Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: UTU-0779

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [XX] DEEPEN [ ] PLUG BACK [ ]

7. UNIT AGREEMENT NAME: Rock House Unit

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [XX] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [XX]

8. FARM OR LEASE NAME: Rock House Unit

2. NAME OF OPERATOR: Rosewood Resources, Inc.

9. WELL NO.: #26

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

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 2071' FSL, 2120' FWL, NE1/4, SW1/4, Sec. 9, T11S, R23E
At proposed prod. zone: 631 646

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEC. 9, T 11 S, R 23 E.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 33.2 MILES SOUTH OF BONANZA, UT

12. COUNTY OR PARISH: UINTAH 13. STATE: UT

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
2071'	2442	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
800'	5700'	ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 5735'

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

RECEIVED
DEC 17 1997
DIV. OF OIL, GAS & MINING

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

24. SIGNED William A Ryan WILLIAM A. RYAN TITLE ~~AGENT~~ DATE ~~Nov.. 28, 1997~~

(This space for Federal or State office use)

PERMIT NO. 43-047-33032 APPROVAL DATE

APPROVED BY John R. Baza TITLE Associate Director Utah DOGM DATE 2/12/98

CONDITIONS OF APPROVAL, IF ANY:

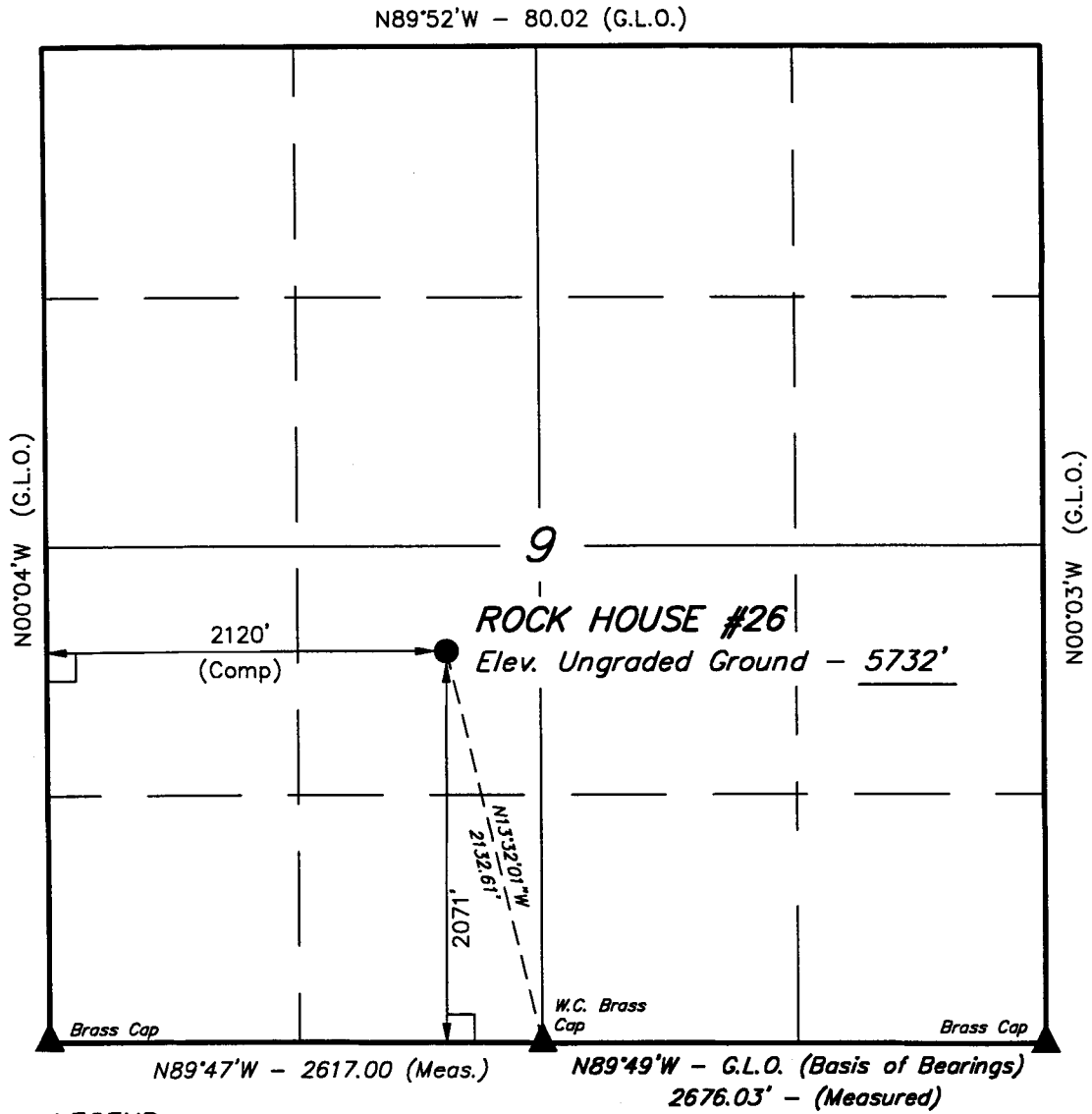
*See Instructions On Reverse Side

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

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

ROSEWOOD RESOURCES, INC.

Well Location, ROCK HOUSE #26, located as shown in NE 1/4 SW 1/4 of Section 9, T11S, R23E, S.L.B.&M. Uintah County, Utah.



LEGEND:

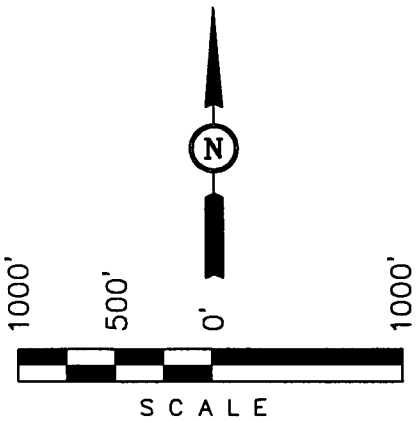
└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED 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. (TOPOGRAPHICAL 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.

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

REVISED: 12-9-97 D.COX

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 10-31-97	DATE DRAWN: 11-7-97
PARTY B.B. D.R. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE ROSEWOOD RESOURCES, INC.	

Ten Point Plan

Rosewood Resources, Inc.

Rock House 26
Rock House Unit

Surface Location NE 1/4, SW 1/4, Section 9, T. 11 S., R. 23 E.

1. **Surface Formation:**

   Green River

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

Formation	Depth	Datum
Green River	Surface	5,735' G.L.
Oil Shale	500	5,235
Wasatch	3,145	2,550
Mesaverde formation	5,235	500
T.D.	5,500	235

3. **Producing Formation Depth:**

   Formation objective include the Wasatch and its submembers.

   Off Set Well Information:

Off set well:	Gas Well	Rock House Unit #17	Sec. 9, 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 #4	Sec. 9, T. 11 S., R. 23 E.

4. **Proposed Casing :**

Hole Size	Casing Size	Weight/Ft.	Grade & Tread	Setting Depth	Casing New/Used
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:

Casing Size	Cement Type	Cement Amount	Cement Yield	Cement Weight
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:

Interval	Mud weight lbs/gal.	Viscosity Sec./Qt.	Fluid Loss Ml/30 Mins.	Mud Type
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:

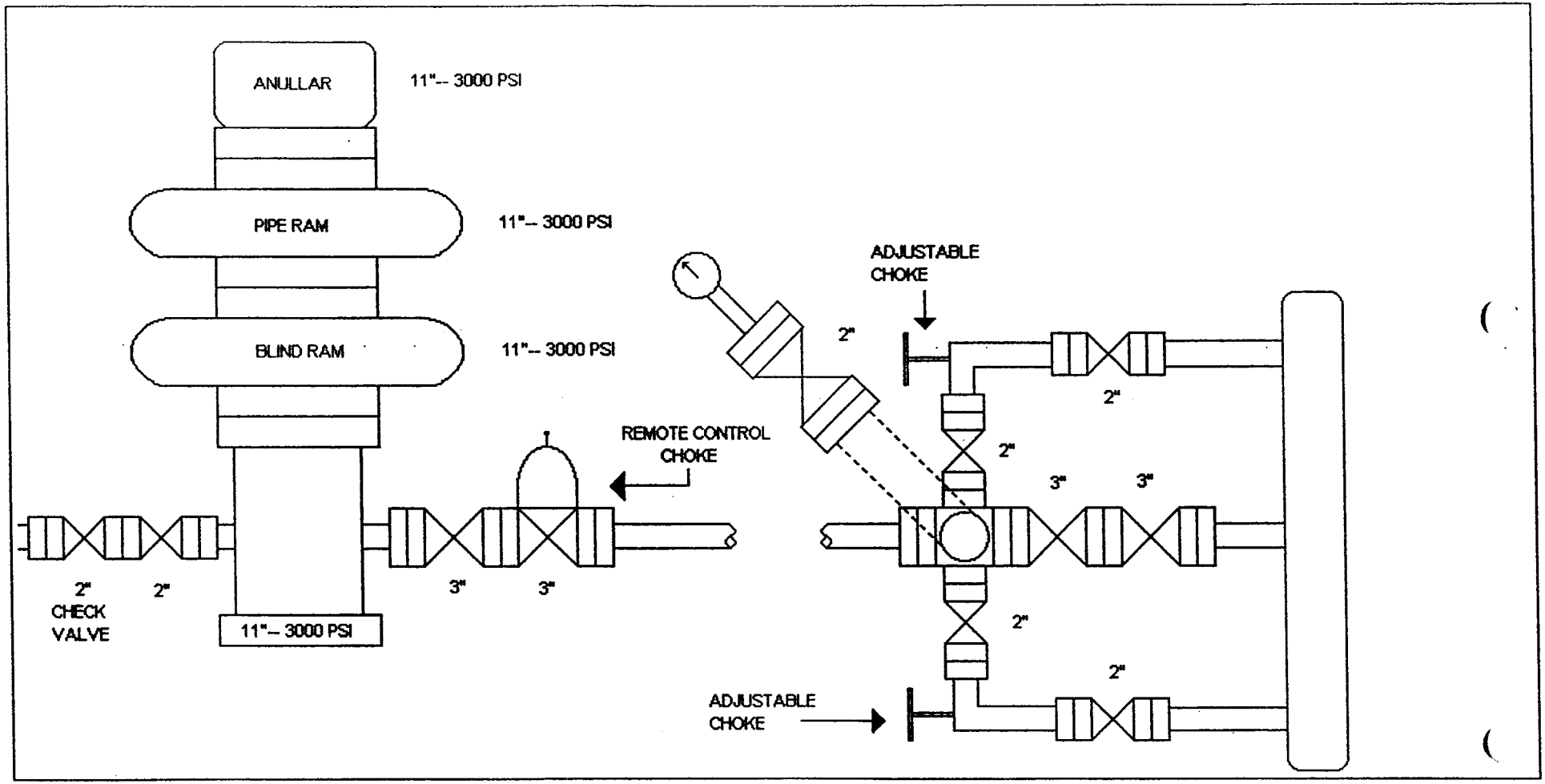
a)	Test:	None are anticipated.	
b)	Coring:	There is the possibility of sidewall coring.	
c)	Sampling:	Every 10' from 2000' to T.D.	
d)	Logging:	Type	Interval
		DLL/SFL W/GR and SP	T.D. to Surf. Csg
		FDC/CNL W/GR and CAL	T.D. to Surf. Csg

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.


ANULLAR
11"-- 3000 PSI
PIPE RAM
11"-- 3000 PSI
BLIND RAM
11"-- 3000 PSI
ADJUSTABLE CHOKE
2"
2"
2"
3"
3"
REMOTE CONTROL CHOKE
2"
2"
CHECK VALVE
3"
3"
11"-- 3000 PSI
2"
2"
ADJUSTABLE CHOKE

ROSEWOOD RESOURCES, INC.

13 POINT SURFACE USE PLAN

FOR WELL

ROCK HOUSE UNIT #26

LOCATED IN

NE 1/4, SW 1/4

SECTION 9, T. 11 S., R. 23 E., U.S.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-0779

SURFACE OWNERSHIP: FEDERAL

1. Existing Roads

To reach the Rosewood Resources, Inc., Rock House Unit 19 well location, in Section 9, T11S, R23E, 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 2.8 miles turn west (left). Proceed 1.4 miles to Saddletree Draw. Turn north (right) proceed 1.2 miles. The proposed access road starts at this point.

All roads to the proposed access road are State or County Class D roads.

Please see the attached map for additional details.

2. Planned access road

The proposed location will require 200' of new access road.

The road will be built to the following standards:

A) Approximate length	200Ft.
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil
E) Maximum grade	1%
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

Newly constructed roads will be built using native soils from borrow pits on either or both sides of the road.

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 Unit 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 #17	Sec. 9, 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 #4	Sec. 9, T. 11 S., R. 23 E.
B) Water wells		None	
C) Abandoned wells			
	Gas Well	Rock House Unit #16	Sec. 15, T11S, R23E.
D) Temporarily abandoned wells		None	
E) Disposal wells		None	
F) Drilling/permitted wells		Rock House Unit # 25	Sec. 9, T11S, R23E.
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 tied into an existing 6" line. The **approximate length will be 200'.** The proposed pipe line will be constructed adjacent to the access road. 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 line will be welded on the pad and access road. After welding the line will be pulled with a small cat to the tie in. Prior to the construction of the location the 6" line will be moved east of the proposed location.

