street, Suite 300
Denver, Colorado 80202-2466

If you have any questions regarding this approval, please call Dan Jackson of my staff at 303-312-6155. For questions regarding notification, testing, monitoring, reporting or other

Permit requirements, the UIC Technical Enforcement Program may be reached by calling (800) 227-8917.

Sincerely,



D. Edwin Hogle
Director
Ground Water Program

cc: Mr. D. Floyd Wopsock, Chairman
Uintah & Ouray Business Council
P.O. Box 190
Ft. Duchesne, UT 84026

Lisa L. Smith
PermitCo
14421 Weld County Rd. 10
Ft. Lupton, CO 80621

cc: copy of letter only

Ms. Elaine Willie, Environmental Coordinator
Ute Indian Tribe
P.O. Box 460
Ft. Duchesne, UT 84026

Mr. Gilbert Hunt
Utah Division of Oil, Gas & Mining
Box 145801
Salt Lake City, UT 84114-5801

Mr. Jerry Kenczka
United States Department of the Interior
Bureau of Land Management, Vernal Field Office
170 South 500 East
Vernal, UT 84078

Mechanical Integrity Test

Casing or Annulus Pressure Mechanical Integrity Test

U.S. Environmental Protection Agency
Underground Injection Control Program
999 18th Street, Suite 500 Denver, CO 80202-2466

EPA Witness: _____ Date: 06/06/06

Test conducted by: Rosewood Resources, Inc

Others present: Adler Hot Oil, Production Logging Systems 43-047-33026

Well Name: <u>Atchee # 1 SWD</u>	Type: ER <u>SWD</u>	Status: AC TA UC
Field: _____		
Location: <u>SWNE</u> Sec: <u>15</u> T: <u>11</u> N: <u>10</u> R: <u>23</u> W: _____	County: <u>Uintah</u>	State: <u>UT</u>
Operator: <u>Rosewood Resources, Inc</u>		
Last MIT: <u>02/10/01</u>	Maximum Allowable Pressure: <u>1440</u>	PSIG

Is this a regularly scheduled test? Yes No
 Initial test for permit? Yes No
 Test after well rework? Yes No
 Well injecting during test? Yes No If Yes, rate: 5 bpd

Pre-test casing/tubing annulus pressure: 0/900 psig

MIT DATA TABLE	Test #1	Test #2	Test #3
TUBING PRESSURE			
Initial Pressure	<u>900</u> psig	psig	psig
End of test pressure	<u>1425</u> psig	psig	psig
CASING / TUBING ANNULUS PRESSURE			
0 minutes	<u>0</u> psig	psig	psig
5 minutes	<u>1,000</u> psig	psig	psig
10 minutes	<u>1,000</u> psig	psig	psig
15 minutes	<u>1,000</u> psig	psig	psig
20 minutes	<u>1,000</u> psig	psig	psig
25 minutes	<u>1,000</u> psig	psig	psig
30 minutes	<u>1,000</u> psig	psig	psig
_____ minutes	psig	psig	psig
_____ minutes	psig	psig	psig
RESULT	<input checked="" type="checkbox"/> Pass <input type="checkbox"/> Fail	<input type="checkbox"/> Pass <input type="checkbox"/> Fail	<input type="checkbox"/> Pass <input type="checkbox"/> Fail

Does the annulus pressure build back up after the test? Yes No

MECHANICAL INTEGRITY PRESSURE TEST

Additional comments for mechanical integrity pressure test, such as volume of fluid added to annulus and bled back at end of test, reason for failing test (casing head leak, tubing leak, other), etc.:

