

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

5. LEASE DESIGNATION AND SERIAL NO.
57455

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Hanging Rock

8. FARM OR LEASE NAME

9. WELL NO.
I 12-12

10. FIELD OR LEASE NAME

11. Sec., T., R., M., OR BLK AND SURVEY OR AREA
Sec. 12, T12S, R23E, S.L. B. &M

12. COUNTY OR PARISH
Uintah

13. STATE
Utah

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a TYPE OF WORK

DRILL DEEPEN PLUG BACK

B TYPE OF WELL

OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Rosewood Resources, Inc.

3. ADDRESS OF OPERATORS
100 Crescent Court, Suite 500, Dallas TX 7520 214-871-5729

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)
at surface **1978' FSL, 658' FWL, NW/SW Sec. 12, T12S, R23E, S.L. B. &M**
At proposed prod. Zone **603 201**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
25.5 miles south of Bonanza, UT

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drig. Unit line, if any) **658'**

16. NO. OF ACRES IN LEASE **10,094.71**

17. NO. OF ACRES ASSIGNED TO THIS WELL **40**

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

19. PROPOSED DEPTH **4,500'**

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.) **5,960'**

22. APPROX. DATE WORK WILL START
1-May-98

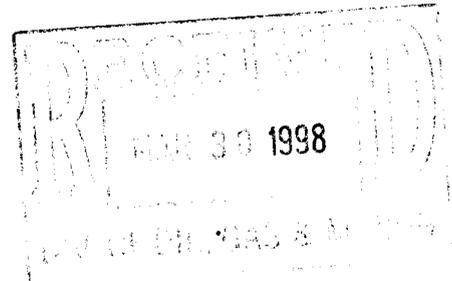
PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24	300'	To Surface
7 7/8"	4 1/2"	11.6	T.D.	Cmt top tp cover oil shale

Operator requests permission to drill the subject well please see the attached 10 point surface use plan.

If you require additional information please contact:

**William (Bill) Ryan
350 S. 800 E.
Vernal, Utah
435-789-0968 Office
435-828-0968 Cellular**



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

24
SIGNATURE William A. Ryan TITLE Agent DATE 3/11/98

(This space for Federal or State Office use)

PERMIT NO. 43-04733096 APPROVAL DATE _____
APPROVED BY Bradley G. Hill TITLE BRADLEY G. HILL DATE 4/9/98
CONDITIONS OF APPROVAL, IF ANY: RECLAMATION SPECIALIST III

Federal Approval of this Action is Necessary

***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.

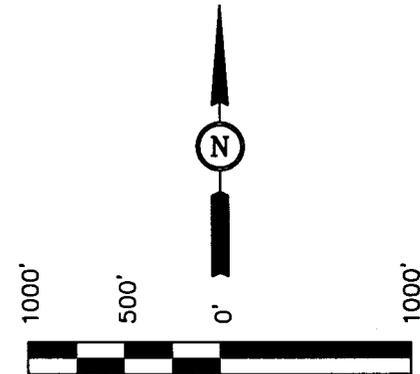
T12S, R23E, S.L.B.&M.

ROSEWOOD RESOURCES, INC.

Well location, HANGING ROCK I #12-12, located as shown in the NW 1/4 SW 1/4 of Section 12, T12S, R23E, S.L.B.&M. Uintah County Utah.

BASIS OF ELEVATION

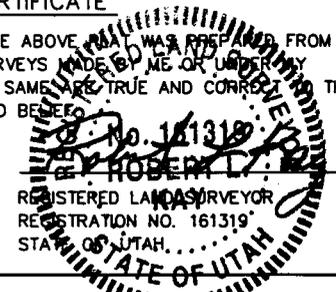
BENCH MARK 87 EAM LOCATED NEAR A ROAD INTERSECTION IN THE SW 1/4 SECTION 1, T12S, R23E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE. QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS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



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE MAP 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.



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

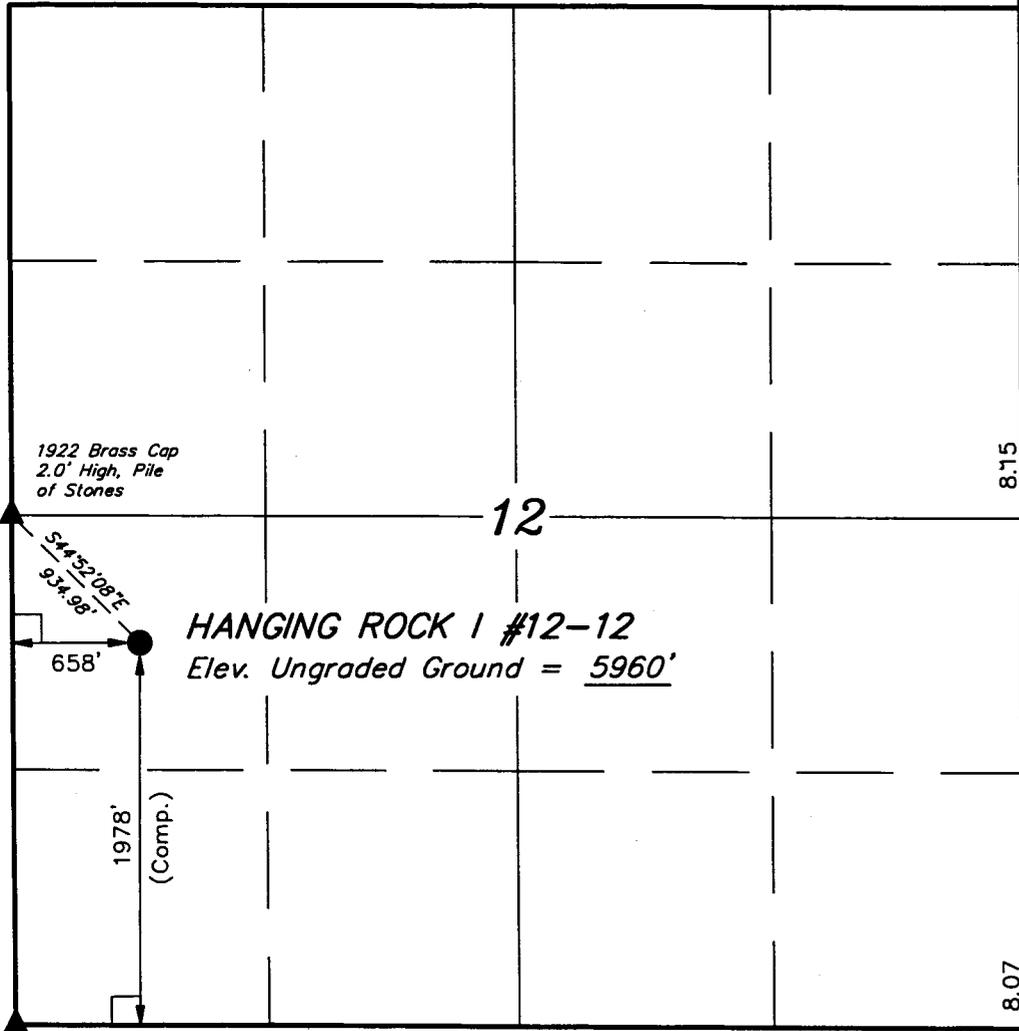
SCALE 1" = 1000'	DATE SURVEYED: 01-30-98	DATE DRAWN: 02-04-98
PARTY K.K. J.B. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ROSEWOOD RESOURCES, INC.	

N89°45'W - 79.94 (G.L.O.)

8.08
 N00°06'W - 39.93 (G.L.O.)
 8.15
 NORTH - 40.08 (G.L.O.)
 8.07
 N00°05'W - (G.L.O.)

N00°07'W - (G.L.O.)

N00°07'W - G.L.O. (Basis of Bearings)
 2637.51' (Measured)



1922 Brass Cap
 2.0' High, Pile
 of Stones

12

HANGING ROCK I #12-12
 Elev. Ungraded Ground = 5960'

1922 Brass Cap
 0.8' High, Pile
 of Stones

N89°43'W - 79.78 (G.L.O.)

LEGEND:

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

LATITUDE = 39°47'10"
 LONGITUDE = 109°17'40"

R R
 23 24
 E E

SELF-CERTIFICATION STATEMENT

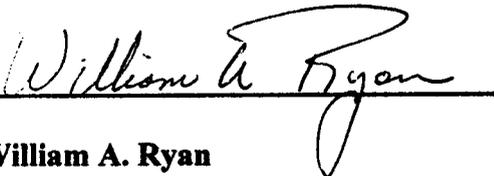
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

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

Hanging Rock I 12-12
NW 1/4, SW 1/4, Section 12, T. 12 S., R. 23 E.
Lease UTU-57455
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 #MT-0627.



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

Ten Point Plan

Rosewood Resources, Inc.

Hanging Rock I 12-12
Hanging Rock Unit

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

1. Surface Formation:

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+5,960' G.L.
Oil Shale	500	+5,460
Wasatch	2,438	+3,522
Mesaverde formation	3,985	+1,975
T.D.	4,500	+1,460

3. Producing Formation Depth:

Formation objective include the Wasatch and its submembers.

Off Set Well Information:

Off set well:	Gas Well	Hanging Rock Unit 12-4	Sec. 12, T. 12 S., R. 23 E.
	Gas Well	Hanging Rock Unit 1-14	Sec. 1, T. 12 S., R. 23 E.
	Gas Well	Hanging Rock Unit 1-16	Sec. 1, T. 12 S., R. 23 E.

4. Proposed Casing :

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/Ft.</u>	<u>Grade & Tread</u>	<u>Setting Depth</u>	<u>Casing New/Used</u>
11	8 5/8	24	J-55/STC	300	New
7 7/8	4 1/2	11.6	J-55/LTC	T.D.	New

Cement Program:

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
8 5/8	Class "G" 2% CACL2 1/4 #/sk Cello flake	150 sks.+/-	1.16 cu. ft./sk.	15.82 lbs./gal.
4 1/2	First stage Class "G" 10 % salt 10% gypsum .1% R-3 .4 FL-25	540 sks+/-	1.44 cu. ft./sk.	15.20 lbs./gal.
	Second stage Class "G" 3% salt 16% gel (Bentonite) 5# Gilsonite/sk 0.25# Cello Flake/sk	205 sks +/-	3.91 cu. ft./sk.	11.0 lbs./gal.

5. BOP and Pressure Containment Data:

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

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

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs/gal.</u>	<u>Viscosity Sec./Qt.</u>	<u>Fluid Loss MI/30 Mins.</u>	<u>Mud Type</u>
0-300	Air/Clear Water	----	No Control	Water/Gel
300-2500	Clear Water	----	No Control	Water/Gel
2500-T.D.	8.4-8.6	30	8-10	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 May 1, 1998. Duration of operations expected to be 30 days.

ROSEWOOD RESOURCES, INC.

13 POINT SURFACE USE PLAN

FOR WELL

HANGING ROCK I 12-12

HANGING ROCK UNIT

LOCATED IN

NW 1/4, SW 1/4

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

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-57455

SURFACE OWNERSHIP: FEDERAL

1. Existing Roads

To reach the Rosewood Resources Inc., Hanging Rock I 12-12 well location, in Section 12, T 12 S, R 23 E, from Bonanza, Utah:

Starting in Bonanza, Utah proceed south on the paved road for 4 miles. Turn south (left) on the Book cliffs road (dirt road). Proceed south 3.9 miles to the Greeks Corrals. Turn west (right) at the fork in the road. Proceed 8.3 miles to the Asphalt Wash sign. Stay to the south (left) of the sign. Proceed .7 miles to the Rainbow sign. Stay to the west (right) of the sign. This is also called the Kings Wells road. Proceed 7.8 miles. Turn south (left) proceed 1 mile the proposed access road will start at this point.

All existing roads to the proposed location are State or County Class D roads except for the last 300 feet..

Please see the attached map for additional details.