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	4.2 ft.
G)	Max fill	3.0 ft.
H)	Total cut yds	6,600 cu. yds.
I)	Pit location	west side
J)	Top soil location	east side
K)	Access road location	south end
L)	Flare pit	west corner

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	4#/acre
Western wheat grass	3#/acre
Shad scale	3#/acre
Needle and thread	2#/acre

11. Surface ownership:

Access road	Federal
Location	Federal
Pipe line	Federal

12. Other information

A) Vegetation:

The vegetation coverage is slight. The majority of the existing vegetation consists of sage brush and Juniper trees.

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. The pit will be 100 feet from the bore hole. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

Name:	William A. Ryan
Address:	Rocky Mountain Consulting 350 South, 800 East Vernal, Utah 84078
Telephone:	
Office	801-789-0968
Fax	801-789-0970
Cellular	801-823-6152

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

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

B) Certification

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

Date Dec. 12 1997

William A. Ryan
Agent
Rocky Mountain Consulting

Onsite Date:	November 13, 1997
Participant on joint inspection:	
William Ryan	Rocky Mountain Consulting
Byron Tolman	BLM
Steve Matson	BLM
Steve Strom	BLM
Kim Bartel	BLM

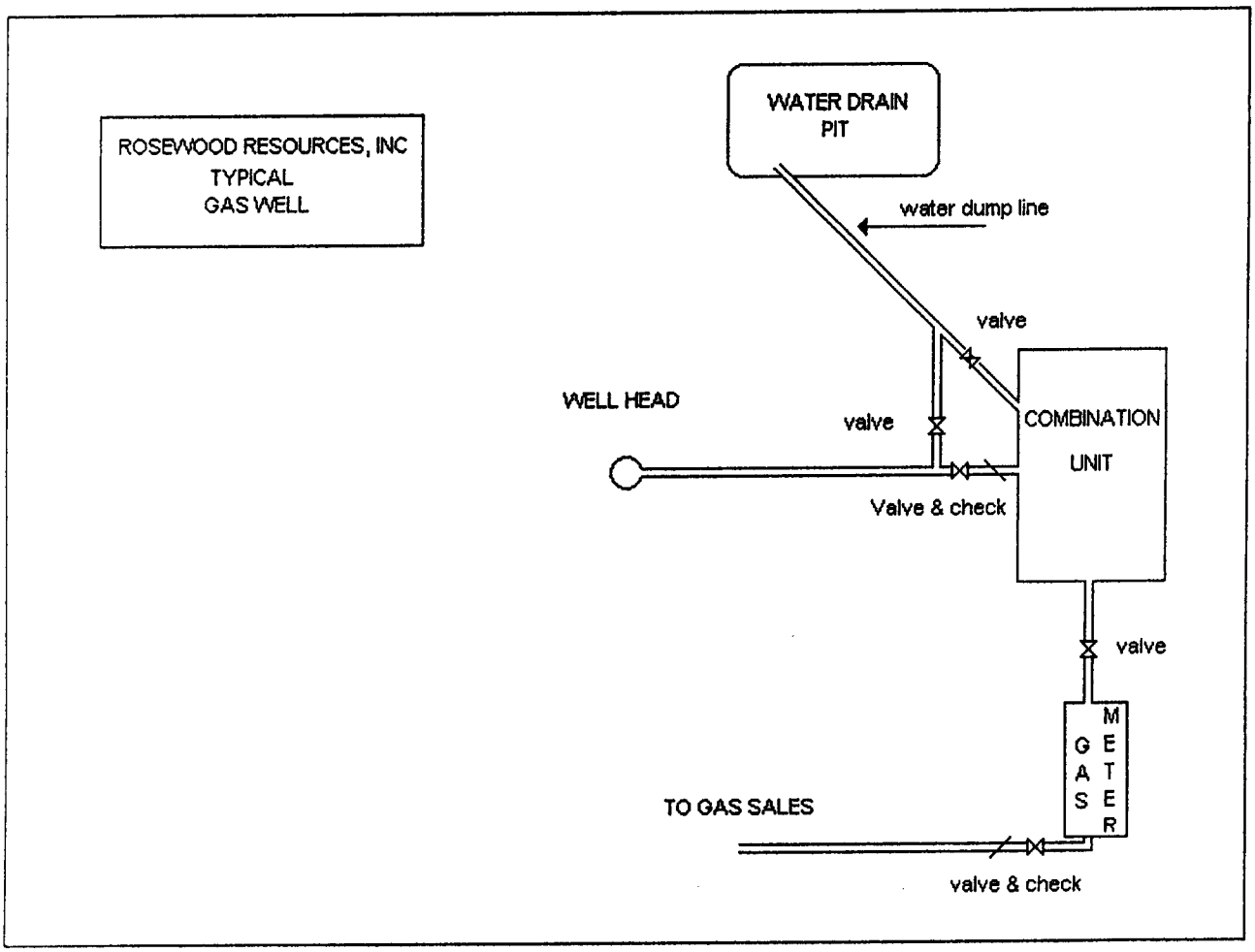
Statement of use of Hazardous Material

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


ROSEWOOD RESOURCES, INC
TYPICAL
GAS WELL
WATER DRAIN
PIT
water dump line
valve
WELL HEAD
valve
COMBINATION
UNIT
Valve & check
valve
M
E
T
E
R
G
A
S
TO GAS SALES
valve & check

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.

Rock House Unit #26
NE 1/4, SW 1/4, Section 19, T. 11 S., R. 23 E.
Lease UTU-0779
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.

William A Ryan

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

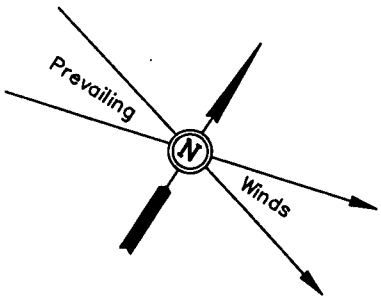
ROSEWOOD RESOURCES, INC.

LOCATION LAYOUT FOR

ROCK HOUSE #26

SECTION 9, T11S, R23E, S.L.B.&M.

2071' FSL 2120' FWL



SCALE: 1" = 50'
DATE: 12-10-97
Drawn By: D.COX

Re-Route Existing Pipeline as Shown

C-2.3' El. 33.9'

C-0.2' El. 31.8'

Approx. Toe of Fill Slope

F-3.0' El. 28.6'

Sta. 3+25

DATA

Existing Surface Pipeline

Approx. Top of Cut Slope

175'

Topsoil Stockpile

REGISTERED LAND SURVEYOR
No. 161319
ROBERT L. KAY
STATE OF UTAH

FLARE PIT

CATWALK

El. 34.3' C-12.7' (btm. pit)

El. 31.5' F-0.1'

PIPE RACKS

C-0.9' El. 32.5'

C-0.5' El. 32.1'

50'

DOG HOUSE

RIG

35'

120'

Sta. 1+50

C-0.4' El. 32.0'

MUD TANKS

WATER

TRAILER

PUMP

MUD SHED

TOILET

HOPPER

POWER

TOOLS

FUEL

STORAGE TANK

Reserve Pit Backfill & Spoils Stockpile

10' WIDE BENCH

180'

Pit Capacity With 2' of Freeboard is 9,130 Bbls. ±

Slope = 1:1

RESERVE PITS (10' Deep)

TRASH

150'

Sta. 0+10

Sta. 0+00

El. 35.8' C-14.2' (btm. pit)

C-5.4' El. 37.0'

C-3.4' El. 35.0'

C-4.0' El. 35.6'

Proposed Access Road

Elev. Ungraded Ground at Location Stake = 5732.1'

Elev. Graded Ground at Location Stake = 5731.6'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

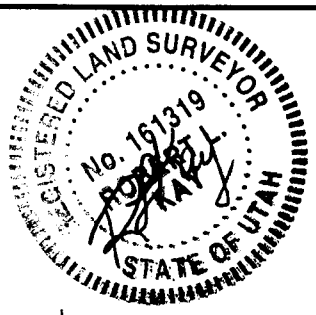
ROSEWOOD RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

ROCK HOUSE #26

SECTION 9, T11S, R23E, S.L.B.&M.

2071' FSL 2120' FWL

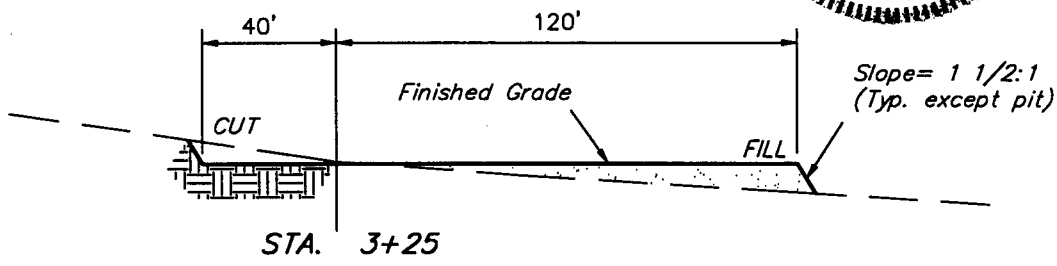


1" = 20'

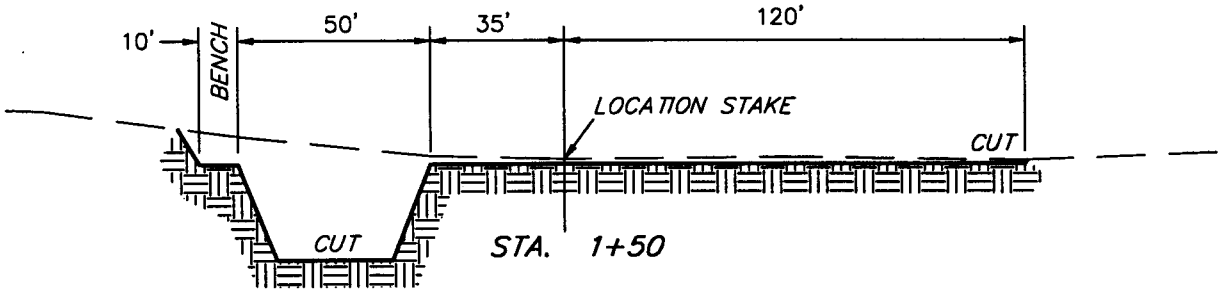
X-Section Scale

1" = 50'

