

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a TYPE OF WORK

DRILL DEEPEN PLUG BACK

B TYPE OF WELL

OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR

Rosewood Resources, Inc.

3. ADDRESS OF OPERATORS

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

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

at surface **1908' FNL, 2123' FEL, SW/NE Sec. 15, T12S, R23E, S.L. B. &M**
At proposed prod. Zone **647 649**

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

26.4 miles south of Bonanza, UT

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

1908'

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.)

6132'

22. APPROX. DATE WORK WILL START

1-May-98

5. LEASE DESIGNATION AND SERIAL NO.

57455

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Hanging Rock

8. FARM OR LEASE NAME

9. WELL NO.

I 15-7

10. FIELD OR LEASE NAME

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

Sec. 15, T12S, R23E, S.L. B. &M

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

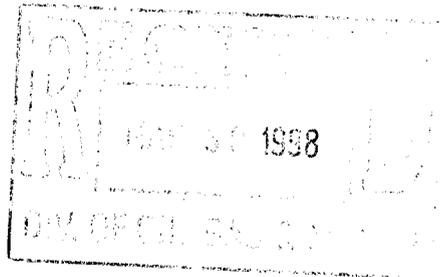
PROPOSED CASING AND CEMENT PROGRAM

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

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

If you require additional information please contact:

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



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed 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
William A. Ryan

TITLE

Agent

DATE

3/11/98

PERMIT NO.

43047-33099

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.

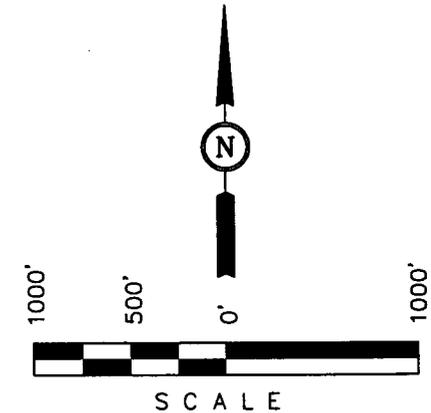
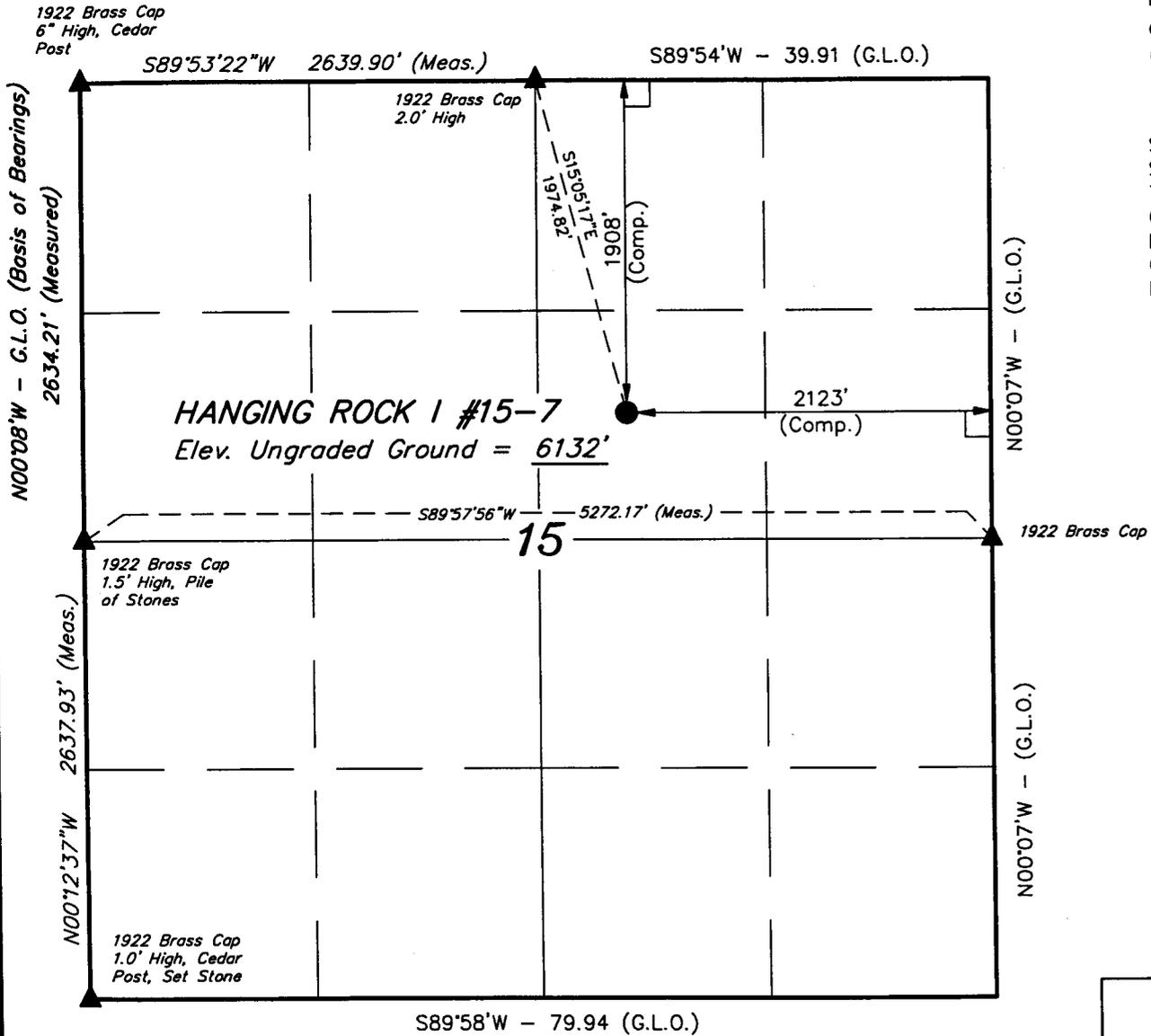
T12S, R23E, S.L.B.&M.

ROSEWOOD RESOURCES, INC.

Well location, HANGING ROCK I #15-7, located as shown in the SW 1/4 NE 1/4 of Section 15, T12S, R23E, S.L.B.&M. Uintah County Utah.

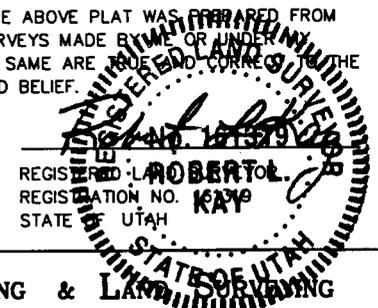
BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 15, T12S, R23E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE. QUADRANGLE, UTAH, UTAH 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.



LEGEND:

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

LATITUDE = 39°46'32"
LONGITUDE = 109°19'37"

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

SCALE 1" = 1000'	DATE SURVEYED: 01-23-98	DATE DRAWN: 02-05-98
PARTY J.F. B.B. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ROSEWOOD RESOURCES, INC.	

SELF-CERTIFICATION STATEMENT

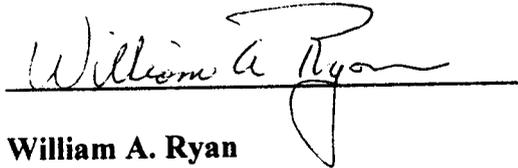
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

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

Hanging Rock I 15-7
SW 1/4, NE 1/4, Section 15, 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.

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

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 15-7
Hanging Rock Unit

Surface Location SW 1/4, NE 1/4, Section 15, 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	+6,132' G.L.
Oil Shale	500	+5,632
Wasatch	2,590	+3,542
Mesaverde formation	4,290	+1,842
T.D.	4,800	+1,332

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.	15.82 lbs./gal.
4 1/2	Stage 1 Class "G" 10% salt 10% gypsum .1% R-3 .4% FL-25 Stage 2 Class "G" 3% salt 16% gel(Bentonite) 5# Gilsonite/sk .25#/sk Cello Flake	540 sks.+/-	1.44 cu. ft./sk.	15.23 lbs./gal.
		205 sks.+/-	3.91 cu. ft./sk.	11.0 lbs./gal.

5. BOP and Pressure Containment Data:

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

A 3000 psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 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:

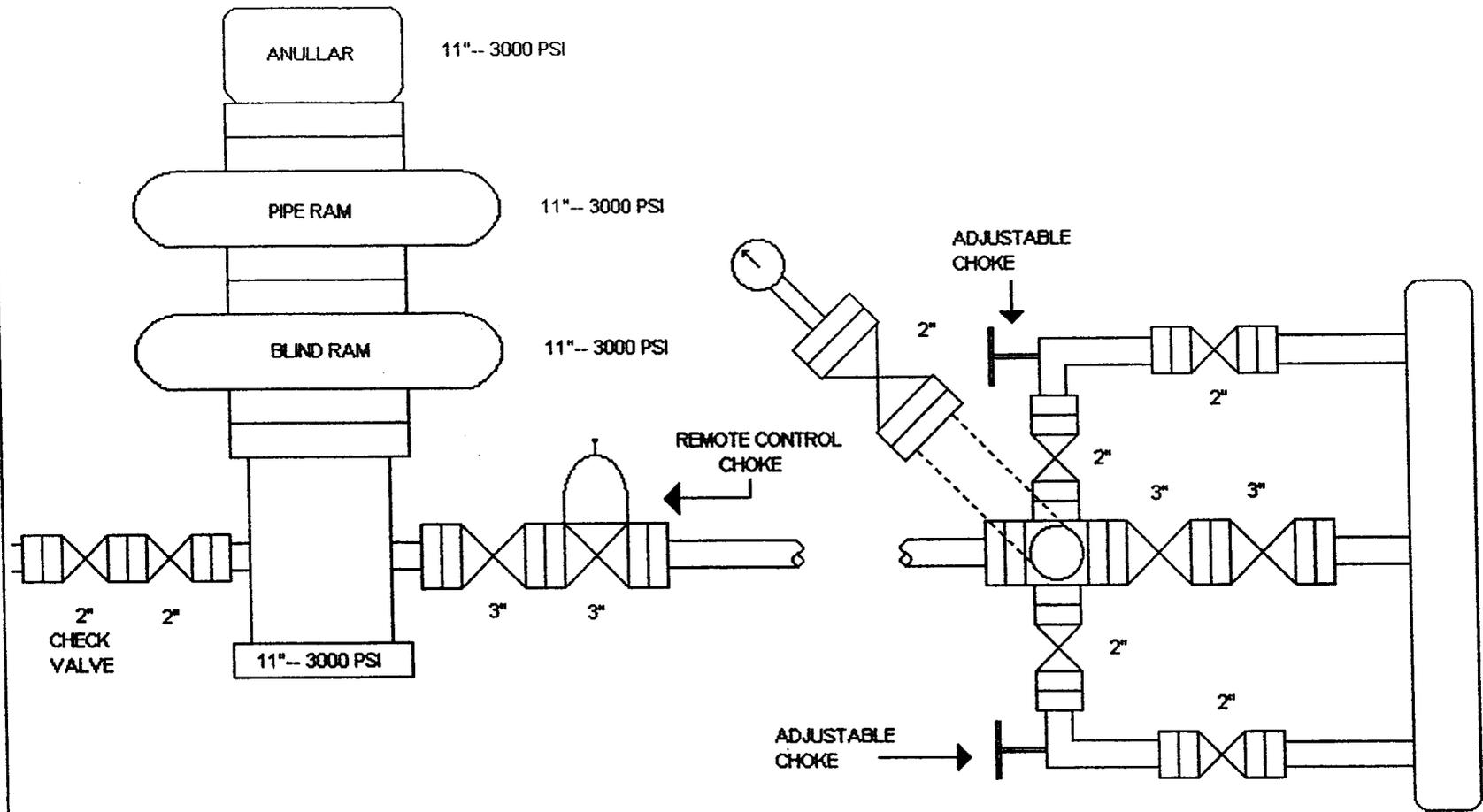
Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

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 15-7

HANGING ROCK UNIT

LOCATED IN

SW 1/4, NE 1/4

SECTION 15, 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 15-7 well location, in Section 15, 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 1.1 miles.

All existing roads to the proposed location are State or County Class D roads except for the last 5,808 feet.

Please see the attached map for additional details.

2. Planned access road

The proposed location will require approximately 5,808 feet of upgraded road construction.

The road will be built to the following standards:

A) Approximate length	5,808 Ft.
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road flagged	Yes
K) Access road surface ownership	Federal
L) All new construction on lease	Yes
M) Pipe line crossing	None

Please see the attached location plat for additional details.

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

3. Location of existing wells

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

A) Producing wells	None	
B) Water wells	None	
C) Abandoned wells	None	
D) Temporarily abandoned wells	None	
E) Disposal wells	None	
F) Drilling/Permitted wells	15-5 14-7 10-13	Sec. 15, T. 12 S., R. 23 E. Sec. 14, T. 12 S., R. 23 E. Sec. 10, 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 4" line. The existing line is adjacent to the location. Please see the attached location diagrams for pipe line location. There will be no additional surface disturbances required for the installation of a gathering line. The line will be a 2" or 4" steel line.

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

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

5. Location and type of water supply

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

6. Source of construction materials

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

7. Methods for handling waste disposal

A) Pit construction and liners:

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

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

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

B) Produced fluids:

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

C) Garbage:

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

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up

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

8. Ancillary facilities

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

9. Well-site layout

Location dimensions are as follow:

A)	Pad length	325 ft.
B)	Pad width	155 ft.
C)	Pit depth	10 ft.
D)	Pit length	180 ft.
E)	Pit width	50 ft.
F)	Max cut	7.0 ft.
G)	Max fill	9.4 ft.
H)	Total cut yds	7,950 cu. yds.
I)	Pit location	north side
J)	Top soil location	south 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.

A drainage rerouted will be required. The drainage reroute will be discussed as the location is being constructed. The dirt contractor will need to contact the Byran Tolman with the BLM when the pit has been constructed. Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is backfilled

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 Bitter Creek located 1.5 miles to the west.

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 **north 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

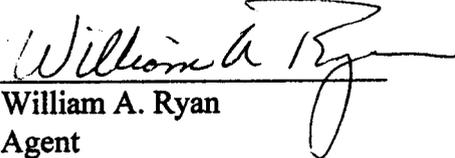
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable laws, regulations, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors.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

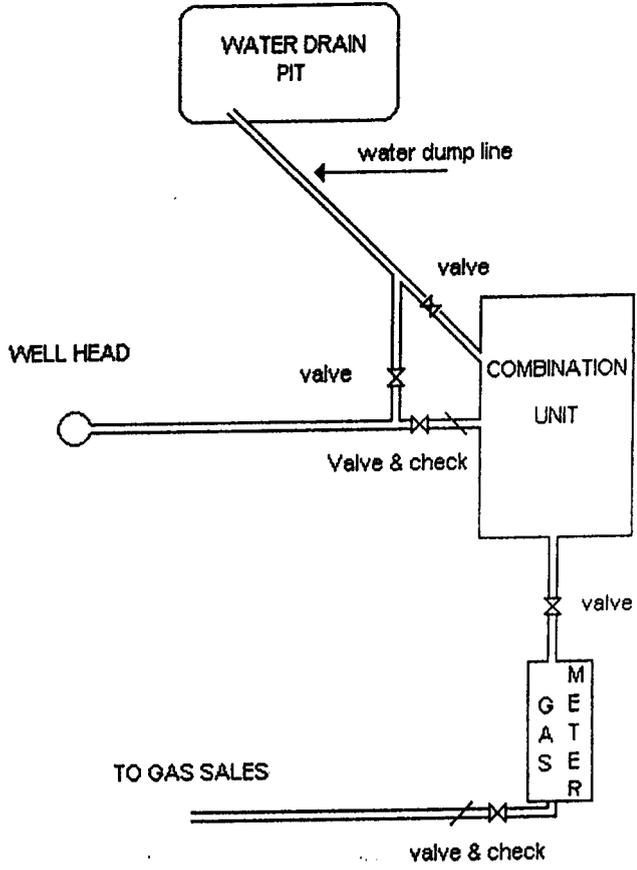
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work 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 19, 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 Matson	BLM
Steve Strong	BLM

ROSEWOOD RESOURCES, INC
TYPICAL
GAS WELL



Statement of use of Hazardous Material

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

If you require additional information please contact:

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

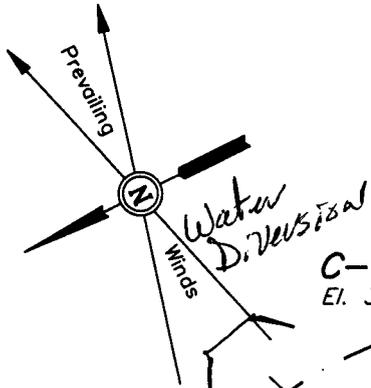
Telephone
(801) 789-0968 office
(801) 823-6152 cellular
(801) 789-0970 fax

ROSEWOOD RESOURCES, INC.