2. Planned access road

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

The road will be built to the following standards:

A) Approximate length	300 Ft.
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road flagged	Yes
K) Access road surface ownership	Federal
L) All new construction on lease	Yes
M) Pipe line crossing	None

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	12-4	Sec. 12, T. 12 S., R. 23 E.
Gas Well	1-14	Sec. 1, T. 12 S., R. 23 E.
Gas Well	1-16	Sec. 1, T. 12 S., R. 23 E.
B) Water wells	None	
C) Abandoned wells	None	
D) Temporarily abandoned wells	None	
E) Disposal wells	None	
F) Drilling/Permitted wells	14-7	Sec. 14, T. 12 S., R. 23 E.
	11-8	Sec. 11, T. 12 S., R. 23 E.
	11-6	Sec. 11, T. 12 S., R. 23 E.
	12-2	Sec. 12, T. 12 S., R. 23 E.
	2-15	Sec. 2, T. 12 S., R. 23 E.
G) Shut in wells	None	
H) Injection wells	None	
I) Monitoring or observation wells	None	

Please see the attached map for additional details.

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

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

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

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

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

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

A proposed surface gas line will be constructed and tie into an existing 10" line. The existing line is adjacent to the location. Please see the attached location diagrams for pipe line location. There will be no additional surface disturbances required for the installation of a gathering line. The line will be a 2" or 4" steel line.

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

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

5. Location and type of water supply

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

6. Source of construction materials

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

7. Methods for handling waste disposal

A) Pit construction and liners:

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

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

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

B) Produced fluids:

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

C) Garbage:

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

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up

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

8. Ancillary facilities

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

9. Well-site layout

Location dimensions are as follow:

A)	Pad length	325 ft.
B)	Pad width	155 ft.
C)	Pit depth	10 ft.
D)	Pit length	180 ft.
E)	Pit width	50 ft.
F)	Max cut	18.5 ft.
G)	Max fill	8.3 ft.
H)	Total cut yds	7,290 cu. yds.
I)	Pit location	west side
J)	Top soil location	east side
K)	Access road location	north end
L)	Flare pit	corner B

Please see the attached location diagram for additional details.

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

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

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The top soil will amount to approximately 1,000 cubic yards of material. **The top soil will be stockpiled in one 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.

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 can be drilled or be broadcast. The seed mix and quantity will remain the same for both drilling or broadcasting seed..

Seed Mix

Four wing salt brush	4#/acre
Needle and thread	3#/acre
Western wheat grass	2#/acre
Indian Rice	3#/acre

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

11. Surface ownership:

Access road	Federal
Location	Federal
Pipe line	Federal

12. Other information

A) Vegetation:

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

B) Dwellings:

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

C) Archeology:

The location has not been surveyed. A copy of that survey will be forwarded to your office.

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

D) Water:

The nearest water is the Green River located 4 miles to the north.

E) Chemicals:

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

F) Notification:

a) Location construction

At least forty eight (48) hours prior to construction of location and access roads

b) Location completion

Prior to moving on the drilling rig.

c) Spud notice

At least twenty-four (24) hours prior to spudding the well.

d) Casing string and cementing

At least twenty-four (24) hours prior to running casing and cementing all casing strings.

e) BOP and related equipment tests

At least twenty-four (24) hours prior to initial pressure tests.

f) First production notice

With in five (5) business days after the new well begins, or production resumes after well has been off production for more than ninety 90 days.

H) Flare pit

The flare pit will be located in corner B of the reserve out side the pit fence and 100 feet from the bore hole on the **west side of the location**. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

Name: William A. Ryan

Address: Rocky Mountain Consulting
350 South, 800 East
Vernal, Utah 84078

Telephone:
Office 435-789-0968
Fax 435-789-0970
Cellular 435-823-6152

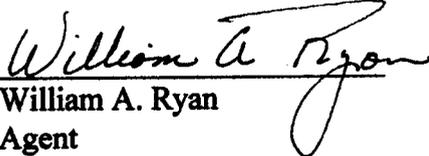
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable laws, regulations, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors.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

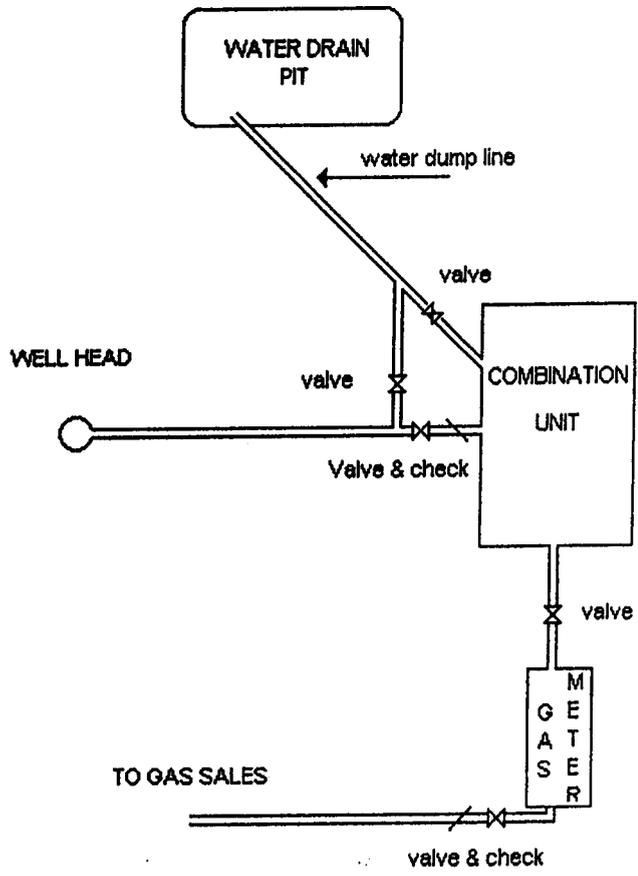
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by Rosewood Resources, 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 March 13, 1998


William A. Ryan
Agent
Rocky Mountain Consulting

Onsite Date:	February 11, 1998
Participant on joint inspection:	
Dannt Widner	Rosewood Resources
Byron Tolman	BLM
Steve Matson	BLM
Steve Strong	BLM

ROSEWOOD RESOURCES, INC
TYPICAL
GAS WELL



Statement of use of Hazardous Material

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

If you require additional information please contact:

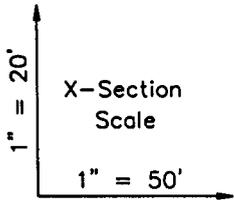
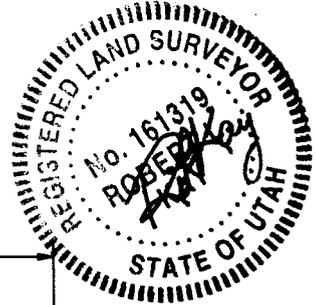
William A Ryan
Agent for Rosewood Resources, Inc.
Rocky Mountain Consulting
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Vernal Utah, 84078

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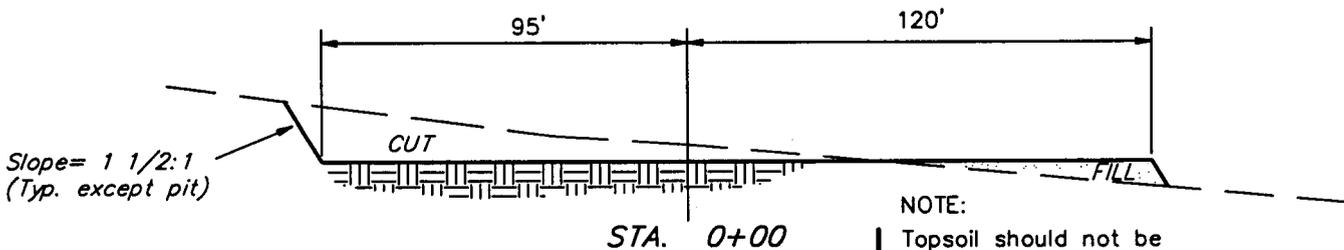
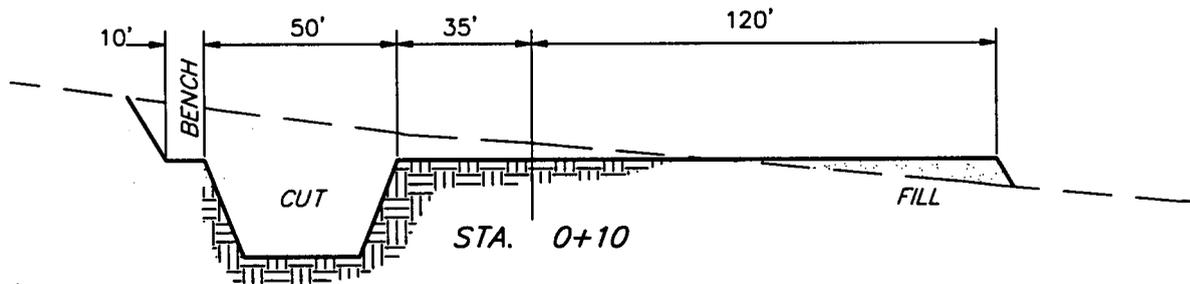
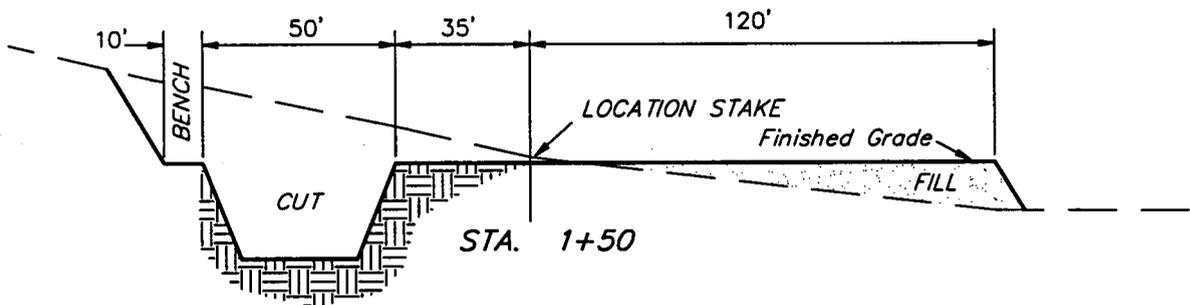
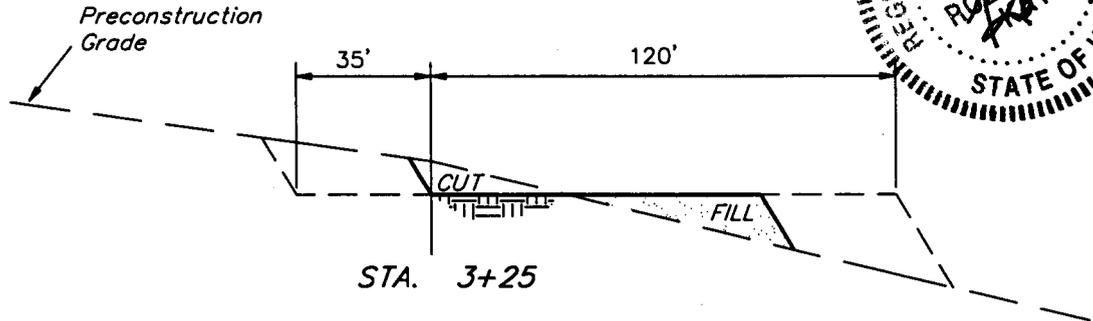
ROSEWOOD RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

HANGING ROCK I #12-12
SECTION 12, T12S, R23E, S.L.B.&M.
1978' FSL 658' FWL



DATE: 02-04-98
Drawn By: D.R.B.