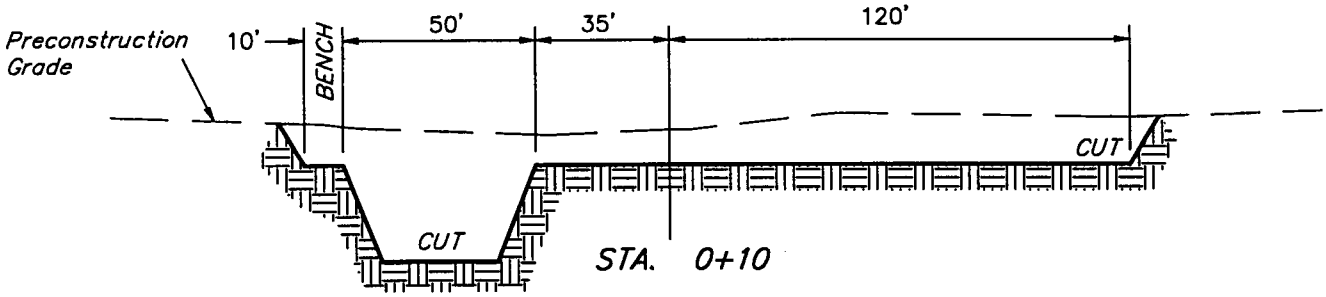
DATE: 12-10-97
Drawn By: D.COX



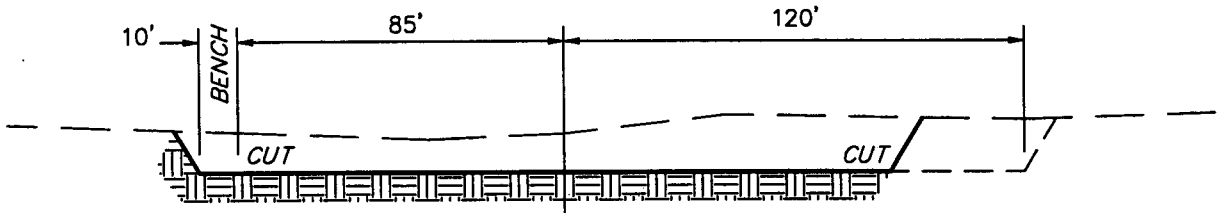
STA. 3+25



STA. 1+50



STA. 0+10



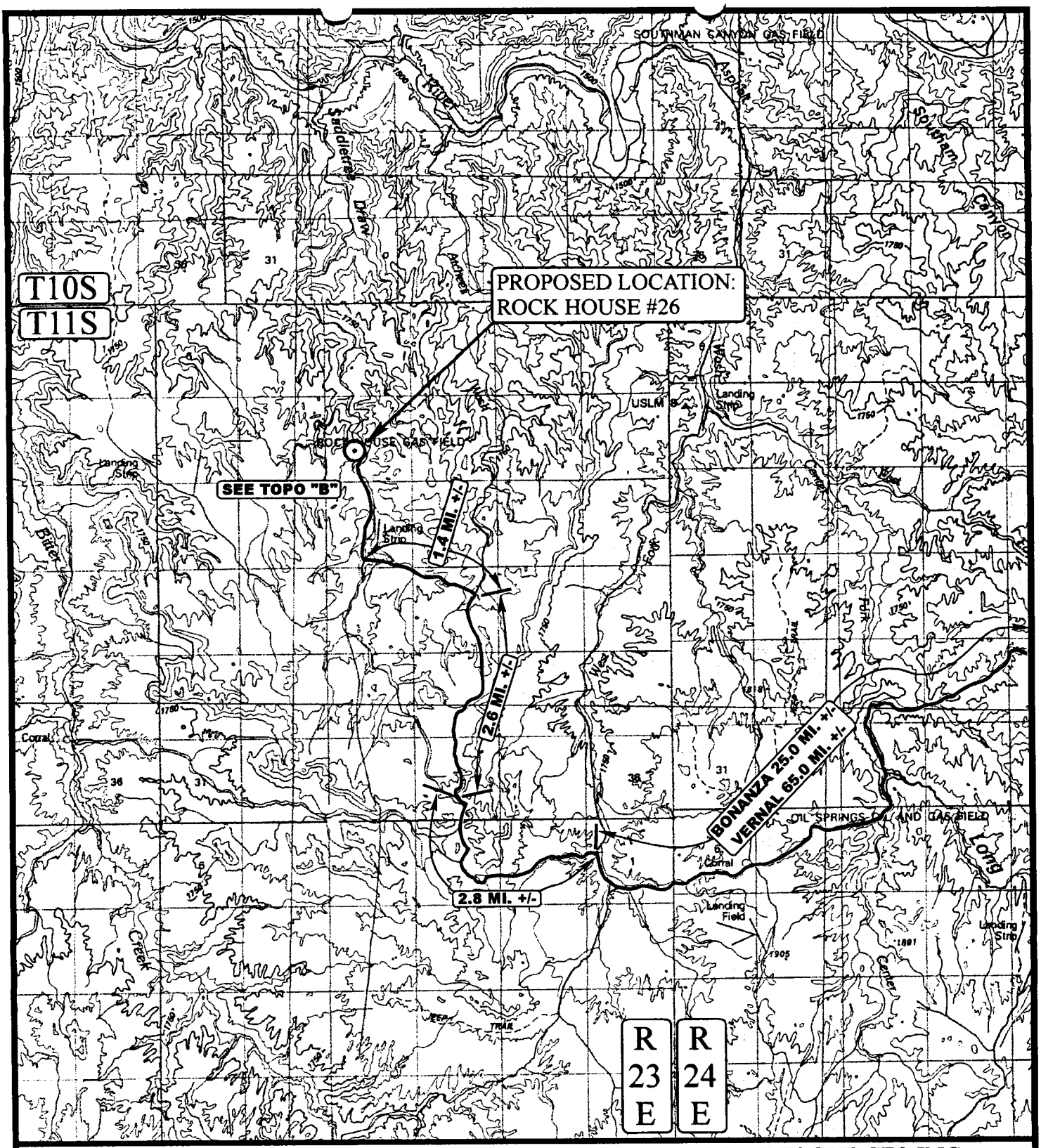
STA. 0+00

APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,100	Cu. Yds.
Remaining Location	= 5,500	Cu. Yds.
TOTAL CUT	= 6,600	CU.YDS.
FILL	= 1,240	CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 5,290	Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,360	Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 2,930	Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
*85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017*



LEGEND:

⊙ PROPOSED LOCATION

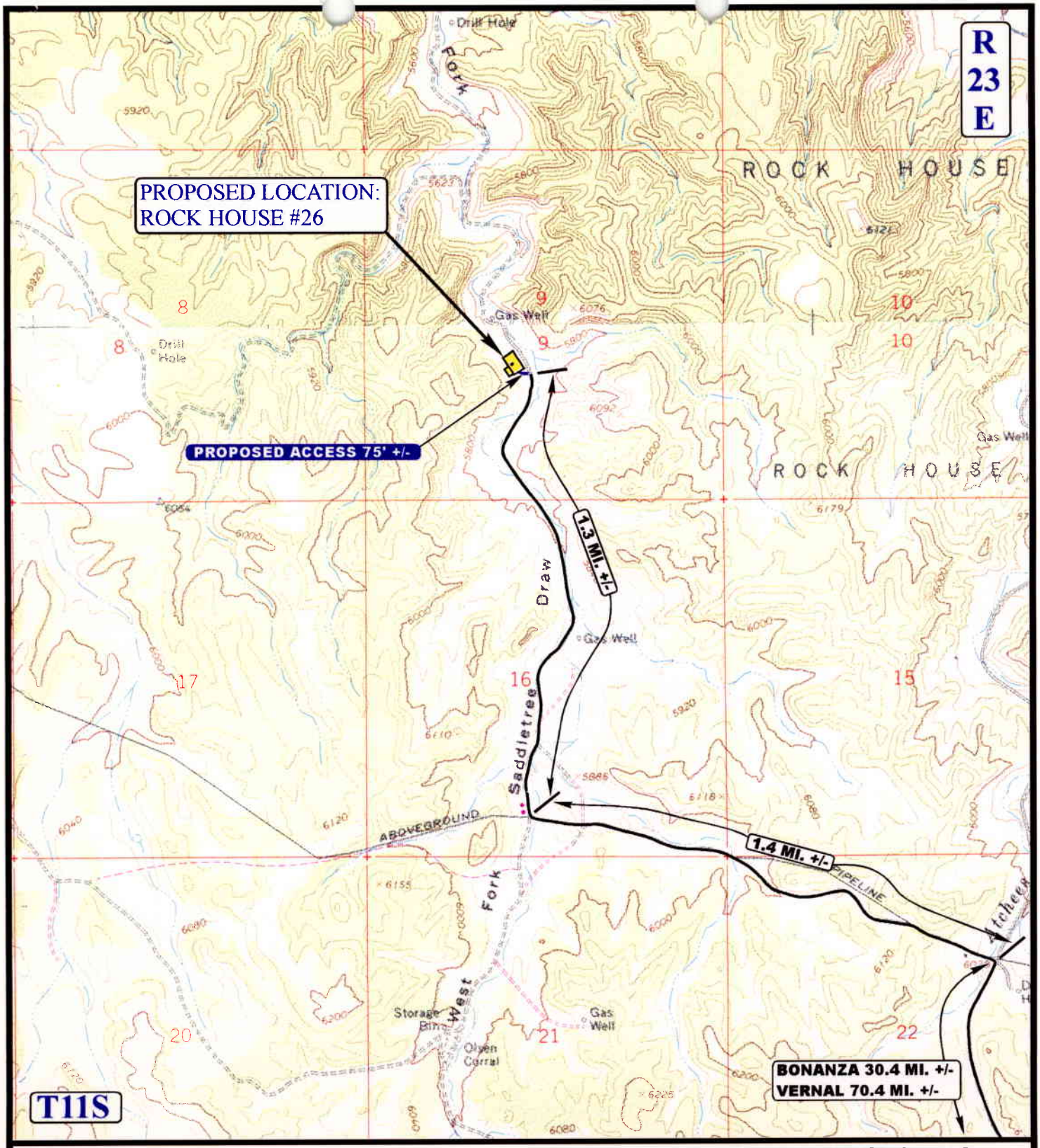
N

ROSEWOOD RESOURCES INC.

ROCK HOUSE #26
SECTION 9, T11S, R23E, S.L.B.&M.
2071' FSL 2120' FWL

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

TOPOGRAPHIC MAP	11 MONTH	10 DAY	97 YEAR	A TOPO
SCALE: 1 : 100,000	DRAWN BY: C.G.	REVISED: 00-00-00		



LEGEND:

PROPOSED ACCESS ROAD

EXISTING ROAD

N

ROSEWOOD RESOURCES, INC.

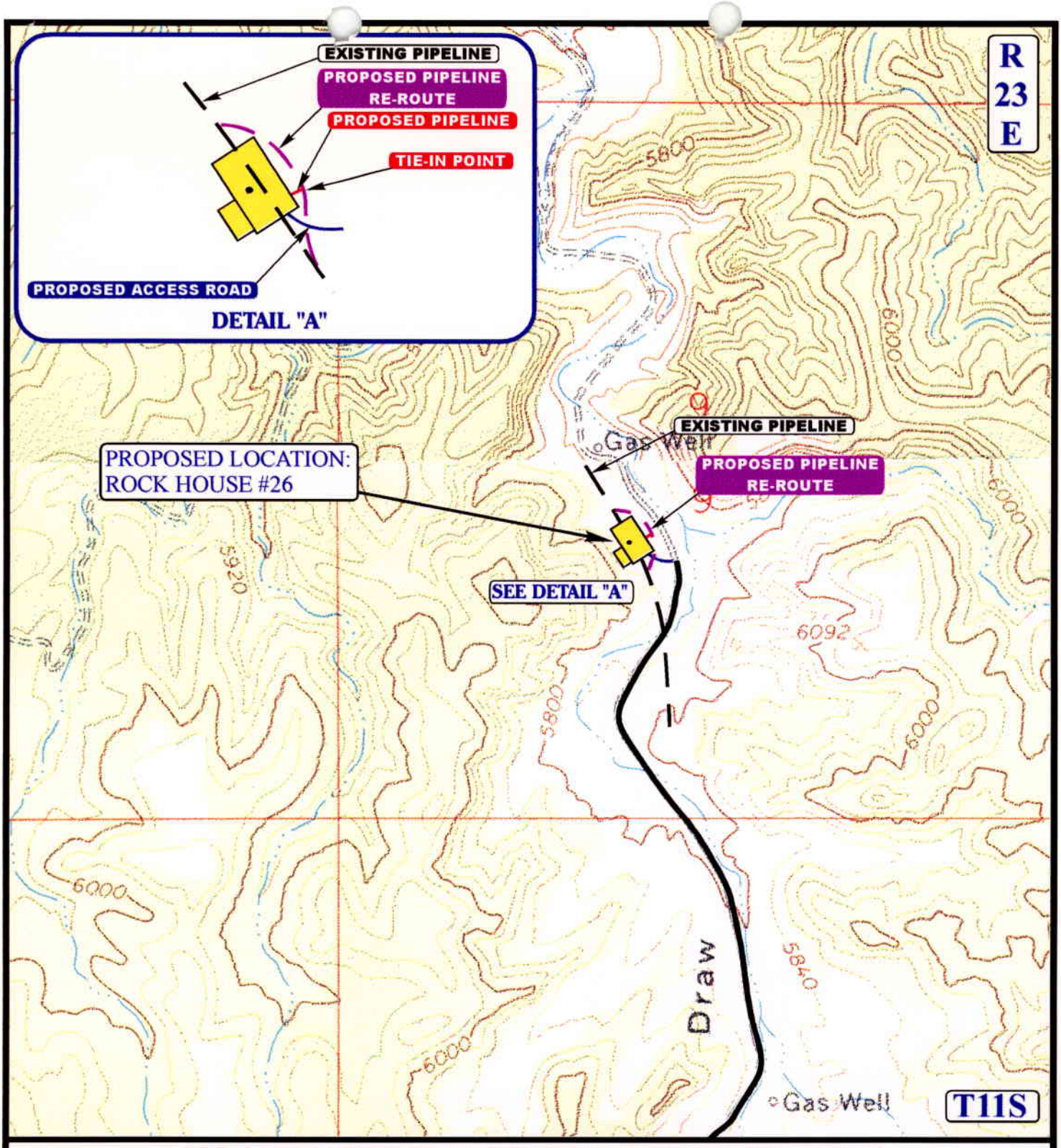
ROCK HOUSE #26

SECTION 9, T11S, R23E, S.L.B.&M.

2071' FSL 2120' FWL

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

TOPOGRAPHIC MAP	11 MONTH	10 DAY	97 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: C.G.	REVISED: 12-8-97		



APPROXIMATE TOTAL PIPELINE DISTANCE = 30' +/-

LEGEND:

- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED ACCESS

N

ROSEWOOD RESOURCES, INC.

ROCK HOUSE #26

SECTION 9, T11S, R23E, S.L.B.&M.

2071' FSL 2120' FWL

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

TOPOGRAPHIC MAP	11 MONTH	10 DAY	97 YEAR	C TOPO
SCALE: 1" = 1000'	DRAWN BY: C.G.	REVISED: 12-8-97		

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/15/97

API NO. ASSIGNED: 43-047-33032

WELL NAME: ROCK HOUSE UNIT #26
OPERATOR: ROSEWOOD RESOURCES (N7510)

PROPOSED LOCATION:
NESW 09 - T11S - R23E
SURFACE: 2071-FSL-2120-FWL
BOTTOM: 2071-FSL-2120-FWL
UINTAH COUNTY
ROCK HOUSE FIELD (670)

LEASE TYPE: FED
LEASE NUMBER: UTU - 0779

PROPOSED PRODUCING FORMATION: MVRD

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

RECEIVED AND/OR REVIEWED:

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

LOCATION AND SITING:

✓ R649-2-3. Unit: ROCK HOUSE
___ R649-3-2. General.
___ R649-3-3. Exception.
___ Drilling Unit.
Board Cause no:
Date:

COMMENTS:

STIPULATIONS:

