

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO. 57455

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a TYPE OF WORK

DRILL [X] DEEPEN [] PLUG BACK []

7. UNIT AGREEMENT NAME

Hanging Rock

B TYPE OF WELL

OIL WELL [] GAS WELL [X] SINGLE ZONE [] MULTIPLE ZONE [X]

8. FARM OR LEASE NAME

2. NAME OF OPERATOR

Rosewood Resources, Inc.

9. WELL NO.

I 10-13

3. ADDRESS OF OPERATORS

100 Crescent Court, Suite 500, Dallas TX 7520 214-871-5729

10. FIELD OR LEASE NAME

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)

at surface 741' FSL, 843' FWL, NE/SW Sec. 10, T12S, R23E, S.L. B. &M

11. Sec., T., R., M., OR BLK AND SURVEY OR AREA

Sec. 10, T12S, R23E, S.L. B. &M

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

26.4 miles south of Bonanza, UT

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

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

741'

16. NO. OF ACRES IN LEASE

10,094.71

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

16. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

4,500'

19. PROPOSED DEPTH

4,700'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.)

6,110'

22. APPROX. DATE WORK WILL START

1-May-98

PROPOSED CASING AND CEMENT PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 11" hole with 8 5/8" casing and 7 7/8" hole with 4 1/2" casing.

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 is to deepen or plug back, give data on proposed productive zone and proposed ne 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

PERMIT NO.

43-047-33098

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

BRADLEY G. HILL RECLAMATION SPECIALIST III

DATE

4/9/98

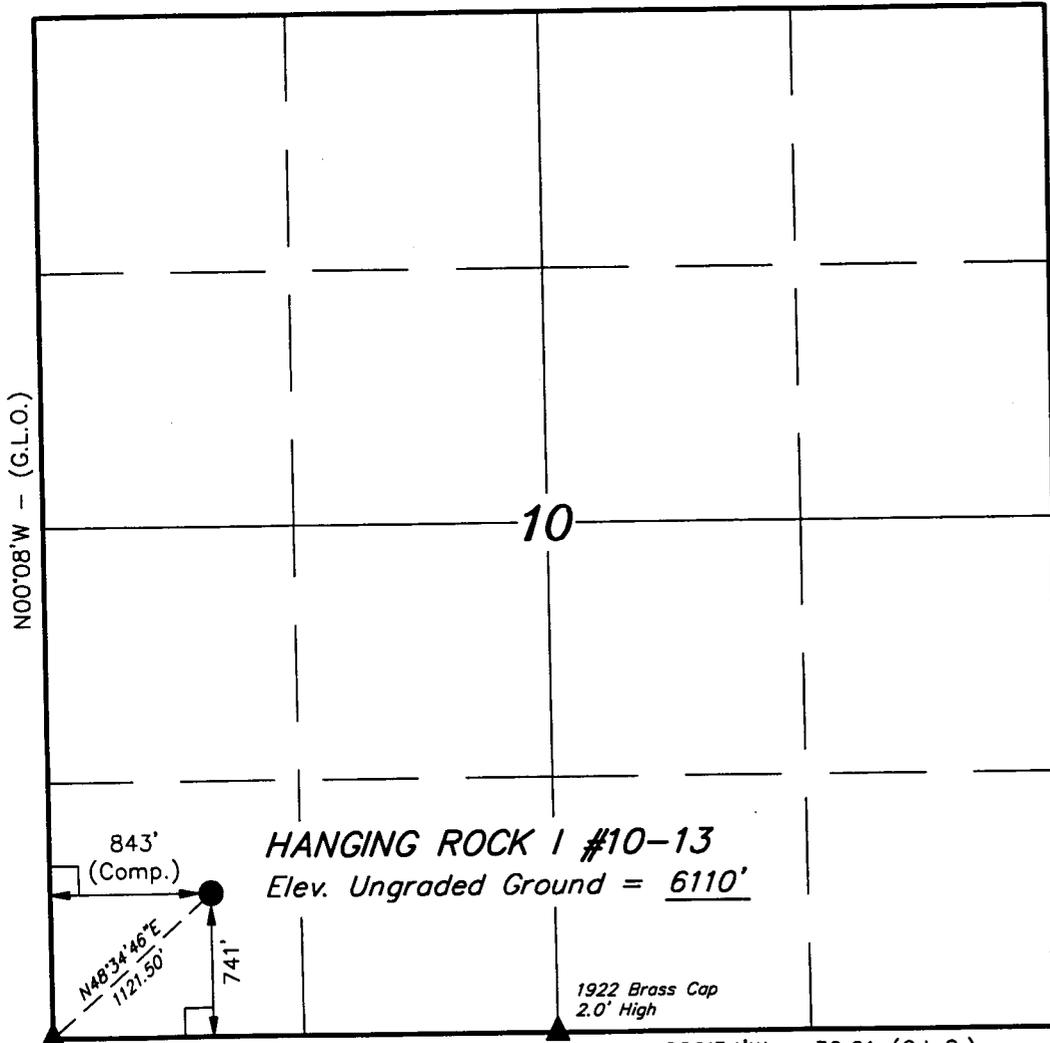
Federal Approval of this Action is Necessary

*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.

S89°52'W - 79.72 (G.L.O.)



N00°08'W - (G.L.O.)

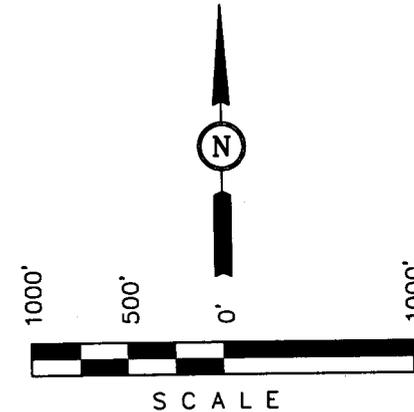
N00°07'W - (G.L.O.)

ROSEWOOD RESOURCES, INC.

Well location, HANGING ROCK I #10-13, located as shown in the SW 1/4 SW 1/4 of Section 10, T12S, R23E, S.L.B.&M. Uintah County Utah.

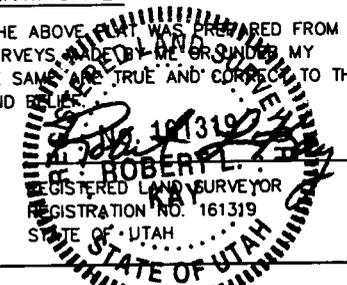
BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 15, T12S, R23E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE. QUADRANGLE, UTAH, UINAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5994 FEET.



CERTIFICATE

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



1922 Brass Cap
6" High, Cedar
Post

2639.90' (Measured)

LEGEND:

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

LATITUDE = 39°46'59"
LONGITUDE = 109°20'06"

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

SCALE 1" = 1000'	DATE SURVEYED: 02-03-98	DATE DRAWN: 02-05-98
PARTY B.B. D.R. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ROSEWOOD RESOURCES, INC.	

SELF-CERTIFICATION STATEMENT

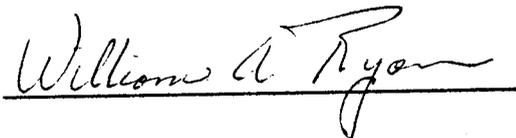
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

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

**Hanging Rock I 10-13
SW 1/4, SW 1/4, Section 10, 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
435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax**

Ten Point Plan

Rosewood Resources, Inc.

Hanging Rock I 10-13
Hanging Rock Unit

Surface Location SW 1/4, SW 1/4, Section 10, T. 12 S., R. 23 E.

1. Surface Formation:

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+6,110' G.L.
Oil Shale	500	+5,610
Wasatch	2,670	+3,440
Mesaverde formation	4,370	+1,740
T.D.	4,900	+1,210

3. Producing Formation Depth:

Formation objective include the Wasatch and its submembers.

Off Set Well Information:

Off set well: None

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% Calcium 1/4 #/sk Cello Flake	150 sks.+/-	1.16 cu. ft./sk.	15.6 lbs./gal.
4 1/2	Stage 1 Class "G" 10% salt 10% gypsum .1% R-3 .4% FL-25 Stage 2 Class "G" 10% salt 16% gel(Bentonite) 5# Gilsonite/sk .25#/sk Cello Flake	540 sks.+/-	3.91 cu. ft./sk.	11.0 lbs./gal.
		205 sks.+/-	1.53 cu. ft./sk.	14.8 lbs./gal.

5. BOP and Pressure Containment Data:

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

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

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs/gal.</u>	<u>Viscosity Sec./Qt.</u>	<u>Fluid Loss MI/30 Mins.</u>	<u>Mud Type</u>
0-300	Air/Clear Water	----	No Control	Water/Gel
300-2500	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:

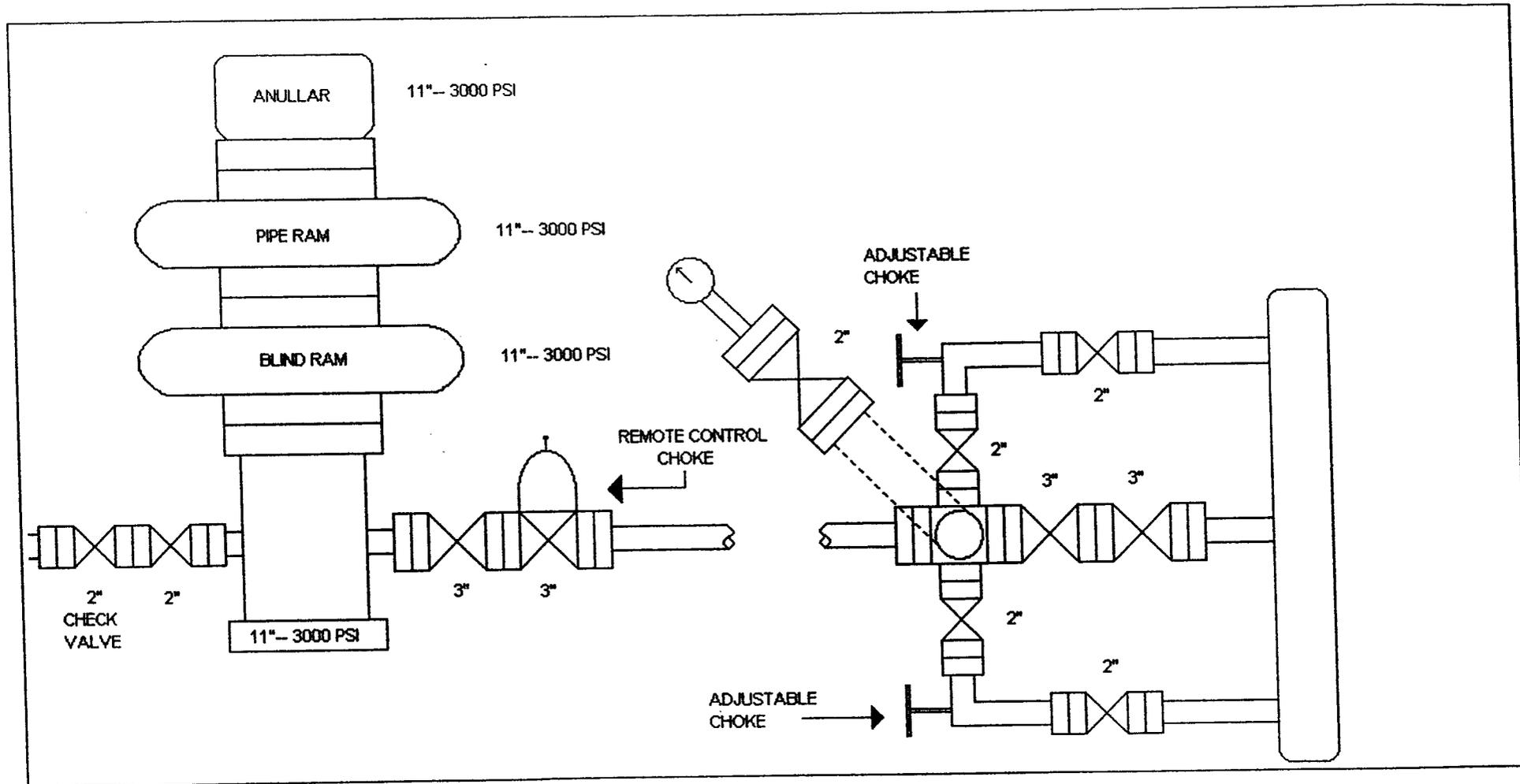
Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