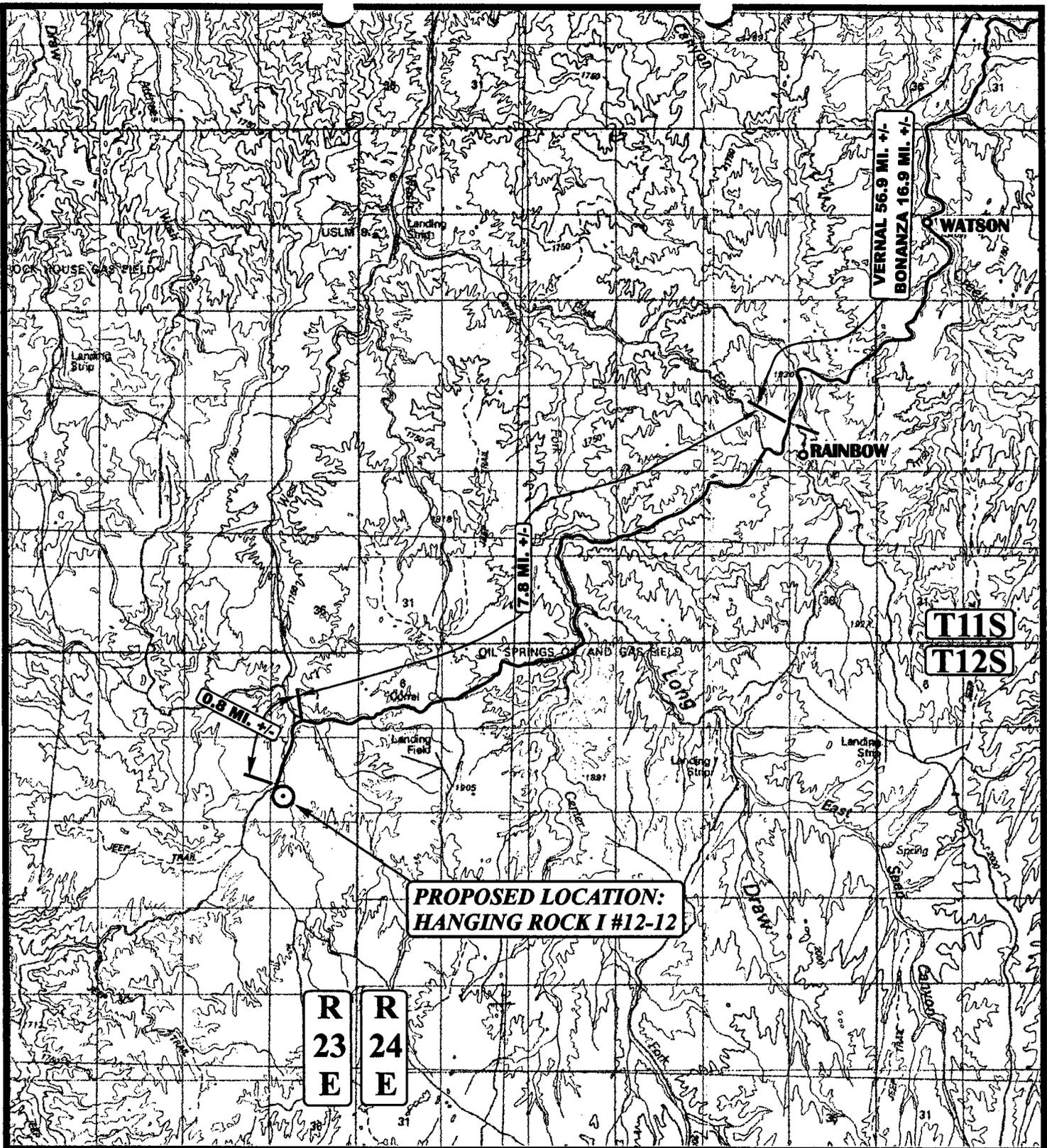
NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,100 Cu. Yds.
Remaining Location	= 6,190 Cu. Yds.
TOTAL CUT	= 7,290 CU.YDS.
FILL	= 4,300 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,760 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,360 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 400 Cu. Yds.

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



LEGEND:

⊙ PROPOSED LOCATION



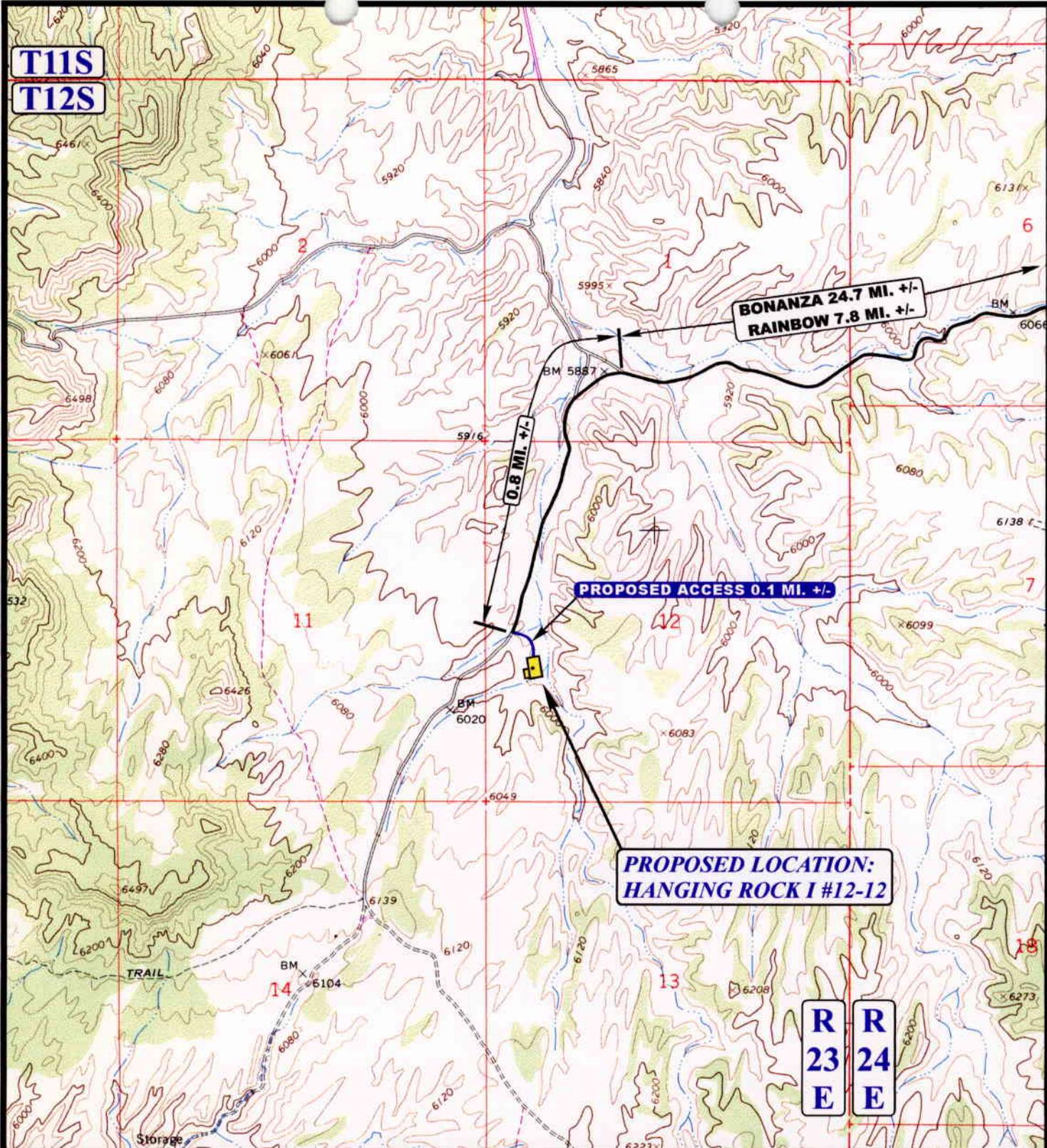
ROSEWOOD RESOURCES, INC.

HANGING ROCK I #12-12
SECTION 12, T12S, R23E, S.L.B.&M.
1978' FSL 658' FWL

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

TOPOGRAPHIC **2** **2** **98**
MAP **MONTH** **DAY** **YEAR**
SCALE: 1:100,000 **DRAWN BY: D.COX** **REVISED: 00-00-00**





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

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

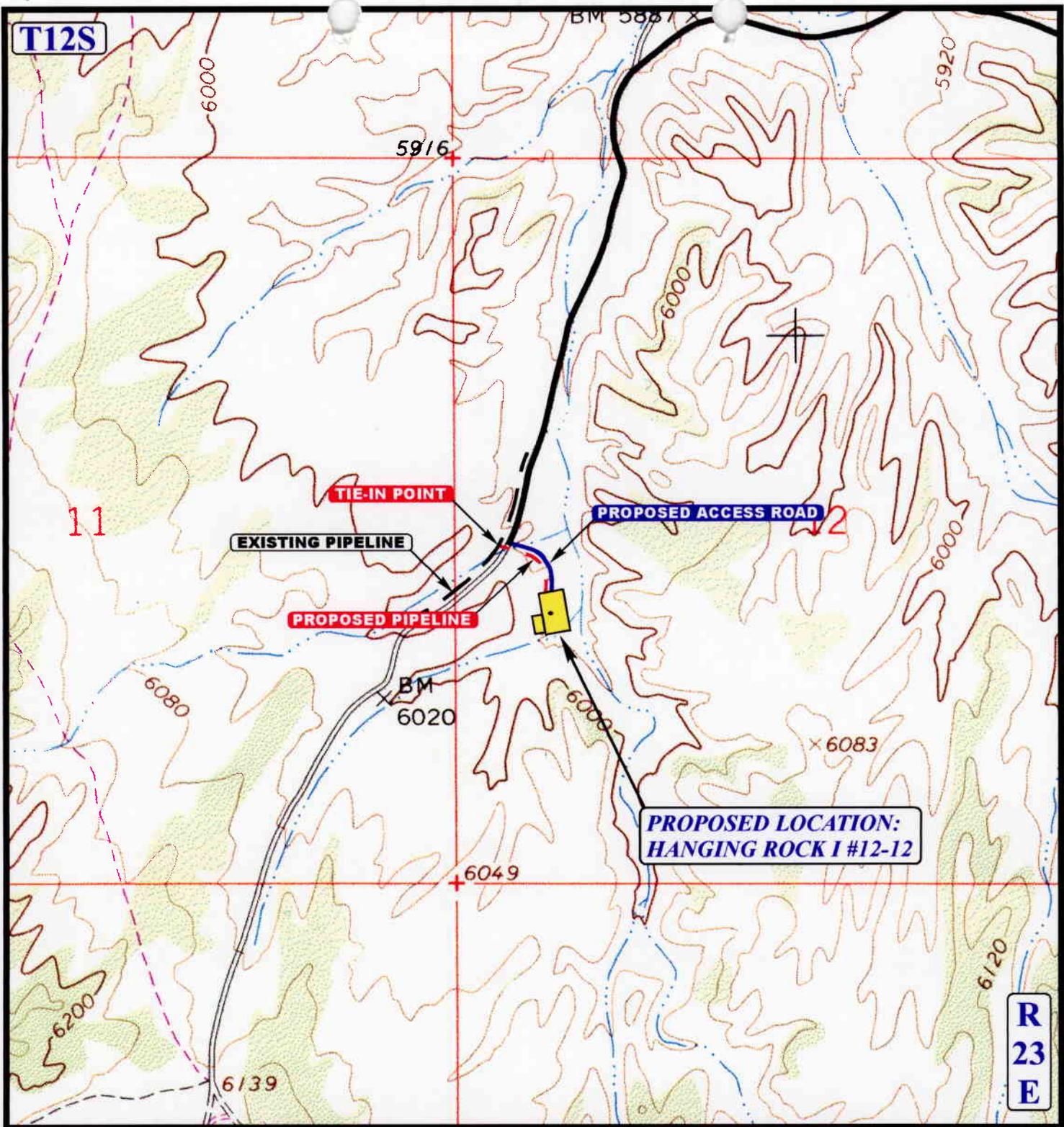


ROSEWOOD RESOURCES, INC.

HANGING ROCK I #12-12
SECTION 12, T12S, R23E, S.L.B.&M.
1978' FSL 658' FWL

TOPOGRAPHIC MAP **2 2 98**
 MONTH DAY YEAR

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



APPROXIMATE TOTAL PIPELINE DISTANCE = 500' +/-

LEGEND:

- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED ACCESS

ROSEWOOD RESOURCES, INC.