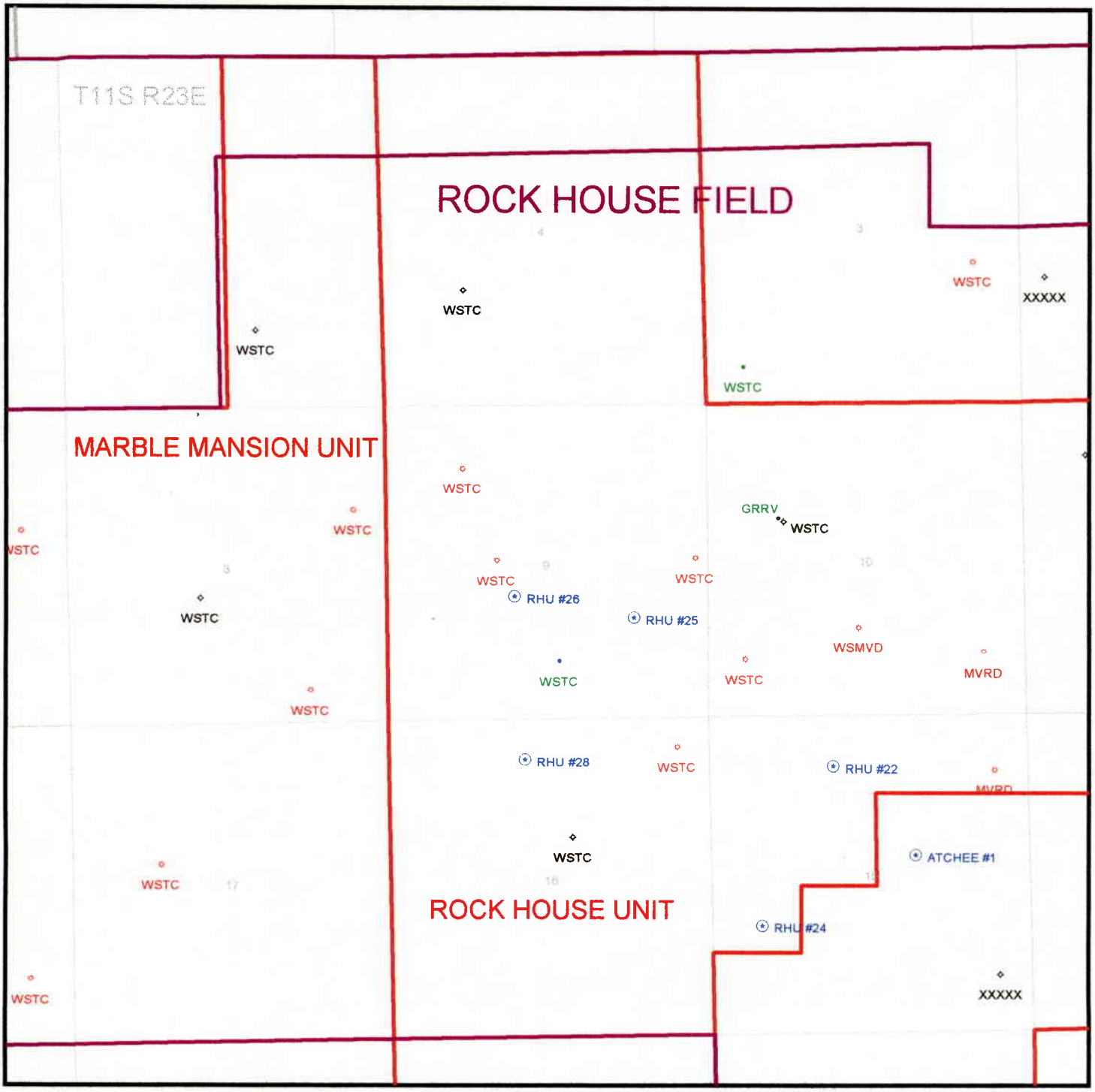
DIVISION OF OIL, GAS & MINING

OPERATOR: ROSEWOOD RESOURCES (N7510)

FIELD: ROCK HOUSE (670)

SEC. TWP. RNG.: SEC. 9, T11S, R23E

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



DATE PREPARED:
17-DEC-1997

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

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)
801-538-7223 (TDD)

February 12, 1998

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

Re: Rock House Unit 26 Well, 2071' FSL, 2120' FWL, NE SW, Sec. 9, 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 43-047-33032.

Sincerely,

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: Rock House Unit 26

API Number: 43-047-33032

Lease: UTU-0779

Location: NE SW **Sec.** 9 **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.

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: UTU-0779

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [XX] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [XX] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [XX]

7. UNIT AGREEMENT NAME: Rock House Unit

8. FARM OR LEASE NAME: Rock House Unit

2. NAME OF OPERATOR: Rosewood Resources, Inc.

9. WELL NO.: #26

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

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 2071' FSL, 2120' FWL, NE1/4, SW1/4, Sec. 9, T11S, R23E
At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEC. 9, T 11 S, R 23 E.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 33.2 MILES SOUTH OF BONANZA, UT

12. COUNTY OR PARISH: UINTAH 13. STATE: UT

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	2071'	16. NO. OF ACRES IN LEASE: 2442	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.	800'	19. PROPOSED DEPTH: 5700'	20. ROTARY OR CABLE TOOLS: ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 5735'

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

~~JAN 05 1998~~
RECEIVED
FEB 13 1998
DIV. OF OIL, GAS & MINING

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

24. SIGNED William A. Ryan WILLIAM A. RYAN TITLE ~~AGENT~~ DATE ~~Nov. 28, 1997~~

(This space for Federal or State office use)

PERMIT NO. NOTICE OF APPROVAL APPROVAL DATE

APPROVED BY Howard B. Cleavinger II TITLE Assistant Field Manager Mineral Resources DATE FEB 05 1998

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

*See Instructions On Reverse Side

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

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Rosewood Resources, Inc.

Well Name & Number: Rock House 26

API Number: 43-047-33032

Lease Number: U - 0779

Location: NESW Sec. 09 T.11S R. 23E

NOTIFICATION REQUIREMENTS

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

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

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

A. DRILLING PROGRAM

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

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

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

2. Pressure Control Equipment

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

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

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

3. Casing Program and Auxiliary Equipment

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

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany oil shale zone, identified at 936 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

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

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

5 .Coring, Logging and Testing Program

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

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

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

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

6. Notifications of Operations

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

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

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

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

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

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

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

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 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 (1).

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

7. Other Information

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

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

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

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

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

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

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

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

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

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

Ed Forsman Petroleum Engineer	(801) 789-7077
Wayne P. Bankert Petroleum Engineer	(801) 789-4170
Jerry Kenczka Petroleum Engineer	(801) 781-1190
BLM FAX Machine	(801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

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

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

Refinery wastes

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

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

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

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

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

-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 south end of the pit.

-The location topsoil pile should 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 is provided in the APD. 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.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: ROSEWOOD RESOURCES

Well Name: ROCK HOUSE UNIT 26

Api No. 43-047-33032

Section 9 Township 11S Range 23E County UINTAH

Drilling Contractor

Rig #

SPUDDED:

Date 4/23/98

Time

How DRY HOLE

Drilling will commence

Reported by LUCI

Telephone # 1-435-789-0414

Date: 4/27/98 Signed: JLT

DIVISION OF OIL, GAS AND MINING

ENTITY ACTION FORM - FORM 6

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 QQ	SC	TP	RG	COUNTY	SPUD DATE	EFFECTIVE DATE
B	99999	02025	4304733029	ROCK HOUSE FEDERAL #28	NE NW	16	11S	R23E	Uintah	4/19/98	4/19/98
WELL 1 COMMENTS: Well to be added to the Rock House Unit. Entities added 4-28-98. Rock House Unit / wstc-mvrd P.A.											
B	99999	02025	4304733032	ROCK HOUSE FEDERAL #26	NESW	9	11S	23E	Uintah	4/21/98	4/21/98
WELL 2 COMMENTS: Well to be added to the Rock House Unit.											
B	99999	02025	4304733027	ROCK HOUSE FEDERAL #22	NENW	15	11S	23E	Uintah	4/23/98	4/23/98
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

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

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

(3/89)

RECEIVED
APR 27 1998
DIV. OF OIL, GAS & MINING

Lucy Nemec
Signature

Admin. Assistant
Title

4/24/98
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-0779

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

SUBMIT IN TRIPLICATE

7. If Unit or CA, Agreement Designation
ROCK HOUSE UNIT

1. Type of Well

[ ] Oil Well [X] Gas Well [ ] Other

8. Well Name and No.
ROCK HOUSE UNIT #26

9. API Well No.
43-047-33032

2. Name of Operator
ROSEWOOD RESOURCES, INC.

10. Field and Pool, or Exploratory Area

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2071' FSL 2120' FWL, NE/SW Section 9, T11S, R23E

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

TYPE OF SUBMISSION	TYPE OF ACTION	
[ ] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[X] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other Spud	[ ] 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 - MIRU CHANDLER RIG #1 ON 6/24/98. DRILLED TO TD @5700'; RAN AND CEMENTED 4-1/2" CSG. RIG WAS RELEASED @ 7:30 P.M. 7/3/98. SEE ATTACHED RIG REPORTS.

CURRENT STATUS - WAITING ON COMPLETION.

RECEIVED
JUL 28 1998
DIV. OF OIL, GAS & MINING

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

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

Signed Kay Heaton Title Administrative Assistant Date 07/23/98

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States andy false, fictitious or fraudulent

ROSEWOOD RESOURCES,INC.

DAILY DRILLING REPORT

LEASE: **ROCK HOUSE** DATE: **6-25-98**

WELL: **# 26**

RIG: **Chandler Rig # 1**

PRESENT OPERATION: **Drilling**

CURRENT DEPTH	560'
PROPOSED TD	5700'
FOOTAGE PAST 24 HRS	60'
ENGINEER	D.WIDNER
CONSULTANT	C. EMERSON

FROM	TO	ACTIVITY PAST 24 HRS:
0700	1900	MIRU Chandler Rig #1. Notify Ed Forsman w/ BLM 1200hrs 6-24-98
1900	2400	RU Single Jack. Test Upper & Lower Kelly Valves, TIW Valve, Choke Line & Valves, Kill Line & Valves,
		Choke Manifold & Valves, Pipe Rams and Blind Rams ALL to 3000psi. Test Annular BOP& Surface Casing
		to 1500psi. BLM Notified of Test but Declined to Witness Test. RD Single Jack.
2400	0300	PU BHA # 1
0300	0600	Tag @ 452'. Drillout Baffle & Shoe.
0600	0700	Drilling New FM 519' - 560'

MUD PROPERTIES:

WT	H2O	% OIL		Ca+	
VIS		%SAND		cake	
WL		%SOLID		pH	
HTHP		ALK		DAILY MUD COST	0
PV		Cl-		CUM. MUD COST	
YP					

PUMP DATA:

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

HYDRAULICS:

WOB	5/10
RPM	40
GPM	

BIT RECORD:

Bit #	RR1	2
Ser#	M35608	
Size	7 7/8"	
Make	RTC	
Type	HP 51 X	
Jets	3-12s	
In @	519'	
Out @		
Feet	41'	
Hrs	1	
Ft/Hr	41'	
CUM		
Grade		

SURVEY DATA:

DEPTH	DEGREES

DAILY COSTS:

FOOTAGE	861
DAYWORK	
LOCATION	
MUD	
RIG MOVE	12000
SURVEYOR	
LOGGING	
MUD LOG	550
CEMENTING	
FISHING	
WATER	2750
WELLHEAD	
CSG CREW	
RENTALS	1750
CASING	
SUPERVISION	500
CASING HEAD	2200
BOP TEST	887
TOTAL DAILY	21498
COST FORWARD	32380
CUM.TO DATE	53878

BHA # 1: Bit, MM, FS, XO, 15- 6 1/8"DC, XO=486.71'

ADDL COMMENTS:

Wasatch Top:

Mesa Verde Top:

Shows: No Shows

ROSEWOOD RESOURCES,INC.

DAILY DRILLING REPORT

LEASE: **ROCK HOUSE** DATE: **7-2-98**

WELL: **# 26**

RIG: **Chandler Rig # 1**

PRESENT OPERATION: **Short Trip**

CURRENT DEPTH	5700' TD
PROPOSED TD	5700'
FOOTAGE PAST 24 HRS	424'
ENGINEER	D.WIDNER
CONSULTANT	C.EMERSON

FROM	TO	ACTIVITY PAST 24 HRS:
0700	0930	Drilling 5276'-5327'
0930	1000	Survey 4 1/2deg @ 5261'
1000	1630	Drilling 5327'-5494'
1630	1700	Circulate Gas Show #51
1700	0430	Drilling 5494'-5700' TD @ 0430 7-2-98
0430	0630	Circulate & Condition Hole
0630	0700	Short Trip
		ADD'L SHOWS:
		#57 5663'-5669' 349u
		#58 5674'-5682' 650u

MUD PROPERTIES:

WT	9.8	% OIL	0	Ca+	40
VIS	47	%SAND	TR	cake	2/32
WL	7.4	%SOLID	10.5	pH	9.5
GELS	4/14	ALK	.5	DAILY MUD COST	3760
PV	20	Cl-	900	CUM. MUD COST	15936
YP	14				

PUMP DATA:

	1	2
MAKE	EMSCO	GarDenv
MODEL	D-500	PZ-8
LINER	5 1/2"	6 1/2"
SPM		110
PSI		1325

HYDRAULICS:

WOB	40
RPM	50/60
GPM	359

BIT RECORD:

Bit #	3	4
Ser#	CS200791	P41902
Size	7 7/8"	7 7/8"
Make	HTC	HTC
Type	AR435GC	HP35A
Jets	4/12,2/14	3/16
In @	3444'	4770'
Out @	4770'	5700'
Feet	1326'	506'
Hrs	30 1/2	48
Ft/Hr	43.5	19.4
CUM		
Grade		

SURVEY DATA:

DEPTH	DEGREES
557'	1/4
1054'	1
1576'	1
2134'	1 1/2
2664'	1 1/2
3165'	3
3444'	3
3998'	4
4526'	4
4770'	4
5261'	4 1/2

DAILY COSTS:

FOOTAGE	6084
DAYWORK	672
LOCATION	
MUD	3760
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	550
CEMENTING	
FISHING	
WATER	450
WELLHEAD	
CSG CREW	
RENTALS	500
CASING	
SUPERVISION	500
BOP TEST	
TOTAL DAILY	12516
COST FORWARD	145222
CUM.TO DATE	157738

BHA # 2: Bit, MM, FS, 21- 6 1/8"DC, XO=667.73'

ADDL COMMENTS:

Wasatch Top: 3420'

Mesa Verde Top: 5430'

Shows: #42 5288'-5301' 582u; #43 5302'-5309' 421u; #44 5343'-5353' 310u; #45 5363'-5366' 116u; #46 5384'-5390' 375u; #47 5432'-5439' 525u; #48 5440'-5445' 361u; #49 5447'-5453' 188u; #50 5469'-5471' 682u; #51 5476'-5484'1319u; #52 5548'-5555' 114u; #53 5592'-5594' 110u; #54 5597' 5603' 335u; #55 5629'-5634' 225u; #56 5642'-5648' 370u

ROSEWOOD RESOURCES,INC.