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 10-13

HANGING ROCK UNIT

LOCATED IN

SW 1/4, SW 1/4

SECTION 10, 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 10-13 well location, in Section 10, 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 2 miles the proposed access road will start at this point. Follow the existing two track 1.6 miles.

All existing roads to the proposed location are State or County Class D roads except for the last 11,088 feet.

Please see the attached map for additional details.

2. Planned access road

The proposed location will require approximately 8,448 feet of upgraded road construction and 2,640 feet of new construction.

The road will be built to the following standards:

A) Approximate length	11,088 Ft.
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil
E) Maximum grade	11%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road flagged	Yes
K) Access road surface ownership	Federal
L) All new construction on lease	Yes
M) Pipe line crossing	One

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	None	
B) Water wells	None	
C) Abandoned wells	None	
D) Temporarily abandoned wells	None	
E) Disposal wells	None	
F) Drilling/Permitted wells	15-7 15-5	Sec. 15, T. 12 S., R. 23 E. Sec. 15, 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. 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	19.5 ft.
G)	Max fill	9.2 ft.
H)	Total cut yds	9,910 cu. yds.
I)	Pit location	south side
J)	Top soil location	north & east side
K)	Access road location	east 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.

The seed mix and quantity listed will be used whether the seed is broadcast or drilled.

Seed Mix

Four wing salt brush	4#/acre
Needle & Thread	3#/acre
Shad scale	3#/acre
Western wheat grass	2#/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 435-828-0968

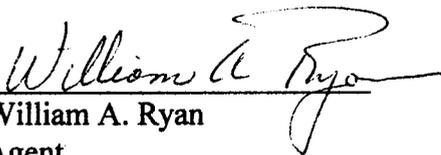
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable laws, regulations, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. 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 18 1998


William A. Ryan
Agent
Rocky Mountain Consulting

Onsite Date: February 11, 1998
Participant on joint inspection:
Danny Widner Rosewood Resources, Inc.
Byron Tolman BLM
Steve Matsen BLM
Steve Strong BLM

Statement of use of Hazardous Material

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

If you require additional information please contact:

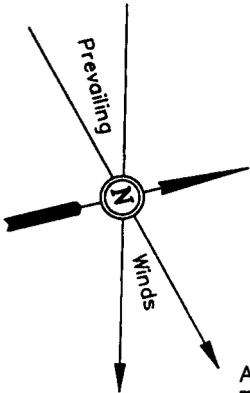
William A Ryan
Agent for Rosewood Resources, Inc.
Rocky Mountain Consulting
350 S. 800 E.
Vernal Utah, 84078

Telephone
(435) 789-0968 office
(435) 828-0968 cellular
(435) 789-0970 fax

ROSEWOOD RESOURCES, INC.

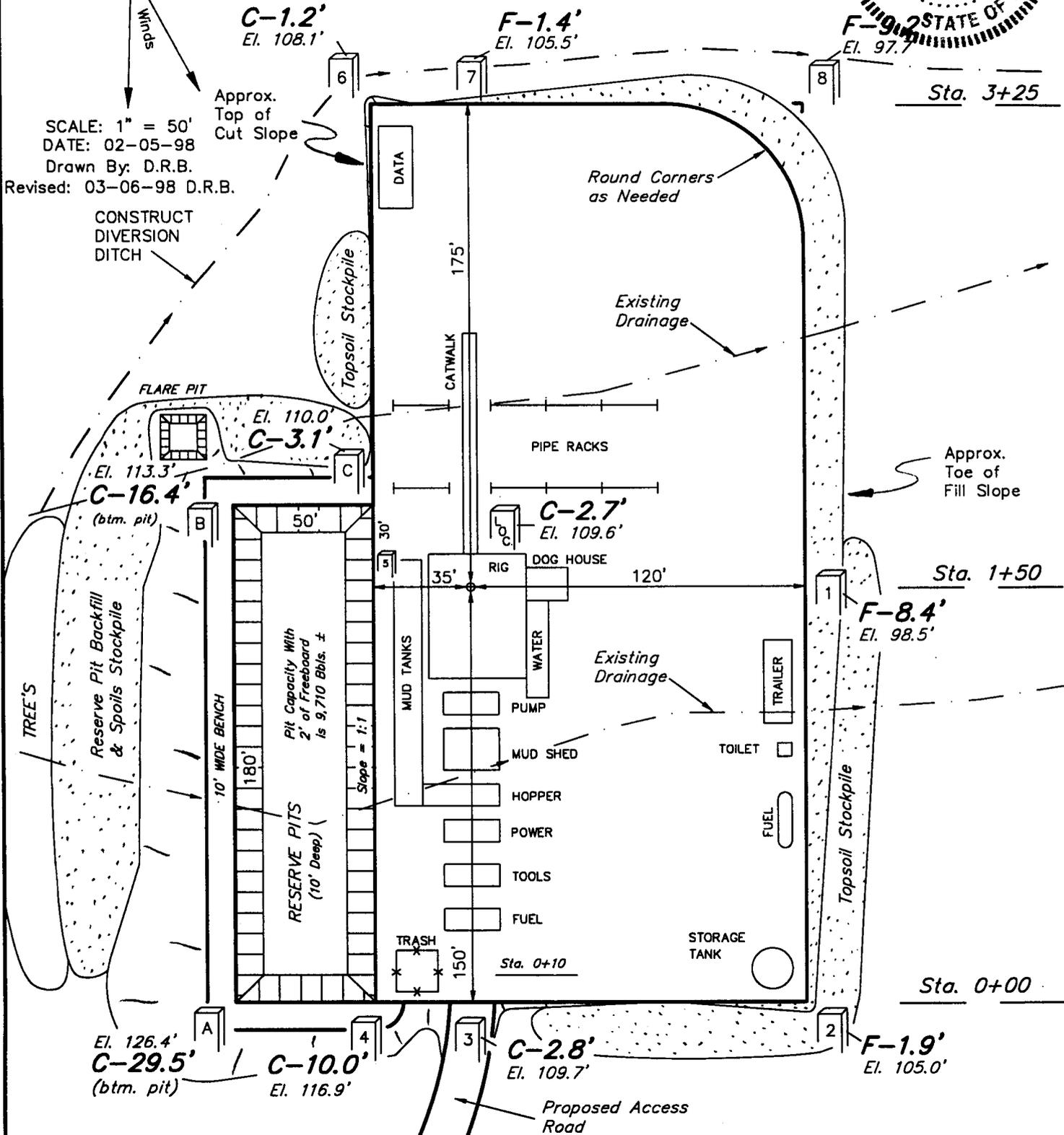
LOCATION LAYOUT FOR

HANGING ROCK I #10-13
SECTION 10, T12S, R23E, S.L.B.&M.
741' FSL 843' FWL



SCALE: 1" = 50'
 DATE: 02-05-98
 Drawn By: D.R.B.
 Revised: 03-06-98 D.R.B.

CONSTRUCT
 DIVERSION
 DITCH



Elev. Ungraded Ground at Location Stake = **6109.6'**
 Elev. Graded Ground at Location Stake = **6106.9'**

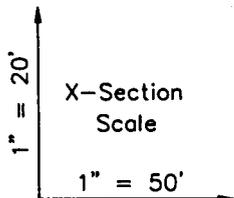
ROSEWOOD RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