HANGING ROCK I #12-12
SECTION 12, T12S, R23E, S.L.B.&M.
1978' FSL 658' FWL



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

TOPOGRAPHIC
MAP

2	5	98
<small>MONTH</small>	<small>DAY</small>	<small>YEAR</small>

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



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/30/98

API NO. ASSIGNED: 43-047-33096

WELL NAME: HANGING ROCK I 12-12
 OPERATOR: ROSEWOOD RESOURCES INC (N7510)
 CONTACT: Bill Ryan (435) 789-0968

PROPOSED LOCATION:
 NSW 12 - T12S - R23E
 SURFACE: 1978-FSL-0658-FWL
 BOTTOM: 1978-FSL-0658-FWL
 UINTAH COUNTY
 UNDESIGNATED FIELD (002)

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

LEASE TYPE: FED
 LEASE NUMBER: UTU-57455
 SURFACE OWNER: BLM

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Federal State Fee
 (No. MT-0627)
 Potash (Y/N)
 Oil Shale (Y/N) *190-5(B)
 Water Permit
 (No. Rosewood Water Station # 49-1595)
 RDCC Review (Y/N)
 (Date: _____)
 St/Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit Hanging Rock
 R649-3-2. General
 R649-3-3. Exception
 Drilling Unit
 Board Cause No: _____
 Date: _____

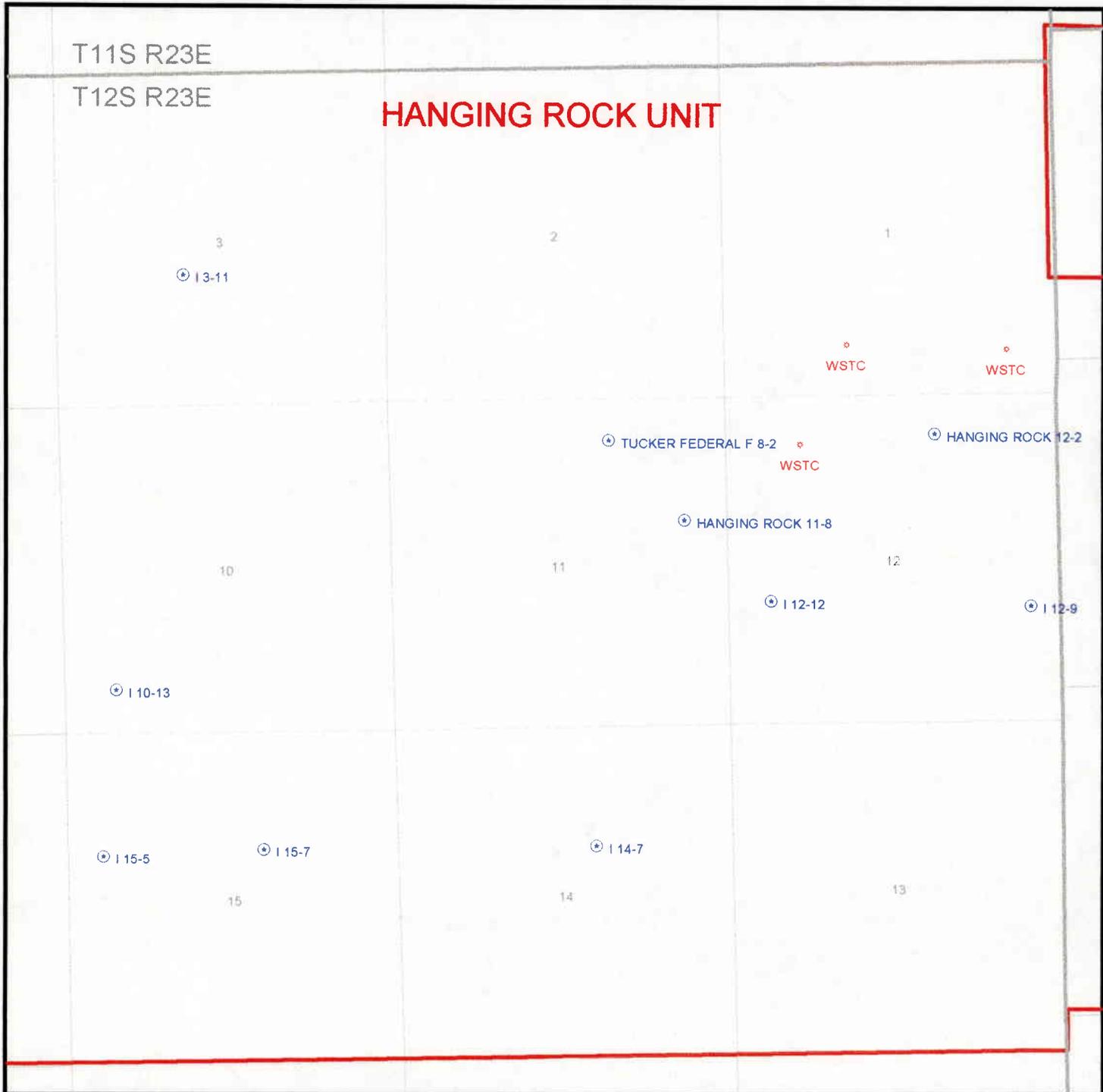
COMMENTS: *Not listed 1998 Unit Prod. BLM SL added 4-8-98

STIPULATIONS: ① FEDERAL APPROVAL



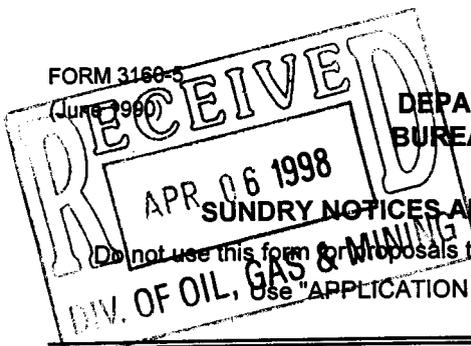
DIVISION OF OIL, GAS & MINING

OPERATOR: ROSEWOOD RESOURCES (N7510)
FIELD: UNDESIGNATED (002)
SEC. 3,10,12,14,15, TWP. 12S, RNG. 23E,
COUNTY: UINTAH UAC: R649-2-3 HANGING ROCK UINT



DATE PREPARED:
6-APR-1998

(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-57455

6. If Indian, Allottee or Tribe Name NA

7. If Unit or CA, Agreement Designation HANGING ROCK

8. Well Name and No. HANGING ROCK I #12-12

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

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

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

NW/SW SECTION 12, T12S, R23E

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

TYPE OF SUBMISSION

Notice of Intent Subsequent Report Final Abandonment Notice

TYPE OF ACTION

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

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

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

Rosewood Resources proposes to drill and complete the above referenced location prior to 11/1/98.

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 04/03/98

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 1998 Plan of Development Hanging Rock Unit
Uintah County, Utah.

Pursuant to telephone conversation between Lisha Cordova,
Division of Oil, Gas and Mining., and Mickey Coulthard, Utah
State Office. The following wells are planned for calendar year
1998 for the Hanging Rock Unit, Uintah County, Utah.

Well No. I 12-12, (NWSW) 1978'FSL, 658'FWL of Sec 12, T12S, R23E
Well No. I 12-09, (NESE) 1860'FSL, 467'FEL of Sec 12, T12S, R23E

This office has no objection to permitting the wells at this
time.

bcc: File - Hanging Rock Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:04/08/98



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

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

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

April 9, 1998

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

Re: Hanging Rock I 12-12 Well, 1978' FSL, 658' FWL, NW SW,
Sec. 12, T. 12 S., R. 23 E., Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33096.

Sincerely,

A handwritten signature in cursive script, appearing to read "John R. Baza".

for 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: Hanging Rock I 12-12
API Number: 43-047-33096
Lease: UTU-57455
Location: NW SW Sec. 12 T. 12 S. R. 23 E.

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jim Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or John R. Baza at (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.

4. State approval of this well does not supercede the required federal approval which must be obtained prior to drilling.

DOGMIN

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

5. LEASE DESIGNATION AND SERIAL NO.
57455

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Hanging Rock

8. FARM OR LEASE NAME

9. WELL NO.
I 12-12

10. FIELD OR LEASE NAME

11. Sec., T., R., M., OR BLK AND SURVEY OR AREA
Sec. 12, T12S, R23E, S.L. B. &M

12. COUNTY OR PARISH
Uintah

13. STATE
Utah

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a TYPE OF WORK
 DRILL DEEPEN PLUG BACK

B TYPE OF WELL
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Rosewood Resources, Inc.

3. ADDRESS OF OPERATORS
100 Crescent Court, Suite 500, Dallas TX 7520 214-871-5729

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)
 at surface **1978' FSL, 658' FWL, NW/SW Sec. 12, T12S, R23E, S.L. B. &M**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
**At proposed prod. Zone
25.5 miles south of Bonanza, UT**

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drig. Unit line, if any) 658'	16. NO. OF ACRES IN LEASE 10,094.71	17. NO. OF ACRES ASSIGNED TO THIS WELL 40
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4,500'	19. PROPOSED DEPTH 4,500'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.) 5,960'	22. APPROX. DATE WORK WILL START 1-May-98	

PROPOSED CASING AND CEMENT PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24	300'	To Surface
7 7/8"	4 1/2"	11.6	T.D.	Cmt top tp cover oil shale

**Operator requests permission to drill the subject well please see the attached 10 point surface use plan.
If you require additional information please contact:**

**William (Bill) Ryan
350 S. 800 E.
Vernal, Utah
435-789-0968 Office
435-828-0968 Cellular**

RECEIVED
MAR 25 1998

RECEIVED
MAY 26 1998
DIV. OF OIL, GAS & MINING

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

24
 SIGNATURE William A. Ryan TITLE Agent DATE 3/11/98

(This space for FEDERAL or STATE OFFICE USE)

NOTICE OF APPROVAL

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY [Signature] TITLE Assistant Field Manager DATE 5/14/98
 CONDITIONS OF APPROVAL, IF ANY: Mineral Resources

***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 ATTACHED TO OPERATOR'S COPY

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Rosewood Resources, Inc.

Well Name & Number: Hanging Rock I 12-12

API Number: 43-047-33096

Lease Number: U - 57455

Location: NWSW Sec. 12 T.12S R.23E

NOTIFICATION REQUIREMENTS

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

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

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

A. DRILLING PROGRAM

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

Report ALL water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing 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 677 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 (435) 789-7077
Petroleum Engineer

Wayne P. Bankert (435) 789-4170
Petroleum Engineer

Jerry Kenczka (435) 781-1190
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

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

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

Refinery wastes

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

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

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 location topsoil pile should be seeded immediately after the soil is piled by broadcasting the seed mix identified in the APD, then walking the topsoil pile with the dozer to plant the seed.

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

-No construction or drilling should be conducted during the critical mule deer winter season (Nov. 1 to Mar. 31).

-If the well becomes a producing well, the operator should place an oil well service road sign at the point where the access road leaves the Kings Well road, stating that the road dead ends in 0.1 mile.

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.

Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.

UTU-57455

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

HANGING ROCK

8. Well Name and No.

HANGING ROCK I #12-12

9. API Well No.

43-047-33096

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

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

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

NW/SW SECTION 12, T12S, R23E

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

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

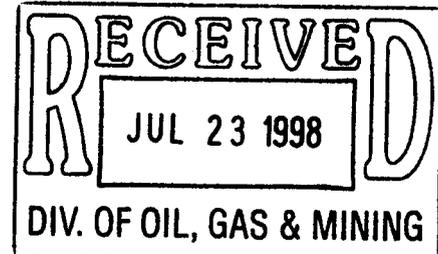
Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other Weekly
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

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

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

WEEKLY STATUS - MIRU CAZA RIG #56 ON 7/3/98. DRILLED TO TD @4500'; RAN AND CEMENTED 4-1/2" CSG. CAZA RIG #56 WAS RELEASED @ 1:00 P.M. 7/7/98. SEE ATTACHED RIG REPORTS.