DAILY DRILLING REPORT

LEASE: **ROCK HOUSE** DATE: **7-3-98**

WELL: **# 26**

RIG: **Chandler Rig # 1**

PRESENT OPERATION: **Circulating Prior To Cementing**

CURRENT DEPTH 5700'

PROPOSED TD 5700'

FOOTAGE PAST 24 HRS

ENGINEER D.WIDNER

CONSULTANT C.EMERSON

FROM	TO	ACTIVITY PAST 24 HRS:
0700	0800	Short Trip 15 Stands. No Drag. No Fill. Trip Gas 38 units.
0800	0900	Circulate 7 Condition Hole f/ Logs. Drop Survey.
0900	1230	TOOH f/ Logs. DP Tally 5700.07'. Operate Blind & Pipe Rams
1230	1800	RU Schlumberger. Run Platform Express Suite From Log TD 5696' to Base of Surface Csg. RD Schlumberger.
1800	2100	TIH No Fill.
2100	2200	Circulate & Condition Hole f/ Running Casing. Trip Gas 16 Units.RU T&M Casers.
2200	0300	LDDP & DC's
0300	0600	RU & Run Casing as follows: 1- 4 1/2"Float Shoe(.79'),1- 4 1/2"Shoe Jt(44.35')(Centralized Mid Jt),1- 4 1/2"FloatCollar
		(.56'), 53 Jts 4 1/2" 11.6# N-80 LT&C 8rd Casing(2331.18')(34 centralizers Run Everyother Jt to 3100'), 1 4 1/2" Stage
		Cement Collar(2.05'), 75 Jts 4 1/2" 11.6# N-80 LT&C 8rd Casing(3316.98'), Set Above KB(-2.00'). Tag @ 5693'.
		Wash Down to 5697'.Total 129 Jts Set @ 5693. 91'KB. Float @ 5648'. Stage Collar @ 3315'. RD T&M Casers
0600	0700	RU HOWCO & Circulate.

MUD PROPERTIES:

WT	9.8	% OIL	0	Ca+	40
VIS	47	%SAND	TR	cake	2/32
WL	7.4	%SOLID	10.5	pH	9.5
GELS	4/14	ALK	.5	DAILY MUD COST	
PV	20	Cl-	900	CUM. MUD COST	15936
YP	14				

PUMP DATA:

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

HYDRAULICS:

WOB	
RPM	
GPM	

BIT RECORD:

Bit #	3	4
Ser#	CS200791	P41902
Size	7 7/8"	7 7/8"
Make	HTC	HTC
Type	AR435GC	HP35A
Jets	4/12,2/14	3/16
In @	3444'	4770'
Out @	4770'	5700'
Feet	1326'	506'
Hrs	30 1/2	48
Ft/Hr	43.5	19.4
CUM		
Grade		

SURVEY DATA:

DEPTH	DEGREES
557'	1/4
1054'	1
1576'	1
2134'	1 1/2
2664'	1 1/2
3165'	3
3444'	3
3998'	4
4526'	4
4770'	4
5261'	4 1/2
5700'	4 1/4

DAILY COSTS:

FOOTAGE	
DAYWORK	6450
LOCATION	
MUD	
RIG MOVE	
SURVEYOR	
LOGGING	13081
MUD LOG	550
CEMENTING	
FISHING	
WATER	510
WELLHEAD	
CSG CREW	
RENTALS	500
CASING	33003
SUPERVISION	500
BOP TEST	
TOTAL DAILY	54594
COST FORWARD	157738
CUM.TO DATE	212332

CASING DETAIL:

1- 4 1/2" Float Shoe(Thd Lok'd)	.79'
1- 4 1/2" Shoe Jt(Centralized Mid Jt)	44.35'
1- 4 1/2 Float Collar(Thd Lok'd)	.56'
53 - 4 1/2" 11.6# N-80 LT&C 8rd Csg	2331.18'
1- 4 1/2" Stage Cementing Collar	2.05'
75- 4 1/2" 11.6# N-80 LT&C 8rd Casing	3316.98'
Landed Above KB	-2.00'
129- Jts Casing Set @	5693.91'

ROSEWOOD RESOURCES,INC.

DAILY DRILLING REPORT

LEASE: **ROCK HOUSE** DATE: **7-4-98**

WELL: **# 26**

RIG: **Chandler Rig # 1**

PRESENT OPERATION: **Wait On Compl**

CURRENT DEPTH 5700'

PROPOSED TD 5700'

FOOTAGE PAST 24 HRS

ENGINEER D.WIDNER

CONSULTANT C.EMERSON

FROM	TO	ACTIVITY PAST 24 HRS:
0700	0830	Circulate Waiting On Cement Head
0830	0930	Stage # 1 Cement as follows: Pump 10 bbl SuperFlush, 20 bbl H2O, 420sks Class "G" Cmt w/ .3% CFR-3,1/4#/sk
		FloCele, .5% Halad-9, 2% Gel, 2% Microbond, .2% SuperCBL. Displace w/ 58.5bbl H20. Bump Plug @ 0915Hrs
		Casing Reciprocated During Job w/ Excellent Returns Diring Job.Float Held OK.Drop Plug. Open Stage Collar.
0930	1330	Circulate Waiting On Cement.
1330	1430	Stage # 2 Cement as follows: Pump 20 bbl Fresh H2O, Lead w/ 430 sks HOWCO LITE(65/35 Poz w/ 6% Gel) w/ 1%
		Econolite, 1/4#/sk FloCele, .2% Micro Bond, 3% Salt. Tail w/ 50 sks Cls "G" Neet. Drop Plug. Displace w/ 51.5 bbl
		H2O. Bump Plug @ 2900 psi @ 1400hrs 7-3-98. Stagetool Held OK. Excellent Returns During Job.Circ Approx 5 bbl
		Cement to Surface. RD HOWCO.
1430	1530	Clean & ND BOP. Set Slips & Hang Off Casing w/ 45K# on Hanger. Cutoff.
1530	1930	Jet & Clean Pits. Rig Released @ 1930 hrs 7-3-98

MUD PROPERTIES:

WT	9.8	% OIL	0	Ca+	40
VIS	47	%SAND	TR	cake	2/32
WL	7.4	%SOLID	10.5	pH	9.5
GELS	4/14	ALK	.5	DAILY MUD COST	
PV	20	Cl-	900	CUM. MUD COST	15936
YP	14				

PUMP DATA:

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

HYDRAULICS:

WOB	
RPM	
GPM	

BIT RECORD:

Bit #	3	4
Ser#	CS200791	P41902
Size	7 7/8"	7 7/8"
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Hrs	30 1/2	48
Ft/Hr	43.5	19.4
CUM		
Grade		

SURVEY DATA:

DEPTH	DEGREES
557'	1/4
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2134'	1 1/2
2664'	1 1/2
3165'	3
3444'	3
3998'	4
4526'	4
4770'	4
5261'	4 1/2
5700'	4 1/4

DAILY COSTS:

FOOTAGE	
DAYWORK	3225
LOCATION	
MUD	
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	
CEMENTING	33294
DC INSP	820
WATER	
WELLHEAD	
CSG CREW	7256
RENTALS	150
CASINGHANGER	1330
SUPERVISION	500
FLOAT EQUIP	3800
TOTAL DAILY	50375
COST FORWARD	212332
CUM.TO DATE	262707

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

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: UTU-0779

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

7. If Unit or CA, Agreement Designation: ROCK HOUSE UNIT

1. Type of Well
- [ ] Oil Well
- [X] Gas Well
- [ ] Other

8. Well Name and No.: ROCK HOUSE UNIT #26

9. API Well No.: 43-047-33032

2. Name of Operator: ROSEWOOD RESOURCES, INC.

10. Field and Pool, or Exploratory Area:

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2071' FSL 2120' FWL, NE/SW Section 9, T11S, R23E

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

TYPE OF SUBMISSION	TYPE OF ACTION	
[ ] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[X] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other WEEKLY	[ ] Dispose Water

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

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

Weekly Status - completion from 8/18/98 - 10/8/98
(see attached rig reports).
Current status: Producing

RECEIVED
OCT 19 1998
DIV. OF OIL, GAS & MINING

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

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

Signed Lucy Nemec Title Administrative Assistant Date 10/15/98

(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 andy false, fictitious or fraudulent statements or representations as to any mater within its jurisdiction.

***See Instructions on Reverse Side**

ROSEWOOD RESOURCES, INC. Daily Completion Report

WELL NAME: ROCKHOUSE #26 **DATE: 10/15/98**

DEPTH:	**5700'**			
PBTD	**5648'**		**Lease #:**	**UTU-63030C**
PERFS:	**4543' - 4560'**	**5186' - 5190'**	**Location:**	**NE/SW SEC.9,11S,R23E**
	4633' - 4639'	**5398' - 5408'**	**County:**	**Uintah Co., Utah**
	5087' - 5092'	**5432' - 5436'**		
PACKER:				
RBP:				
CIBP:			**Engineer**	**D. Widner**
EOT:	**5341'**		**Consultant**	**T. THURSTON**

8/18/98

MIRU POOL RIG #824, SPOT TANKS, SET PIPE RACKS, NU BOP'S, SIFN.

Daily cost $3,233 cum. cost $265,940

8/19/98

RIH W/ 3 7/8" ROCK BIT, 4 1/2" CSG. SCRAPER AND 4, 3 1/8" DRILL COLLARS ON 2 3/8" TBG. TAGGED CMT. @ 3301', TESTED TO 2500#, HELD OK. DRILLED CMT TO 3315', DRILLED OUT STAGE COLLAR. TESTED TO 2500#, HELD OK. RIH TO 5649' , TAGGED TD. CIRCULATED HOLE CLEAN WITH 3% KCL, POOH W/ TBG., SIFN.

Daily cost $4,796 cum. cost $270,736

8/20/98

RU SCHLUMBERGER, RAN BOND LOG, MAX RUN DEPTH 5620', TOP OF GOOD CEMENT @ 3710', STAGE TOOL @ 3312'. GOOD CEMENT ACROSS ALL ZONES OF INTEREST. RIH WITH TBG TO 5396', SWABBED FLUID LEVEL DOWN TO 2500', POOH . PERFORATED INTERVAL 5432' TO 5436', 4 SPF, 16 HOLE TOTAL W/ 3 3/8" HSD CSG. GUN. NO SHOWS AFTER PERFORATING. RIH W/ XN NIPPLE, 4' SUB, ARROW SET-1 PKR, 1 JT. TBG , X NIPPLE AND 173 JTS 2 3/8" TBG. XN NIPPLE @ 5380', PKR @ 5367' AND X NIPPLE @ 5325'. SET PKR IN COMPRESSION, LANDED ON HANGER IN WELL HEAD. WELL STARTING KICKING, UNLOADED SOME FLUID, MADE 1 SWAB RUN, WELL KICKED OFF UNLOADED TBG. MADE 2ND RUN, NO FLUID IN TBG. PUT 8/ 64" CHOKE IN, FLOWED 1 HR, FTP 310#, EST. MCF 104, NO FLUID. SIFN

Daily cost $27,340 cum. cost $298,076

8/21/98

SITP 1850#, OPEN TO TANK ON 16/64" CHOKE 2 HRS, STABLE FTP 115#, EST. MCF 157. IN 14/64" CHOKE FOR 2 HRS, STABLE FTP 150#, EST. MCF 150. IN 12/64" CHOKE FOR 2 HRS, STABLE FTP 190#, EST. MCF 145. SIFN

Daily cost $2,223 cum. cost $300,299

8/22/98

SITP 1700#, OPEN TO TANK ON 18/64" CHOKE FOR 1 1/2 HRS, STABLE FLOWING PSI 120#, EST. MCF 208. RU SCHLUMBERGER, PERFORATED INTERVAL 5398' TO 5408', 10', 2 SPF, 20 HOLE TOTAL WITH 1 11/16" ENERJET. WELL SHUT IN 2 HRS, WHILE PERFORATING AND RIGGING DOWN SCHLUMBERGER, SITP BUILT TO 1300#. OPEN TO TANK FOR 1 1/2 HRS ON 16/64" CHOKE, PSI STABLE @ 115#, EST MCF 157. IN 14/64" CHOKE FOR 1 HR, FTP 150#, 156 MCF. IN 12/64" CHOKE FOR 2 HRS, FTP 200#, EST MCF 152. SIFN

Daily cost $4,875 cum. cost $305,174

8/23/98

SITP 1780#, OPENED TO TANK ON 16/64" CHOKE FOR 3 HRS, FTP 123#, 168 MCF. RU BJ TO BREAK DOWN PERFS @ 5398' TO 5408' & 5432' TO 5436', W/ 3% KCL AND 50 BALL SEALERS. BROKE DOWN PERFS @ 2450#, AVG. RATE 3.5 BPM, AVG PSI 3400#, MAX PSI 4500# ON BALL OUT. SURGED BALLS, PUMPED INTO PERFS @ 2.4 BPM @ 2249# AND 3.5 BPM @ 2666#. ISIP 1800#, 5 MIN 1299#. 10 MIN 1054# AND 15 MIN 904#. (FRAC GRAD. .77) 34 BBLS LOAD WATER TO RECOVER. RIGGED UP FLOW LINE TO MANIFOLD, OPENED UP WELL, WELL DEAD. MADE 4 SWAB RUNS, WELL SWABBED DOWN, RECOVERED 25 BBLS LOAD WATER, 9 BBLS LTR. MADE 30 MIN. RUN , RECOVERED 200' OF GAS CUT FLUID. PUT IN 8/64" CHOKE, FOR 30 MINS, FTP BUILT TO 25#. MADE SWAB RUN, RECOVERED 200' OF GAS CUT FLUID. SIFN