HANGING ROCK I #10-13

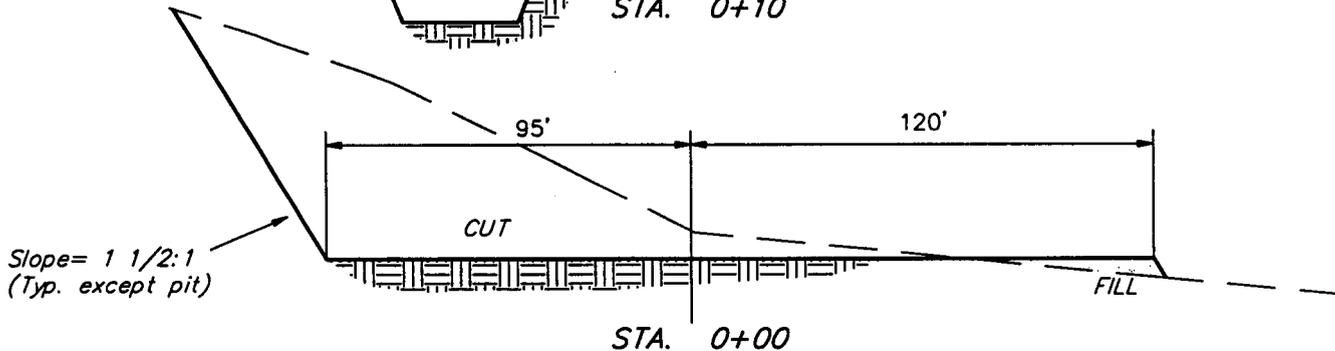
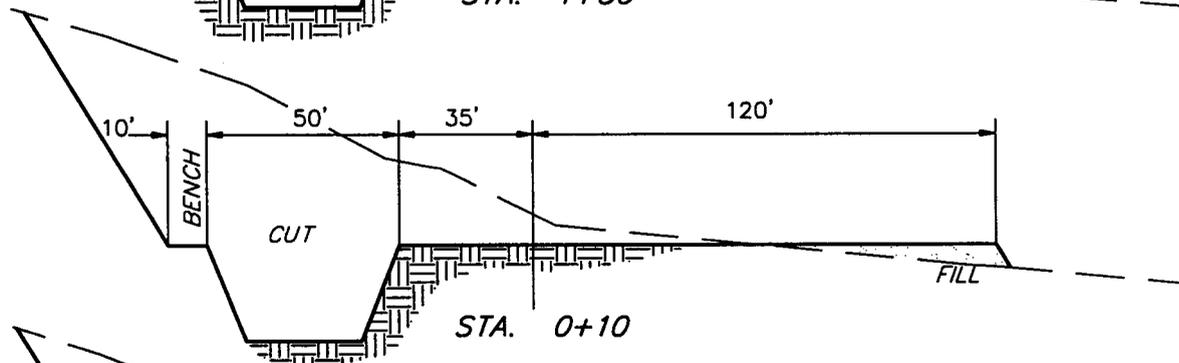
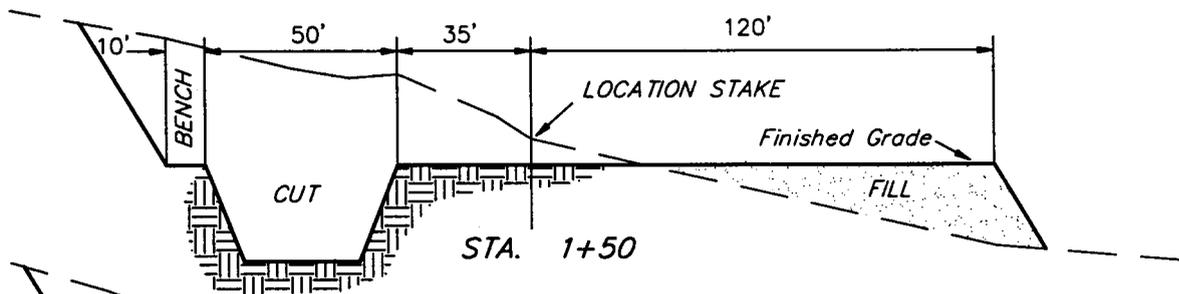
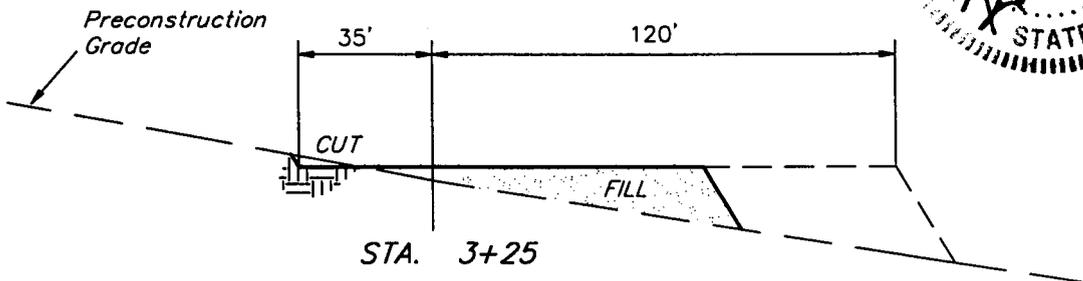
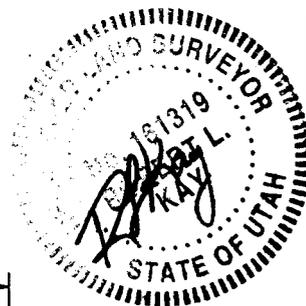
SECTION 10, T12S, R23E, S.L.B.&M.

741' FSL 843' FWL



DATE: 02-05-98

Drawn By: D.R.B.

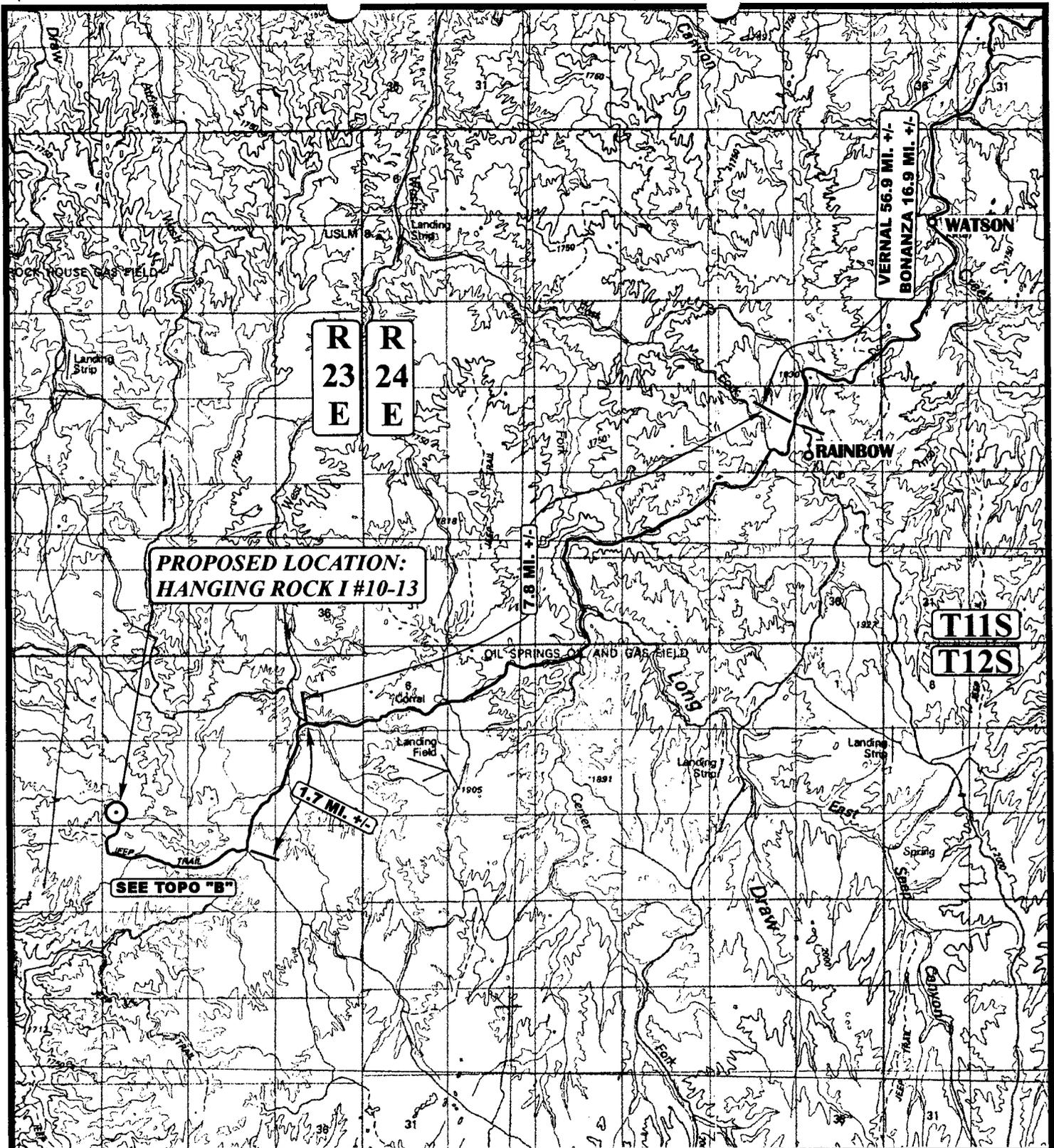


APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,100 Cu. Yds.
Remaining Location	= 8,810 Cu. Yds.
TOTAL CUT	= 9,910 CU.YDS.
FILL	= 7,170 CU.YDS.

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

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



LEGEND:

⊙ PROPOSED LOCATION

ROSEWOOD RESOURCES, INC.

HANGING ROCK I #10-13
SECTION 10, T12S, R23E, S.L.B.&M.
741' FSL 843' FWL



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



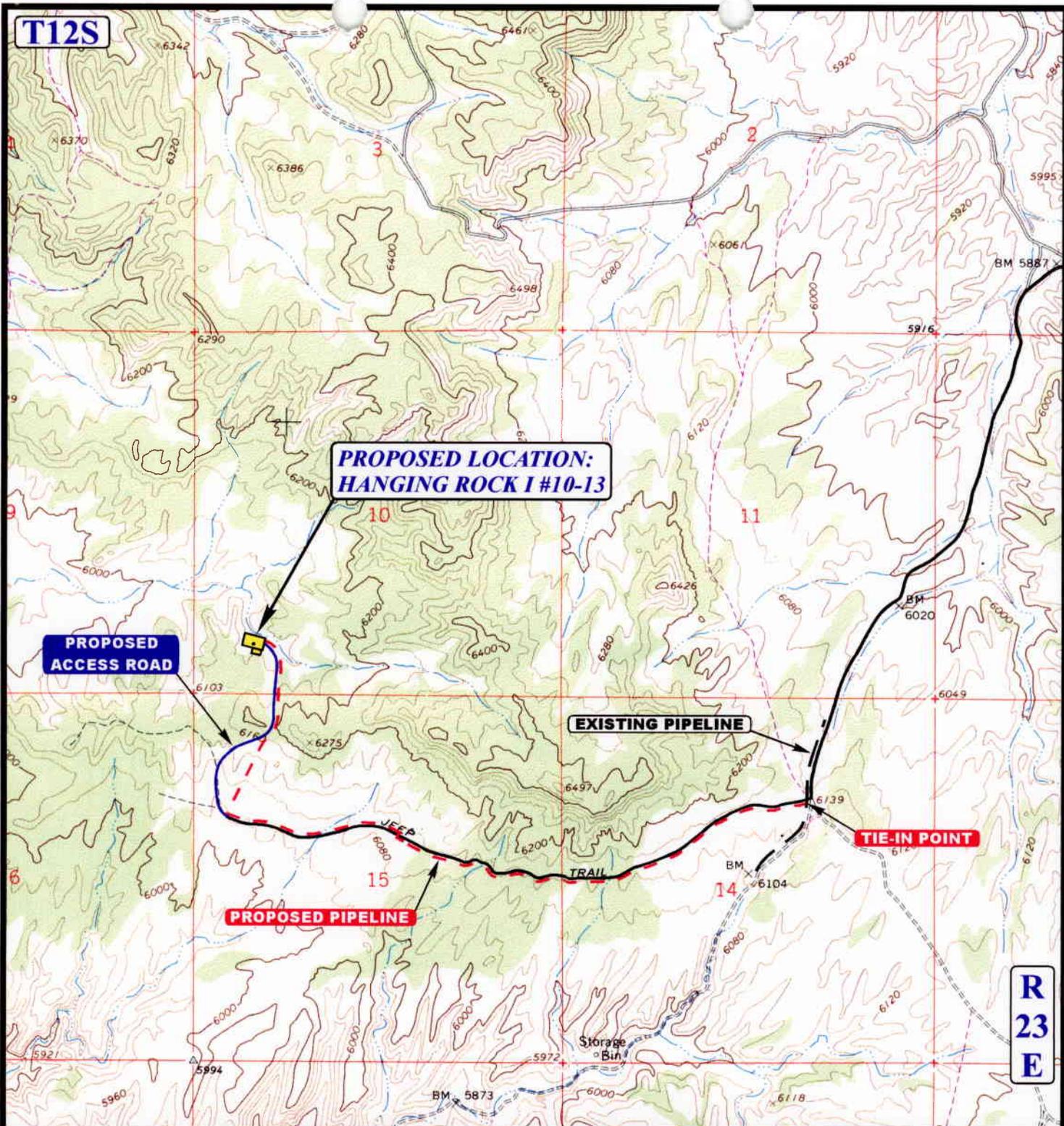
TOPOGRAPHIC
MAP

2 **4** **98**
 MONTH DAY YEAR

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



T12S



**PROPOSED LOCATION:
HANGING ROCK I #10-13**

**PROPOSED
ACCESS ROAD**

EXISTING PIPELINE

TIE-IN POINT

PROPOSED PIPELINE

**R
23
E**

APPROXIMATE TOTAL PIPELINE DISTANCE = 11,600' +/-

LEGEND:

- — — — — EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- — — — — PROPOSED ACCESS



ROSEWOOD RESOURCES, INC.