LOCATION LAYOUT FOR

HANGING ROCK I #15-7
SECTION 15, T12S, R23E, S.L.B.&M.
1908' FNL 2123' FEL

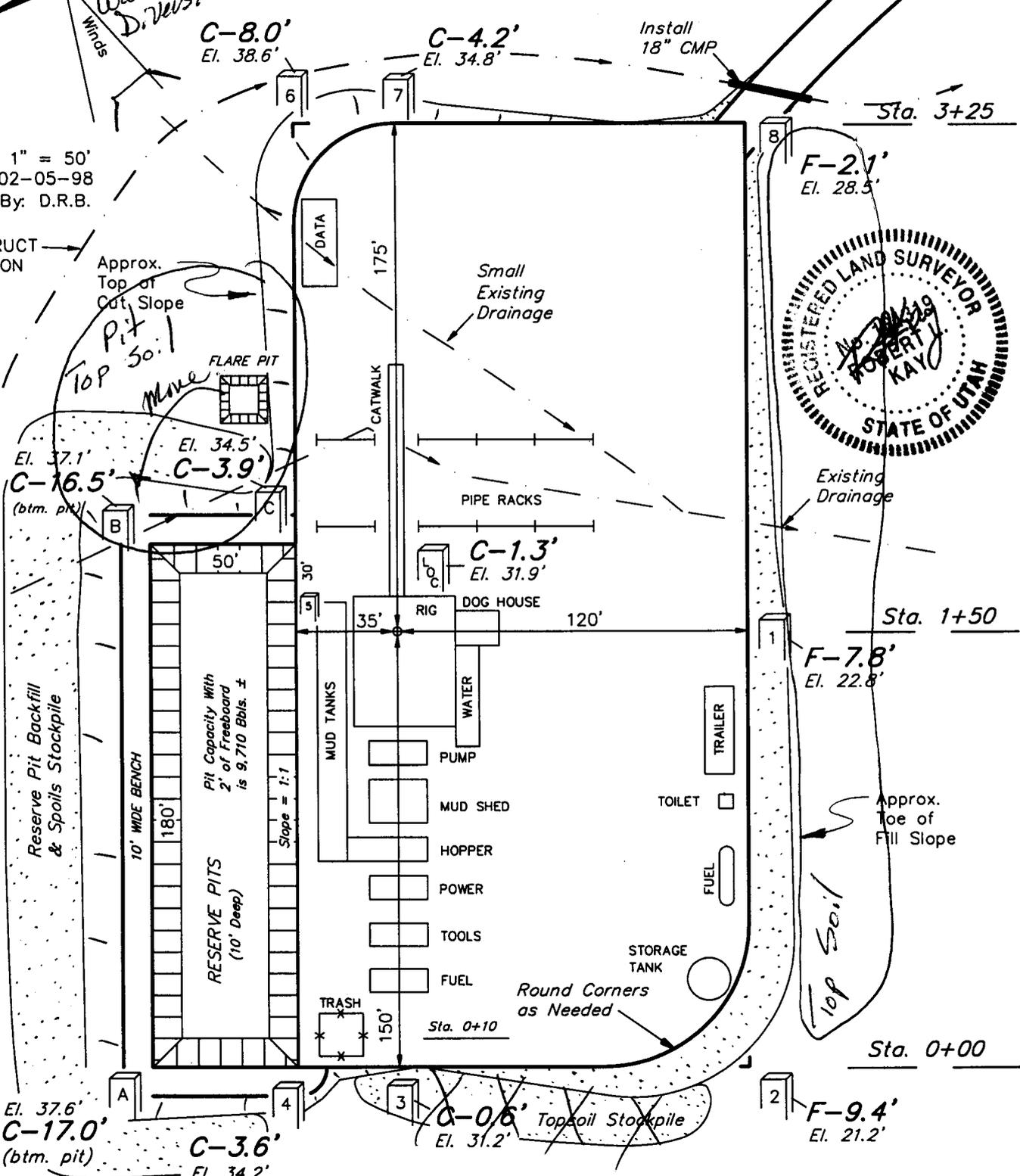
Proposed Access Road



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

CONSTRUCT DIVERSION DITCH

Water Diversion



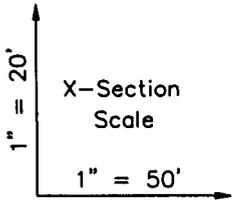
Elev. Ungraded Ground at Location Stake = 6131.9'
Elev. Graded Ground at Location Stake = 6130.6'

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

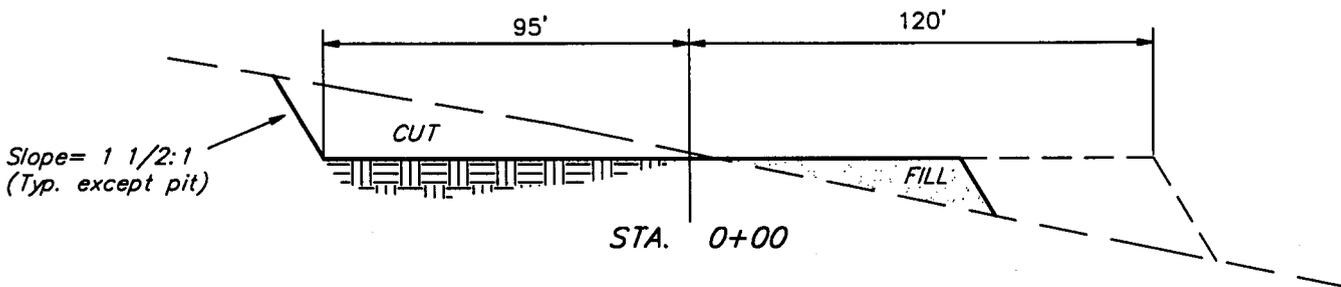
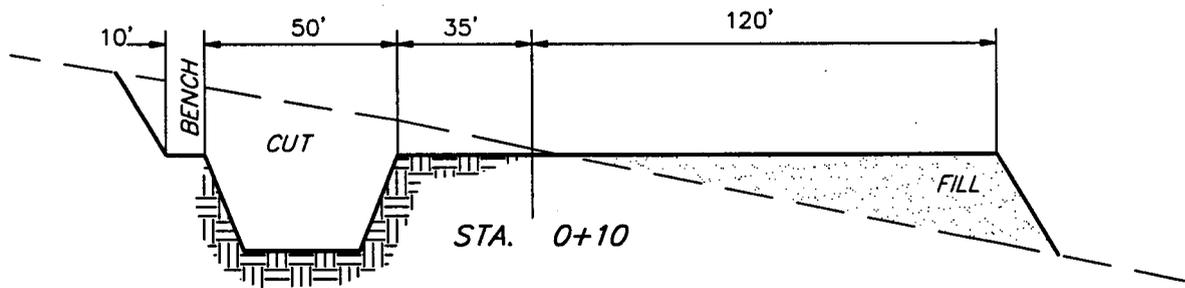
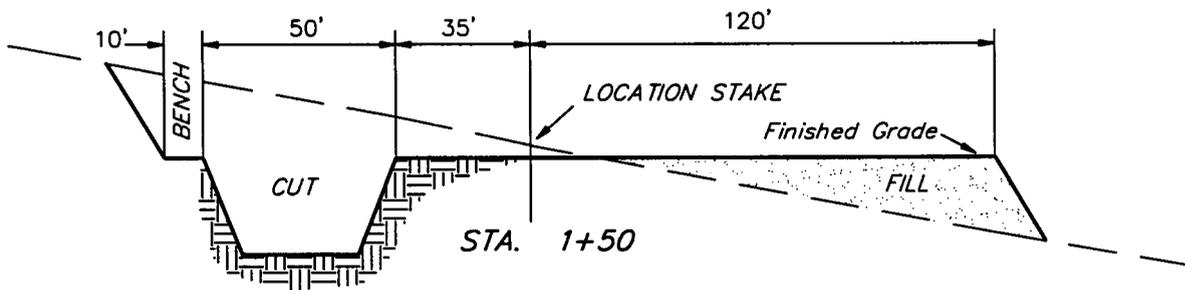
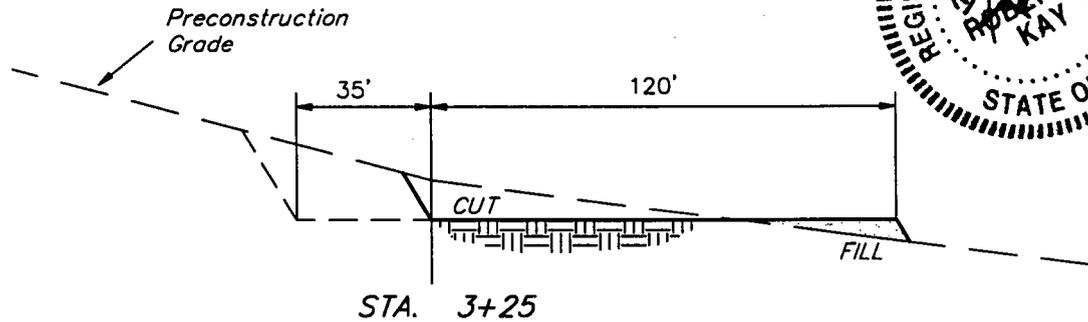
ROSEWOOD RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

HANGING ROCK I #15-7
SECTION 15, T12S, R23E, S.L.B.&M.
1908' FNL 2123' FEL



DATE: 02-05-98
Drawn By: D.R.B.