Daily cost $4,034 cum. cost $309,208

8/24/98

SITP 1940#, OPEN TO TANK ON 16/64" CHOKE FOR 2 HRS, FTP STABLE AT 55#, 75 MCF. WELL DID NOT LOAD ANY FLUID. SHUT IN FOR 30 MIN, SITP 100#, OPEN WIDE OPEN. WELL BLEW DOWN, WITH A GOOD CONTINOUS SHOW OF GAS, BUT DID NOT UNLOAD ANY FLUID. 9 BBLS LEFT TO RECOVER. SIFN

Daily cost $590 cum. cost $309,798

8/25/98

SITP 1840#, OPEN TO TANK ON 24/64" CHOKE FOR 1 1/2 HRS, FTP STABLE @ 15#, 47 MCF. PULLED CHOKE, MADE SWAB RUN, RECOVERED 3 BBLS LOAD WATER. MADE 2ND RUN, WELL DRY. PUT 16/64" CHOKE IN FOR 1 1/2 HRS, FTP 95#, 130 MCF. MADE SWAB RUN, RECOVERED 1/2 BBL WATER . PUT 16/64" CHOKE BACK IN FOR 1 HR, FTP 102#, 139 MCF. PUT 14/64" CHOKE IN 1 1/2 HRS, FTP 142#, 148 MCF. MADE SWAB RUN, WELL DRY. TOTAL FLUID RECOVERED 3 1/2 BBLS, 5 1/2 BBLS LTR. SIFN

Daily cost $2,544 cum. cost $312,342

8/26/98

R/U SCHLUMBERGER. RIH W/ 3 3/8" CSG GUN & PERFORATE INTVL 4161'- 71' 4 SPF 40 HOLES TOTAL. HAD NO PRESSURE INCREASE. R/D WIRELINE. P/U XN- NIPPLE, 8' PUP JT, ARROWSET 1-X PKR, ON/OFF TOOL, 1 JT TBG, X- NIPPLE & RIH W/ 131 JTS 2 3/8" TBG. SET PKR @ 4059' & LAND TBG ON HANGER @ 4073'. PRESSURE TEST PKR TO 2500#. HELD OK! FILL TBG & BREAK DOWN PERFS W/ RIG PUMP USING 3% KCL WATER. ZONE BROKE @ 2500#. AVG 2 BPM @ 1600#. ISIP 1400# (.78 FRAC GRAD.) PUMPED 5 BBLS INTO PERFS. R/U & SWAB WELL. MADE 4 CONSECUTIVE RUNS & 4 HOURLY RUNS. RECOVERED 21.5 BBLS WATER W/ SMALL GAS BLOW. FLOW TESTED WELL ON 8/64 CHOKE BETWEEN HOURLY SWAB RUNS. FTP @ 40#. HAVE RECOVERED ALL LOAD FLUID. SION

Daily cost $21,121 cum. cost $333,463

8/27/98

SITP 1990#, OPENED TO TANK ON 16/64" CHOKE FOR 2 HRS. FTP 114#, EST MCF 156, RECOVERED NO FLUID. IN 14/64" CHOKE FOR 2 HRS, STABLE FTP 150#, EST MCF 156, NO FLUID. OPENED WIDE OPEN, WELL BLEW DOWN WITH A TRACE OF LOAD WATER. RU SWAB, RIH, RECOVERED 1/4 BBL. PUT 14/64" CHOKE BACK IN FOR 1 HR, FTP 150#. LOADED TBG, WITH 3% KCL, PUMPED INTO PERFS @ 2450#, EST. RATE OF 2650# @ 2.5 BPM. ISIP 1700# (FRAC GRAD. .77) 5 MIN. 500# AND 15 MIN. 0#. PUMPED TOTAL OF 25 BBLS, 7 BBLS INTO PERFS. RU SWAB, SWABBED TBG DRY, RECOVERED TOTAL OF 25 BBLS. MADE 2-30 MIN RUNS, RECOVERED 200' OF GAS CUT FLUID, 1/2 BBL FLUID. PUT 14/64 CHOKE IN FOR 1 1/2. FTP 150#. MCF 156. SIFN

Daily cost $2,874 cum. cost $336,337

8/28/98

SITP 2050#, OPEN TO TANK ON 14/64" CHOKE FOR 4 HRS, STABLE FTP 195#, EST MCF 203. IN 12/64" CHOKE FOR 1 HR., FTP 235#, 179 MCF. OPENED WELL WIDE OPEN, BLEW DOWN W/ A GOOD CONTINOUS SHOW OF GAS, NO FLUID. RIH W/ SWAB, NO SOLID FLUID IN WELL, RECOVERED 500' OF GAS CUT FLUID. MADE 30 MIN. RUN, RECOVERED NO FLUID. PUT 12/64" CHOKE IN FOR 1 HR., FTP 260#, 198 MCF. SIFN

Daily cost $2,566 cum. cost $338,903

8/29/98

SITP 2025#, OPENED TO TANK ON 18/64" CHOKE FOR 2 HRS, FTP 185#. PUT 1000# PRESSURE ON CSG. W/ RIG PUMP. RU HALLIBURTON, FRACED INTERVAL 5186' TO 5190' W/ 124 BBLS 20# DELTA W/ 10,500# 20/40 OTTAWA FRAC SAND. AVG. RATE 8.8 BPM, AVG. PSI 4000# AND MAX PSI OF 4360#. ISIP 1798# (FRAC GRAD. OF .79) 5 MIN. 1570#, 10 MIN. 1476# AND 15 MIN. 1404#. SHUT IN FOR 2 HRS, SITP 600#, OPENED TO TANK ON A 24/64" CHOKE. WELL FLOWED 1 HR, W/ A SHOW OF FRAC SAND, BLEW DOWN. RU SWAB, SWABBED FOR 4 HRS, RECOVERED 53 BBLS LOAD WATER W/ A GOOD SHOW OF GAS. PUT 18/64" CHOKE IN, FLOWED 4 HRS, FTP 340#, RECOVERING 4 BBLS LOAD PER HR. IN 20/64" CHOKE FOR 2 HRS, FTP 280#, EST. MCF 601, FLUID DID NOT CHANGE, SO PUT 18/64" CHOKE BACK IN FOR 6 HRS. FTP 340#, EST. MCF 590. FLOWING 2 TO 4 BBLS LOAD WATER PER HOUR. TOTAL FLUID RECOVERED 74 BBLS, 50 BBLS LEFT TO RECOVER. PUT 16/64" CHOKE IN, LEFT FLOWING TO TANK.

Daily cost $24,042 cum. cost $364,973

8/31/98

THIS A.M., WELL FLOWING TO TANK ON A 16/64" CHOKE, FLOWED 3 HRS, FTP 410#, EST. MCF 560. WELL FLOWING W/ A LIGHT MIST LOAD WATER. IN 14/64" CHOKE FOR 4 HRS, FTP 500#, EST. MCF 521. WAS RECOVERING ONLY A TRACE OF LOAD WATER. TOTAL LOAD WATER RECOVERED FOR DAY, 8 BBLS. TOTAL FLUID RECOVERED 82, 42 LTR. SHUT IN FOR BUILD UP.

Daily cost $610 cum. cost $365,583

9/1/98

SITP 1540#, OPEN TO TANK ON 20/64" CHOKE FOR 5 HRS, FTP 300#, EST. MCF 644. WELL FLOWING W/ A LIGHT MIST OF LOAD WATER , RECOVERING 2 BBLS/HR. RECOVERED 15 BBLS WATER, TOTAL WATER RECOVERED 97 BBLS, 27 BBLS LEFT TO RECOVER. RU SLICKLINE, SET XN PLUG IN XN NIPPLE @ 5104'. UNSET PKR, LOWERED 2 JTS TO 5146' ON 167 JTS. RE-SET PKR, GOT OFF ON AND OFF TOOL, TESTED PKR TO 2500#, HELD OK. POOH WITH TBG AND RETRIVING HEAD. RU SCHLUMBERGER, PERFORATED INTERVAL 5087' TO 5092', 4 SPF, 20 HOLES W/ 3 3/8" HSD CSG GUN. NO SHOWS AFTER PERFORATING. RIH W/ XN NIPPLE, 4' SUB, ARROW SET-1 PKR, 1 JT TBG, X NIPPLE AND 161 JTS TBG. LANDED PKR @ 5000', XN NIPPLE @ 5011', SET PKR IN COMPRESSION, LANDED IN WELLHEAD ON HANGER. TESTED PKR TO 2500#, HELD OK. RU SWAB, MADE 3 SWAB RUNS, WELL SWABBED DRY WITH A GOOD SHOW OF GAS. SIFN

Daily cost $7,560 cum. cost $373,143

9/2/98

SITP 1780#, OPENED TO TANK ON 16/64" CHOKE FOR 3 1/2 HRS, FTP 160#, 218 MCF. WELL FLOWING W/ A CONTINOUS LIGHT MIST, RECOVERED 4 BBLS WATER. PULLED CHOKE, WELL BLEW DOWN, UNLOADED 2 BBLS WATER. RIH W/ SWAB, RECOVERED 150' OF GAS CUT FLUID. LOADED TBG. W/ 21 BBLS 3% KCL, BROKE DOWN PERFS AT 2450#, EST. RATE ON 4 BBLS KCL OF 2000# @ 3 1/2 BPM. ISIP 1100# (FRAC GRAD. OF .66) 5 MIN. 800#. 25 TOTAL BBLS TO RECOVER. MADE 3 SWAB RUNS, RECOVERED 21 BBLS LOAD WATER , WELL KICKED OFF. PUT 16/64" CHOKE IN FOR 2 1/2 HRS, FTP 280#, EST. MCF 382. RECOVERED 2 BBLS LOAD WATER, 3 BBLS LTR. SIFN

Daily cost $2,681 cum. cost $375,824

9/3/98

SITP 1960#, OPENED ON 16/64" CHOKE FOR 2 HRS, FTP 280#, 382 MCF, RECOVERED 4.3 BBLS WATER. UNSET PKR, POOH. WELL KICKED OFF, WOULD NOT BLOW DOWN. RU SCHLUMBERGER, SET HE-RBP @ 4740'. BLEW DOWN CSG, LOADED HOLE W/ 3% KCL, TESTED RBP TO 2500#, HELD OK. PERFORATED INTERVAL 4672' TO 4678', 6', 4 SPF, 24 HOLE TOTAL W/ 3 3/8" HSD-DP CSG GUN. NO SHOWS AFTER PERFORATING. RIH W/ XN NIPPLE, 4' SUB, ARROW SET-1 PKR, 1 JT. TBG, X NIPPLE AND 148 JTS TBG. LANDED PKR @ 4600', XN NIPPLE @ 4613'. SET PKR IN COMPRESSION, LANDED IN WELLHEAD ON HANGER, TESTED PKR TO 2500#, HELD OK. MADE 3 SWAB RUNS, SWABBED DRY W/ A SLIGHT SHOW OF GAS. MADE 30 MIN. RUN, NO ENTRY. SIFN

Daily cost $6,029 cum. cost $381,853

9/4/98

SITP 650#, OPENED UP ON 16/64' CHOKE FOR 1 HR, PSI PULLED TO 0#, W/ A LIGHT CONTINOUS SHOW OF GAS. LOADED TBG W/ 20 BBLS 3% KCL, PUMPED INTO PERFS @ 1700#. EST. RATE OF 1700# @ 4 BPM, ISIP 700#, 5 MIN. 100#. (FRAC GRAD. .58) PUMPED 5 BLS INTO FORMATION, 25 BBLS TO RECOVER. MADE 4 SWAB RUNS, SWABBED TBG DOWN, RECOVERED 25 BBLS. MADE 3-30 MIN RUNS, RECOVERED NO FLUID. MADE 1, HOURLY RUN, RECOVERED 300' OF GAS CUT FLUID. PUT 8/64" CHOKE IN FOR 1 1/2 HOUR, FTP BUILT TO 65#. MADE SWAB RUN, RECOVERED 300' OF GAS CUT FLUID. TOTAL FLUID RECOVERED FOR DAY 28 BBLS. SIFN

Daily cost $2,586 cum. cost $384,439

9/8/998

SITP 840#, OPENED TO TANK ON 16/64" CHOKE, WELL BLEW DOWN IN 30 MIN. RU SWAB, MADE RUN, 1100' OF WATER IN WELL. MADE 2ND RUN , DRY. MADE 1 HR. RUN, RECOVERED 50' OF WATER, PUT 8/64" CHOKE IN FOR 1 HR, FTP 17#. MADE SWAB RUN, RECOVERED 250' OF FLUID. PUT BACK ON 8/64" CHOKE FOR 2 HRS, FTP @ 19#. MADE SWAB RUN, RECOVERED 150' OF GAS CUT FLUID, 1/4 BBL. FLOWED 1 HR. ON 8/64" CHOKE, FTP BUILT TO 13#. SHUT FOR WEEKEND

Daily cost $6,971 cum. cost $391,410

9/9/998

CHECK PRESSURE. 1240# SITP. FLOW WELL TO TANK ON 16/64 CHOKE FOR 1 HR. FTP DROPPED TO 4#. R/U & SWAB WELL. FL @ 2000'. SWABBED WELL DRY IN 2 RUNS & RECOVERED 9 BBLS WATER. FLOWED WELL FOR 8 HRS ON 8/64 CHOKE. FTP @ 24#. MADE 3 MORE SWAB RUNS & RECOVERED 1 MORE BBL WATER. RECOVERED 10 BBLS TOTAL TODAY. SION