Signature of Witness: Dennis Atwood

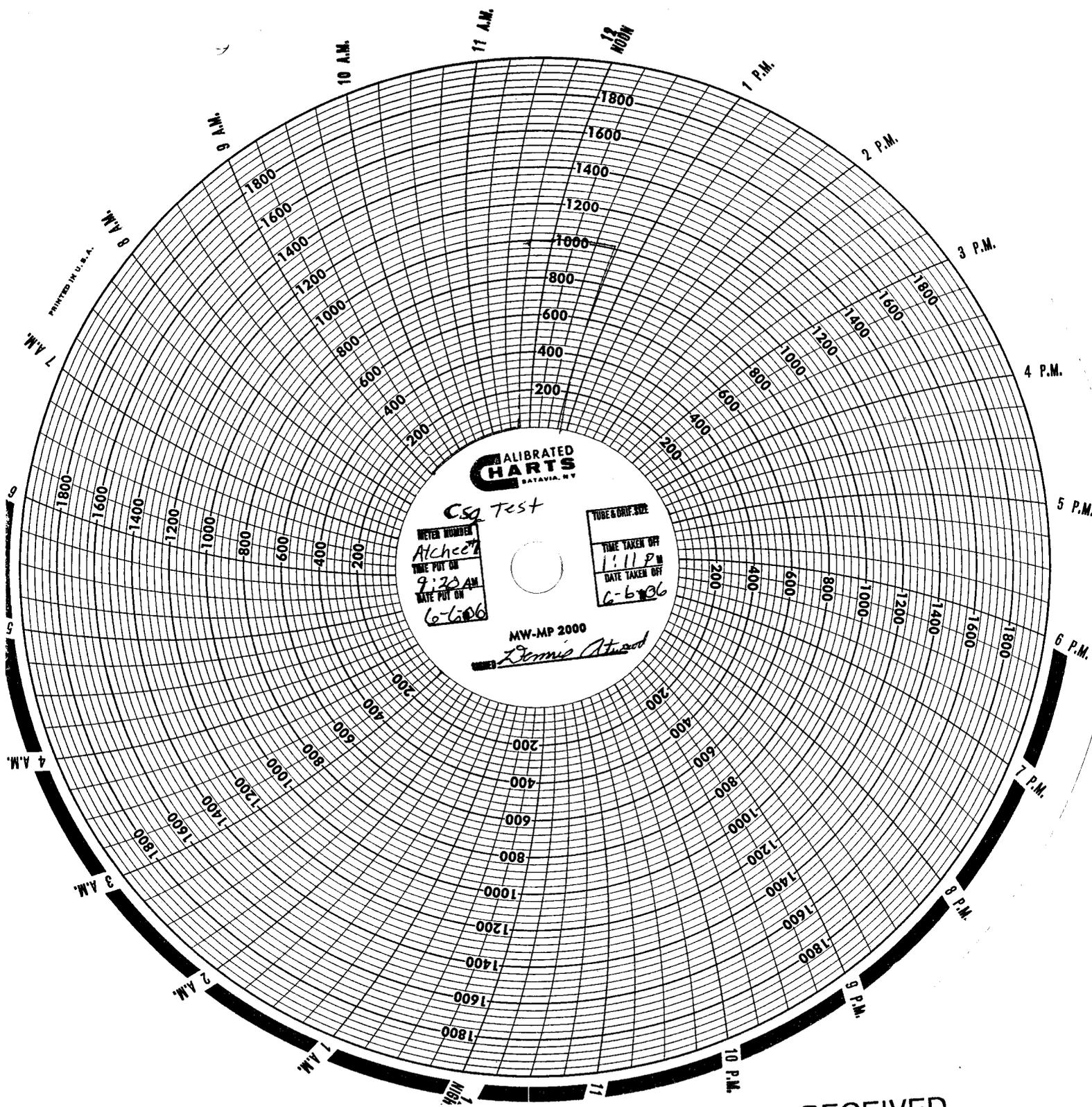
RECEIVED

JUN 14 2006

DIV. OF OIL, GAS & MINING

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

PRINTED IN U.S.A.



RECEIVED
JUN 14 2006

DIV. OF OIL, GAS & MINING



Rosewood Resources, Inc.
P.O. Box 1668
Vernal, UT 84078

July 29, 2008

State of Utah
Division of Oil Gas & Mining
Mr. Gil Hunt
P.O. Box 145801
SLC, UT 84114

Dear Mr Hunt:

Please see enclosed monthly injection report UIC form 3 for the month of June. Also enclosed is a letter from the EPA regarding an onsite inspection that took place on June 19th 2008. It appears we had a meter error and were miscalculating our pressures. The pressures I have reported on this form are what our gauges were reading at the time of injection. I have enclosed all documentation along with our reply to and from the EPA regarding this error. Please feel free to contact Dennis Atwood at our Vernal Office (435-789-0414) if you have any concerns.

Sincerely,

A handwritten signature in cursive script that reads "Jill Henrie".

Jill Henrie

Enclosure

RECEIVED

JUL 30 2008

DIV. OF OIL, GAS & MINING



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

1595 Wynkoop Street
DENVER, CO 80202-1129
Phone 800-227-8917
<http://www.epa.gov/region08>

JUL - 3 2008

Ref: 8ENF-UFO

CERTIFIED MAIL 7005-0390-0000-4848-5603
RETURN RECEIPT REQUESTED

Jerry Dietz, Area Manager
Rosewood Resources, Inc.
1600 Broadway, Suite 2400
Denver, Colorado 80202

43 047 33026

Re: Underground Injection Control (UIC)
Notice of Inspection and Violations Alleged
EPA Permit No. UT20871-04527
Atchee #1 SWD Well
Rock House Gas Field
T11S, R23E, Sec 15, SWNE
Uintah County, Utah

Dear Mr. Dietz:

On June 19, 2008, EPA inspectors Nathan Wisner and Yohan Sumaiku conducted an unannounced inspection at the above-referenced salt water disposal well. No Rosewood Resources Inc. representative was present at the time. EPA inspectors contacted your field representatives Dennis Atwood and Jason Reynolds, to see if either was able to be present, but owing to their distant location at the time, about 2 hours from the well, they authorized the inspection in their absence. Rosewood Resources, Inc.'s copy of the notice of inspection is enclosed in this letter.