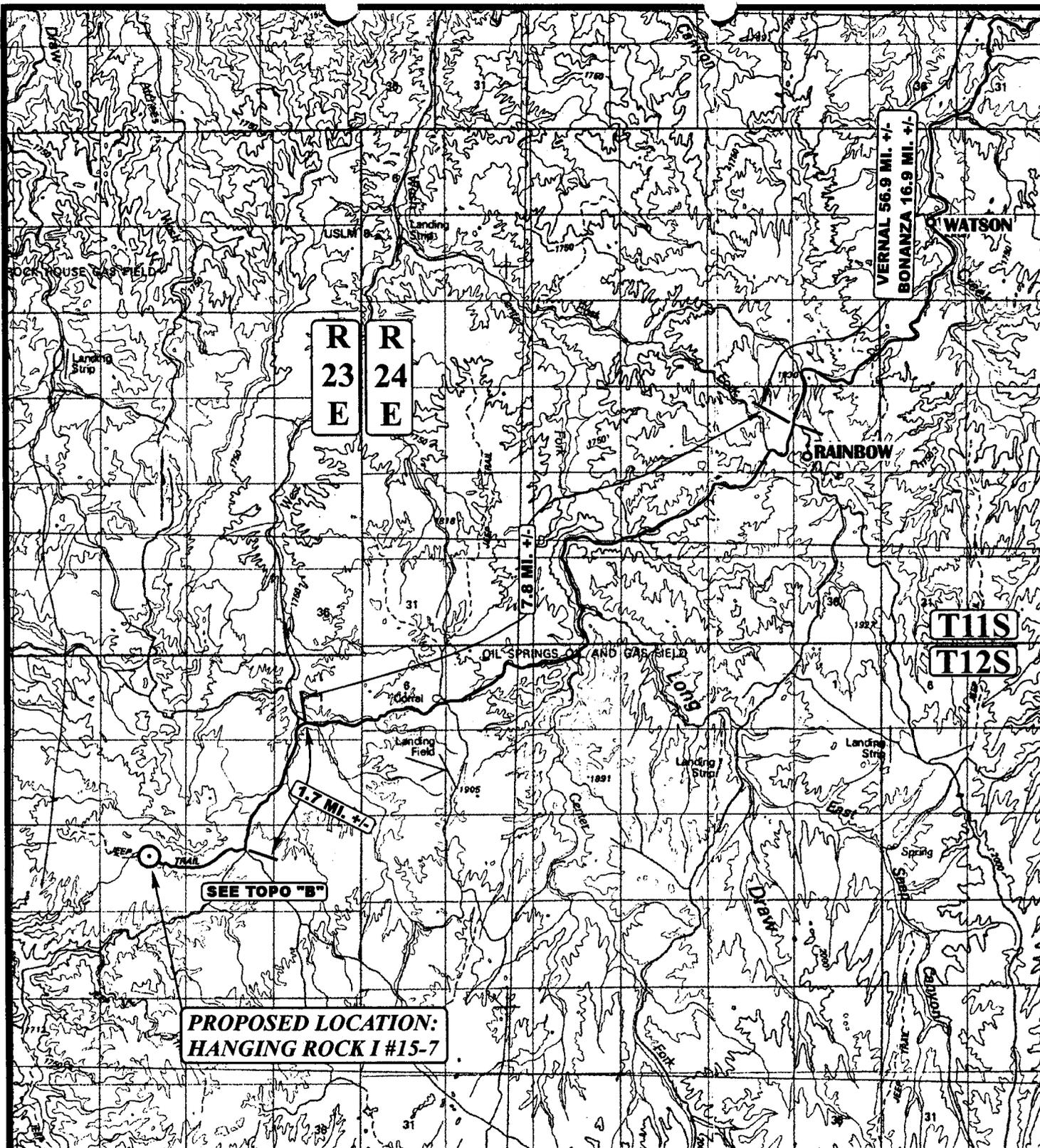


APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,100 Cu. Yds.
Remaining Location	= 6,850 Cu. Yds.
TOTAL CUT	= 7,950 CU.YDS.
FILL	= 5,310 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



**PROPOSED LOCATION:
HANGING ROCK I #15-7**

LEGEND:

⊙ PROPOSED LOCATION

ROSEWOOD RESOURCES, INC.

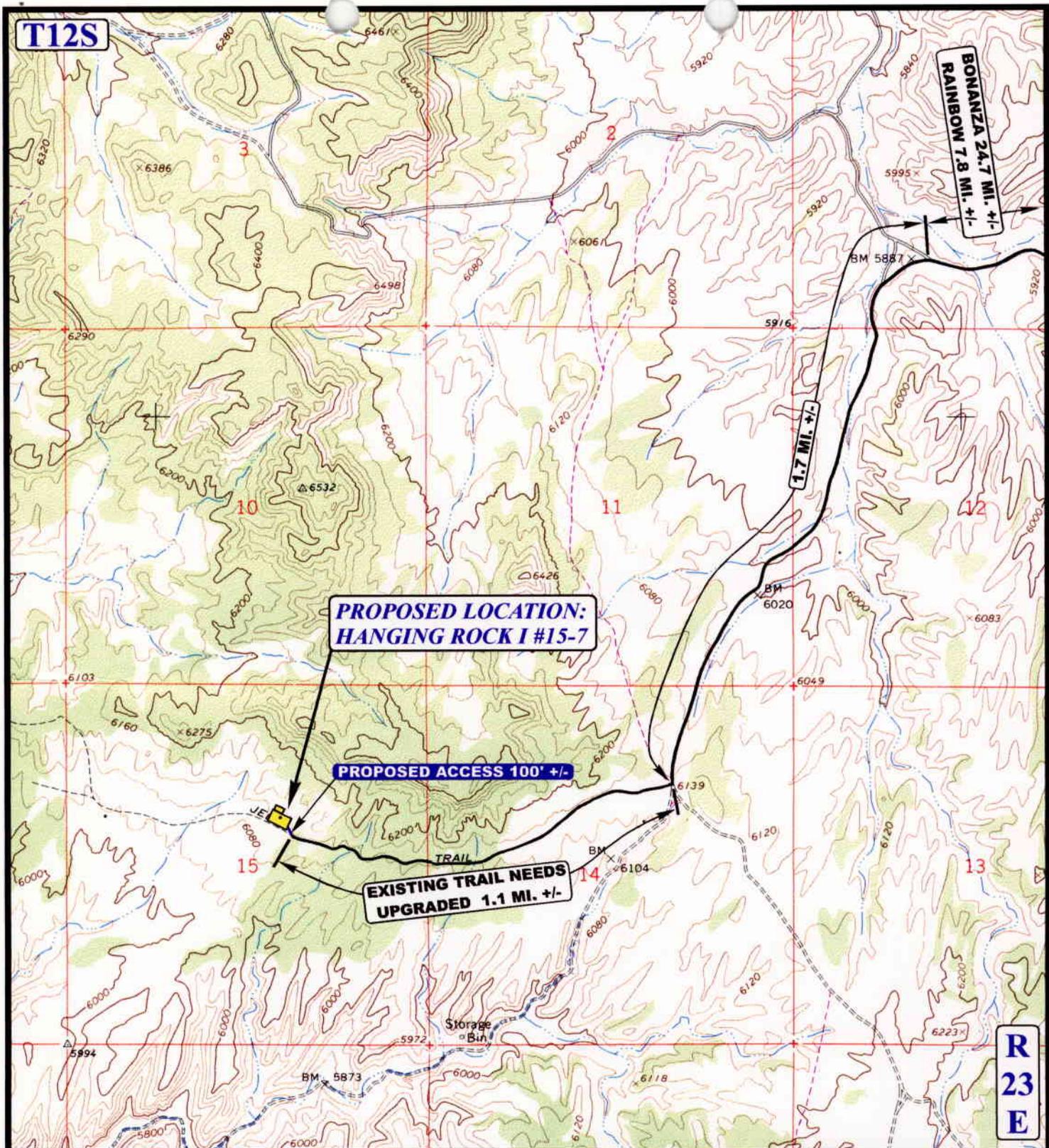
**HANGING ROCK I #15-7
SECTION 15, T12S, R23E, S.L.B.&M.
1908' FNL 2123' FEL**

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



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





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

ROSEWOOD RESOURCES, INC.

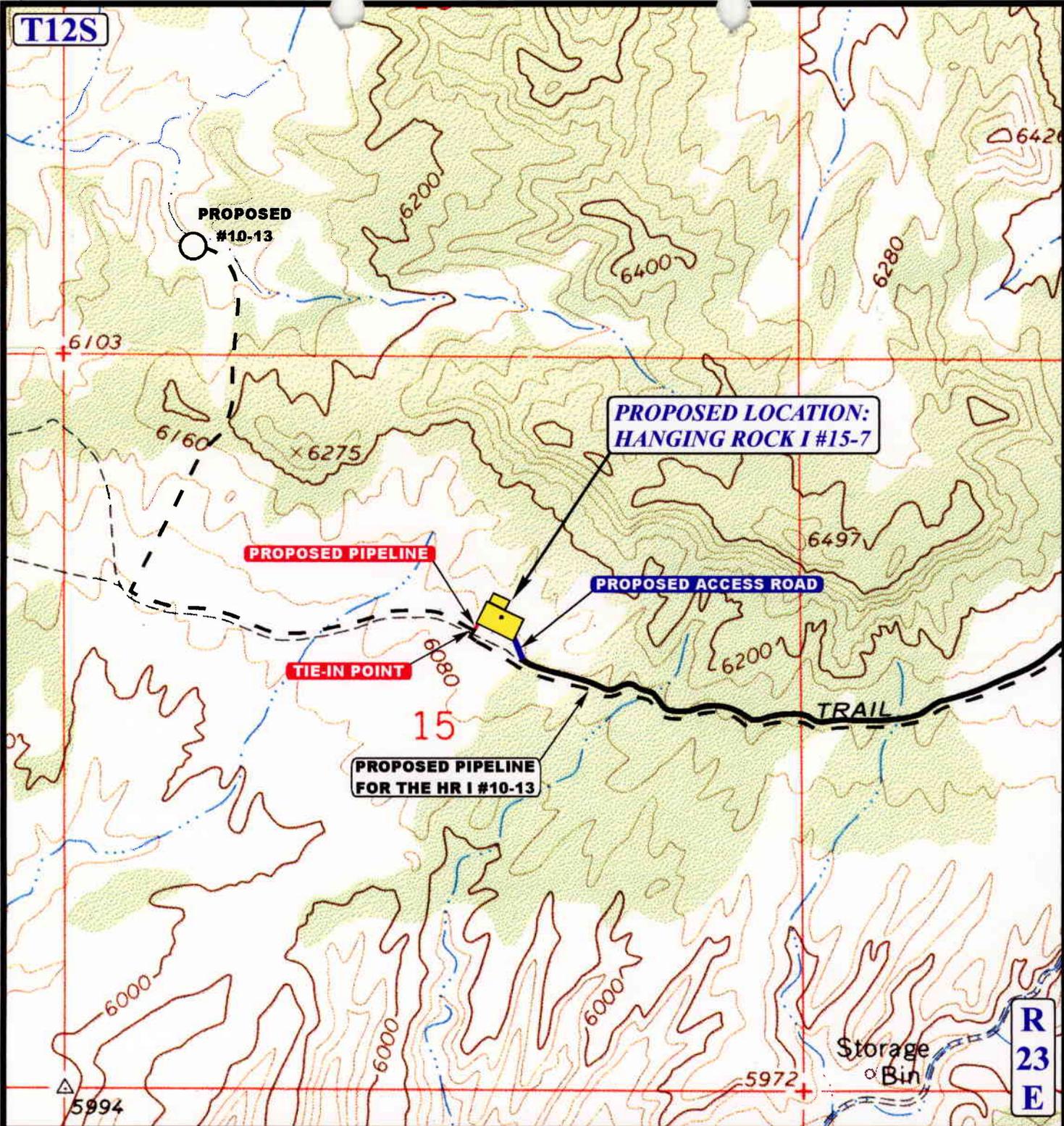
HANGING ROCK I #15-7
SECTION 15, T12S, R23E, S.L.B.&M.
1908' FNL 2123' FEL



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



TOPOGRAPHIC	2	2	98	B TOPO
MAP	MONTH	DAY	YEAR	
SCALE: 1" = 2000'		DRAWN BY: D.COX		REVISED: 00-00-00



APPROXIMATE TOTAL PIPELINE DISTANCE = 25' +/-

LEGEND:

- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED ACCESS

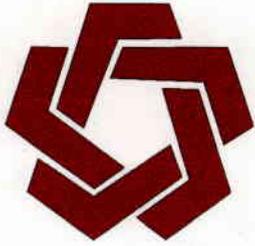
ROSEWOOD RESOURCES, INC.