**HANGING ROCK I #10-13
SECTION 10, T12S, R23E, S.L.B.&M.
741' FSL 843' FWL**



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

**TOPOGRAPHIC
MAP**

2 4 98
MONTH DAY YEAR

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: 43-047-33098

WELL NAME: HANGING ROCK I 10-13
 OPERATOR: ROSEWOOD RESOURCES INC (N7510)
 CONTACT: Bill Ryan (435) 789-0968

PROPOSED LOCATION:
 NESW 10 - T12S - R23E
 SURFACE: 0741-FSL-0843-FWL
 BOTTOM: 0741-FSL-0843-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:

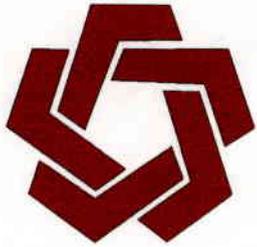
Plat
 Bond: Federal State Fee
 (No. MT-0627)
 Potash (Y/N)
 Oil Shale (Y/N) *190-5(B)
 Water Permit
 (No. Rosewood Wtr. Station # 49-1595)
 RDCC Review (Y/N)
 (Date: _____)
 St/Fee Surf Agreement (Y/N)

LOCATION AND SITING:

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

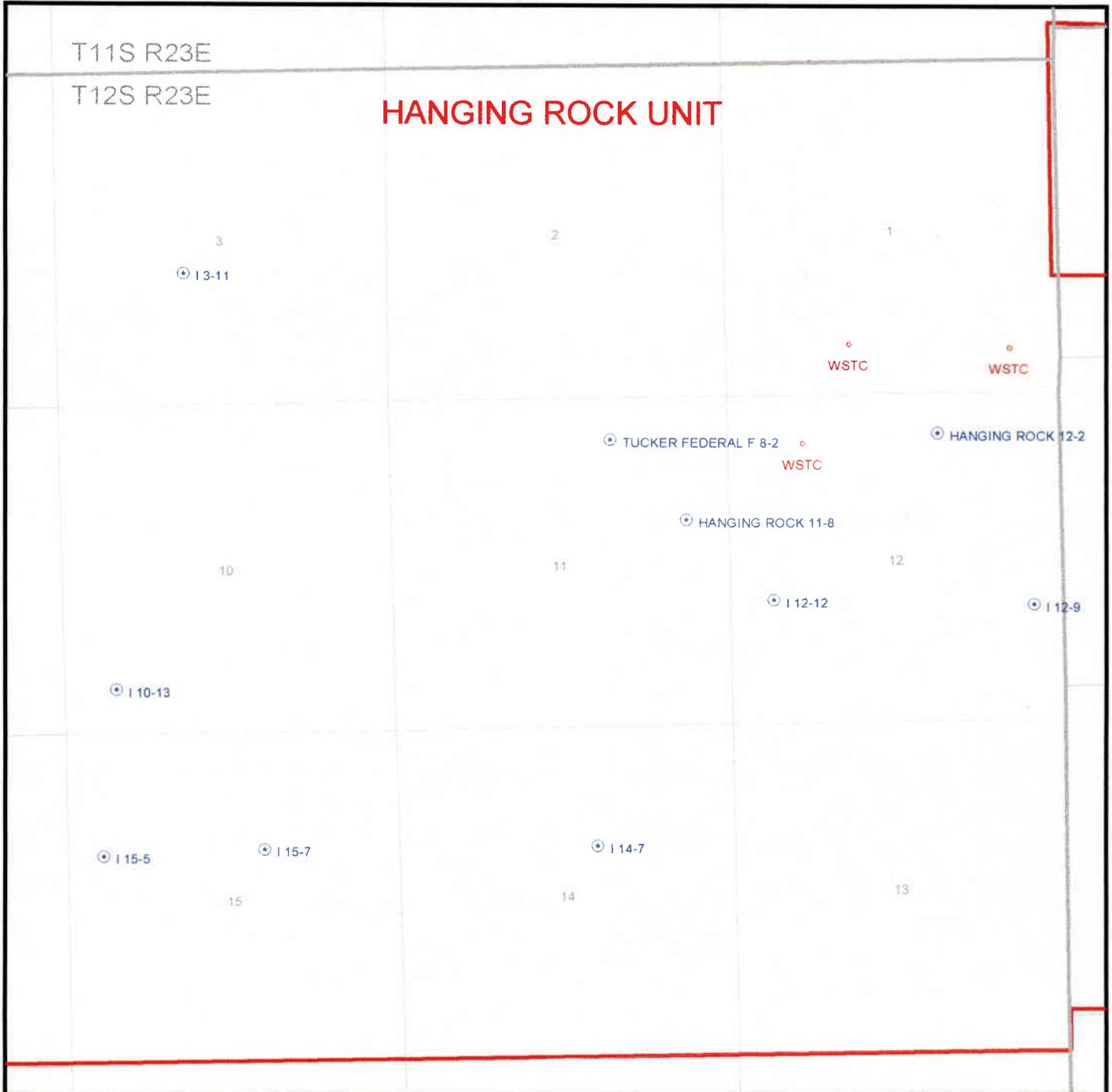
COMMENTS: _____

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



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 10-13 Well, 741' FSL, 843' FWL, NE SW,
Sec. 10, 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 43-047-33098.

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 10-13
API Number: 43-047-33098
Lease: UTU-57455
Location: NE SW Sec. 10 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.

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO. 57455

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a TYPE OF WORK

DRILL [X] DEEPEN [] PLUG BACK []

7. UNIT AGREEMENT NAME

Hanging Rock

B TYPE OF WELL

OIL WELL [] GAS WELL [X] SINGLE ZONE [] MULTIPLE ZONE [X]

8. FARM OR LEASE NAME

2. NAME OF OPERATOR

Rosewood Resources, Inc.

9. WELL NO.

I 10-13

3. ADDRESS OF OPERATORS

100 Crescent Court, Suite 500, Dallas TX 7520 214-871-5729

10. FIELD OR LEASE NAME

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)

at surface 741' FSL, 843' FWL, NEWSW Sec. 10, T12S, R23E, S.L. B. &M

11. Sec., T., R., M., OR BLK AND SURVEY OR AREA

Sec. 10, T12S, R23E, S.L. B. &M

At proposed prod. Zone

SWSW

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

26.4 miles south of Bonanza, UT

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

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

741'

16. NO. OF ACRES IN LEASE

10,094.71

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

16. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED.

4,500'

19. PROPOSED DEPTH

4,700'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.)

6,110'

22. APPROX. DATE WORK WILL START

1-May-98

PROPOSED CASING AND CEMENT PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 11" hole with 8 5/8" casing and 7 7/8" hole with 4 1/2" casing.

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 23 1998

RECEIVED MAY 29 1998 DIV. OF OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed is to deepen or plug back, give data on proposed productive zone and proposed ne 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

PERMIT NO.

APPROVAL DATE

Assistant Field Manager

APPROVED BY

TITLE

Mineral Resources

DATE

5/20/98

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

NOTICE OF APPROVAL *See Instructions on Reverse Side

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

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Rosewood Resources, Inc.

Well Name & Number: Hanging Rock I 10-13

API Number: 43-047-33098

Lease Number: U - 57455

Location: SWSW Sec. 10 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.

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 906 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.

SURFACE USE PROGRAM
Conditions of Approval (COAs)

-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 shall be pushed outside of the burrow ditches and the turn outs shall 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 shall 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 shall be filled, recontoured, topsoil spread, and seeded in the same manner discussed above. Once seeded some of the juniper trees which were removed from the location shall be spread over the pit area to help prevent erosion and to create a better growing environment for the vegetation.

-At the time the reserve pit is reclaimed, a runoff catchment shall be constructed where the small drainage cuts through the location.

-Because the area is important to wintering deer, the access road where it tops out on the ridge before going down hill to the location, shall stay in the juniper trees rather than to follow the bottom of the sagebrush draw. Contact Byron Tolman at the Vernal Field Office (435-781-4483) prior to starting the access road so that he can direct the equipment operator in the right direction.

-A well service sign shall be established at the start of the access road where it leave the Kings Well road, stating that the road is a well service road which dead ends in 1.7 miles.

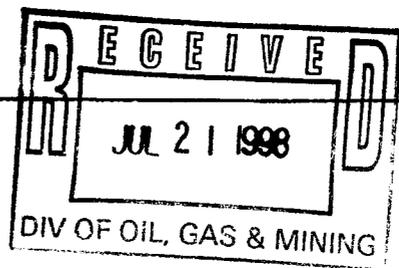
OPERATOR ROSEWOOD RESOURCES, INC.
 ADDRESS P.O. Box 1668
Vernal, UT 84078

OPERATOR ACCT. NO. 117510

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
<input checked="" type="checkbox"/> A	99999	12427	4304733096	HANGING ROCK I #12-12	NWSW	12	12S	23E	Uintah	7/30/98	6/30/98
WELL 1 COMMENTS: ADD TO HANGING ROCK UNIT (non P.A.) Entities added 7-21-98. Lec											
<input checked="" type="checkbox"/> A	99999	12428	4304733099	HANGING ROCK I #15-7	SWNE	15	12S	23E	Uintah	7/7/98	7/7/98
WELL 2 COMMENTS: ADD TO HANGING ROCK UNIT (non P.A.)											
<input checked="" type="checkbox"/> A	99999	12429	4304733098	HANGING ROCK I #10-13	SWSW	10	12S	23E	Uintah	7/17/98	7/27/98
WELL 3 COMMENTS: ADD TO HANGING ROCK UNIT (non P.A.)											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

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

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



Lacey Neman
 Signature
Admin. Assistant 7/17/98
 Title Date
 Phone No. (435) 789-0414

ROSEWOOD RESOURCES, INC.