Daily cost $2,576 cum. cost $393,986

9/10/998

CHECK PRESSURE. 540# SITP. FLOW WELL TO TANK. WELL BLEW DOWN IN 20 MIN. RELEASE PKR & SPOT 2 sx SAND ON RBP @ 4740'. POOH W/ TBG & TOOLS. P/U CEMENT RETAINER & RIH W/ 2 3/8" TBG. TEST TO 1500#. HELD OK! R/U HALLIBURTON. FILL TBG & ESTABLISH INJECTION RATE. (3BPM @ 1750#) MIX & PUMP 50 sx CLASS "G" CEMENT. STAGED CEMENT INTO PERFS & PRESSURED TO 3300#. REVERSED 2 BBLS CEMENT TO PIT. HAVE 7 BBLS CEMENT INTO PERFS. POOH W/ TBG & STINGER. P/U BIT, 4- 3 1/8" DC'S & RIH W/ TBG TO 4285'. SION

Daily cost $8,661 cum. cost $402,647

9/12/998

RIH & TAG CEMENT @ 4600'. R/U DRLG EQUIPMENT. DRILL OUT CEMENT & RETAINER TO 4680'. PRESSURE TEST SQUEEZE PERFS TO 2800#. HELD OK! POOH W/ 2 3/8" TBG & L/D DC'S. P/U BIT, 4 1/2" CSG SCRAPER & RIH W/ TBG. TAG SAND @ 4715'. CIRC OUT SAND TO TOP OF RBP @ 4740'. DISPLACE WELL W/ CLEAN 3% KCL WATER. R/U & SWAB WELL DOWN TO 2500'. SION

Daily cost $3,870 cum. cost $406,517

9/14/998

POOH W/ TBG & TOOLS. R/U SCHLUMBERGER. RIH & WIRELINE SET RBP @ 4664'. RIH W/ 3 3/8" CSG GUN & PERFORATE INTVL 4633'- 39', 4 SPF, 24 HOLES TOTAL. R/D WIRELINE UNIT. P/U XN- NIPPLE, 8' PUP JT, ARROWSET 1-X PKR, ON/OFF TOOL, 1 JT TBG, X- NIPPLE & RIH W/ 2 3/8" TBG. SET PKR @ 4514'. TEST TO 2500#. HELD OK! R/U & SWAB WELL DRY IN 3 RUNS W/ ONLY SMALL GAS SHOW. R/U & BREAK DOWN PERFS W/ RIG PUMP USING 3% KCL WATER. ZONE BROKE @ 2750#, AVG 3 BPM @ 1750#, ISIP 750# (.60 FRAC GRAD.) R/U & SWAB WELL. MADE 4 RUNS & RECOVERED 22 BBLS WATER. HAVE 5 BLTR. INSTALLED 16/64 CHOKE & FLOW TESTED WELL FOR 2 HRS. FTP BUILT TO 215#. (EST 293 MCFD FLOW RATE) SION

Daily cost $7,329 cum. cost $413,846

9/15/998

SITP 1640#, OPENED TO TANK ON 16/64" CHOKE, FLOWED 3 1/2 HRS, FTP STABLE @ 160#, EST. MCF 218. PULLED CHOKE, WELL UNLOADED 2 BBLS WATER. RU SWAB, RECOVERED 1 BBL WATER. IN 14/64" CHOKE, FLOWED 2 HRS, FTP 220#, 229 MCF. PUT 16/64" CHOKE BACK IN FOR 30 MIN, FTP 160#. PULLED CHOKE, BLEW WELL DOWN, UNSET PKR. LOWERED PKR 2 JTS AND A 10' SUB, PKR LANDED @ 4590', XN PLUG AT 4596'. SET PKR IN COMPRESSION, LANDED ON HANGER IN WELL HEAD. WELL KICKED OFF, UNLOADED TBG, BLEW DOWN. RU SWAB, SWABBED TBG DRY, PUT IN 16/64" CHOKE FOR 30 MIN., FTP 160# SION

Daily cost $1,983 cum. cost $415,829

9/16/998

SITP 1640#, OPEN TO TANK ON 18/64" CHOKE FOR 2 HRS, FTP 160", EST. MCF 277. RU SLICKLINE, SET XN PLUG IN XN NIPPLE @ 4596'. GOT OFF, ON AND OFF TOOL, TESTED PKR AND XN PLUG TO 2500#, HELD OK. RU SWAB, SWABBED FLUID LEVEL DOWN TO 2000', POOH W/ TBG. RU SCHLUMBERGER, PERFORATED INTERVAL 4543' TO 4560', 17', 4 SPF, 68 HOLES WITH 3 3/8" HSD-DP CSG. GUN. WELL BUILT TO 440# IN 15 MIN., OPENED TO TANK ON 24/64' CHOKE , WELL UNLOADED HOLE. FLOWED WELL FOR 1 HR, FTP 440#, EST. MCF 1367. IN 16/64" CHOKE FOR 30 MIN, FTP 580#. SION

Daily cost $5,396 cum. cost $421,225

9/17/998

SITP 1740#, OPENED TO TANK ON 18/64" CHOKE FOR 2 HRS, FTP STABLE @ 840#, EST. MCF 1457. PUT 16/64" CHOKE IN FOR 3 HRS, FTP 1020#, 1392 MCF. IN 20/64" CHOKE FOR 4 HRS, PSI PULLED IN 2 1/2 HRS TO 400#. EST. MCF 859, RECOVERED NO FLUID. SION

Daily cost $2,664 cum. cost $423,889

9/18/998

SITP 1680#, OPEN TO TANK ON 20/64" CHOKE FOR 2 HRS, FTP 660#. RU HALLIBURTON FRACED INTERVAL 4543' TO 4560' W/ 15,248 GALS 20# DELTA AND 30,500# 20/40 OTTAWA SAND. BROKE DOWN PERFS @ 3750#, AVG. RATE 10.8 BPM, AVG. PSI 1900#, MAX. PSI 2190#. ISIP 2124#, 5 MIN. 1987#, 10 MIN. 1900#, AND 15 MIN. 1831#. SHUT IN FOR 2 HRS, SICP 1200#, OPENED UP ON 18/64" CHOKE. FLOWED WELL 1 HR, FTP PULLED TO 0#, PULLED CHOKE, FLOWED 1 HR, WELL STARTED KICKING. PUT 20/64" CHOKE IN, FLOWED 2 1/2 HRS, FTP 1240# W/ EXCELLENT SHOW OF GAS WITH FRAC FLUID. IN 18/64" CHOKE FOR 3 HRS, FCP 1350#, EST. MCF 2341 WITH 4 BBLS PER HOUR FRAC FLUID. IN 16/64" CHOKE FOR 2 HRS, FCP 1400#, EST. MCF 1911, RECOVERED 4 BBLS LOAD WATER. SHUT WELL IN. TOTAL FLUID TO RECOVER 363 BBLS, RECOVERED 163 BBLS, 200 BBLS LTR. SHUT WELL IN FOR 8 HRS, SICP 1600# THIS A.M.

Daily cost $23,727 cum. cost $447,616

9/19/998

SICP 1600#, OPENED TO TANK ON 20/64" CHOKE FOR A TOTAL OF 6 HRS. FLOWED 3 HRS, FCP PULLED TO 1120#, RECOVERED 12 BBLS LOAD WATER. FLOWED 3 MORE HRS, FCP STABLE AT 1120#, EST. MCF 2404, RECOVERED NO FLUID. TOTAL FLUID RECOVERD 175 BBLS, 188 BBLS LTR. SHUT IN. WILL RIG UP SNUBBBING UNIT MONDAY.

Daily cost $4,073 cum. cost $451,689

9/22/998

SICP 1630#, RU CUDD SNUBBING UNIT, SNUBBED AND STRIPPED IN HOLE W/ RETRIVING HEAD, 2' SUB, XN NIPPLE W/ PLUG IN PLACE ON 2 3/8" TBG TO 4556', TAGGED SAND. OPENED WELL TO PIT ON 32/64" CHOKE, WASHED 24' OF SAND WITH NITROGEN TO AROW SET-1 PKR AT 4580'. CIRCULATED HOLE CLEAN , LATCHED ON TO PKR, AND UNSET. PUT WELL TO TANK ON 20/64" CHOKE, PULLED OUT OF HOLE WITH PKR. LAYED DOWN PKR, RIH W/ RETRIVING HEAD FOR A HE-RBP TO 4500'. SION . FLOWED WELL TO TANK FOR 4 HRS ON 20/64" CHOKE, FTP 1300#, EST. MCF 2791.

Daily cost $16,185 cum. cost $467,874

9/23/998

SITP 1580#, FINISHED IN HOLE W/ RETRIVING HEAD TO 4649', TAGGED SAND. WASHED 15' OF SAND OFF HE-RBP @ 4664' WITH NITROGEN. CIRCULATED HOLE CLEAN, LATCHED ON TO RBP, UNSET, STRIPPED AND SNUBBED RBP OUT OF HOLE. RAN BACK IN HOLE W/ RETRIVING HEAD FOR HE-RBP @ 4740'. TAGGED SAND @ 4736', RU CUDD CIRCULATED 4' OF SAND OF TOP OF HE-RBP, CIRCULATED HOLE CLEAN, LATCHED ON TO RBP, UNSET. STRIPPED AND SNUBBED OUT OF HOLE W/ RBP, LAYED DOWN. PICKED UP RETRIVING HEAD FOR ARROW SET-1 PKR, 2' SUB, AND XN NIPPLE W/ PLUG IN PLACE, RAN IN HOLE ON 146 JTS 2 3/8" TBG. TO 4500', SHUT WELL IN. SION. PERFS OPEN TO WELL BORE AT THIS TIME ARE, 4543' TO 4560', 4633' TO 4639' AND 5087' TO 5092.

Daily cost $13,071 cum. cost $480,945

9/24/998

SITP 1530#. FINISHED STRIPPING IN HOLE WITH TBG, TAGGED SAND AT 5126', WASHED 20' OF SAND OFF PKR AT 5146' W/ NITROGEN. CIRCULATED HOLE CLEAN, LATCHED ON TO PKR, UNSET. STRIPPED AND SNUBBED ARROW SET-1 PKR OUT OF HOLE, LAYED DOWN. PU RETRIVING HEAD FOR TS-RBP, SNUBBED AND STRIPPED BACK IN HOLE TO 5220', TAGGED SAND. HAVE 80' OF SAND ON TOP OF RBP. RU CUDD, CIRCULATED SAND OFF RBP W/ NITROGEN, CIRCULATED HOLE CLEAN, LATCHED ON TO TS-RBP, UNSET. STRIP AND SNUB OUT OF HOLE W/ RBP, LAYED DOWN. SHUT WELL IN FOR NIGHT. ALL PERFS OPEN TO WELL BORE. 5432' TO 5436', 5398' TO 5408', 5186' TO 5190', 5087' TO 5092', 4633' TO 4639' AND 4543' TO 4560'

Daily cost $15,092 cum. cost $496,037

9/25/998

SITP 1560#, SNUBBED AND STRIPPED IN HOLE W/ NOTCH COLLAR, 2 3/8" GLASS DISC., 6' SUB, XN NIPPLE, 1 JT. TBG., X NIPPLE AND 176 JTS TBG TO 5450', TAGGED NO SAND. STRIPPED OUT AND LAYED DOWN 5 JTS, TBG, LANDED TBG @ 5346' ON 173 JTS. XN NIPPLE @ 5339' AND X NIPPLE @ 5307'. LANDED TBG IN WELL HEAD ON HANGER, RD CUDD SNUBBING UNIT, NIPPLED UP WELLHEAD. HOOKED UP FLOWLINE, DROPPED BAR, RUPTURED GLASS DISK. PUT WELL ON LINE. PERFS; 5432' TO 5436', 5398' TO 5408', 5186' TO 5190', 5087' TO 5092', 4633' TO 4639' AND 4543' TO 4560'.

Daily cost $8,515 cum. cost $504,552

9/27/998

FTP 1000#, SICP 1180#, MADE 1323 MCF IN 14 HRS ON 20/64" CHOKE. MADE 26.72 BBLS WATER AND NO CONDENSATE. REMOVED 20/64" CHOKE PUT 24/64" IN. RIGGED DOWN POOL WELLSERVICE RIG #824, RACKED OUT ALL EQUIPMENT, MOVED TO ROCK HOUSE #25. PERFS; 4543' TO 4560', 4633' TO 4639', 5087' TO 5092'. 5186' TO 5190'. 5398' TO 5408'. AND 5432' TO 5436'. FINAL REPORT

Daily cost $445 cum. cost $504,997

9/28/998

9/26/98 FTP 1520 PSI, SICP 1420 PSI ON 24/64" CHOKE, PRODUCED 524 MCF IN 5 HRS O CONDENSATE, 6.68 BLW, DOWN TIME DUE TO PRIMARY CONTROL GAS REGULATOR WAS PLUGGED.

9/27/98 FTP 1560 PSI SICP 1460 PSI ON 24/64" CHOKE, PRODUCED 309 MCF IN 3 HRS, O CONDENSATE, 5.01 BLW, DOWN TIME DUE TO PRIMARY GAS REGULATOR PLUGGED.

9/28/98 FTP 700 PSI SICP 930 PSI ON 24/64" CHOKE, PRODUCED 2176 MCF IN 24 HRS, 8.35 BBLS CONDENSATE, 28.39 BLW.

Daily cost $0 cum. cost **$504,997**

9/30/998

FTP 600#, SICP 800# ON 24/64" CHOKE, PRODUCED 2001 MCF IN 24 HRS, 3.34 CONDENSATE, 21.71 BLW.