HANGING ROCK I #15-7
SECTION 15, T12S, R23E, S.L.B.&M.
1908' FNL 2123' FEL



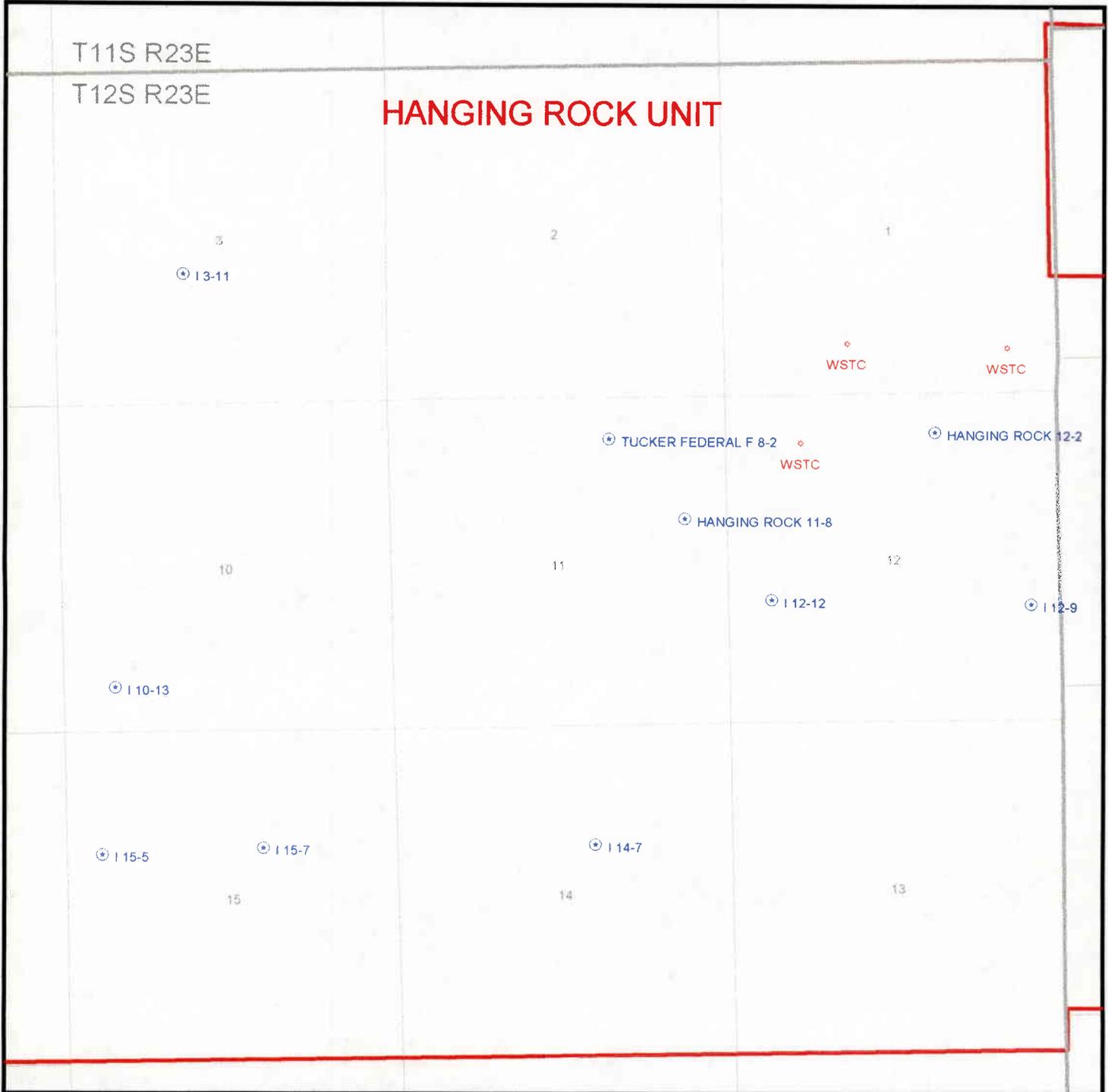
U&L S
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC **2 4 98**
MAP MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: D.COX REVISED: 00-00-00 **C**
 TOPO



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 15-7 Well, 1908' FNL, 2123' FEL, SW NE,
Sec. 15, 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 43-047-33099.

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 15-7
API Number: 43-047-33099
Lease: UTU-57455
Location: SW NE Sec. 15 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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Hanging Rock

8. FARM OR LEASE NAME

9. WELL NO.
I 15-7

10. FIELD OR LEASE NAME

11. Sec., T., R., M., OR BLK AND SURVEY OR AREA
Sec. 15, T12S, R23E, S.L. B. &M

12. COUNTY OR PARISH
Uintah

13. STATE
Utah

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

A TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
Rosewood Resources, Inc.

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)
 at surface **1908' FNL, 2123' FEL, SW/NE Sec. 15, T12S, R23E, S.L. B. &M**

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

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drig. Unit line, if any) **1908'**

16. NO. OF ACRES IN LEASE
10,094.71

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

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

19. PROPOSED DEPTH
4,700'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.)
6132'

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

PROPOSED CASING AND CEMENT PROGRAM

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

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

If you require additional information please contact:

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

RECEIVED
MAR 26 1998

RECEIVED
MAY 26 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 no productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24

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

(This space for Federal or State Office Use)

PERMIT NO. _____

APPROVAL DATE _____

APPROVED BY Howard B. Leverage TITLE _____

Assistant Field Manager
Mineral Resources DATE 5/21/98

CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

***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 15-7

API Number: 43-047-33099

Lease Number: U-57455

Location: SWNE Sec. 15 T. 12 S. R. 23 E

NOTIFICATION REQUIREMENTS

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

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

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

A. DRILLING PROGRAM

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

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

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

2. Pressure Control Equipment

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

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

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

3. Casing Program and Auxiliary Equipment

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

As a minimum, the usable water shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany Oil Shale identified at \pm 867 ft.. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

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

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

5. Coring, Logging and Testing Program

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

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

A cement bond log (CBL) will be run from the production casing shoe to \pm 667 ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

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

6. Notifications of Operations

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

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

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

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

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

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

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

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

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

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

7. Other Information

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

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

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

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

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

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

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

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

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

In the event after-hours approval or notification is necessary, please contact one of the following individuals:

Wayne Bankert (801) 789-4170
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

Jerry Kenczka (801) 789-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM

- Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).
- The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, and crowning (2 to 3%). Graveling or capping the roadbed will be required as necessary to provide a well constructed safe road. Prior to construction/upgrading, the proposed road surface or existing road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Should mud holes develop, they shall be filled in to prevent detours . Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. When snow is removed from the road during the winter months, the snow should be pushed outside of the burrow ditches and the turn outs should be kept clear so that when the snow melts the water will be channeled away from the road.
- The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs).
- The location topsoil pile should be seeded immediately after the soil is piled by broadcasting the seed mix identified in the APD, then walking the topsoil pile with the dozer to plant the seed.
- Once the reserve pit is dry, it should be filled, recontoured, topsoil spread, and seeded in the same manner discussed above. .

DEPARTMENT OF OIL, GAS AND MINING
 ENTITY ACTION FORM - FORM 6

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

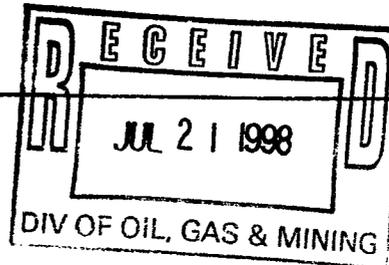
OPERATOR ACCT. NO. 117510

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	6/30/98	6/30/98
WELL 1 COMMENTS: ADD TO HANGING ROCK UNIT (non P.A.) Entitires 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)



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

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 #15-7

9. API Well No.
43-047-33099

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)

1908' FNL, 2123' FEL SWNE SECTION 15, 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 Spud

Change of Plans

New Construction

Non-Routine Fracturing

Water Shut-Off

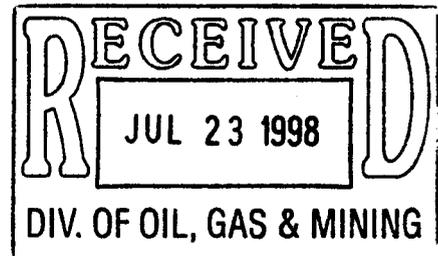
Conversion to Injection

Dispose Water

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

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

Operator reports the above referenced well was spud on ~~7/7/98~~ **7/21/98** @ 6:30 p.m. by Bill Jr's Rathole Service. (See attached report for setting of surface casing.)