DAILY DRILLING REPORT

LEASE: HANGING ROCK I

DATE: 7-19-98

CURRENT DEPTH 500'

WELL: 10-13

PROPOSED TO _____

RIG:

FOOTAGE PAST 24 HRS _____

PRESENT OPERATION: WODR

ENGINEER D.WIDNER

CONSULTANT T. THURSTON

FROM TO ACTIVITY PAST 24 HRS:

		MIRU BILL JR. RAT HOLE, SPUD WELL 9:00 AM 7-17-98 DRILLED SURFACE HOLE TO 400',
		TWISTED OFF BIT, COULD NOT 'FISH OUT. MOVED OVER, DRILLED NEW SURFACE HOLE. RAN 9 5/8",
		36# CSG. TO 500'. FLOAT SHOE AT 460'. RU HALLIBURTON, PUMPED 10 BBLs. WATER, 20 BLS. GEL
		FOLLOWED BY 300 SKS. CLASS G CMT. WITH 2% CALCIUM CHLORIDE AND 1/4#/SK.
		FLOCELE. BROKE CIRCULATION ON 14 BBLs., HAD GOOD CIRCULATION UNTIL DROPPED
		PLUG. DROPPED PLUG, LOST CIRCULATION. DISPLACED PLUG, PSI BUILT TO 1300#
		AT 2.5 BPM. RELEASED PSI, FLOAT HELD OK. RHI WITH 1" TBG., COULD GET TO 40'.
		BROKE CIRCULATION THRU 1", CEMENTED WITH 80 SKS. CEMENT, CIRCULATED 55 SKS.
		TO SURFACE. PUMPED 325 SKS. CLASS G CEMENT WITH 2% CALCIUM CHLORIDE IN 400'
		SURFACE HOLE, DID NOT GET CEMENT TO SURFACE.

MUD PROPERTIES:

WT		% OIL	
VIS		% SAND	
WL		% SOLID	
GELS		ALK	
PV		CI-	
YP			

Ca+	
cake	
pH	

DAILY MUD COST	
CUM. MUD COST	

DAILY COSTS:

FOOTAGE	
DAYWORK	
LOCATION	22595
MUD	
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	
CEMENTING	10094
FISHING	
WATER	605
WELLHEAD	
CSG CREW	
RENTALS	
CASING	6323
SUPERVISION	
CASING HEAD	
TOTAL DAILY	39617
COST FORWARD	
CUM. TO DATE	39617

PUMP DATA:

	1	2
MAKE		
MODEL		
LINER		
SPM		
PSI		

HYDRAULICS:

WOB	35K
RPM	50/60
GPM	393

BIT RECORD:

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

SURVEY DATA:

DEPTH	DEGREES

ADDL COMMENTS:

DO NOT HAVE BILL JR. COSTS
OR LOCATION COSTS

UNITED STATES
BUREAU OF LAND MANAGEMENT

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 #10-13

9. API Well No.

43-047-33098

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)

741' FSL, 843' FWL SWSW SECTION 10, T12S, R23E S.L.B. & M

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

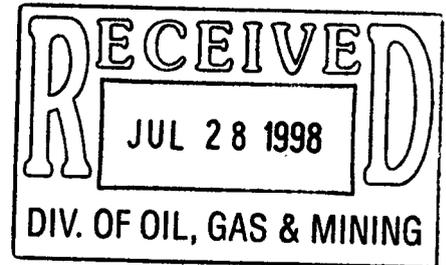
Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

(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.)*

OPERATOR REQUESTS A VARIANCE FROM THE APD, APPROVED 5/20/98 TO CHANGE THE PROPOSED DEPTH FROM 4700' TO 4900'.

ED FORSMAN W/BLM HAS GIVEN HIS APPROVAL FOR THE CHANGE.



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 07/23/98

(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

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 #10-13

9. API Well No.

43-047-33098

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)

741' FSL, 843' FWL SWSW SECTION 10, T12S, R23E S.L.B. & M

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

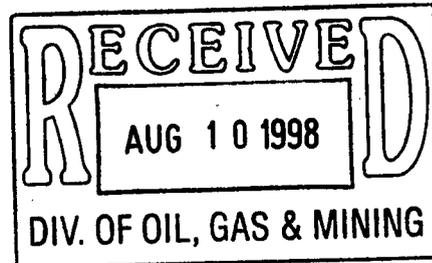
Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other WEEKLY
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

(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 CHANDLER RIG #1 7/21/98. DRILLED TO TD @ 4900'; RAN AND CEMENTED 4 1/2" CSG. CHANDLER RIG RELEASED @ 4:00 P.M. 7/27/98. SEE ATTACHED RIG REPORTS.

CURRENT STATUS - WAITING ON COMPLETION RIG.



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

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

Signed

Lucy Nerner

Title Administrative Assistant

Date 08/05/98

(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

DATE: 7-27-98

CURRENT DEPTH 4900'

WELL: #10-13

PROPOSED TD 4900'

RIG: Chandler Rig #1

FOOTAGE PAST 24 HRS _____

PRESENT OPERATION: Wait On Completion

ENGINEER D.WIDNER

CONSULTANT C.EMERSON

FROM TO ACTIVITY PAST 24 HRS:

0700	0730	Pull Wear Bushing.
0730	0800	Service Rig
0800	1030	TIH
1030	1230	Circulate & Condition f/ Casing. RU T&M Casing Crew.
1230	1630	LDDP & DCs
1630	2000	RU & Run Prod Casing as follows: 1- 4 1/2" Float Shoe(.78')(ThdLokd), 1- 4 1/2" Shoe Joint(43.71')(centralized mid-jt), 1- 4 1/2" Float Collar(.59')(ThdLokd), 111- Joints 4 1/2" 11.6# N-80 LT&C 8rd Casing(4856.10')(w/ 29 centralizers on every other collar to 2500'). Tag @ 4889' Wash Down to 4898'. Set 3' Above KB. Total 112- Joints Set @ 4898.18' KB. Float Collar Set @ 4853.10'KB. RD T&M.
2000	2030	Circulate. RU Howco.
2030	2200	Cement Prod Casing as follows: Pump 10bbl H2O, 10bbl SuperFlush, 10bbl H2O Spacer, Lead w/ 350sks HalcoLite w/ 1% Econolite, 1/4#/ FloCele, .2% MicroBond. 3% Salt. Tail w/ 500sks Clas "G" Cement w/.3% CFR-3, 1/4#/sk FloCele,.5% Halad-9, 2% Gel, 2% MicroBond & 2% Super CBL. Displace w/ 76 bbl H2O.Bump Plug 2900psi @ 2130 Hrs 7-26-98. Float Held OK. Reciprocate Csg w/ Good Returns Throughout Job. Circ 15bbl Cement to Surf. RD Howco.
2200	2400	ND BOP. Set Slips w/ 45K# on Hanger. Cutoff Casing.
2400	0400	Jet & Clean Pits. Chandler Released @ 0400Hrs 7-27-98.

MUD PROPERTIES:

WT	9.7	% OIL	0	Ca+	40
VIS	51	%SAND	TR	cake	2/32
WL	7.8	%SOLID	9.9	pH	9.5
GELS	5/12	ALK	.5	DAILY MUD COST	
PV	19	Cl-	550	CUM. MUD COST	9763
YP	12				

DAILY COSTS:

FOOTAGE	
DAYWORK	5638
LOCATION	
MUD	
RIG MOVE	
SURVEYOR	
LOGGING	12128
MUD LOG	
CEMENTING	16517
FISHING	
WATER	300
WELLHEAD	
CSG CREW	6948
RENTALS	500
CASING	23471
SUPERVISION	500
CASING HGR	1283
FLOAT EQUIP	1850
TOTAL DAILY	69135
COST FORWARD	155874
CUM.TO DATE	225009

PUMP DATA:

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

HYDRAULICS:

WOB	
RPM	
GPM	

BIT RECORD:

Bit #	2	3RR
Ser#	L901776	K54263
Size	7 7/8"	7 7/8"
Make	HTC	RTC
Type	R53A1	HP53A
Jets	3/11,2/13	3/16s
In @	2526'	4666'
Out @	4666'	4900'
Feet	2140'	234'
Hrs	41	8 1/2
FV/Hr	52.2	27.5
CUM		
Grade		

TELEDRIFT SURVEY DATA:

DEPTH	DEGREES	
530'	1/2	
1013'	1	WL
1522'	1	
2028'	1/2	
2430'	2 1/2	
3048'	1 1/2	
3567'	1	
3600'	1 3/4	WL
4100'	2	
4626'	2	
4900'	2 1/4	WL

CASING DETAIL:

1- 4 1/2" Float Shoe(ThdLokd)	.78'
1- 4 1/2" Shoe Joint(centralize midJt)	43.71'
1- 4 1/2" Float Collar(Thd Lokd)	.59'
111- 4 1/2" 11.6# N-80 LT&C 8rd Csg (w/29 centralizers to 2500')	4856.10'
Set Above KB	-3.00'
Total 112 Joints 4 1/2" Casing Set @	4898.18' KB

ROSEWOOD RESOURCES, INC.

DAILY DRILLING REPORT

LEASE: HANGING ROCK I

DATE: 7-26-98

WELL: #10-13

RIG: Chandler Rig #1

PRESENT OPERATION: Trip In Hole

CURRENT DEPTH 4900'

PROPOSED TD 4900'

FOOTAGE PAST 24 HRS 234'

ENGINEER D.WIDNER

CONSULTANT C.EMERSON

FROM TO ACTIVITY PAST 24 HRS:

0700	0800	Trip f Bit #3
0800	0830	Srevice Rig. Operate Blind Rams
0830	1030	TIH. Wash & Ream 32' to Bottom
1030	1900	Drilling 4666' - 4900' TD @ 1900hrs 7-25-98
1900	2100	Circulate & Condition Hole
2100	2200	Short Trip 10 stands.
2200	2300	Circulate & Condition Hole f/ Logs
2300	0200	TOOH f/ Logs. Dropped Survey 2 1/4deg @ 4900'. DP Tally 4900.10'.
0200	0700	RU Schlumberger. Run Platform Express Suite from Log TD 4903' to Base of Surface Csg. RD Schlumberger.