CURRENT STATUS - WAITING ON COMPLETION.



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

Signed

Lucy Verma

Title Administrative Assistant

Date 07/21/98

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

ROSEWOOD RESOURCES, INC.

DAILY DRILLING REPORT

LEASE: HANGING ROCK I
WELL: #12-12

DATE: 7/5/98

CURRENT DEPTH 2200'
PROPOSED TD 4500'
FOOTAGE PAST 24 HRS 1702'
ENGINEER D.WIDNER
CONSULTANT BO SHERMAN

PRESENT OPERATION: DRILLING

FROM	TO	ACTIVITY PAST 24 HRS:
0600	0700	DRILL OUT CEMENT & SHOE @ 498'
0700	1430	DRLG 498'- 1027'
1430	1500	SURVEY, RIG SERVICE & FUNCTION TEST BOP'S
1500	2000	DRLG 1027'- 1431'
2000	2300	TRIP FOR BIT #2, CHANGE RUBBER IN ROTATING HEAD & FUNCTION TEST BLIND RAMS
2300	0015	DRLG 1431'- 1556'
0015	0045	RIG SERVICE & SURVEY
0045	0445	DRLG 1556'- 2048'
0445	0500	SURVEY
0500	0600	DRLG 2048'- 2200'

MUD PROPERTIES:

WT	FRESH	% OIL	<input type="text"/>	Ca+	<input type="text"/>
VIS	<input type="text"/>	%SAND	<input type="text"/>	cake	<input type="text"/>
WL	<input type="text"/>	%SOLID	<input type="text"/>	pH	<input type="text"/>
HTHP	<input type="text"/>	ALK	<input type="text"/>	DAILY MUD COST	<input type="text"/>
PV	<input type="text"/>	Cl-	<input type="text"/>	CUM. MUD COST	<input type="text"/>
YP	<input type="text"/>				

DAILY COSTS:

FOOTAGE	30806
DAYWORK	
LOCATION	
MUD	
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	500
CEMENTING	
FISHING	
WATER	1000
WELLHEAD	
CSG CREW	
RENTALS	450
CASING	
SUPERVISION	500
CASING HEAD	
TOTAL DAILY	33256
COST FORWARD	76487
CUM.TO DATE	109743

PUMP DATA:

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

HYDRAULICS:

WOB	15/20
RPM	55/105
GPM	350

BIT RECORD:

	1	2
Bit #		
Ser#	U09902	5983237
Size	7 7/8"	7 7/8"
Make	REED	Security
Type	HP53A	FM2565
Jets	3-13	3/12-5/13
In @	498'	1431'
Out @	1431'	
Feet	933'	769'
Hrs	12 1/4	7
Ft/Hr	76'	106'
CUM	12 1/4	19
Grade		

SURVEY DATA:

DEPTH	DEGREES
1027'	1/2
1556'	3/4
2048'	3/4

ADDITIONAL COMMENTS:

NO SHOWS. LIGHT OIL ON TANKS FROM 650'- 700'
TRIP GAS 440 UNITS
BACKGROUND GAS 4-30 UNITS
CONNECTION GAS TRACE TO 10 OVER

ROSEWOOD RESOURCES, INC.

DAILY DRILLING REPORT

LEASE: HANGING ROCK I
WELL: #12-12

DATE: 7/8/98

CURRENT DEPTH 4500 TD
PROPOSED TD 4500 TD
FOOTAGE PAST 24 HRS 0
ENGINEER D.WIDNER
CONSULTANT BO SHERMAN

PRESENT OPERATION: CEMENTING 4 1/2" CASING

FROM	TO	ACTIVITY PAST 24 HRS:
600	800	SHORT TRIP FOR LOGS
800	900	CIRC. AND CONDITION
900	1200	TRIP OUT FOR LOGS DROP SURVEY SLM 4502'
1200	1615	LOGGING WITH SCHLUMBERGER (LOG STOPPED 4376')
1615	1830	TRIP IN
1830	1930	WASH 120' TO BOTTOM
1930	2030	CIRC TO RUN CASING
2030	30	LAY DOWN DRILL PIPE AND DRILL COLLARS
30	300	RUN 4 1/2" 11.60# M65 CASING
300	430	CIRC. (WASH 10' TO BOTTOM)
430	600	CEMENT 4 1/2" CASING WITH HALLIBURTON

MUD PROPERTIES:

WT	9.8	% OIL	0	Ca+ cake	40
VIS	45	% SAND	1	pH	9.5
WL	7.3	% SOLID	10.6	DAILY MUD COST	2054
HTHP		ALK	5	CUM. MUD COST	5479
PV	16	CI-	500		
YP	8				

DAILY COSTS:

FOOTAGE	
DAYWORK	496
LOCATION	
MUD	2054
RIG MOVE	
SURVEYOR	
LOGGING	10794
MUD LOG	500
CEMENTING	
FISHING	
WATER	
WELLHEAD	
CSG CREW	6076
RENTALS	450
CASING	23253
SUPERVISION	500
CASING HEAD	

PUMP DATA:

	1	2
MAKE	Omega	Emsco
MODEL	750	500
LINER	8X6.5	7X6
SPM	106	
PSI	1000	

HYDRAULICS:

WOB	
RPM	
GPM	350

BIT RECORD:

Bit #	1	2
Ser#		
Size		
Make		
Type		
Jets		
In @		
Out @		
Feet		
Hrs		
Ft/Hr		
CUM		
Grade		

SURVEY DATA:

DEPTH	DEGREES
4500	5 1/2

TOTAL DAILY	44123
COST FORWARD	158780
CUM. TO DATE	202903

ADDITIONAL COMMENTS:

CASING DETAIL
 RAN 1 4 1/2" SELF FILL SHOE .78
 1 JT 4 1/2" 11.60# M65 CSG 40.65
 1 SELF FILLING FLOAT COLLA .57
 105 JTS 4 1/2" 11.60# M65 CSG 4466.39
 TOTAL 4508.39
 (22' CUT OFF JT)

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.

UTU-57455

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

HANGING ROCK

8. Well Name and No.

HANGING ROCK I #12-12

9. API Well No.

43-047-33096

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

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

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

NW/SW SECTION 12, T12S, R23E

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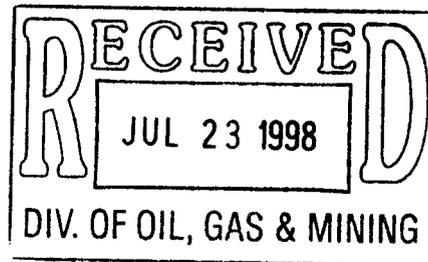
TYPE OF ACTION

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

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

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Operator reports the above referenced well was spud on 6/30/98 @ 8:00 a.m. by Bill Jr's Rathole Service.
(See attached report for setting of surface casing.)



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

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

Signed Luz Nema Title Administrative Assistant Date 07/21/98

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

ROSEWOOD RESOURCES, INC. Daily Completion Report

WELL NAME: HANGING ROCK #12-12

DATE: 7/16/98

DEPTH: 5300'

PBSD 3835' PKR

PERFS: 4210'-18' 2913'-24'

4109'-14'

3926'-31'

PACKER: 2828'

RBP:

CIBP:

EOT: 2844'

Lease #: UTU-57455

Location: NW/SW, SEC.12, T12S, R23E

County: Uintah Co., Utah

Engineer D. Widner
Consultant T. THURSTON**8/08/98**

R/U SCHLUMBERGER. RIH W/ GAUGE RING & TAG PBSD @ 4389'. RIH & RUN CEMENT BOND LOG FROM 4389'-SURFACE W/ 1000# SURFACE PRESSURE. EST TOP OF CEMENT @ SURFACE. EST TOP OF TAIL CEMENT @ 1850'. R/D WIRELINE. WOCT

Daily cost \$4,570 cum. cost \$227,537

MIRU Rocky Mtn Well Service. Unload, Rack & Tally Tubing. NU BOP & Manifold. RU Circulating equipment. Pressure Test Casing & Manifold to 2500psi f/ 15min. Held OK. PU 3 7/8" Tooth Bit, 4 1/2" Casing Scraper, XO Sub, 143 Jts 2 3/8" 4.7# J-55 EUE 8rd Tubing. Tag @ 4389.13' KB. Pull up to 4384'. Circulate water from well w/ 70bbl 3%KCl H2O. RU Swab. Swab well down to 2500'. Rec 32bbl KCl. RD Swab. POOH w/ tba & bit. SWI SDFN. Will perf Mesa Verde in AM.

Daily cost \$28,550 cum. cost \$255,547

9/16/98

RU Schlumb. RIH w 3 3/8" HSD Csg Gun. Corrolate to CNL-LDL-GR Dated 7-7-98. Tag @ 4390'. Perforate Mesa Verde 4210'- 4218' 4jspf 90deg phasing 32 Holes .40EHD. FL 2650' pre & 2550' post perf. No Blow. RD Schlum. Wait 30 min no blow. TIH w/ 1-2 3/8" NotchCollar(.40'), 1-2 3/8"x 1.875"XN Nipple(1.29'), 1- 2 3/8 J-55 Pup Jt(8.10'), 1- 4 1/2" Arrowset 1X10K Packer(6.47'), 1- 2 3/8On/Off Tool(1.71'), 1- Jt 2 3/8Tubg (30.95), 1-2 3/8"x 1.875" X Nipple(1.29'), 134- Joints 2 3/8" 4.7# J-55 EUE 8rd Tbg. Set Packer & Land Hanger w/11K on Pkr. Total 135Jts Tbg Set @ 4189.94'. Packer @ 4173.68'. NDBOP. NU Tree. Load Csg w/ 13bbl 3%KCl. Test Packer to 2500psi. Held OK. Tbg flowing slight trickle H2O. RU Swab. IFL: Surf. Swabbed 28bbl H2O in 1st Hour. NoGas. FL: 3700'. Samples showing approx 1% Light Green Oil. Swabbed 11bbl/Hour last 2 Hours w/ No sign of gas. Samples still have 1%Oil. Total Fluid Recovered: 48 bbl in 3 hours. FL staying @ 3700'. Swab hung up 500' from btm on last run. Line parted leaving swab & 200' line in hole. SWI SDFN.