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

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

Signed

[Signature]

Title Administrative Assistant

Date 07/21/98

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

ROSEWOOD RESOURCES, INC. Daily Completion Report

WELL NAME: HANGING ROCK #15-7

DATE:

DEPTH: 4700'

PBTB 4643'

PERFS: 4542' - 4562'

4436' - 4444'

3536' - 3542'

3138' -48' squzd

4224' - 32'

Lease #: UTU 57455

Location: SW/NE, SEC.15, T12S, R23E

County: Uintah Co., Utah

PACKER:

RBP: 4320

CIBP: 4510'

EOT: 4168'

Engineer

Consultant

D. Widner

Chuck Emerson

8/8/98

R/U SCHLUMBERGER. RIH W/ GAUGE RING & TAG PBTB @ 4578'. RIH & RUN CEMENT BOND LOG FROM 4578'-100' W/ 1000# SURFACE PRESSURE. EST TOP OF CEMENT @ 350'. EST TOP OF TAIL CEMENT @ 2000'. R/D WIRELINE. WOCT

Daily cost \$4,845 cum. cost \$168,392

10/27/98

MIRU Rky Mtn Well Service. ND Tree. NU BOP & Manifold. Spot pump, tanks & circulating equip. Transfer 158 Jts(4888.70') 2 3/8" Tbg from HR#14-7. Unload, Rack & Tally Tbg. SISDFN

Daily cost \$21,888 cum. cost \$189,860

10/28/98

PU 3 7/8" Bit, 4 1/2" Casing Scraper, X-Over & 150- Jts 2 3/8" Tubing. Tag PBTB @ 4643.36'KB. Pressure test casing, BOP & manifold to 2600psi f/ 15min. Held OK. Displace fresh H2O from wellbore w/ 70bbl 3% KCl H2O. POOH. RU Schlumb. RIH w/ 3 1/2" HSD Hollow Carrier. Correlate to CNL-LDL-GR Log dated 7-22-98. Perforate Mesa Verde 4542'-4562', 4jspf, 90deg phasing, 80 holes, .46" EHD. No surface blow. RD Schlum. TIH w/ Packer as follows: 1- 2 3/8" 'XN' (1.87" w/ 1.79 NoGo) Nipple & Collar(1.44'), 1- 2 3/8" J-55 Pup Joint(10.05'), 1- Packer 4 1/2" x 2 3/8" ArrowSet IX-10K(6.48'), 1- 2 3/8" On/Off Tool w/ 1.87" 'X' Profile(1.48'), 1- Jt 2 3/8" 4.7# J-55 Tbg (30.30'), 1- 'X' Nipple 1.87"(0.95'), 144 Joints 2 3/8" 4.7# J-55 EUE 8rd Tubing(4442.79'), KB & Slackoff(13.00'). Total 145 Joints Set @ 4506.76'KB. Packer Element @ 4491.75'. Set packer & land tbg w/ 10K# on packer. ND BOP. NU Tree. Test Pkr to 2500psi. Held OK. RUSwab. IFL @ Surface. Swabbed 17 bbl in 1 1/2 hours & Swabbed down. No Gas blow. SISDFN

Daily cost \$10,217 cum. cost \$199,827

10/29/98

Check Pressures. SITP: 0psi, SICP: 0psi. 14 hrs SI. RU swab. FL: 1500'. Swabbed 14bbl 100% H2O in 1 1/2 hours. No Gas. Load tbg w/ 17bbl 3% KCl H2O. Breakdown @ 3100psi. Inject 5bbl 2 1/2bpm @ 2200psi. ISDP: 1500psi. TLTR: 22bbl. Swabbed Down. Rec 24bbl. Made 1/2hourly runs next 6 hours. Rec 17bbl. Ave 3bbl/hour last 4 hours. Total Rec 55bbl or 33bbl over load. SWISDFN

Daily cost \$2,571 cum. cost \$202,848

10/30/98

Check Pressures. SITP:40psi, SICP: 0psi. 15hrs SI. Bled off. RU swab. FL:850'. Made 14bbl in 1hr 100% H2O. Cum Rec: 47bbl over load. Load tbg w/ 16bbl 3% KCI. ND Tree& NU BOP. Release Packer. POOH.RU Schlumb. RIH w/ 4 1/2" CIBP & set @4510'. Load casing w/ 8bbl & Pressure test Csg, CIBP & BOP to 2500psi. Held OK. Dump Bail 1sk cement onto CIBP. RIH w/3 1/2" HSD Hollow Carrier. Corrolate to CNL-LDL-GR Log dated 7-22-98. Perforate

Wasatch 4436'- 4444', 4jspf, 90deg phasing, 32 holes, .46" EHD. No flow. RD Schlum.TIH w/ Packer as follows: 1- 2 3/8" 'XN' (1.87" w/ 1.79 NoGo) Nipple& Collar(1.44'), 1- 2 3/8" J-55 Pup Joint (10.05') ,1- Packer 4 1/2" x 2 3/8" ArrowSet IX-10K(6.48'), 1- 2 3/8" On/Off Tool w/1.87" 'X' Profile(1.75'), 1- Jt 2 3/8" 4.7# J-55 Tbg (31.28'), 1- 'X' Nipple 1.87"(0.95'), 140- Joints
2 3/8" 4.7# J-55 EUE 8rd Tubing(4319.14'), KB &Stackoff (13.00'). Total 141 Joints Set @ 4383.11'KB. Packer Element @ 4368.14'. Set packer & land tbg w/10K# on packer. ND BOP. NU Tree. Test Pkr to 2500psi. Held OK. RU swab IFL: Surf. Made 4 Swab runs. Rec 18bbl 100% Load H2O. Swabbed down. No Gas. Wait 1/2hr.Made run. No Fluid Entry.

Daily cost \$7,606 cum. cost \$210,254

10/31/98

Check Pressures. Tbg: 0psi, Csg: 0psi. 14 1/2 Hr SI. Run Swab. No fluid entry ON. Load Tbgw/ 17bbl 3% KCI H2O. Breakdown @ 3200psi. Inject 5 bbl 3% KCI @ 1.9bpm - 2600psi. ISDP:2100psi. TLTR: 22bbl. Swab 20bbl in 1 hour. Swabbed down. Made 2 hourly runs. Run 1 bbl/run. TLTR: 0bbl. Load tbg w/ 17bbl 3% KCI H2O. Inject 10 bbl 3% KCL @ 1.75bpm - 2700psi.ISDP: 2300psi. TLTR: 27bbl. Swabbed 21bbl in 1 hour. Swabbed down. Made hourly runs f/next 3hours. Rec 1 1/2 bbl/ hour. No Gas Show. TLTR: 2bbl. SWISDFN

Daily cost \$2,571 cum. cost \$212,825

11/01/98

Check Pressures. Tbg: 0psi, Csg: 0psi. 14 1/2 Hr SI. Run Swab.FL: 750'. Swab 15bbl in 1 hour. Swabbed down. Made 3 hourly runs. Avg fluid entry 4-500'/ hour. Rec 4bbl over 3hrs. 100%H2O. No Gas Show. Total 13bbl over load. SWISDFN

Daily cost \$1,786 cum. cost \$214,611

11/03/98

Check Pressures. SITP:130psi, SICP: 0psi. 42hrs SI. Bled off. RU swab. FL:150'. Made 1 Swab Run. Load tbg w/ 2bbl 3% KCI. ND Tree& NU BOP. Release Packer. POOH. RU Schlumb. RIH w/ 4 1/2" CIBP & set @ 4320'. Load casing w/ 9bbl & Pressure test Csg, CIBP & BOP to 2500psi. Held OK. Dump Bail 1sk cement onto CIBP. RIH w/3 1/2" HSD Hollow Carrier. Correlate to CNL-LDL-GR Log dated 7-22-98. Perforate Wasatch 4224'- 4232', 4jspf, 90deg phasing, 32 holes, .46" EHD. No flow. RD Schlum.TIH w/ Packer as follows: 1- 2 3/8" 'XN' (1.87" w/ 1.79 NoGo) Nipple& Collar(1.44'), 1- 2 3/8" J-55 Pup Joint (10.05') ,1- Packer 4 1/2" x 2 3/8" ArrowSet IX-10K(6.48'), 1- 2 3/8" On/Off Tool w/ 1.87" 'X' Profile(1.75'), 1- Jt 2 3/8" 4.7# J-55 Tbg (31.28'), 1- 'X' Nipple 1.87"(0.95'), 133- Joints 2 3/8" 4.7# J-55 EUE 8rd Tubing(4104.01'), KB &Slackoff (13.00'). Total 134 Joints Set @ 4167.98'KB. Packer Element @ 4153.01'. Set packer & land tbg w/10K# on packer. Tbg starting to unload. SI w/ TIW Valve. Load Annulus w/ 2bbl 3% KCI. Test Pkr to 2500psi. Held OK. SITP: 150psi. Open on 2" to pit. Unload Tbg(approx 10bbbls). SI. 10minSI: 450psi. Open on 16/64" choke. After 30min FTP: 175psi. Made 1bbl in 30min, then dried up. After 3 hours FTP: 165psi. Made no fluid last 2 hours. SISDFN