MUD PROPERTIES:

WT	9.7	% OIL	0	Ca+	40
VIS	51	%SAND	TR	cake	2/32
WL	7.8	%SOLID	9.9	pH	9.5
GELS	5/12	ALK	.5	DAILY MUD COST	2441
PV	19	CI-	550	CUM. MUD COST	9763
YP	12				

DAILY COSTS:

FOOTAGE	3358
DAYWORK	3225
LOCATION	
MUD	2441
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	500
CEMENTING	
FISHING	
WATER	300
WELLHEAD	
CSG CREW	
RENTALS	500
CASING	
SUPERVISION	500
CASING HEAD	

PUMP DATA:

	1	2
MAKE	EMSCO	GarDenv
MODEL	D-500	PZ-8
LINER	5 1/2	6 1/2
SPM		120
PSI		1200

HYDRAULICS:

WOB	8/10
RPM	50
GPM	414

BIT RECORD:

Bit #	2	3RR
Ser#	L901776	K54263
Size	7 7/8"	7 7/8"
Make	HTC	RTC
Type	R53A1	HP53A
Jets	3/11,2/13	3/16s
In @	2526'	4666'
Out @	4666'	4900'
Feet	2140'	234'
Hrs	41	8 1/2
Ft/Hr	52.2	27.5
CUM		
Grade		

TELEDRIFT SURVEY DATA:

DEPTH	DEGREES	
530'	1/2	
1013'	1	WL
1522'	1	
2028'	1/2	
2430'	2 1/2	
3048'	1 1/2	
3567'	1	
3600'	1 3/4	WL
4100'	2	
4626'	2	
4900'	2 1/4	WL

TOTAL DAILY	10824
COST FORWARD	145050
CUM.TO DATE	155874

COMNTS: BHA#1:Bit,MM,FS,TD,XO,23DC,XO=724.34'

WASATCH TOP: 2882'

MESA VERDE TOP: 4608'

SHOW: No Shows

DAILY DRILLING REPORT

LEASE: **HANGING ROCK I**
 WELL: **#10-13**
 RIG: **Chandler Rig #1**
 PRESENT OPERATION: **Drilling**

DATE: **7-22-98**

CURRENT DEPTH 701'
 PROPOSED TO 4700'
 FOOTAGE PAST 24 HRS 201'
 ENGINEER **D.WIDNER**
 CONSULTANT **C.EMERSON**

FROM TO ACTIVITY PAST 24 HRS:

0700	1900	MIRU Chandler Rig #1. Notify E Forsman w/BLM& D Hackford w/UtahO&G @0600 7-20-98.
1900	2400	RU Single Jack Testers. Test Upper& Lower Kelly Valves, TIW Valve, Kill Line & Valves, Choke Line & Valves, Choke Manifold & Valves, Pipe Rams & Blind Rams ALL to 3000 psi. Test Annular BOP & Surface Casing to 3000psi. BLM notified of test, but declined to witness test. RD Tester.
2400	0030	Install wear Ring.
0030	0230	PU BHA #1
0230	0400	Tag Cement @ 473'. Drillout Baffle & Shoe to 515'.
0400	0430	Drilling New Formation 515'-530'
0430	0500	TeleDrift Survey 1/2deg @ 530'
0500	0700	Drilling 530'-701'

MUD PROPERTIES:

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

DAILY COSTS:

FOOTAGE	2884
DAYWORK	
LOCATION	
MUD	
RIG MOVE	11500
SURVEYOR	
LOGGING	
MUD LOG	500
CEMENTING	
FISHING	
WATER	2260
WELLHEAD	
CSG CREW	
RENTALS	2750
CASING	
SUPERVISION	500
CASING HEAD	2200
TOTAL DAILY	22594
COST FORWARD	50617
CUM.TO DATE	73211

PUMP DATA:

	1	2
MAKE	EMSCO	GarDenv
MODEL	D-500	PZ-8
LINER	5 1/2	6 1/2
SPM		110
PSI		700

HYDRAULICS:

WOB	All
RPM	52
GPM	359

BIT RECORD:

Bit #	RR1	2
Ser#	K54263	
Size	7 7/8"	
Make	RTC	
Type	HP53A	
Jets	3/16	
In @	515'	
Out @		
Feet	186'	
Hrs	74.4	
Ft/Hr		
CUM		
Grade		

TELEDRIFT SURVEY DATA:

DEPTH	DEGREES
530'	1/2

ADDL COMMENTS:
WASATCH TOP:
MESA VERDE TOP:
SHOW:

ROSEWOOD RESOURCES, INC. Daily Completion Report

WELL NAME: HANGING ROCK I #10-13

DATE: 9/1/98

DEPTH: 4900'

PBSD 4480' cr

PERFS: 4589'-97' 4577' - 4587' - SQUEEZED

4518'-28' - SQUEEZED

4370'-4380'

PACKER: 4256'

RBP:

CIBP:

EOT: 4271

Lease #: UTU-57455

Location: NW/NW SEC. 1 T12S, R23E

County: Uintah Co., Utah

Engineer D. Widner
Consultant S. MILLER**9/1/98**

MIRU Rocky Mountain Well Service. Spot Pump & Tanks. Layout Lines. ND Tree. NU BOP & Manifold. Pressure Test Casing, BOP & Manifold to 2500psi. All held OK. Unload Rack & Tally Tubing. PU 3 7/8" Bit, Bit Sub, 4 1/2" Casing Scraper & 158 Jts 2 3/8" 4.7# J-55 EUE 8rd Tbg. Tag PBSD @ 4835.07'KB. Circulate Well Displacing Fresh H2O From Wellbore w/ 75bbl 3% KCl H2O. RU Swab. Swab Down to 2500'. Rec 38bbl.

SISDFN

Daily cost \$27,971 cum. cost \$257,915

9/2/98

TOOH w/ Tbg, Bit & Scraper. RU Schlumberger. RIH w/ 3 3/8" HSD Casing Gun. Perforate Wasatch as follows: Correlate to CNL Density Log Dated 7-26-98. Perforate 4589' - 4597' & 4577' - 4587' w/ 4jspf, 90deg phasing, 72 holes, .40" EHD. FL: 2700' Prior to Shooting & 2600' Following Shot. No pressure or blow @ Surface. RD Schlumberger. Wait 30 min. No Gas Blow. TIH w/ Tbg as follows: 1- 2 3/8" Notched Collar(.35'), 1- 2 3/8" XN Nipple(1.05'), 1- 2 3/8" x 8' J-55 Tbg Sub(8.07'), 1- 2 3/8" x 4 1/2" ArrowSet 1 Packer(6.16'), 1- 2 3/8" On/Off Tool(1.75'), 1- Jt 2 3/8" 4.7# J-55 EUE 8rd(28.80'), 1- 2 3/8" X- Nipple(.97'), 148- Jts 2 3/8" 4.7# J-55 EUE 8rd(4512.82'), KB & Slack-off(12.00'). Total 149 Jts Tbg Set @ 4571.97'. Top of Pkr @ 4562.50'. Set Packer & Land Tbg on Tbg Hanger w/ 10K# on Packer. Fill Casing w/ 16 bbl 3% KCl H2O. Pressure Test Annulus to 2500psi. Held OK. RU Swab. IFL: 900'. Made 23 swab runs in 5 hours. Recovered 62 bbl 100% H2O. Final FL 4100'. Final Fluid Entry Rate 10 bbl/ Hour. No Gas Blow. Caught sample off final run f/ analysis. SISDFN

Daily cost \$12,790 cum. cost \$270,699

9/3/98

Check Pressures. SITP:60psi, SICP: 0psi. 14Hrs SI. Tbg Pressure Bled Off Instantly. RU Swab. IFL: 50' from surface. Made 2 Runs. Recovered 8bbl 100% H2O. RD Swab. Load Tbg w/ 6 bbl 3% KCl H2O. Inject 10bbl 3% KCl. Pump in @ 1/2bbl per min- 3000psi. No Break. ISDP:2500psi, 5min SI:600psi. Bled Pressure. RU swab. Swabbed Down to 4100' in 1 1/2 hrs. Made 28 runs in 6 hours. Recovered 78bbl H2O over Load. Last 4 hours Average 10bbl/Hr with Fluid Level Maintaining 4100'. Caught 3 samples @ 2 hr Intervals & Sent f/ analysis. No Indications of Gas or Condensate. SISDFN Cum Fluid Rec: 140bbl.

Daily cost \$2,640 cum. cost \$273,339

9/4/98

Check Presssure. SITP: 80psi, SICP: 0psi. 16 hr SI. Run Swab IFL: 100'. Load tbg w/ 6bbl. Release Packer & TOOH. RU Schlumberger. RIH w/ Arrow 4 1/2" Cement Retainer. Misrun 1st Run. Corrolate to CBL dated 8-8-98. Set Retainer @ 4570'. RD Schlumberger. TIH w/ Stinger & 150 Jts 2 3/8" 4.7# J-55 EUE 8rd Tbg. Tag Retainer @ 4569'. RU Howco. Sting In & Pressure Annulus to 1000psi. Establish Initial Injection Rates. Pump 4.5bbl H2O Ave 1/2bpm @ 3000psi. ISDP:2750psi. Pump 5bbl Ave 2 3/4bpm @4000psi. No Breaks. Sting Out. Circulate Hole w/ 70bbl Fresh H2O. Spot 50 sks Class "G" Neet Cement (Mixed @ 14.5ppg) to within 2 bbl of EOT. Sting In. Pump 10 bbl slurry Thru Retainer. Pressure Increased From 2500psi @ 1bpm to 3700psi @ 1/2bpm. Shut Down. Stage Additional 1 bbl over 15min. Squeeze to 4000psi & held w/ approx 40 sks on Fm. Sting out & Reverse out w/35bbl H2O. Reverse out approx 10 sks good cement. RD Howco. Circulate Hole w/ 70bbl 3% KCl H2O. RU Swab. Swab Down to 2500'. Rec 33bbl.TOOH. SISDFN.