During the inspection, EPA inspectors found that the well appears to have been injecting above its maximum authorized injection pressure (MAIP), as limited by the above-referenced UIC permit, and as further described below. EPA inspectors did not attempt to place EPA's calibrated gauge on the well in the absence of a representative from Rosewood Resources, Inc.

<u>MAIP (psi)</u>	<u>Pressure gauge observed</u>	<u>Pressure observed (psi)</u>
1440	Operator's wellhead 4-inch face gauge	1700
	Operator's wellhead circular chart gauge	1300
	Operator's pumphouse Murphy kill switch	1900

The enclosed photos taken during the inspection verify these findings. These observations lead to one or more alleged violations. With regard to injection pressure, if either the 4-inch face pressure gauge at the wellhead or the Murphy kill switch gauge in the pumphouse is correct, then the well was observed injecting above its MAIP. Regarding maintaining wellhead equipment, all three gauges showed different values and any wellhead monitoring using them cannot be used for accurately monitoring the well's injection tubing pressure.

Operation of an injection well at pressures greater than authorized is a violation of Title 40 of the Code of Federal Regulations 40 C.F.R. § 146.23(a)(1) [40 C.F.R. § 146.23(a)(1)] and your UIC permit at Part II(C)(4) as modified on November 28, 2000. Failure to maintain wellhead equipment in good condition to ensure that a well is operating in compliance with its operating conditions is a violation 40 C.F.R. §144.51(e) and your UIC permit at Part III (E)(5).

You are directed to maintain the surface injection pressure of this well at or below the maximum allowable limit. If you require a higher injection pressure for continued operation of this well, you may conduct a step-rate injectivity test of the injection zone and request an increase based on the test results. However, these tests may, or may not, indicate that a higher injection pressure can be approved for the well. You are also reminded to maintain all wellhead equipment in good operating condition.

Within thirty (30) days of receipt of this letter, please respond in writing describing: 1) what action has been taken to correct this situation; 2) how you intend to prevent any recurrence in the future; or 3) if you believe the information to be in error, your information to support this.

Failure to comply with the UIC regulations found at 40 C.F.R. Parts 144 through 148 are violations of the Safe Drinking Water Act, 42 U.S.C. §300h. Such non-compliance may subject you to formal enforcement by EPA, as codified at 40 C.F.R. Part 22.

If you have any questions regarding this letter, you may contact Nathan Wiser at (303) 312-6211.

Sincerely,



Mark A.R. Chalfant
Director
Technical Enforcement Program

Enclosures (copy of notice of inspection, five color photos taken on 6/19/08)

cc: Curtis Cesspooch, Chairman
Uintah & Ouray Business Committee
P.O. Box Box 190
Fort Duchesne, Utah 84026

Shaun Chapoose, Director Land Use Department
Ute Indian Tribe
P.O. Box 460
Fort Duchesne, Utah 84026

Gil Hunt
Utah Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114

NOTICE OF INSPECTION



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION VIII, 999 18TH STREET - SUITE 500
DENVER, COLORADO 80202-2405

Date: 6/19/08

Notice of inspection is hereby given according to Section 1445(b) of the Safe Drinking Water Act (42 U.S.C. §300f et seq).

Hour: 4:25 p

Firm Name: Rosewood Resources, Inc.

Firm Address: 1600 Broadway Suite 2400
Denver CO 80202

REASON FOR INSPECTION:

For the purpose of inspecting records, files, papers, processes, controls and facilities, and obtaining samples to determine whether the person subject to an applicable underground injection control program has acted or is acting in compliance with the Safe Drinking Water Act and any applicable condition of permit or rule authorization.

SECTION 1445(b) of the SAFE DRINKING WATER ACT is quoted below:

Section 1445(b)(1): Except as provided in Paragraph (2), the Administrator, or representatives of the Administrator duly designated by him, upon presenting appropriate credentials, and a written notice to any supplier of water or other person subject to (a), or person subject (A) a national primary drinking water regulation prescribed under Section 1412(B) an applicable Underground Injection Control Program, or (C) any requirement to monitor an unregulated contaminant pursuant to subsection (a), or person in charge of any of the property of such supplier or other person referred to in clause (A), (B), or (C), is authorized to enter any establishment, ... facility, or other property of such supplier or other person in order to determine whether such supplier or other person has acted or is acting in compliance with this title, including for this purpose, inspection, at reasonable times, of records, files, papers, processes, controls, and facilities, or in order to test any feature of a public water system, including its raw water source. The Administrator or the Comptroller General (or any representative designated by either) shall have access for the purpose of audit and examination to any records, reports, or information of a grantee which are required to be maintained under subsection (a) or which are pertinent to any financial assistance under this title.