Daily cost $0 cum. cost $504,997

10/01/998

9/30/98 FTP 530#, SICP 710# ON 24/64" CHOKE, PRODUCED 1710 MCF IN 24 HRS. MADE 3.34 BBLS CONDENSATE AND 20 BBLS WATER.

Daily cost $0 cum. cost $504,997

10/02/998

10/1/98 FTP 440#, SICP 610# ON 24/64" CHOKE, PRODUCED 1601 MCF IN 24 HRS. MADE 5.01 BBLS CONDENSATE AND 18 BBLS WATER.

Daily cost $0 cum. cost $504,997

10/03/998

10/2/98 FTP 390#, SICP 440# ON 24/64" CHOKE, PRODUCED 1482 MCF IN 24 HRS. MADE 3.34 BBLS CONDENSATE AND 18 BBLS WATER.

Daily cost $0 cum. cost $504,997

10/04/998

10/3/98 FTP 370#, SICP 500# ON 24/64" CHOKE, PRODUCED 1366 MCF IN 24 HRS. MADE 1.67 BBLS CONDENSATE AND 15 BBLS WATER.

Daily cost $0 cum. cost $504,997

10/05/998

10/4/98 FTP 330#, SICP 470# ON 24/64" CHOKE, PRODUCED 1263 MCF IN 24 HRS. MADE 1.67 BBLS CONDENSATE AND 11.69 BBLS WATER.

Daily cost $0 cum. cost $504,997

10/06/998

10/5/98 FTP 330#, SICP 440# ON 24/64" CHOKE, PRODUCED 1190 MCF IN 24 HRS. MADE 1.67 BBLS CONDENSATE AND 15.03 BBLS WATER. CHANGED CHOKE FROM 24/64" TO 18/64".

Daily cost $0 cum. cost $504,997

10/07/998

10/6/98 FTP 640#, SICP 740# ON 18/64" CHOKE PLUGGED UP, PRODUCED 540 MCF. MADE 1.67 BBLS CONDENSATE AND 1 BBLS WATER.

Daily cost $0 cum. cost $504,997

10/08/998

10/7/98 FTP 540#, SICP 740# ON 18/64" CHOKE, PRODUCED 918 MCF IN 24 HRS MADE 1 BBLS CONDENSATE AND 15 BBLS WATER.

Daily cost $0 cum. cost $504,997

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-0779

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

7. If Unit or CA, Agreement Designation
ROCK HOUSE UNIT

SUBMIT IN TRIPLICATE

1. Type of Well

[ ] Oil Well [X] Gas Well [ ] Other

8. Well Name and No.
ROCK HOUSE UNIT #26

9. API Well No.
43-047-33032

2. Name of Operator
ROSEWOOD RESOURCES, INC.

10. Field and Pool, or Exploratory Area

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2071' FSL 2120' FWL, NE/SW Section 9, T11S, R23E

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

TYPE OF SUBMISSION	TYPE OF ACTION	
[ ] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[X] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other Put on prod	[ ] Dispose Water

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

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

Operator reports the above well was placed on production @ 6:00 p.m. on 09/24/98.

Initial 24 hr. production: 2176 MCF/D; 8.35 bbls. condensate; 28.39 bbls. water. 24/64" choke.

RECEIVED
OCT 19 1998
DIV. OF OIL, GAS & MINING

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 10/15/98

(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 andy false, fictitious or fraudulent statements or representations as to any mater within its jurisdiction.

***See Instructions on Reverse Side**

FORM 3160-4
(July 1992)

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

5. LEASE DESIGNATION AND SERIAL NO.: UTU-63030C

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

1a. TYPE OF WORK
OIL WELL [ ] GAS WELL [X] DRY [ ] Other

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

7. UNIT AGREEMENT NAME: ROCK HOUSE UNIT

8. FARM OR LEASE NAME, WELL NO.: ROCK HOUSE UNIT #26

2. NAME OF OPERATOR: ROSEWOOD RESOURCES, INC.

9. API WELL NO.: 43-047-33032

3. ADDRESS AND TELEPHONE NO.: P. O. BOX 1668, VERNAL, UT 84078 435-789-0414

10. FIELD AND POOL OR WILDCAT

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.*)
At Surface: 2071' FSL 2120' FWL NE/SW
At top prod. Interval reported below
At total depth

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11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: SEC. 9, T11S, R23E SLB & M

14. PERMIT NO. | DATE ISSUED: 2/5/98

12. COUNTY OR PARISH: UINTAH | 13. STATE: UTAH

15. DATE SPUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (Ready to prod.)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*	19. ELEV. CASINGHEAD
4/21/98	7/2/98	9/24/98	5732' GR	5747'KB

20. TOTAL DEPTH, MD & TVD	21. PLUG, BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
5700' MD TVD	5648' TD TVD		——>	500'-5700'	NA

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*
WASATCH 4543' - 60', 4637'-39', 5087' - 92', 5186' -90', 5398' - 5408', 5432' - 36'
UK Rev 6-H 12/14/98-CHD

25. WAS DIRECTIONAL SURVEY MADE: NO

26. TYPE ELECTRIC AND OTHER LOGS RUN
MUG LOG, CNLD/GR, AI/LC/GR, CBL/GR 7-10-98

27. WAS WELL CORED: NO

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

CASING SIZE/GRADE	WEIGHT, LB./FT.		HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8" K-55	24#	519'	12 1/4"	SURF - 350 SX "G" + ADD	
4-1/2" N-80	11.6#	5694'	7 7/8"	3210 - Stg 1 - 420 SX "G"	
				Stg 2 - 430 SX "G"	
				Stage Collar @ 3315'	

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"	5346'	

31. PERFORATION RECORD (Interval, size and number)

INTERVAL				SIZE	NUMBER
5432'-5436'	.37	16	5087' -92'	0.37	20
5398'-5408'	.37	20	4672'-78'	0.37	24
5186'-5190'	.37	16	4633'-39'	0.37	24
			4543' - 60'	0.37	38

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5186' - 90'	Frac w/5208 gals fluid, 10500# 20/40 sd
4672' - 78'	Squeezed w/7 sks "G" cement
4543' - 60'	Frac w/15248 gals fluid, 30500# 20/40 sd

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)	WELL STATUS (Producing or shut-in)
9/24/98	Flowing	Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PRODN. FOR TEST PERIOD	OIL--BBLS.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO
9/28/98	24	24/64"	——>	8.35	2176	28	

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL-BBL.	GAS--MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)
700#	930#	——>	8.35	2176	28	

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

TEST WITNESSED BY: Ivan Sadlier

35. LIST OF ATTACHMENTS

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

SIGNED [signature] TITLE ADMINISTRATIVE ASSISTANT DATE 12/2/98

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

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

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

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
WASATCH	3420'	
MESA VERDE	5430'	

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

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
UTU-0779

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
UTU-63030C

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
ROCK HOUSE #26

2. Name of Operator
ROSEWOOD RESOURCES, INC.

9. API Well No.
43-047-33032

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

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)*
2071' FSL 2120' FWL, NE/SW SECTION 9, T11S, R23E

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

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other PERFORATE
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

Rosewood Resources, Inc. reports the above referenced well was worked over from 10/29 - 11/9 as follows:

1. Set a RBP @ 4500'.
2. Perforate w/3 3/8" gun 4160' - 70'; 4 SPF; 40 holes.
3. Set a PKR @ 4090'.
4. Place well back on production on 11/9/99.

Producing interval - Wasatch 4160' - 4170'

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

Name *(Printed/Typed)* Lucy Nemec — Title Administrative Assistant

Signature Lucy Nemec — Date December 14, 1999

THIS SPACE FOR FEDERAL OR STATE USE

Approved by — Title — Date

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

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

(Instructions on reverse)

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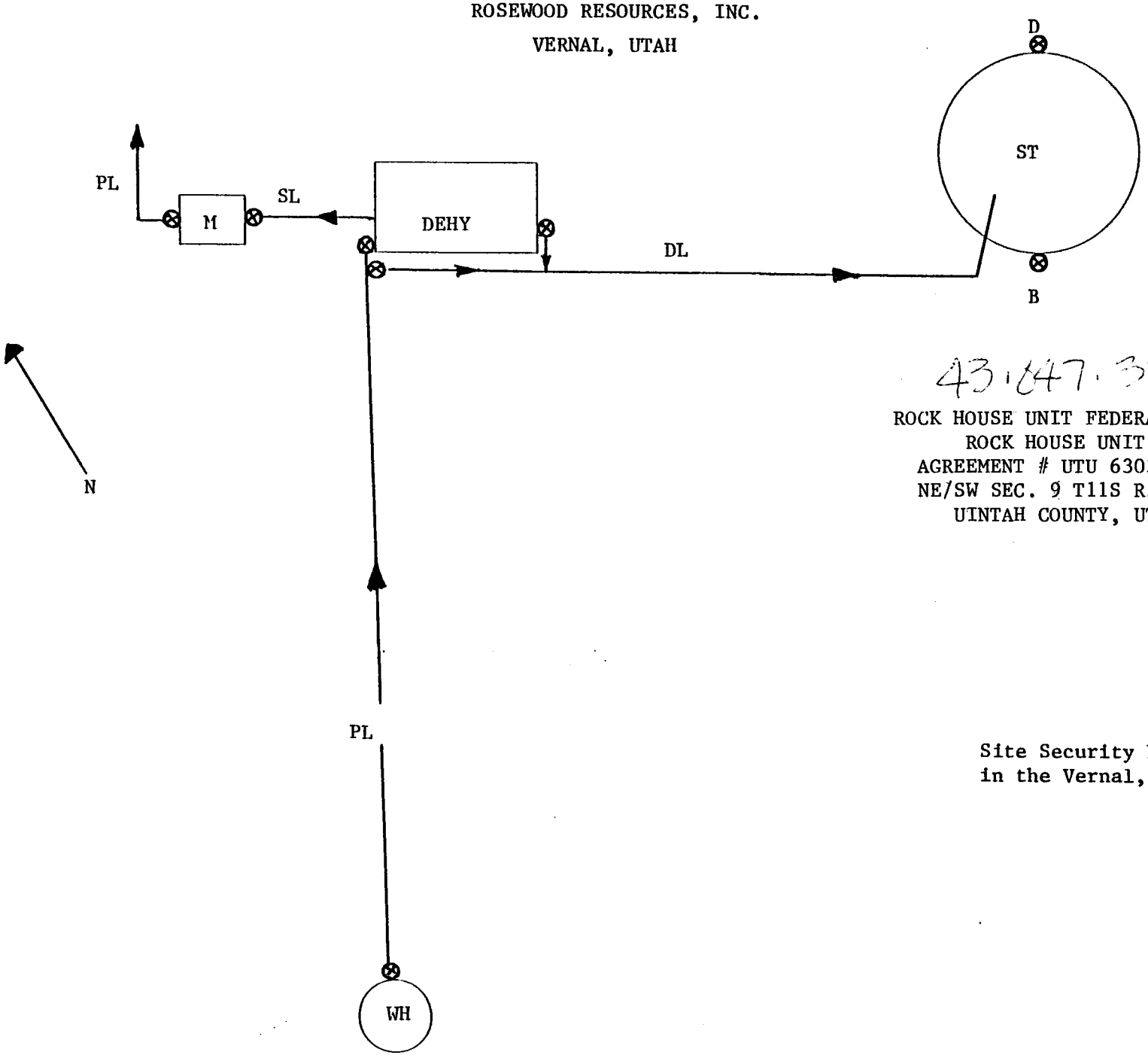
DIVISION OF OIL, GAS & MINING

ROSEWOOD RESOURCES, INC.

VERNAL, UTAH



43-047-33032

ROCK HOUSE UNIT FEDERAL #26
ROCK HOUSE UNIT
AGREEMENT # UTU 63030C
NE/SW SEC. 9 T11S R23E
UINTAH COUNTY, UT

Site Security Plan located
in the Vernal, UT office

LEGEND

F	FLOWLINE
DL	DUMP\BLOWDOWN LINE
CL	CONDENSATE LINE
SL	SALES LINE
PL	WILDHORSE PIPELINE
WH	WELLHEAD
SEP	SEPARATER
ST	STORAGE TANK
WT	WATER TANK
⊗	VALVE
A ⊗	SEALED CL VALVE
B ⊗	SEALED SALES VALVE
D ⊗	SEALED DRAIN VALVE
M	GAS METER
PU	PUMPING UNIT
DEHY	GAS DEHYDRATER
COMP	GAS COMPRESSOR
C ⊗	EQUALIZER LINE

ATTACHMENT TO PRECEDING SITE FACILITY DIAGRAMS

General sealing of valves - sales are by tank gauging.

Production Phase: All drain valves (D) and sales valves (B) are sealed closed. The fill valve (A) and equalizer valve (C) are open and unsealed on the producing tank. The equalizer valve (C) on another tank is open and unsealed to allow production to flow to a spare tank in the event of an upset.

Sales Phase: The tank from which sales are being made will be isolated by sealing close the fill line (A), equalizer line (C), and drain valve (D) prior to shipping. After these valves are sealed closed, the top gauge will be taken. The sales valve (B) on the isolated sales tank will be broken and opened for sales. After sales, the sales valve (B) is sealed closed and the closing gauge is taken. The fill valve (A) and equalizer valve (C) seals are broken and the valves opened, when production is turned back into this tank.

Draining Phase: The tank being drained will be isolated by sealing closed the sales valve (B) and the other drain valves (D) on the other tanks. The top gauge will be taken prior to opening the drain valve (D). The water is drained off and the drain valve (D) is sealed closed and the top gauge is retaken.

Sealed Valves	Producing	Shipping	Draining
A-Fill Valve	open	closed	open
B-Shipping Valve	closed	open	closed
C-Equalizer Valve	open	closed	open
D-Drain Valve	closed	closed	open
E-Hot-oil Valve	closed	closed	closed