Daily cost \$13,746 cum. cost \$286,885

9/8/98

Check Pressure. SICP: 0psi. RU Schlumberger. RIH w/ 3 3/8" HSD Casing Gun.Perforate Wasatch as follows: Corrolate to CNL-CDL-GR Log Dated 7-26-98. Tag Cement Retainer @ 4570'. Perforate 4518' - 4528'w/ 4jspf, 90deg phasing,40 holes, .40" EHD. FL: 2650' Following Shot. No pressure or blow @ Surface. RD Schlumberger. Wait 30 min. No Gas Blow. TIH w/ Tbg as follows: 1- 2 3/8" Notched Collar(.35'), 1- 2 3/8" XN Nipple(1.05'), 1- 2 3/8" x 8' J-55 Tbg Sub(8.07'), 1- 2 3/8" x 4 1/2" ArrowSet 1 Packer(6.16'), 1- 2 3/8" On/Off Tool(1.75'), 1- Jt 2 3/8" 4.7# J-55 EUE 8rd(28.80'), 1- 2 3/8" X-Nipple(.97'), 145- Jts 2 3/8" 4.7# J-55 EUE 8rd (4422.65'),KB & Slack-off(12.00'). Total 146 Jts Tbg Set @ 4481.80'. Top of Pkr @ 4466.17'. Set Packer & Land Tbg on Tbg Hanger w/ 10K# on Packer. Fill Casing w/ 22 bbl 3% KCl H2O. Pressure Test Annulus to 2500psi. Held OK. RU Swab. IFL: 1600'. Made 19 swab runs in 5 hours. Recovered 42 bbl 100% H2O. Final FL 4100'. Final Fluid Entry Rate 8 bbl/ Hour. No Gas Blow. Caught sample off final run f/ analysis. SISDFN

Daily cost \$3,180 cum. cost \$289,215

9/9/98

Check Presssure. SITP: 190psi, SICP: 0psi. 88hr SI. Run Swab IFL: 100'. Load tbg w/ 6bbl. Release Packer & TOOH. TIH w/ 4 1/2" Cement Retainer & 147 Jts 2 3/8" 4.7# J-55 EUE 8rd Tbg. Set Retainer @ 4480'. RU Howco. Sting In & Pressure Annulus to 2000psi. Sting Out. Circulate Hole w/ 70bbl Fresh H2O. Establish Initial Injection Rates. Pump 2bbl H2O Ave 1/2bpm @ 3000psi. Pump 3bbl Ave 1 1/4bpm @4000psi. No Breaks.Spot 50 sks Class "G" Neet Cement (Mixed @ 14.5ppg) to within 2 bbl of EOT. Sting In. Pump 3bbl slurry Thru Perfs. Pressure Increased From 2900psi @ 1bpm to 3900psi @ 1/4bpm. Shut Down. Stage Additional 1/4 bbl over 25min. Squeeze to 4000psi & held w/ approx 12 sks on Fm. Sting out & Reverse out w/35bbl H2O. Reverse out approx 35sks good cement. RD Howco. Circulate Hole w/ 70bbl 3% KCl H2O. RU Swab. Swab Down to 2500'. Rec 33bbl.TOOH. SISDFN.

Daily cost \$9,641 cum. cost \$298,906

9/10/98

Check Pressure. SICP: 0psi. RU Schlumb. RIH w/ 3 3/8" HSD Casing Gun. Corrolate to CNL-CDL-GR Log Dated 7-26-98. Tag Cemt Retainer @ 4481'. Perforate Wasatch 4370'-4380'w/ 4jspf, 90degphasing,40holes, .40"EHD. FL: 2650'. No blow @ Surface. RDSchlum. TIH w/ Tbg as follows: 1- 2 3/8" Notched Collar(.35'), 1- 2 3/8" XN Nipple(1.05'), 1- 2 3/8" x 8' J-55 Tbg Sub(8.07'), 1- 2 3/8" x 4 1/2" ArrowSet 1 Packer (6.16'), 1- 2 3/8" On/Off Tool(1.75'), 1- Jt 2 3/8" 4.7# J-55 EUE 8rd(28.80'), 1- 2 3/8" X- Nipple(.97'), 138- Jts 2 3/8" 4.7# J-55 EUE 8rd (4212.14'),KB & Slack-off(12.00'). Total 139 Jts Tbg Set @ 4271.29'. Top of Pkr@ 4255.66'. Set Packer &Land Tbg on Tbg Hanger w/ 10K# on Packer. Tbg started to unload SI. Fill Casing w/ 22 bbl 3% KCl H2O. Test Csg to 3000psi. Held OK. SITP: 900psi after 1 hr. Open on 16/64"choke.Flowed4bbl in 30 min.FTP:110psi & falling. Open to 48/64" choke & unloaded 2 more bbls KCl. Tbg on weak blow.Load tbg w/ 12 bbl 3%KCl. Brokedown @ 3000psi to 1800psi @ 1bpm. Inject 10bbl 2bpm @ 2200psi. ISDP:1450psi. RU Swab. IFL:Surf. Swabbed down Rec 21bbl(TLTR: 1bbl). Tbg on weak blow. SI 1 1/2 Hrs. SITP:510psi. Open on 16/64" choke. Flow stabilized @ 100psi in 15 min. After 1 hour FTP: 110psi. No Fluid. Est Rate 180 MCF/D. SIFBU SDFN.

Daily cost \$5,699 cum. cost \$302,324

9/11/98

Check Pressures. SITP:1650psi, SICP: 0psi. 14Hrs SI. Open Tbg on 16/64" choke. FTP: 145psi after 1 hour. Pressure increasing 10psi/hour. FTP: 165psi After 3 Hrs. No Fluid. Est Flow Rate 265MCF/D. Open Tbg to 48/64" choke. Tbg on Strong blow in 30min. Load Tbg w/ 8 bbl 3% KCl H2O. Remove TIW Valve. Install 2 1/16" 5M Frac Valve. RU Flowback Manifold & Lines. SITP: 1400psi after 5 hours. Open on 16/64" choke. Well dead in 5 min. RU Swab. IFL: 1400'. Made 1 run from 2800'. Rec 5bbl. Well flowing carrying slight Mist H2O. Flow increasing. Set on 16/64"choke. FTP: 100psi after 30 min and increasing. SWI SDFN

Daily cost \$5,140 cum. cost \$308,464

9/12/98

Check Pressures.SITP: 1710psi,SICP: 0psi. 14hr SI.RU Howco. Pressure Annulus to 1500psi. Install & set Popoff @ 2500psi. Test lines to 6000psi. Held Safety Meeting. Frac Wasatch as follows: Frac w/ 20# Delta Gel 3% KCl H2O System. Start Pad & Break @ 3371psi - 7.7bpm. Broke to 2800psi @ 7.7bpm. SD f/ ISDP w/ pad on Fm. ISDP:2080psi. Frac Gradient: .91. Pump 3,300gal pad, 4,300gal w/ 12840# 20/40 Sand ramped from 2-4ppg, 1800gal w/7200# 20/40 sand @ 4ppg. Flush w/776gal Slick H2O. ATR: 8bpm. MTR: 8.1bpm.ATP: 3120psi. MTP: 3450psi. ISDP:1969psi, 5min:1823psi, 10min:1804psi, min:1797psi.JobTotals 9369gal Gel w/20120# 20/40 Ottawa Sand. TLTR: 255bbl.SWI RD Howco. Bled Annulus pressure. RU Flowback. SI 2hr SITP: 1300psi Open on 8/64" Choke. After 30 min FTP:900psi Rec 6bbl. Open to 16/64"choke. After 3 hrs FTP: 135psi Rec 59bbl.Slight trace sand after bottoms up cleaned up after 3hrs.Open on 24/64" choke. Made 80bbl over next 4 hours w/ slight sand. No fluid last 4 hours. Total Rec in 18hrs 155 bbl. FTP:540psi. TLTR:100bbl.Est Flow Rate:

Daily cost \$21,073 cum. cost \$327,537

9/13/98

FTP:560psi on 24/64" choke. No Fluid-No Sand. Reduce Choke Setting to 16/64". FTP increased from 890psi to 1120 psi over 4 hours. No Fluid-No Sand. Est Flow Rate 1.65MMCF/D. SWI. RU Caluco Wireline. RIH w Sinker bars & Tag @ 4369'. POOH. RIH w/ 2' X profile Blanking Plug & set in X- Nipple @4224'(4228'WLM) POOH. Bled Tbg Down. ND BOP. Install Xmas Tree & NU. RIH w/ Retrieving Tool & Slowly Equalize pressure @1620psi. Plug failed to release and tools had no jar action. Dropped cutter which Failed to cut. Dropped 2nd cutter which cut line w/ approx 28' slickline & tools in hole. Fish cutters out. Attempt to dress top of fish & retrieve slickline. Recover 23' of line in several attempts. Run Impression block. Run line catcher several more times. Recover only 1 more short(6")piece of line. RIH w/ overshot & latch onto fish. Working tools & jarring on fish. Can't shear off fishing grapple. Still working & jarring @ report time.

Daily cost \$4,005 cum. cost \$330,342

9/14/98

Fishing String Pulled free after 2 hrs Jarring. POOH. Tool had some traces of sand in it and had lost some pieces of shear stock. SITP: 1740psi open on 24-27/64" f/ l hour. Started making slight mist of fluid w/ very slight traces of sand. Sand cleaned up after 30 min. Final pressure after 1 hour 550psi on 24/64" choke. RIH w/ overshot & latch onto fish. Had jar action on both sets of jars indicating that is at least partially free. Fish moved down and overshot sheared once again leaving pieces of shearstock on fish. Made run w/ line grapple which came out w/o any line. RIH w/ upsear tool which kept slipping off fishing neck. Blow well down f/ add'l 30 min w/ no traces of sand. SI RIH w/ 1 1/2" grapple & latch on to fish. Jar action had fish moving when line pulled out of fishing tool. RD Caluco Put well on sales f/ night. SITP: 1760psi put on sales on 16/64" choke. Caluco will obtain Additional tools & Lubricator by Morning.

Daily cost \$1,375 cum. cost \$330,842

9/15/98

FTP: 1140 psi. & Flow Rate 1.97MMCF/D after 15 1/2hrs online. Made 10 bbl fluid. TFTR: 90bbl. SWI. Made 2 runs w/ Impession Block which showed small amout of wireline on fish. RIH Capture & Retrieve fishing string. RIH to fish Original Pulling string. Jar on tools & pull out w/ Body of over shot leaving Grapple & tools in hole. Fish Detail: 1-XX plug(1.875" x 21"), Type GS pulling tool w/ equalizing prong(20"), Spang Jars(5' x 1 1/2"OD), Sinker Bars(9' x 1/2"OD), Rope Socket & Swivel(1 1/2" OD x 14") W/ 1 1/2" Bowen Grapple on Top of Fish. Top of fish: 4196'KB. Bottom @ 4215'. RD Calusco Wireline. SITP: 1640psi.SI 6 hrs. Return Well to Production. @ 1.975 MMCF/D Rate. RDMO Rky Mtn Well Ser. Well Producing Final Report

Daily cost \$2,105 cum. cost \$332,947

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK
 1b. TYPE OF WELL
 2. NAME OF OPERATOR
 3. ADDRESS AND TELEPHONE NO.
 4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements. *)
 At Surface
 741' FSL 843' FWL NE/SW
 At top prod. Interval reported below
 At total depth

7. UNIT AGREEMENT NAME
HANGING ROCK

8. FARM OR LEASE NAME, WELL NO.
HANGING ROCK I #10-13

9. API WELL NO.
43-047-33098

10. FIELD AND POOL OR WILDCAT
WILDCAT

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SEC. 10, T12S, R23E
Block & Survey: S.L.B. & M

14. PERMIT NO. _____ DATE ISSUED **5/20/98**

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

15. DATE SPUDDED **7/17/98** 16. DATE T.D. REACHED **7/25/98** 17. DATE COMPL. (Ready to prod.) **9/13/98** 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* **6110' GR** 19. ELEV. CASINGHEAD **6125' KB**