Nathan M. Wisner ; Yohan Sumaiku
Inspector's Name & Title (Print)

Nathan M. Wisner ; Yohan Sumaiku
Inspector's Signature



July 24, 2008

Re: (UIC) Notice of Inspection and Violations Alleged

EPA Permit No. UT20871-04527 Atchee #1 SWD Well – Rockhouse Gas Field T11S
R23E, SEC 15 SWNE Uintah County, UT

Mark A.R. Chalfant
Director / Technical Enforcement Program
Environmental Protection Agency
1595 Wynkoop Street
Denver, CO 80202-1129

Dear Mr Chalfant:

In response to your letter dated 7/3/08 Rosewood Resources, Inc. has suspended the use of this disposal well. As our corrective action, Rosewood will calibrate this well before commencing injection. We will also put this well on a monthly calibration schedule to eliminate this error in the future. We sincerely apologize for this error and take pride in maintaining compliance with all rules and regulations.

Sincerely,

A handwritten signature in cursive script that reads "Dennis Atwood".

Dennis Atwood
Production Supervisor
Vernal Field Office

cc: Gil Hunt
Utah Division of Oil Gas & Mining
P.O. Box 145801
Salt Lake City, UT 84114

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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-77688

6. If Indian, Allottee or Tribe Name
NA

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

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

2. Name of Operator
Rosewood Resources, Inc

8. Well Name and No.
Atchee #1 SWD

3a. Address
P.O. Box 1668 Vernal UT 84078

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

9. API Well No.
43-047-33026

10. Field and Pool or Exploratory Area

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SWNE SEC 15 T11S R23E SLB&M 2381' FNL 1852' FEL

11. Country or Parish, State
Uintah County, UT

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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports 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.)

Please see attached Environmental Protection Agency Plugging and Abandonment Plan form and pre and post P&A wellbore schematics for approval. Please feel free call with any questions or concerns.

Thank you.
Jill

COPY SENT TO OPERATOR

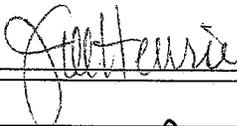
Date: 9.14.2010

Initials: KS

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

Title Administrative Assistant

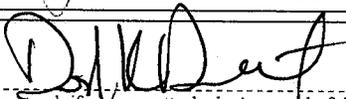
Signature



Date 08/27/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by



Title Pet. Eng.

Date 8/31/10

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 DOG M

Federal Approval Of This Action Is Necessary

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

(Instructions on page 2)

* Recommend 60' plug
M.g.m.m (Cement) above open
Perts/CBPE 4800'

RECEIVED
AUG 30 2010

DIV. OF OIL, GAS & MINING



United States Environmental Protection Agency
Region 8
1595 Wynkoop Street
Denver, CO 80202-1129

8/27/2010

Re: Atchee #1 Salt Water Disposal Well
UIC Permit Number: 2871-04527
API: 43-047-33026
SWSE SEC 15 T11S R23E SLB&M
2381' FNL 1852' FEL

Attn: Nathan Wiser

Hi Nathan,

Per our phone conversation on 8/27/2010 I have included a copy of the Plugging and Abandonment Plan that was originally submitted upon conversion approval. I have also included both wellbore diagrams pre and post P&A. As I mentioned on the phone we would like to commence plugging operations mid-September 2010. Bureau of Land Management (Vernal Field Office) have been notified of our plans to abandon this wellbore.

Please feel free to give me a call if you have any concerns and thank you for your help.

Sincerely,

Jill Henrie

435-789-0414 x10

Rosewood Resources, Inc.
P.O. Box 1668
Vernal UT 84078

Rosewood Resources, Inc.
265 East 100 South
P.O. Box 1668
Vernal, Utah 84078
435-789-0414
435 789 0479 (Fax)

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AUG 30 2010

DIV. OF OIL, GAS & MINING



PLUGGING AND ABANDONMENT PLAN

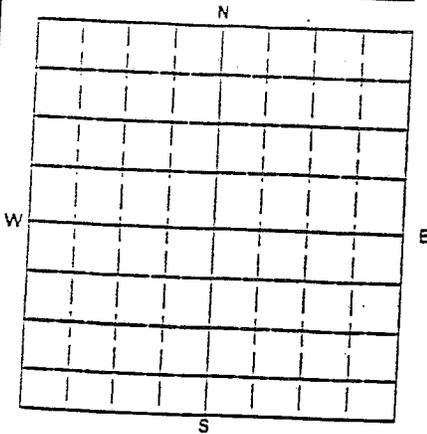
NAME AND ADDRESS OF FACILITY

Atchee #1 Disposal Well
C/O Rosewood Resources, Inc.
P.O. Box 1668, Vernal, UT 84078