Daily cost \$7,238 cum. cost \$221,831

11/04/98

Check Pressures. SITP:1560psi, SICP: 0psi. 14Hr SI. Open tbg on 16/64" choke. After 30min FTP:840psi. Open choke to 24/64". After 1hour FTP: 95psi. Made 1/2 bbl 99% H2O. FTP stabilized @ 80psi next 2 Hrs. Load Tbg w/ 16bbl 3% KCI H2O. Install Frac Valve. Breakdown w/ 5bbl 3% KCI H2O. Broke @ 3000psi. Inject 5 bbl @ 2.5bpm - 1800psi. ISDP: 1200psi. TLTR: 21bbl. Flowed 2bbl then died. RU Swab. Made 4 runs. Rec 16 bbl & Kicked off. Set on 24/64" choke. Initial FTP: 60psi. Made 1bbl in 1st 1/2 hour. Flowing pressure gradually increased to 80psi in 4 hours. Made no fluid after 1st half hour. TLTR: 2bbl. Final FTP: 80psi. SISDFN

Daily cost \$2,701 cum. cost \$224,532

11/05/98

Check Pressures. SITP:1580psi, SICP: 0psi. 14Hr SI. Open tbg on 16/64" choke. After 30min FTP:400psi. Open choke to 24/64". After 1hour FTP: 115psi. Flowing pressure gradually decreased to 92psi in 3 hours then gradually decreased to 90 psi over next 4 hours. Well flowing light mist @ times. Samples varied averaging 10-20% oil w/ load H2O. Made less than 1/2 bbl in 10hr. TLTR: 1 1/2bbl. Final FTP: 90psi. SISDFN

Daily cost \$2,530 cum. cost \$227,062

11/06/98

Check Pressures. SITP:1540psi, SICP: 0psi. 14Hr SI. RU Delsco NW. RIH w/ Positive XN plug & Set in XN Nipple @ 4167'. POOH. Bled Pressure. Load Tbg w/ 17bbl 3% KCI H2O. Release from Packer Assy@ On/Off Tool. Pressure Test Packer & Plug to 2500psi. POOH. RU Schlumb. RIH w/3 1/2" HSD Hollow Carrier. Corrolate to CNL-LDL-GR Log dated 7-22-98. Perforate Wasatch 3536'- 3542', 4jspf, 90deg phasing, 24 holes, .46" EHD. No flow. RD Schlum. TIH w/ Packer as follows: 1- 2 3/8" 'XN' (1.87" w/ 1.79 NoGo) Nipple& Collar(1.44'), 1- 2 3/8" J-55 Pup Joint (7.92') ,1- Packer 4 1/2" x 2 3/8" ArrowSet IX-10K(6.20'),1- 2 3/8" On/Off Tool w/ 1.87" 'X' Profile (1.75'), 1- Jt 2 3/8" 4.7# J-55 Tbg (31.28'), 1- 'X' Nipple 1.87"(0.95'), 110- Joints 2 3/8" 4.7# J-55 EUE 8rd Tubing(3393.93'), KB &Stackoff (13.00'). Total 111 Joints Set @ 3455.49'KB. Packer Element @ 3443.03'. Set packer & land tbg w/10K# on packer. Tbg starting to unload. SI w/ Frac Valve. Test Pkr to 2500psi. Held OK. SITP: 80psi. Bled off. RU swab. IFL: 100'. Made 4 runs & swabbed down. Rec 13bbl w/ slight blows after each run. Load tbg w/ 13bbl 3% KCI H2O. Breakdown @ 3500psi. Inject 5bbl @ 2 1/2bpm-1800psi ISDP: 1300psi. Bled off. TLTR: 18bbl. Run swab. Made 6 runs. Rec 16bbl load H2O. Very slight gas blow after each run. wait 30min before last run. No fluid entry. TLTR:2bbl SISDFN

Daily cost \$7,764 cum. cost \$234,826

11/07/98

Check Pressures. SITP:360psi, SICP: 0psi. 14Hr SI. Open tbg on 16/64 choke. Bled to 0 psi in 20 min. Run swab. IFL:2200'. Swab down in 2 runs. Rec 5 bbl !00% H2O. SWI between hourly swab runs. 1 hrs SI 10-15 psi. Fluid entry ave 100'/hr w/ slight gas blow. Rec 1bbl in 2 hours. Total 4 bbl over load. Load tbg w/ 13 bbl 3% KCI H2O. Inject 10 bbl @ 2 1/2 bpm- 1800 psi. ISDP: 1350psi. TLTR: 23bbl. Bled off. Run Swab. Made 5 runs & swabbed down. Rec 18 bbl load. SI between hourly run. 1hour SI avg 50psi. Rec 3 bbl in 4 hours w/ slight gas blow following runs. TLTR: 2bbl. SISDFN

Daily cost \$2,571 cum. cost \$237,397

11/09/98

11-7-98-- SITP: 520psi 19 HR SI

11-8-98-- SITP: 840psi 43 HR SI

Daily cost \$0 cum. cost \$237,397

11/10/98

Check Pressures. SITP:980psi,SICP:0psi. 63Hr SI. Open on 8/64" choke. After 30 min open to 12/64" choke. Bled to weak blow in 90min.Run Swab. IFL: 2300'. Swabbed down in 3 runs, rec 4bbl 100% H2O. Made 2 hourly runs. FE: 50'/hour. RU Delsco. RIH w/ 'XN' Plug & Set in 'XN' Nipple @ 3454'. Load tbg w/ 13bbl & test plug to 2500psi. Release On/Off tool & test Pkr & Plug to 2500psi. POOH. RU Schlumb. RIH w/ 3 1/2" HSD Hollow Carrier. Correlate to CNL- LDL- GR dated 7-22-98. Perforate Wasatch 3138'- 3148' 4jspf, 90deg phase,40holes,.46" EHD. No flow. TIH as follows: 1- 2 3/8" 'XN' (1.87w/1.79NoGo)Nipple&Collar(1.60'), 1-2 3/8" J-55 Pup Jt(7.90'), 1- Packer 4 1/2x 2 3/8" ArrowSet 1X-10K(6.20'), 1- 2 3/8" On/Off Tool(1.75'), 1- Jt 2 3/8" Tbg(30.30'), 1-'X' Nipple(0.95'), 97- Jts 2 3/8" 4.7# J-55 EUE 8rd(2990.55'), KB&Slack Off(13.00'). Total 98 Jts Set @ 3052.25'KB. Pkr Element @ 3039.45'KB. Set Pkr & land tbg w/ 10K on Hgr. Load csg w/ 1/2bbl 3% KCl & Test Annulus to 2500psi. Held OK. RU Swab. IFL:Surf. Made 2 swab runs. Rec 10bbl 100% H2O. No Blow. SISDFN.

Daily cost \$8,337 cum. cost \$245,734

11/11/98

Check Pressures. SITP:70psi,SICP:0psi. 13.5Hr SI. Run Swab. IFL: 450'. Swabbed 34 bbl 100% H2O in 3 1/2hrs. Load tbg w/ 8bbl 3% KCl H2O. Breakdown @ 2200psi pump 5bbl @ 2.5bpm. ISDP:900psi. TLTR: 13bbl. Run Swab. Swabbed 34bbl 100% H2O in 3hrs. Total 55bbl over load No Gas. Release Packer & POOH. TIH w/ 4 1/2"Arrow TS RBP, Set Tool & 107 Joints 2 3/8" Tubing. Set RBP @ 3312.59'. SISDFN

Daily cost \$3,460 cum. cost \$249,194

11/12/98

Check Pressures. SITP: 0psi, SICP: 0psi. RU BJ Services. Displace KCl from wellbore w/ 50 bbl fresh H2O. Spot 2sks 20/40 sand onto RBP & flush w/ 10bbl H2O. POOH. TIH w/ Arrow Squeeze Packer & 98 Jts 2 3/8" Tbg. Set Pkr @ 2969.98'. Pressure Annulus to 1000psi & SI. Establish Injection Rate down tbg of 3.5bpm @ 2300psi. Pump 75sks Squeeze Cement as follows: Lead w/ 33sks Class 'G' Neat, Tail w/ 42sks Class 'G' w/ 1% CaCl. Displace w/ 13bbl H2O. Final pressure 2800psi @ 1.5bpm. Wait 15min. Bled to 1450psi. Pressure to 2300psi. Wait 15min. Bled to 2200psi. Pressure to 2800psi. Wait 15min. Held @ 2800psi. Pressure to 3000psi. Staging used less than 1/4bbl. Squeeze held OK. Bled off. Release packer & pull 2 stands Reverse out w/ 25bbl H2O. Saw very small amount of cement colored H2O @ bottoms up. Set Packer @ 2846' & pressure tbg to 1000psi. SWI. RD BJ. WOC

Daily cost \$8,765 cum. cost \$257,959

11/14/98

Check Pressures. SITP: 0psi, SICP: 0psi. Release Pkr. TOOH. TIH w/ 3 7/8" Drag bit, Bit Sub, 4 - 3 1/8" Drill collars. Tag Cement @ 2960'. RU Swivel & circ equipt. Drillout hard cement to 3155' & fell out. Circulate clean. Pressure test squeeze to 2500psi f/ 30min. Held OK.RD Swivel & Circ equipt. TIH to tag fill @ 3290' on RBP. Pull up to 2600' SISDFN.