Daily cost \$11,532 cum. cost \$267,816

9/17/98

SITP: 90psi, SICP: Opsi. Bled tbg instant. Tbg flowing slight trickle 100% H2O. ND Tree NU BOP. Release packer & TOOH. Cutoff 600' of sandline from inside bottom of tbg. Swab not stuck. RU Schlumb. RIH w/ 4 1/2" CIBP & Set @ 4180'. Load Csg w/ 7bbl 3% KCl. Test CIBP to 2500psi. Dump Bail 1sk Cement on CIBP. RIH w/ 3 3/8" HSD Csg Gun. Corrolate to CNL-LDL-GR Dated 7-7-98. Perf Wasatch 4109'- 4114' & 4121'- 4128' 4jspf 90deg phasing 48 Holes .40" EHD. No Blow in 30 min. RD Schlum. TIH w/ 1-2 3/8" Notch Collar(.40'), 1-2 3/8"x 1.875" XN Nipple(1.29'), 1- 2 3/8 J-55 Pup Jt(8.10'), 1- 4 1/2" Arrowset 1X10K Packer (6.47'), 1- 2 3/8On/Off Tool(1.71'), 1- Jt 2 3/8Tubg (30.95), 1-2 3/8"x 1.875" X Nipple(1.29'), 131- Joints 2 3/8" 4.7# J-55 EUE 8rd Tbg. Set Packer & Land Hanger w/10K on Pkr. Total 132Jts Tbg Set @ 4100.26'. Packer @ 4084.00'. Tbg flowing slightly. SI Tbg. Test Packer to 2500psi. Held OK. SITP: 110psi in 15min. Open to Manifold. Bled to Opsi instantly. Flowing 1/2" stream H2O. ND BOP NU Tree. Flow 1/2 stream H2O to pit f/30 min. RU Swab IFL: Surf. Made 8 runs in 1 1/2 hrs. Rec 28bbl. Swabbing down slowly. Final

Daily cost \$7,799 cum. cost \$275,615

9/18/98

SITP: 195psi, SICP: 0psi. 13 1/2 HR SI. Bled tbg instantly. RU Swab. IFL: 50'. Swab 18bbl in 1 1/2 Hrs. FL: 1600'. RU Rig Pump. Load Tbg w/ 4 bbl 3% KCL. Pump 8 add'l bbls @ 2 1/4bpm -1600psi. No Breaks. ISDP: 500psi. Bled Tbg instantly. Well Flowing 1/2" Stream H2O. RU Swab. IFL: Surface. Swabbed 76bbl in 3 hours. 60 bbl over Load. 100% H2O, No Gas. FL: 1600' steady. RD Swab. Load Tbg w/ 2bbl 3 % KCl. ND Tree NU BOP. Release Packer. POOH SISDFN

Daily cost \$950 cum. cost \$248,287

9/19/98

SICP:150psi. 17.5hrs SI. Bled off. Csg flowing slight trickle 100% H2O. RU Schlumb. RIH w/ 4 1/2" CIBP & Set @ 4100'. Load Csg & Test CIBP to 2500psi. Dump Bail 1sk Cement on CIBP. TIH w/ SN & 128 Jts 2 3/8" Tbg to 3950'. Displace fluid from wellbore w/ 70 bbl clean 3 % KCl H2O. RU Swab. Swab down to 2500'. POOH. RIH w/ 3 3/8" HSD Csg Gun. Corrolate to CNL-LDL-GR Dated 7-7-98. Perf Wasatch 3926' - 3931' 4jspf 90deg phasing 20 Holes .40" EHD. FL: 2500' Pre & 2350' Post Perf. No Blow in 30 min. RD Schlum. TIH w/ 1-2 3/8" Notch Collar(.40'), 1-2 3/8"x 1.875" 'XN' Nipple(1.29'), 1- 2 3/8 J-55 Pup Jt(8.10'), 1- 4 1/2" Arrowset 1X10K Packer (6.47'), 1- 2 3/8On/Off Tool(1.71'), 1- Jt 2 3/8Tubg (30.95), 1-2 3/8"x 1.875" 'X' Nipple (1.29'), 123- Joints 2 3/8" 4.7# J-55 EUE 8rd Tbg(3790.87'). Set Packer & Land Hanger w/11K on Pkr. Total 124Jts Tbg Set @ 3852.99'. Packer @ 3836.73'. Load Csg w/ 30bbl 3% KCl H2O & Test Packer to 2500psi. Held OK. ND BOP. NU Tree. RU Swab. IFL: 1000'. Made 3 runs in 1/2 hr. Rec 6bbl w/ weak gas blow after each run. Load tbg w/ 14bbl 3% KCl. Break down @ 2900psi. Pump 3bbl @ 1.25BPM- 2700psi. ISDP: 2500. Bled off. RU Swab. IFL: Surf. Made 5runs in 1 hr. Rec 14bbl H2O. Swabbed down. No Fluid on last run. Slight Gas blow

Daily cost \$7,783 cum. cost \$286,209

9/22/98

Check Pressures. SITP: 1650psi, SICP: 0psi. 37 Hr SI. Open Tbg on Gradually Increasing Choke to 32/64" Choke Tbg bled to weak blow in 25 min. RU Swab. No FL. Rec no fluid. Tbg on Weak blow. SI 2hrs. SITP:350psi. Bled tbg in 3 min. Load Tbg w/16bbl 3% KCl H2O. Pumping @ 1.25bpm Initial Break from 2900psi to 2600psi then increased & stabilized @ 2900psi. Inject 10bbl. ISDP: 2500psi. 5min:2100psi. 10min:1700psi. 15min:1550psi. TLTR:26bbl. Bled off Instantly. Swabbed 16bbl & Swabbed down. Made 3 1/2 hourly runs. No fluid entry w/ no blow after each run. TLTR: 10bbl. SWI & Prep to Frac 9-22-98

Daily cost \$2,311 cum. cost \$288,520

9/23/98

SITP: 900psi, SICP: 0psi. 17hrSI. Bled Tbg in 10min. RU Swab. FL: 3500' Made 1 swab run. Rec< 1bbl. RD Swab. Pressure Annulus to 1300psi. RU Howco. Test Lines to 5200psi. Set Popoffs & Held Safety Meeting. Frac Wasatch 3926'- 3931' w/ 20#Delta Frac Gel 3% KCl H2O. Broke @ 3552psi- 1.6bpm. SD on Pad to tighten leaking swage. ISDP:2870psi. Grad:1.17. SD 5min. Could not pump in due to crosslinked gel in tbg. Flowback till gel broken. Restart Job from beginning. Pump 1200gal Pad, 2100 Gal 2-4ppg 20/40 sand Ramp, 1000gal 4ppg 20/40 Stage. Flush w/ 673gal Slick H2O. Total 5200gal Gel w/ 10300# 20/40 Ottawa Sand. ISDP: 3644psi, 5min SI: 3215psi, 10min SI: 2917psi, 15min SI: 2740psi. ATR: 7.2bpm, MTR: 7.5bpm, ATP: 4400psi, MTP: 4600psi. SWI. RD Howco TLTR: 155bbl. SI 2 hours. SITP: 2100psi. Open well on 16/64" Choke. Well flowed 12bbl in 1 hour. Pressure declined to< 10psi in 10min & 0psi in 1 hour. well still flowing 1" stream. RU Swab. IFL: Surf. Swabbed 37bbl in 2 1/2hours. Making trace sand tbg vol recovered. Swabbed down. Rec 1 bbl in last 1/2hour. Started 1/2hourly runs f/ next 1 1/2 hours. Fluid Entry: <250'each run, recovering<1/2bbl foamy H2O/ Run w slight gas blow f/ approx 1 min after each run. Rec 39bbl Load(25%).

Daily cost \$20,742 cum. cost \$309,262

9/24/98

Check Pressures. SITP: 1280psi, SICP: 0psi. Open Tbg on 24/64" Choke. Bled to weak blow in 10min. RU Swab. IFL: 1100'. Swabbed down in 1 hour. Recovered 7bbl load H2O. Made 1/2 hourly runs f/ 2 hours. Fluid entry < 100' 1/2 hour. Recovered no fluid. SI 1 hour. Bled to weak continuous blow. Set Choke on 8/64" Choke. FTP: 23psi. FTP increased to 110psi over 2 hours then stabilized @ 110psi on 8/64" choke f/ next 2 hours. Flow rate 38MCF/D w/ no fluid. TLTR: 109bbl SWISDFN

Daily cost \$2,075 cum. cost \$311,587

9/25/98

Check Pressures. SITP: 1530psi, SICP: 0psi. 15 1/2 Hr SI. RU Delsco Wireline. RIH w/ X Blank Plug. FL: 3100'. Could not bump plug through top X Nipple @ 3803'. Plug set in X Nipple. Retrieve Plug. Made 2nd Attempt. POOH. RIH w/ XN Blank Plug & Set in XN Nipple @ 3851'. POOH. Load tbg w/ 12bbl 3% KCl. Pressure tbg to 2500psi. RD Delsco. ND Tree. NU BOP. Release from On/Off Tool. Pressure Casing to 2500psi f/15min. Held OK. Displace fluid from Hole w/ 55bbl 3% KCl H2O. LD 34 Jts & TOOH. RU Schlum. RIH w 3 3/8" HSD Gun. Corrolate to CNL-LDL-GR Dated 7-7-98. Perforate Wasatch 2913'- 2924' 4jspf 90deg phasing 44 Holes .40" EHD. POOH. Well on slight blow f/ 10min after perfling. Casing Started Unloading 2" stream of H2O f/ 20min then cleaned up on 32/64" choke. Set on 16/64" Choke. Flowing Casing Pressure increased over 30min to 820psi. Estimated Flow Rate 1.1 MMCF/D. RD Schlumb. Flowed on 16/64" choke @ 820psi f/2hrs. Made no fluid after cleanup. Open to 20/64" choke. After 1hr FCP:670psi

Daily cost \$6,718 cum. cost \$318,305

9/28/98

Check Pressures. SICP: 1240psi. 14 Hr SI. Open well on 16/64". Pressure Dropped to 300psi in 2hrs. Made 1 bbl H2O. Open to 24/64" Pressure Dropped to 250psi immediately Then started making heavy fluid mist and pressure started increasing to over 400psi within 3 hours. FCP Stabilized @ 412psi on 24/64" choke. Est Flow Rate 1.28 MMCF/D. Fluid Misting in heads, making 2 bbl in last 5 hours. SWI till
o r r o r

Daily cost \$3,410 cum. cost \$321,715

9/29/98

Check Pressure. SICP: 1160psi. 62Hr SI. RU Schlumb. RIH w/ Wireline set Packer Assy as follows: 1- 'XN' Nipple & Collar 1.875" w/1.79" NoGo w/ Type 'XN' Positive Plug Installed.(1.43'), 1- Pup Joint J-55(8.09'), 1- Packer Arrowset Type 1X-10K(6.45'), On/Off Seal Nipple w/ X Profile 1.875"(1.19'). Corrolate to CBL Dated 8-7-98 Set Packer @ 2825' WLM. Rig Crewman Shut blind rams on cable. Bled Pressure. POOH w/Set tools. RD Schlumb. TIH 1- On/Off Skirt(1.35'), 1- Jt 2 3/8" Tbg(30.95'), 1- X Nipple 1.875"(1.16'), 89- Jts 2 3/8" 4.7# J-55 EUE 8rd Tbg(2742.64'), 1- Pup Jt 2 3/8" J-55(10.01'), 1- Jt 2 3/8" Tbg. Space Out. Load hole w 41 bbl 3% KCl H2O. Pressure test casing & plug to 2500psi. Latch onto Packer Land Tbg w/10K# on Pkr. Total 91- Jts Set @ 2844.56KB w/ Pkr @ 2828.59'KB. Pressure Test Annulus to 2500psi. Held OK. ND BOP. NU Tree. RU Swab. Swab down to 1700'. RU Delsco. RIH w/Pulling tool. Equalize & release Plug. POOH & RD Delsco. SITP: 960psi. Load Tbg w/6bbl. Breakdown w/ 10bbl 3% KCl @ 2bpm. Broke from 2300 to 1000psi. TLTR: 22bbl. ISDP: 500psi. Bled Pressure. Well flowed 2bbl in 30min. RU Swab. Made 1 run & kicked off. Made total 21bbl in 1st 2hrs. Put on 24/ 64" choke @ FTP: 100psi. Pressure increased to 210psi over 2 hours. Fluid rate stabilized 2bbl/hr, 1% Cond. Rec 25bbl. Flowing 650MCF/d @ 210psi. SISDFN

Daily cost \$7,696 cum. cost \$329,411

9/30/98

Check Pressure. SITP: 1180psi, SICP: 0psi. 13hr SI. Open on 24/64" choke. Pressure dropped to 220psi in 30min then started climbing. Pressure rose to 315psi over next 5 hours, making 979MCF/D. Flowing fluid in Heavy Mist. Made 4.5 bbl Fluid in 10 hours. Ave 15- 20% Condensate. Pressure rose slowly over next 5 hours with a Final Flowing Pressure of 325psi on a 24/64" Choke. Final Est Gas Rate:1.01MMCF/D. SWI SDFN

Daily cost \$2,530 cum. cost \$331,941

10/01/98

Check Pressure. SITP: 1130psi, SICP: 0psi. 14hr SI. RDMO Rky Mtn Well Ser. Hookup to Production Equip. Open on 24/64" Choke. 1st Gas Sales @ 1140 hrs 9-30-98. Initial Flow Rate 1.1 MMCF/D

Daily cost cum. cost \$331,941

10/02/98

FTP: 260psi. Choke Set @ 24/64". Made 901 MCF in 20.3 hours since turn on. Produced 3.3bbl H2O & 5.1bbl Condensate. Spot Flow Rate @ 0700: 1.03 MMCF/D.