NAME AND ADDRESS OF OWNER/OPERATOR

Rosewood Resources, Inc.
P.O. Box 1668
Vernal, UT 84078 435/789-0414

LOCATE WELL AND OUTLINE UNIT ON
SECTION PLAT - 640 ACRES



STATE COUNTY

UT Uintah

PERMIT NUMBER

SURFACE LOCATION DESCRIPTION

SW 1/4 of SE 1/4 of SW 1/4 of NE 1/4 of Section 15 Township 11S Range 23E

LOCATE WELL IN TWO DIRECTIONS FROM NEAREST LINES OF QUARTER SECTION AND DRILLING UNIT

Surface 2381
Location ___ ft. from (N/S) ___ Line of quarter section.
and 1852 ft. from (E/W) ___ Line of quarter section

TYPE OF AUTHORIZATION

- Individual Permit
- Area Permit
- Rul.

Number of Wells 1

WELL ACTIVITY

- CLASS I
- CLASS II
 - Brine Disposal
 - Enhanced Recovery
 - Hydrocarbon Storage
- CLASS III

Lease Name Atchee

Well Number #1

CASING AND TUBING RECORD AFTER PLUGGING

METHOD OF EMPLACEMENT OF CEMENT PLUGS

SIZE	WT(LB/FT)	TO BE PUT IN WELL (FT)	TO BE LEFT IN WELL (FT)	HOLE SIZE
8-5/8	24	325	325	12-1/4
4-1/2	11.6	5100	5100	7-7/8

- The Balance Method
- The Dump Bailer Method
- The Two-Plug Method
- Other

CEMENTING TO PLUG AND ABANDON DATA:

	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Size of Hole or Pipe in which Plug Will Be Placed (inches)	4-1/2	4-1/2	4-1/2	4-1/2	4-1/2	8-5/8	
Depth to Bottom of Tubing or Drill Pipe (ft.)	4300	4300	4060	600	500		
Sacks of Cement To Be Used (each plug)	--	3	10	10	160		
Slurry Volume To Be Pumped (cu. ft.)	--	3.18	10.6	10.6	170		
Calculated Top of Plug (ft.)	4800	4765	3960	500	Surf		
Measured Top of Plug (if tagged ft.)							
Slurry Wt. (Lb./Gal.)		16.4	16.4	16.4	16.4		
Type Cement or Other Material (Class III)	CIBP	Class H	Class H	Class H	Class H		

LIST ALL OPEN HOLE AND/OR PERFORATED INTERVALS AND INTERVALS WHERE CASING WILL BE VARIED (If any)

From	To	From	To
4882	4900		
4960	4980		
4988	4994		
5012	5028		
5032	5044		

Estimated Cost to Plug Wells

\$15,000 (See Plugging Estimate Attached)

RECEIVED

AUG 30 2010

CERTIFICATION

DIV. OF OIL, GAS & MINING

I certify under the penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. (Ref. 40 CFR 144.32)

NAME AND OFFICIAL TITLE (Please type or print)

Danny Widner/ District Manager

SIGNATURE

Danny Widner

DATE SIGNED

2/2/00

K.B.- 5912'
G.L.- 5897'

SW/NE SECTION 15, T11S, R23E
UINTAH COUNTY, UTAH

CEMENT PLUG
IN & OUT
TO SURFACE

12 1/4" HOLE

WELLHEAD

CASING HEAD

8 5/8" SOW X 11" 3M

TUBING HEAD

11" 5M X 7 1/16" 5M

UPPER TREE ASSY

2 1/16" 5M

Perf 4 shots @
400'

8 5/8" CSG @ 325'
Cemented to Surface

CONDUCTOR

CEMENT

EST TOP OF CEMENT 2nd STAGE @ 500'

SURFACE

SIZE 8 5/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
8	36#	K-55	ST&C	325' KB

CEMENT PLUG
1200'- 1500'

7 7/8" HOLE

Mahogany Oil Shale

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

325'
250 SX "G" W/ 2% CaCl & .25#/sk Cello-Flake

**PRODUCTION /
INTERMEDIATE**

SIZE 4 1/2"

JTS.	WT.	GRADE	CPLG.	AMT. SET
119	11.6#	J-55	LT&C	5100'

DV STAGE TOOL @ 2513'

EST TOP OF CEMENT 1st STAGE @ 3070'

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET

DV TOOL @ 2513'

5100'

CEMENT PLUG
3200'- 3400'

TOP OF WASATCH @ 3302'

CEMENT Stage #1
Stage #2

500sx "G", 10%Gyp, 10% Salt, .4% FL25

190sx "G", 3% Salt, 16% Gel, .5#/sx Gilsonite

LINER

SIZE

JTS.	WT.	GRADE	CPLG.	AMT. SET
------	-----	-------	-------	----------

P.B.R. HANGER
MISC. EQUIPMENT
FLOAT EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

TUBING

SIZE 2 3/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
127	4.7#	J-55	EUE	3980'

TUBING DETAIL

KB	14.00'
TUBING HANGER	.82'
126 JTS TBG	3917.00'
X- NIPPLE @ 3932'	1.20'
1 JT TBG	31.24'
Arrowset IX PKR @ 3965'	6.48'
8' PUP JT	8.07'
XN- NIPPLE @ 3980'	1.50'
EOT @	3980'

PERFS 4010'- 14' CEMENT SQUEEZE!!