20. TOTAL DEPTH, MD & TVD **4900' MD** 21. PLUG, BACK T.D., MD & TVD **4835' KB** 22. IF MULTIPLE COMPLEMENTS HOW MANY* _____ 23. INTERVALS CABLE TOOLS **NA**

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*
Wasatch 4370' - 4380'

25. WAS DIRECTIONAL SURVEY MADE
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN
AI/LC/GR, CNLD/GR, ML/GR, MUD LOG, CBL 7-31-98

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#	500' GL	12 1/4"	SURF-300 sx Class "G" + ADD + 80	NONE
4-1/2" N-80	11.6#	4853' KB	7 7/8"	Lead w/350 sx Halcolite, Tail w/500 sx "G", circ 15 bbls to surf	

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

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	4271'	4256'

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
4589' - 97"	0.37	72
4518' - 28'	0.37	40
4370' - 80'	0.37	40

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4577'-97"	Squeezed w/50 sks "G"
4518' - 28'	Squeezed w/50 sks "G"
4370' - 4380'	Frac w/9,369' gals gel+20,120# 20/40 sd

33.* PRODUCTION

DATE FIRST PRODUCTION **9/13/98** PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) **Flowing** WELL STATUS (Producing or shut-in) **Prod**

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PRODN. FOR TEST PERIOD	OIL--BBL.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO
9/14/98	24	16/64	→	0	1540	5	

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL--BBL.	GAS--MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)
12040#		→	0	1540	5	

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 Hemer* TITLE **ADMINISTRATIVE ASSISTANT** DATE **11/10/98**

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

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

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				WASATCH MESA VERDE	2778' 4226'	

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

See Attached

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 GAS WELL OTHER _____

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

2. NAME OF OPERATOR:
MCELVAIN OIL & GAS PROPERTIES, INC.

8. WELL NAME and NUMBER:

9. API NUMBER:

3. ADDRESS OF OPERATOR:
1050 17th Street CITY Denver STATE CO ZIP 80265

PHONE NUMBER:
(303) 893-0933

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

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

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APR 29 2002

DIVISION OF
OIL, GAS AND MINING

Name Gary Taraba

Title Vice President Rosewood Resources, Inc

Signature [Signature]

Date 4/23/02

NAME (PLEASE PRINT) John D. Steuble

TITLE Engineering Manager Mcelvain O & G Properties

SIGNATURE [Signature]

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 10-13
NESW, Sec. 10, 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

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW ✓
3. FILE

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change

Merger

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

CA No. Unit:

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

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

8. Well Name and No.
Hanging Rock Fed I #10-13

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

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

9. API Well No.
43-047-33098

10. Field and Pool or Exploratory Area
Oil Springs

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
741' FSL & 843' FWL, SWSW Sec. 10 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 checked="" type="checkbox"/> Other <u>BHP Survey</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

McElvain Oil & Gas Properties, Inc. proposes to run a Bottom Hole Survey on the Hanging Rock Federal I #10-13 (API# 43-047-33098) located SWSW of Sec. 10 T12S-R23E. If Survey indicates acceptable pressure McElvain would like to clean out, swab test, flow test and acidize if necessary. Once the Survey and Test has been completed we request a 30 day evaluation period. 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. Attached is the procedure. We anticipate the work begin in May 2007.

COPY SENT TO OPERATOR

Date: 5/24/07
Initials: CM

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: 5/18/07
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 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

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

MAY 15 2007

(Instructions on page 2)

DIV. OF OIL, GAS & MINING

McELVAIN OIL & GAS PROPERTIES, INC.

**Hanging Rock Federal "I" #10-13
SWSW Sec. 10, T12S-R23E
Uintah County, Utah
API # 43-047-33098**

May 2007

DRILL TD: 4900' ORIGINAL PBTD: 4810' CURRENT PBTD: 4480' KB: 15'

FORMATION TOPS:

Wasatch: 2844'
Mesaverde: 4508'

CASING:

9 5/8", 36#, J-55 @ 500' GL in 12 1/4" hole
Halliburton cemented with 300 sacks Class "G. Cemented to Surface

4 1/2", 11.6#, N-80 @ 4898' in 7 7/8" hole.
Lead: 350 sxs HalcoLite Cement + Adds
Tail: 500 sxs Class "G" + Adds. Circulated 15 bbls of cement to surface.
Est. TOC @ Surface.

PERFORATIONS:

Wasatch: 4370'- 4380' 4 spf, 90° phasing, Broke down w/ 3% KCL, Frac'd
Mesaverde: 4518'- 4528' 4 spf, 90° phasing, (Squeezed – 50sks Class "G" Neet Cement, Density: 14.5 ppg)
Mesaverde: 4577'-4597' 4 spf, 90° phasing. Broke down w/ 3% KCL,
(Squeezed – 50sks Class "G" Neet Cement, Density: 14.5 ppg)

PROPOSED PERFORATIONS:

CURRENT TUBING/BHA: (as of 4-14-1999)

XN Nipple @ 4346' w/ Notch Collar, 1 jt 2 3/8" tbg, X Nipple @ 4316', 141 jts. 2 3/8", 10' KB Correction
EOT @ 4,347'

PRODUCTION METHOD:

N/A

PROCEDURE:

1. MIRU Slickline
2. Run static BHP survey and take gradient readings.
3. RDMO Slickline

Evaluate pressure. If pressure shows indications to proceed forward, prepare for possible clean out, swab test, flow test and acidize if necessary.

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 #10-13

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

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

9. API Well No.
43-047-33098

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
741' FSL & 843' FWL, SWSW Sec. 10 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 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 #10-13 (API# 43-047-33098) by the following procedure:

- Tubing Set CIBP @ 4300' with 50' cement (± 4 sxs)
- Plug Mud 4250' to 2850'
- 200' cement plug 2850' to 2650' (± 15 sxs)
- Plug Mud 2650' to 600'
- 200' cement plug 600' to 400' (± 15 sxs)
- Plug Mud 400' to 50'
- 50' cement plug 50' to Surface (± 4 sxs)
- Cut off wellhead
- Install Dry Hole Marker

Please see attached P&A Wellbore Diagram

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: 7/30/07
By: [Signature]

SENT TO OPERATOR
8-3-07
RM
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 07/18/2007

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

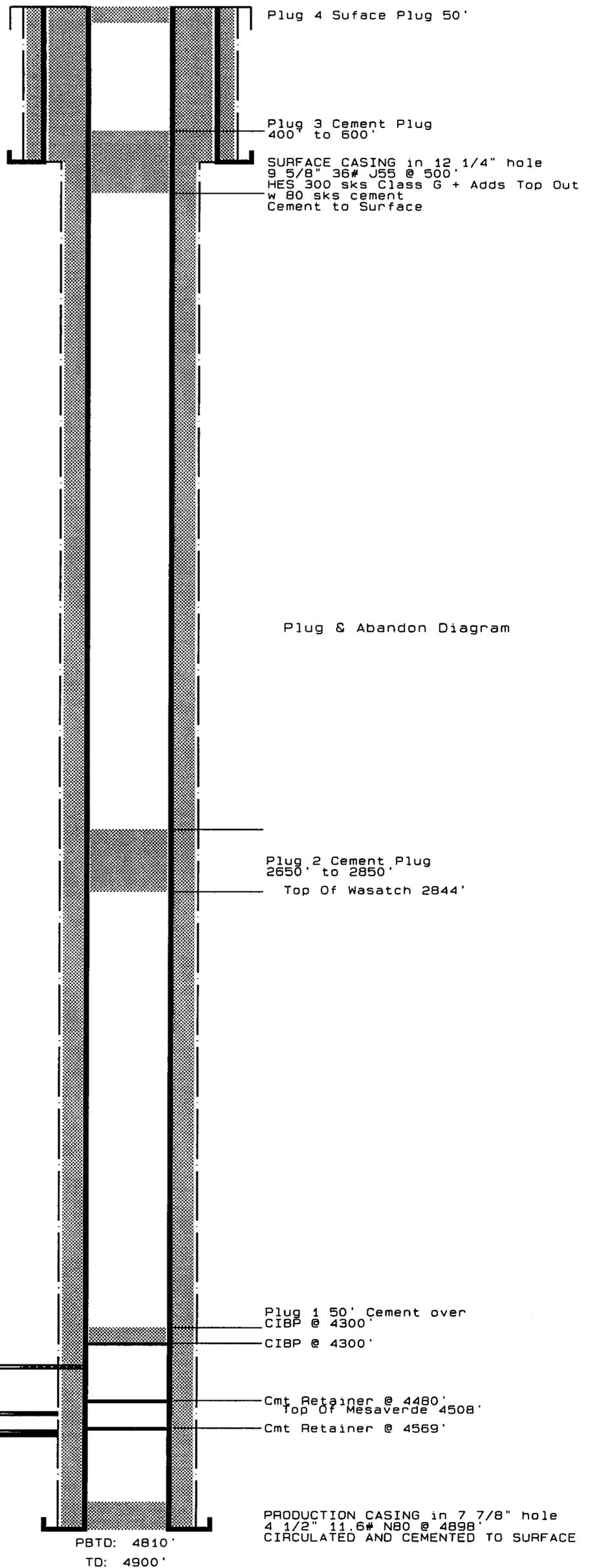
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED
JUL 26 2007

DIV. OF OIL, GAS & MINING

HRF I 10-13
 NESWSW Sec 10 T12S-23E
 Uintah County Utah
 API# 43-047-33098
 Wellbore asof 4-14-99



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.

43-047-33098

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

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

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

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

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 <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.

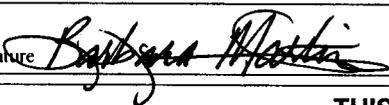
RECEIVED
AUG 15 2007

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

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)

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 <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 I #10-13
3a. Address 1050 17th Street, Suite 1800, Denver, CO 80265	3b. Phone No. (include area code) (303) 893-0933	9. API Well No. 43-047-33098
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 741' FSL & 843' FWL (SWSW) Sec. 10, T12S-R23E		10. Field and Pool or Exploratory Area Oil Springs
		11. Country or Parish, State Uintah County, Utah

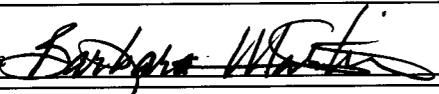
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

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 #10-13 (API# 43-047-33098) by the following procedure:

Set CIBP & set w/ Wireline @ 4300' cap with 12 sxs cement
Cement plug w/ 18 sxs from 2865' to 2622'
Cement plug w/ 12 sxs from 976' to 814'
Cement plug 607' to Surface with 48 sxs cement
Cut off wellhead
Install Dry Hole Marker - Plugging Date: 9/26/2007
(BLM Inspector Raymond Arnold)

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Barbara Martin	Title Engineer
Signature 	Date 10/15/2007

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 19 2007
DIV. OF OIL, GAS & MINING

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 0A1 33098
 Hanging Rock I 10-13
 12S 23E 10*

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