Daily cost cum. cost \$331,941

10/03/98

FTP: 230psi. Choke Set on 24/64". Made 890 MCF in past 24 hrs. Produced 5.1bbl H2O & 6.6bbl Conden.

Daily cost cum. cost \$331,941

10/04/98

FTP: 230psi. Choke Set on 24/64". Made 683 MCF in 24 hrs. Produced 10.2bbl Condensate & 0bbl H2O.

Daily cost cum. cost \$331,941

10/05/98

FTP:300psi. Choke Set on 16/64". Made 549 MCF in 24 hrs. Produced 6.8bbl Condensate & 0bbl H2O.

Daily cost \$0 cum. cost \$331,941

10/06/98

FTP:260psi. Choke Set on 16/64". Made 455 MCF in 24 hrs. Produced 8.35bbl Condensate & 0bbl H2O.

Daily cost \$0 cum. cost \$331,941

10/06/98

FTP:260psi. Choke Set on 16/64". Made 408 MCF in 24 hrs. Produced 8.35bbl Condensate & 0bbl H2O.
Final Report.

Daily cost \$0 cum. cost \$331,941

UNITED STATES
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-57455

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
HANGING ROCK

8. Well Name and No.
HANGING ROCK I #12-12

9. API Well No.
43-047-33096

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator
ROSEWOOD RESOURCES, INC.

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NW/SW SECTION 12, T12S, R23E

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

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

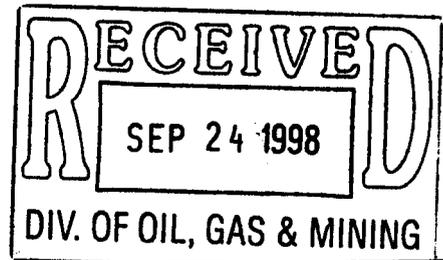
TYPE OF ACTION

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

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

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

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



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

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

Signed [Signature]

Title Administrative Assistant

Date 09/11/98

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

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.

RECEIVED
 FORM 1600 (July 1992)
DEC 07 1998
 DIV. OF OIL, GAS & MINING

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

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

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK
 OIL WELL GAS WELL DRY Other _____

1b. TYPE OF WELL
 NEW WELL WORK OVER WELL-EN FLOW BACK DIFF. RESVR. Other _____

7. UNIT AGREEMENT NAME
HANGING ROCK

8. FARM OR LEASE NAME, WELL NO.
HANGING ROCK I #12-12

9. API WELL NO.
43-047-33096

10. FIELD AND POOL OR WILDCAT
WILDCAT

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SEC. 12, T12S, R23E

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

2. NAME OF OPERATOR
ROSEWOOD RESOURCES, INC.

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

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements. *)
 At Surface
1978' FSL 658' FWL NE/SW
 At top prod. Interval reported below

12. COUNTY OR PARISH
UINTAH

13. STATE
UTAH

14. PERMIT NO. _____ DATE ISSUED
5/14/98

15. DATE SPUNDED
6/30/98

16. DATE T.D. REACHED
7/6/98

17. DATE COMPL. (Ready to prod.)
9/30/98

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*
5960' GR

19. ELEV. CASINGHEAD
5975' KB

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

21. PLUG, BACK T.D., MD & TVD
CIBP @ 4180' CIBP @ 4100

22. IF MULTIPLE COMPL., HOW MANY*
3851' PKR WBLANKING

23. INTERVALS DRILLED BY
530' - 4500'

ROTARY TOOLS
530' - 4500'

CABLE TOOLS
NA

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*
WASATCH 2913'- 24'

25. WAS DIRECTIONAL SURVEY MADE
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN
A/I/LC/GR, CNLD/GR, ML/GR, MUD LOG, CBL 7-14-98

27. WAS WELL CORED
NO

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

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
9-5/8" J-55	36#	526' GL	12 1/4"	SURF-300 sx Class "G"	NONE
4-1/2" M-65	11.6#	4500'	7 7/8"	SURF - 350 SKS HALCO-LITE TAIL W/490 SKS "AG" CEMENT	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	2844'	2828'

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
4210' - 18'	0.37	32
4109' - 14' 4121' - 28'	0.37	48
3926' - 31'	0.37	20
2913' - 24'	0.37	44

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3926'-31'	FRAC W/5200 GALS GEL + 10,300# 20/40 SD.

PRODUCTION

DATE FIRST PRODUCTION
9/30/98

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

WELL STATUS (Producing or shut-in)
PROD

DATE OF TEST
10-1-98

HOURS TESTED
24

CHOKE SIZE
24/64

PROD. FOR TEST PERIOD
→

OIL-BBLS.
6.6

GAS-MCF.
890

WATER-BBL.
5.1

GAS-OIL RATIO

FLOW. TUBING PRESS.
230

CASING PRESSURE

CALCULATED 24-HOUR RATE
→

OIL-BBL.
6.6

GAS-MCF.
890

WATER-BBL.
5

OIL GRAVITY-API (CORR.)

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

TEST WITNESSED BY
Ivan Sadlier

35. LIST OF ATTACHMENTS

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

SIGNED *Lucy Nam* 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 matter within its jurisdiction.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);	38. GEOLOGIC MARKERS														
	FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.											
				<table border="1"> <thead> <tr> <th rowspan="2">NAME</th> <th colspan="2">TOP</th> </tr> <tr> <th>MEAS. DEPTH</th> <th>TRUE VERT. DEPTH</th> </tr> </thead> <tbody> <tr> <td>WASATCH</td> <td>2544'</td> <td>+3450'</td> </tr> <tr> <td>MESA VERDE</td> <td>4144'</td> <td>+1850'</td> </tr> </tbody> </table>	NAME	TOP		MEAS. DEPTH	TRUE VERT. DEPTH	WASATCH	2544'	+3450'	MESA VERDE	4144'	+1850'
NAME	TOP														
	MEAS. DEPTH	TRUE VERT. DEPTH													
WASATCH	2544'	+3450'													
MESA VERDE	4144'	+1850'													

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: See Attached
2. NAME OF OPERATOR: MCELVAIN OIL & GAS PROPERTIES, INC.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1050 17th Street CITY Denver STATE CO ZIP 80265		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____		8. WELL NAME and NUMBER: 9. API NUMBER:
PHONE NUMBER: (303) 893-0933		10. FIELD AND POOL, OR WILDCAT:
COUNTY: _____		STATE: UTAH

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

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

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

Bond # RLB0004154
Operator # N2100

RECEIVED
APR 29 2002
DIVISION OF
OIL, GAS AND MINING

Name Gary Taraba
Signature *Gary Taraba*

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

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

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

(This space for State use only)

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3162.3

UT08300

June 24, 2002

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

Re: Well No. Hanging Rock I 12-12
NWSW, Sec. 12, T12S, R23E
Uintah County, Utah
Lease No. UTU-57455

Gentlemen:

This correspondence is in regard to the self-certification statement submitted requesting a change in operator for the referenced well. After a review by this office, the change in operator request is approved. Effective immediately, McElvain O&G Properties, Inc. is responsible for all operations performed on the referenced well. All liability will now fall under your bond, BLM Bond No. UT1268, for all operations conducted on the referenced well on the leased land.

If you have any other questions concerning this matter, please contact Leslie Walker or Pat Sutton of this office at (435) 781-4400.

Sincerely,

Edwin I. Forsman
Petroleum Engineer

cc: UDOGM – Jim Thompson
Rosewood Resources

RECEIVED

JUL 01 2002

DIVISION OF
OIL, GAS AND MINING

ROUTING

OPERATOR CHANGE WORKSHEET

1. GLH
2. CDW ✓
3. FILE

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **05-01-2002**

FROM: (Old Operator):	TO: (New Operator):
ROSEWOOD RESOURCES INC	MCELVAIN OIL & GAS PROPERTIES INC
Address: P O BOX 1668	Address: 1050 17TH STREET, STE 1800
VERNAL, UT 84078	DENVER, CO 80265-1801
Phone: 1-(435)-789-0414	Phone: 1-(303)-893-0933
Account No. N7510	Account No. N2100

CA No. Unit:

WELL(S)						
NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
ROSEWOOD FEDERAL 28-8	19-11S-22E	43-047-32840	12442	FEDERAL	GW	P
ROSEWOOD FEDERAL H 22-16	22-11S-23E	43-047-33186	12558	FEDERAL	GW	TA
ROSEWOOD 5-6	05-12S-22E	43-047-33132	12450	FEDERAL	GW	P
HANGING ROCK FEDERAL I 1-4	01-12S-23E	43-047-32855	12389	FEDERAL	GW	P
HANGING ROCK FEDERAL I 10-13	10-12S-23E	43-047-33098	12429	FEDERAL	GW	S
HANGING ROCK FEDERAL I 12-12	12-12S-23E	43-047-33096	12427	FEDERAL	GW	S
HANGING ROCK I 12-9	12-12S-23E	43-047-33101	12396	FEDERAL	GW	S
HANGING ROCK I 15-7	15-12S-23E	43-047-33099	12428	FEDERAL	GW	S
TOBY FEDERAL F 6-15	06-12S-24E	43-047-32757	12037	FEDERAL	GW	P
TUCKER FEDERAL F 8-2	08-12S-24E	43-047-32993	12386	FEDERAL	GW	P
TUCKER FEDERAL F 8-4	08-12S-24E	43-047-32872	12125	FEDERAL	GW	P
CENTER FORK FEDERAL 17-4	17-12S-24E	43-047-32750	12038	FEDERAL	GW	S

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 04/29/2002
 - (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 04/29/2002
 - The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 07/03/2002
 - Is the new operator registered in the State of Utah: YES Business Number: 5078926-0143
 - If **NO**, the operator was contacted on: N/A
 - (R649-9-2) Waste Management Plan received on: IN PLACE
-
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: 06/18/2002

7. Federal and Indian Units:

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

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

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

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

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 07/05/2002
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 07/05/2002
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

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

FEDERAL WELL(S) BOND VERIFICATION:

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

INDIAN WELL(S) BOND VERIFICATION:

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

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU-57455

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

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

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

8. Well Name and No.
Refer to Attached Well List

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

43-047-33096

9. API Well No.
Refer to Attached Well List

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

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

10. Field and Pool or Exploratory Area
Oil Springs

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

12S 23E 12

11. Country or Parish, State
Utah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Request for 30 day Extension
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

McElvain Oil & Gas Properties, Inc. has been required to submit plans for plugging or re-establish production for several wells. The notice letter was dated April 13, 2007 and received April 20, 2007. We would like to request for a 30 day extension (June 20, 2007) for the wells that we have determined will be plugged. We have asked for a third party to consult on plugging recommendations. They are still currently being reviewed by the third party. We ask for a 30 day extension to review the third parties recommendations and proceed with plugging procedures. Please see attached, the list of wells we are requesting for a 30 day extension.

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

Date: 5/18/07
By: [Signature]

COPY SENT TO OPERATOR
Date: 5/21/07
Initials: [Signature]

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

Name (Printed/Typed)
Barbara Martin

Title Engineer

Signature

[Signature]

Date 05/11/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Office

RECEIVED

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

MAY 15 2007

(Instructions on page 2)

DIV. OF OIL, GAS & MINING

*McElvain Oil & Gas Properties, Inc.
P&A List of Wells Requesting 30 Extension (June 20, 2007)*

<u>Lease Number</u>	<u>Well Name</u>	<u>API #</u>	<u>Well Location</u>
UTU-57455	Hanging Rock I # 12-12	43-047-33096	NWSW Sec. 12, T12S-R23E
UTU-57455	Hanging Rock I # 12-9	43-047-33101	NESE Sec. 12, T12S-R23E
UTU-57455	Hanging Rock I # 12-2	43-047-32036	NWNE Sec. 12, T12S-R24E
		<i>43-047-32936</i>	<i>R23E</i>

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU-57455

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

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

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

8. Well Name and No.
Hanging Rock Fed I #12-12

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

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

9. API Well No.
43-047-33096

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1978' FSL & 658' FWL, NWSW Sec. 12 T12S-R23E

10. Field and Pool or Exploratory Area
Oil Springs

11. Country or Parish, State
Utah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Request 30 day</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Extension</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

McElvain Oil & Gas Properties, Inc. ran a Bottom Hole Pressure Survey on the Hanging Rock Federal I 12-12 (API# 43-047- 33096) located NWSW of Sec. 12 T12S-R23E. We propose to Swab, Flow Test & possibly acidize or frac. We would like a 30 day extension for further evaluation to August 20, 2007. At the end of the 30 days we will submit a notice of intent to re-establish production or to plug and abandon the well. We anticipate the work begin in July 2007.