35' CEMENT

CIBP @ 4800' +/-

PERFS 4882'- 4900'

PERFS 4960'- 80'

PERFS 4988'- 94'

PERFS 5012'- 28'

PERFS 5032'- 44'

TOP OF MESA VERDE @ 5065'

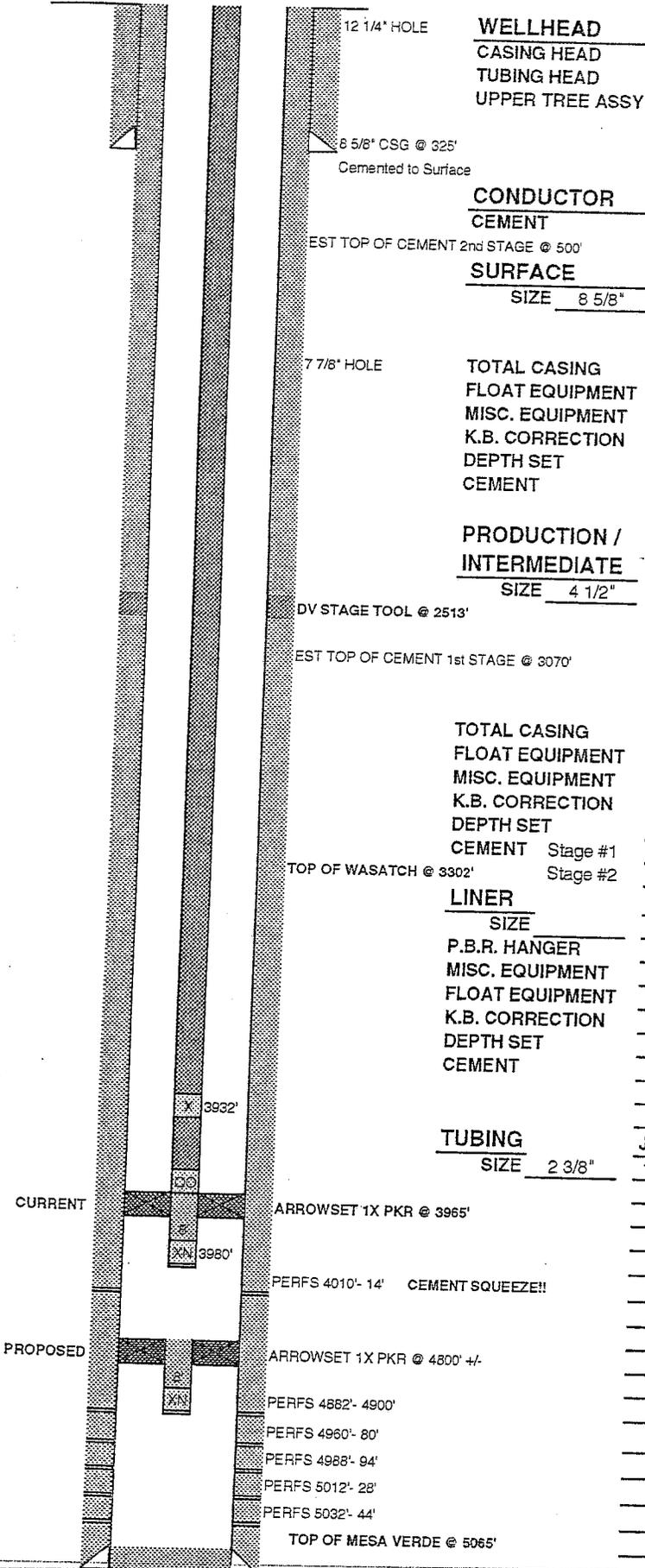
P.B.T.D. 5040'
T.D. 5100'

RECEIVED

AUG 30 2010

DIV. OF OIL, GAS & MINING

K.B.- 5912'
G.L.- 5897'



WELLHEAD

CASING HEAD 8 5/8" SOW X 11" 3M
TUBING HEAD 11" 5M X 7 1/16" 5M
UPPER TREE ASSY 2 1/16" 5M

CONDUCTOR

CEMENT

EST TOP OF CEMENT 2nd STAGE @ 500'

SURFACE

SIZE 8 5/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
8	36#	K-55	ST&C	325' KB

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

325'
250 SX "G" W/ 2% CaCl & .25#/sk Cello-Flake

**PRODUCTION /
INTERMEDIATE**

SIZE 4 1/2"

JTS.	WT.	GRADE	CPLG.	AMT. SET
119	11.6#	J-55	LT&C	5100'

DV STAGE TOOL @ 2513'

EST TOP OF CEMENT 1st STAGE @ 3070'

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

DV TOOL @ 2513'

5100'

TOP OF WASATCH @ 3302' Stage #1
Stage #2

500sx "G", 10%Gyp, 10% Salt, .4% FL25

190sx "G", 3% Salt, 16% Gel, .5#/sk Gilsonite

LINER

SIZE

P.B.R. HANGER
MISC. EQUIPMENT
FLOAT EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT

JTS.	WT.	GRADE	CPLG.	AMT. SET
------	-----	-------	-------	----------

TUBING

SIZE 2 3/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
127	4.7#	J-55	EUE	3980'

TUBING DETAIL

KB	14.00'
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8' PUP JT	8.07'
XN- NIPPLE @ 3980'	1.50'
EOT @	3980'

ARROWSET 1X PKR @ 3965'

PERFS 4010'- 14' CEMENT SQUEEZE!!

ARROWSET 1X PKR @ 4800' +/-

PERFS 4882'- 4900'

PERFS 4960'- 80'

PERFS 4988'- 94'

PERFS 5012'- 28'

PERFS 5032'- 44'

TOP OF MESA VERDE @ 5065'

P.B.T.D. 5040'
T.D. 5100'

RECEIVED
AUG 30 2010

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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-77688

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

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

8. Well Name and No.
Atchee #1 SWD

2. Name of Operator
Rosewood Resources, Inc.

9. API Well No.
43-047-33026

3a. Address
72 North Vernal Avenue

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

10. Field and Pool or Exploratory Area

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SWNE SEC 15 T11S R23E SLB&M 2381' FNL 1852' FEL

11. Country or Parish, State
Uintah County, UT

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

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

Please see attached rig reports for abandonment of this wellbore. Rosewood intends to schedule an onsite to determine proper re-seeding and reclamation procedures to commence Spring 2011. Please call with any concerns.

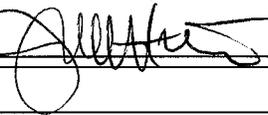
Thank you,
Jill

RECEIVED
FEB 16 2011

DIV. OF OIL, GAS & MINING

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

Title Administrative Assistant / RL

Signature 

Date 02/07/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Office

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

ROSEWOOD RESOURCES, INC.

WELL NAME: Atchee #1 SWD

API # 43-047-33026

SWNE SEC 15 T11S R23E SLB&M

Lease Number #UTU-77688

County : Uintah

Engineer : J Watkins / Field Supervisor : Dennis Atwood

Gross AFE: \$63,000

Objective: P&A

12/10/2010

MIRU. Bled well down. ND WH NU BOP. Rel PKR. TOOH laying down w/ coated TBG.LD 150 JTS, on/off tool & PKR. SDFN.

Daily Cost: \$5,000 Cum Cost: \$5,000 Remaining AFE: \$58,000

12/13/2010

PU TBG & tag up @ 4986'. RU drill eqpt & cleaned out to 5032'. Circ clean. POOH w/ 40 JTS. SDFN.

Daily Cost: \$4,000 Cum Cost: \$9,000 Remaining AFE: \$54,000

12/14/2010

EOT @ 5032'. Pumped 95 SXS Class "G" CMT. POOH w/ 37 JTS. Could not reverse circulate. TBG plugged. POOH LD 29 JTS w/ CMT in them. RIH & tag CMT top @ 3916'. POOH LD to 3427'. Pumped 17 sack balance plug. POOH LD to 1514'. Pumped 23 sack balance plug. LD remaining TBG & SDFN.

Daily Cost: \$15,000 Cum Cost: \$24,000 Remaining AFE: \$39,000

12/15/2010

0# on well. RU & shot perms @ 400'. Could not get to circulate to surface. Moved up hole. Shot perms @ 350'. Could not get to circulate to surface. Wait on orders from BLM. SDFN.

Daily Cost: \$5,000 Cum Cost: \$29,000 Remaining AFE: \$34,000

12/16/2010

Well on vacuum. Pumped 100 SXS cement. Displaced w/ 6 BBLS. SD & waited for 3 hours. Tried to test. Could not get test. Pumped 20 SXS cement. Well locked up. Put 4000# on well. RIH w/ 5 JTS TBG. Circulate clean to 150'. RU wireline & shoot perms @ 75'. Establish circulation. Pump CMT down 4-1/2 up to surface. RDMO. Will weld plate on next week. Plugging operations witnessed by BLM representative Cliff Johnson. EPA representative Nathan Wiser was notified but not able to witness.