COPY SENT TO OPERATOR
Date: 7/26/07
Initials: CB

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: 7/23/07
By: [Signature]

Federal Approval Of This
Action Is Necessary

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

Name (Printed/Typed)
Barbara Martin

Title Engineer

Signature

[Signature]

Date 07/17/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Office

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

(Instructions on page 2)

RECEIVED

JUL 19 2007

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
Refer to attached well list

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

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

43-047-330916
3b. Phone No. (include area code)
(303) 893-0933

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

7. If Unit of CA/Agreement, Name and/or No.
Refer to attached well list

8. Well Name and No.
Refer to attached well list

9. API Well No.
Refer to attached well list

10. Field and Pool or Exploratory Area
Oil Springs

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Refer to attached well list

11. Country or Parish. State
Uintah County, Utah

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

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

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

McElvain Oil & Gas Properties, Inc. is plugging several wells and would like to request to haul left over water and residue cement from the plugging locations to existing reserve pits located on the Hanging Rock Federal 1-8 (API # 43-047-36042) and/or Tucker Federal 8-6 (API # 43-047-36837) to settle solids and/or evaporate liquids. Please see attached list of plugging well locations.

RECEIVED
AUG 15 2007

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

Name (Printed/Typed)
Barbara Martin

Title Engineer

DIV. OF OIL, GAS & MINING

Signature



Date 08/13/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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Office

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(Instructions on page 2)

McElvain Oil & Gas Properties, Inc.
P&A List of Wells

<u>Lease Number</u>	<u>Well Name</u>	<u>Unit</u>	<u>API #</u>	<u>Well Location</u>
UTU-57455	Hanging Rock Fed I # 12-12	N/A	43-047-33096	NWSW Sec. 12, T12S-R23E
UTU-57455	Hanging Rock Fed I # 12-9	N/A	43-047-33101	NESE Sec. 12, T12S-R23E
UTU-57455	Hanging Rock Fed I # 12-2	Hanging Rock Unit	43-047-32936	NWNE Sec. 12, T12S-R24E
UTU-57455	Hanging Rock Fed I #10-13	N/A	43-047-33098	SWSW Sec. 10, T12S-R23E
UTU-57455	Hanging Rock Fed #12-8	Hanging Rock Unit	43-047-34439	SENE Sec. 12, T12S-R23E
UTU-57455	Hanging Rock Fed I #15-7	N/A	43-047-33099	SWNE Sec. 15, T12S-R23E
UTU-66426	Hanging Rock Fed #7-14	N/A	43-047-35083	SESW Sec. 7, T12S-R24E

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU-57455

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

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

8. Well Name and No.
Hanging Rock Fed I #12-12

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

9. API Well No.
43-047-33096

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

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

10. Field and Pool or Exploratory Area
Oil Springs

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1978' FSL & 658' FWL, NWSW Sec. 12 T12S-R23E

11. Country or Parish, State
Utah County, Utah

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

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

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

McElvain Oil & Gas Properties, Inc. has been required to submit plans for plugging or re-establish production. We propose to plug and abandon the Hanging Rock Federal #12-12 (API# 43-047-33096) by the following procedure:

- Pump 50' cement plug on top of Packer/Plug @ 3837' to 3787' (± 5 sxs)
- Plug Mud 3787' to 2820'
- Tubing Set CIBP @ 2820'
- 330' cement plug 2820' to 2490' (± 25 sxs)
- Plug Mud 2490' to 625'
- 200' cement plug 625' to 425' (± 15 sxs)
- Plug Mud 425' to 50'
- 50' cement plug 50' to Surface (± 5 sxs)
- Cut off wellhead
- Install Dry Hole Marker

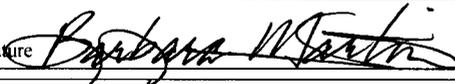
Please see attached P&A Wellbore Diagram

9-6-07
RM

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

Name (Printed/Typed)
Barbara Martin

Title Engineer

Signature 

Date 08/10/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

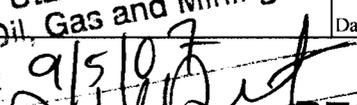
Federal Approval Of This
Action Is Necessary

Approved by

Accepted for Use
Utah Division of
Oil, Gas and Mining

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  Date _____

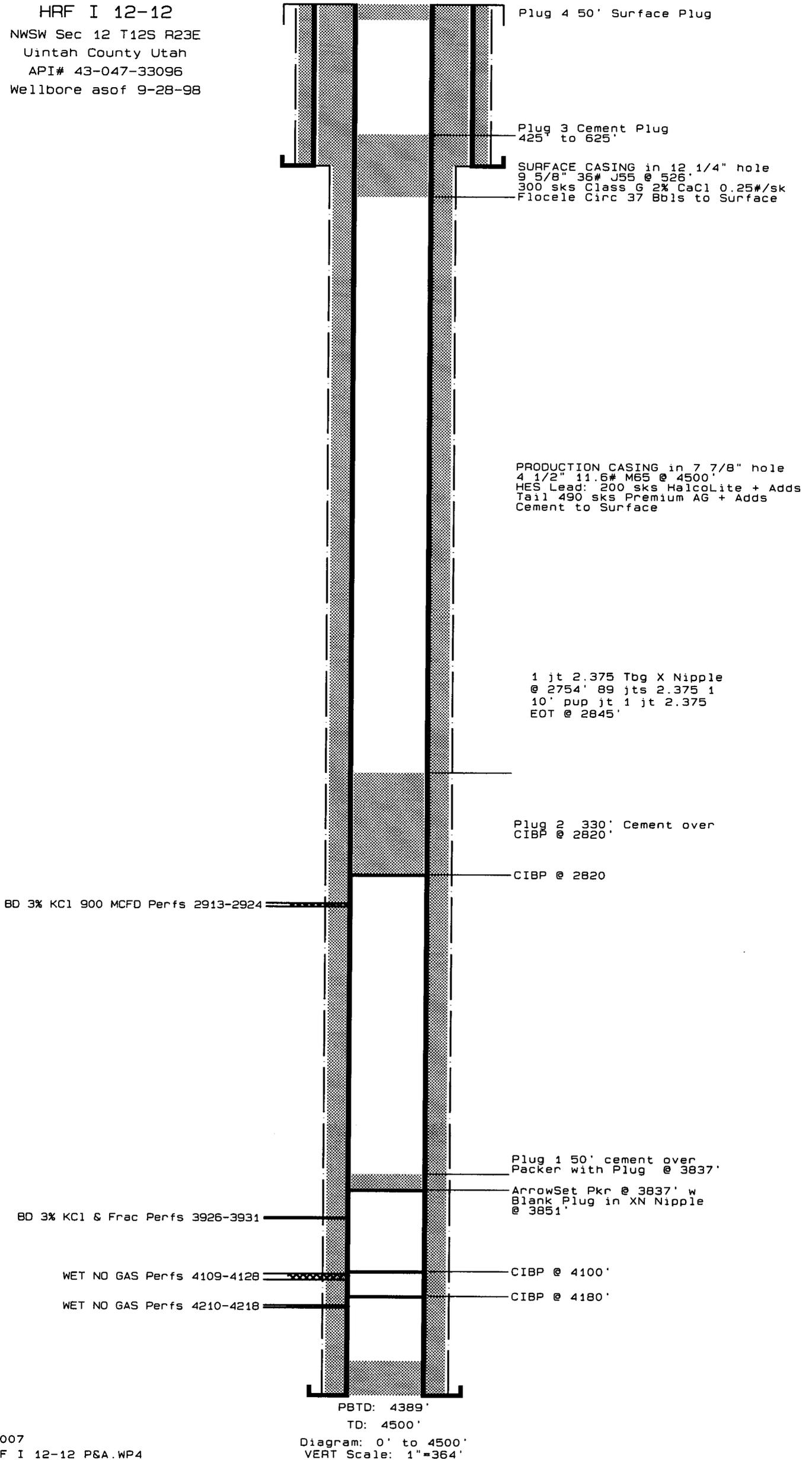
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

AUG 13 2007

(Instructions on page 2)

HRF I 12-12
 NSW Sec 12 T12S R23E
 Uintah County Utah
 API# 43-047-33096
 Wellbore asof 9-28-98



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU-57455

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. N/A
2. Name of Operator McElvain Oil & Gas Properties, Inc.		8. Well Name and No. Hanging Rock Federal #12-12
3a. Address 1050 17th Street, Suite 1800, Denver, CO 80265	3b. Phone No. (include area code) (303) 893-0933	9. API Well No. 43-047-33096
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1978' FSL & 658' FWL (NWSW) Sec. 12, T12S-R23E		10. Field and Pool or Exploratory Area Oil Springs
		11. Country or Parish, State Uintah County, Utah

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

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

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

McElvain Oil & Gas Properties, Inc plugged and abandoned the Hanging Rock Federal #12-12 (API# 43-047-33096) by the following procedure:

Pumped 12 sxs Cement on existing CIBP/Pkr @ 3837'
Set CIBP & set w/ Wireline @ 2820' cap with 25 sxs cement
Perforated 3 holes @ 50'
Cement plug 625' to Surface with 48 sxs cement
Cut off wellhead
Install Dry Hole Marker
(BLM Inspector 1st day Bill Owens, 2nd day Raymond K.)

9113107

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Barbara Martin	Title Engineer
Signature 	Date 10/12/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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

(Instructions on page 2)

RECEIVED

OCT 15 2007

BUREAU OF LAND MANAGEMENT

UTAH DIVISION OF OIL, GAS AND MINING
NOTICE OF REPORTING PROBLEMS

Operator: McElvain Oil & Gas Properties, Inc. Account: N2100 Today's Date: 09/16/2008

Problems:

- Late Report(s)
- Inaccurate Report(s)
- Incomplete Report(s)
- Other: No Subsequent Report

Failure to submit reports in a timely, accurate, and complete manner may result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

To avoid compliance action, these reporting problems should be resolved within 7 days.

Send reports to:

Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 P.O. Box 145801
 Salt Lake City, Utah 84114-5801

Fax to:

(801) 359-3940 *43 047 330916*
Hanging Rock I 12-12
12S 23E 12

Type of Report	Month(s) of Problem Report		
<input type="checkbox"/> Production – Form 10 <input type="checkbox"/> Disposition – Form 11 <input type="checkbox"/> Gas Plant – Form 13 <input type="checkbox"/> Enhanced Recovery – UIC Form 2 <input type="checkbox"/> Injection – UIC Form 3 <input type="checkbox"/> Other _____			
Type of Report	Well Name(s)	API Number(s)	Drilling Commenced
<input type="checkbox"/> Spud Notice – Form 9 <input type="checkbox"/> Drilling Reports – Form 9 <input type="checkbox"/> Well Completion Report – Form 8 <input checked="" type="checkbox"/> Other <u>Subsequent Sundry</u>	<input checked="" type="checkbox"/> List Attached		

Description of Problem:

Operator has submitted sundry of intents on the following wells that have been approved by DOGM. Per Rule 649-3-23, a subsequent report shall be submitted on Form 9, Sundry Notice, with in 30 days after completion. The report should show workover results, well status, work completion date, new perforation depths, etc.

If you have questions or concerns regarding this matter, please contact Rachel Medina at (801) 538-5260 .

cc: Compliance File
 RAM
 Well File
 CHD