Daily Cost: \$15,000 Cum Cost: \$44,000 Remaining AFE: \$19,000

1/27/2011

Topped off well with cement and welded on marker plate. FINAL REPORT



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

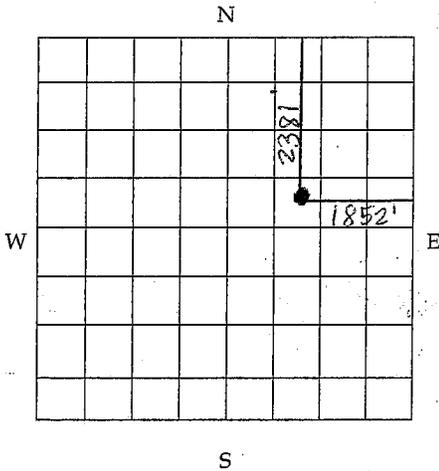
PLUGGING RECORD

NAME AND ADDRESS OF PERMITTEE: *PO Box 14668
Rosewood Resources Inc. Vernal UT 84078* NAME AND ADDRESS OF CEMENTING COMPANY: *Superior Well Service 4368 E 4700 S Jensen UT 84035*

LOCATE WELL AND OUTLINE UNIT ON SECTION PLAT — 640 ACRES

STATE: *UT* COUNTY: *Uintah* PERMIT NUMBER: *UT 2871-04527*

SURFACE LOCATION DESCRIPTION
1/4 of S 1/4 of 1/4 of NE 1/4 of Section 15 Township 11S Range 23E



LOCATE WELL IN TWO DIRECTIONS FROM NEAREST LINES OF QUARTER SECTION AND DRILLING UNIT
Surface: *2381*
Location: *2381* ft. from (N/S) *N* Line of quarter section
and *1852* ft. from (E/W) *E* Line of quarter section

TYPE OF AUTHORIZATION

- Individual Permit
- Area Permit
- Rule

Number of Wells *1*

Describe in detail the manner in which the fluid was placed and the method used in introducing it into the hole

Spot with Tubing and pumped with pump truck.

Lease Name *Atchee #1*

CASING AND TUBING RECORD AFTER PLUGGING

METHOD OF EMPLACEMENT OF CEMENT PLUGS

SIZE	WT(LB/FT)	TO BE PUT IN WELL(FT)	TO BE LEFT IN WELL(FT)	HOLE SIZE
<i>4 1/2</i>	<i>10.5</i>		<i>4800'</i>	<i>7 7/8</i>
<i>8 5/8</i>	<i>36</i>		<i>325'</i>	<i>12 1/4</i>

- CLASS I
- The Balance Method
- CLASS II
- The Dump Bailer Method
- Brine Disposal
- The Two-Plug Method
- Enhanced Recovery
- Other
- Hydrocarbon Storage
- CLASS III

CEMENTING TO PLUG AND ABANDONED DATA	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Size of Hole or Pipe in which Plug Will Be Placed (inches)	<i>4 1/2</i>	<i>4 1/2</i>	<i>4 1/2</i>	<i>4 1/2</i>	<i>4 1/2</i>	<i>8 5/8</i>	
Depth to Bottom of Tubing or Drill Pipe (ft.)	<i>5032'</i>	<i>3427'</i>	<i>1514'</i>	<i>400'</i>	<i>75'</i>		
Sacks of Cement To Be Used (each plug)	<i>95 SXS</i>	<i>17 SXS</i>	<i>23 SXS</i>	<i>142 SXS</i>	<i>38 SXS</i>		
Slurry Volume To Be Pumped (cu. ft.)	<i>1092.5</i>	<i>195.5</i>	<i>264.5</i>	<i>1249.5</i>	<i>862.5</i>		
Calculated Top of Plug (ft.)	<i>3939.5</i>	<i>3231.5</i>					
Measured Top of Plug (if tagged ft.)	<i>3916'</i>			<i>150'</i>	<i>Surface</i>	<i>Surface</i>	
Slurry Wt. (Lb./Gal.)	<i>15.8</i>	<i>15.8</i>	<i>15.8</i>	<i>15.8</i>	<i>15.8</i>	<i>15.8</i>	
Type cement or other material (Class III)	<i>CIBP</i>	<i>class G</i>					

LIST ALL OPEN HOLE AND/OR PERFORATED INTERVALS

From	To	From	To
<i>5032'</i>	<i>5044'</i>	<i>4010'</i>	<i>4014' Squeezed off</i>
<i>5012'</i>	<i>5028'</i>		
<i>4988'</i>	<i>4994'</i>		
<i>4960'</i>	<i>4980'</i>		
<i>4882'</i>	<i>4900'</i>		

Signature of Cementer or Authorized Representative

Dennis Jensen

Signature of EPA Representative

CERTIFICATION

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. (REF. 40 CFR 122.22)

NAME AND OFFICIAL TITLE (Please type or print)

Jillayne Henrie

SIGNATURE

Jillayne Henrie

DATE SIGNED

2/15/2011