Daily cost \$3,680 cum. cost \$261,639

11/17/98

Check Pressures. SITP: 0psi, SICP: 0psi. Finish TOOH. LDDC. PU 3 7/8" Cone Bit & 4 1/2" Csg Scraper. TIH & tag sand @ 3290'. Circulate sand from to RBP @ 3312'. Circulate Clean. Displace Drillout fluid from wellbore w/ 50bbl 3% KCl H2O. POOH. TIH w/ retrieving head. Circulate onto RBP & release. POOH. TIH w/ On/Off Head to Pkr @ 3443'. Latch on w/ On/Off Tool. Release Pkr. No Flow. Pkr dragging 5-10 over first 550' then pulled free. Pull to 1750'. Drain up pump & lines. SISDFN

Daily cost \$3,480 cum. cost \$265,119

11/18/98

Check Pressures. SITP: 270psi, SICP: 410psi. 13 1/2 Hr SI. Bled Pressure in 5min. POOH w/ Packer. Packer Bore & Pup Jt Filled w/ FM Fines. TIH w/ ON/OFF Head w/o seals. Attempt to latch onto ON/OFF @ 4148'. Tool would not latch on. POOH. Dress tools. TIH to 4144'. Prep for Coil Tbg Cleanout. SISDFN

Daily cost \$2,480 cum. cost \$267,599

11/19/98

Check Pressures. SITP: 170psi, SICP: 190psi. 18hr SI. RU HOWCO. Space Out & add 1- 2' Pup Jt. Pump N2 down Tbg @ 500scf/min To clean off On/Off tool. Unload 50bbl Fluid from well using 27K scf N2. Bled down. Latch onto Packer. Load tbg w/ 15.5bbl 3% KCl H2O & Test to 2500psi. ND BOP. NU Tree. RU Coil Tbg Unit. RIH w/ 1 1/4" coil tbg w jet nozzle to Top of XN Plug @ 4169'. Did not tag any solid fill. Clean off Tool Pumping 30K scf N2 @ 750scf/min @ 2000psi. Pump f/ 15 min after unloading 15bbl H2O. POOH. Bled Pressure. RD Coil tbg Head. RU Delsco. RIH w/ Retrieving tool. Set down on Plug. Prepressure equalizing slowly (200psi/30min). Pressure tbg to 1600psi w/ N2. Pull up. Tool pulled free from plug. RIH w/o Equalizing prong & latch onto plug. Sheared off while pulling through 1st X profile. Dress tool RIH Tag @ 3865' PU & Go to bottom latched onto plug. Pull through the Xprofiles w/ slight overpull. Pull up to 3865' & Parted line at top of tools. RIH w/ Fishing head. Latch onto Fish. Jar f/ 30min(lower jars not working). Release fishing tool & POOH RD Delsco. SISDFN

Daily cost \$12,599 cum. cost \$280,198

11/20/98

Check Pressures. SITP: 1640psi, SICP: 200psi. Bled Casing in 15min. Open tbg on gradually increasing choke open to 48/64" in 1hour w/ FTP decreasing to strong blow after 1 1/2 hours. RU Delsco. RIH w/ Fishing Tool & Oil Jars. Tag top of fish 3844'. Latch on & work fish. Fish moved down 20'. Jarring up pulling fish to 3805' then pulled off of fish. Toolstring tight. had to jar through every tubing collar to 3450' then pulled free. POOH w/ fishing tools. SITP: 1200psi. 1hour SI. Bled tubing to strong blow in 1/2 hour. Load tbg w/ 10bbl 3% KCl H2O. ND Tree. Tbg unloaded in 10min. Load casing w/ 40 bbl 3% KCl & tbg w/ 14bbl. Tbg pressured up to 700psi. NU BOP. Remove Tbg Hanger. Release On/Off Tool. Tubing unloaded & blew down to very strong blow. Attempt to load tbg w/ 14bbls. Tbg unloaded 33bbls in 2 hours on very strong blow. Casing dead. Left tbg & casing open on 32/64" choke ON. SDFN

Daily cost \$4,900 cum. cost \$285,098

11/21/98

Check Pressures. FTP: 0psi, FCP: 0psi. Both on strong blow w/ mist H2O & trace condensate. Made 9bbl fluid ON. TOOH to fish 330' off bottom. Recovered XN plug & tool string which was caught on a piece of rubber. Rabbit bottom 720' of tbg w/ no tight spots. Recovered small 6" piece of slickline @ 650' from bottom. TIH w/ On/Off Head, 1-Joint, 1-X Nipple, 133- Joints 2 3/8" Tbg, 1- 2' Pup Joint. Latch onto Packer & land tbg w/ 8K# Compression. ND BOP. NU Tree. SI 1HR. SITP: 1430psi. SICP:30psi. Open well on 12/64" positive choke. After 2 hour FTP: 850psi. Choke partially freezing. Change to 16/64" choke. After 4 hours FTP: 170psi. SISDFN

Daily cost \$3,165 cum. cost \$288,263

11/22/98

Check Pressures. SITP: 1550psi, SICP: 170psi. 14Hr SI. Open tbg on 16/ 64" choke f/ 3 hrs. Flow stabilized @ 180psi. SI to tie in to prod unit. 15 min SI: 600psi. Turn to sales @ 1015hrs 11-21-98. Initial rate after 30min: 250Mcf/d. Prep to move.

Daily cost \$3,250 cum. cost \$291,513

11/23/98

Producing on 16/64" choke. FTP: 200psi, SICP: 250psi. Flowed 190Mcf in 23hrs. Oil: 0bbl, H2O:0bbl.

Daily cost \$0 cum. cost \$291,513

11/24/98

Producing on 16/64" choke. FTP: 200psi, SICP: 250psi. Flowed 178Mcf in 24hrs. Oil: 0bbl, H2O:0bbl. Change to 12/64" choke.

Daily cost \$0 cum. cost \$291,513

11/25/98

Producing on 12/64" choke. FTP: 230psi, SICP: 300psi. Flowed 160Mcf in 24hrs. Oil: 0bbl, H2O:0bbl.

Daily cost \$0 cum. cost \$291,513

11/26/98

11-26-98 Producing on 12/64" choke. SITP: 1000psi, SICP: 350psi. High/Low Valve SI. Flowed 92Mcf in 24 hrs. Oil: 0 bbl. H2O: 0 bbl.

11-27-98 Hi Low Valve SI. SITP 1180 PSI. SICP 400 PSI. 35 MCF, No Fluid.

11-28-98 Producing on 24/64" Choke. FTP 190 PSI. SICP 250 PSI. 167 MCF in 24 Hours, No Fluid.

11-29-98 Producing on 24/64" Choke. FTP 190 PSI. SICP 250 PSI. 143 MCF in 24 Hours. 1.67 bbl Oil. 0 Water.

Daily cost \$0 cum. cost \$291,513

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 #15-7

9. API Well No.
43-047-33099

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)
SWNE SECTION 15, T12S, R23E

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

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

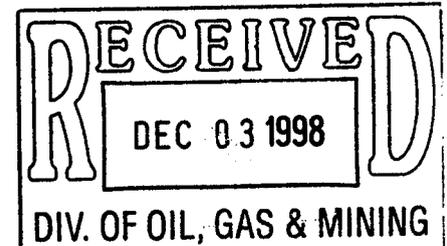
Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other Well on prod
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

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

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

Operator reports the above referenced well was placed on production on 11/21/98 @ 10:15 a.m.

Initial 24 hr production: 160 MCF/D; 0 bbls. Condensate; 0 bbls. Water
12/64" choke. SITP 300#, choke



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

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

Signed Lucy Neman Title Administrative Assistant Date 11/30/98

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

FORM 3100-1
(July 1992)
RECEIVED
JAN 12 1999

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

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

1b. TYPE OF WELL

WELL GAS WELL DRY Other _____

NEW WELL TURN OVER DEEP EN FLOOR BACK DEEP RESVR. Other _____

5. LEASE DESIGNATION AND SERIAL NO.
UTU-57455

7. UNIT AGREEMENT NAME
HANGING ROCK

8. FARM OR LEASE NAME, WELL NO.
HANGING ROCK I #15-7

9. API WELL NO.
43-047-33099

10. FIELD AND POOL OR WILDCAT
WILDCAT

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SEC. 15, T12S, R23E
Block & Survey: S.L.B. & M

2. NAME OF OPERATOR
ROSEWOOD RESOURCES, INC.

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

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*
At Surface
1908' FNL 2123' FEL SW/NE
At top prod. Interval reported below

12. COUNTY OR PARISH
UINTAH

13. STATE
UTAH

14. PERMIT NO. _____ DATE ISSUED
5/21/98

15. DATE SPUDDED 7/7/98	16. DATE T.D. REACHED 7/21/98	17. DATE COMPL. (Ready to prod.) 11/21/98	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 6132' GL	19. ELEV. CASINGHEAD 6146' KB
-----------------------------------	---	---	--	---

20. TOTAL DEPTH, MD & TVD 4700' MD TVD	21. PLUG, BACK T.D., MD & TVD CIBP @ 4320'	22. IF MULTIPLE COMPL., HOW MANY* _____	23. INTERVALS DRILLED BY _____	ROTARY TOOLS 511' - 4700'	CABLE TOOLS NA
--	--	--	-----------------------------------	-------------------------------------	--------------------------

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*
WASATCH 3536'- 42', 4224'- 32'

25. WAS DIRECTIONAL SURVEY MADE
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN
AI/LC/GR, CNLD/GR, ML/GR, MUD LOG, CBL/GR 7-28-98

27. WAS WELL CORED
YES

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#	511' KB	12 1/4"	SURF-300 sx PREMIUM CMT	NONE
4-1/2" N-80	11.6#	4698'	7 7/8"	350' - LEAD W/280 SKS HALCO-LIT NONE TAIL W/450 SKS PREMIUM "AG" CEMENT	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	4168'	4153'

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
4442' - 62'	0.46	80
4436' - 44'	0.46	32
4224' - 32'	0.46	32
3536' - 42'	0.46	24
3138' - 48'	0.46	40

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3138' - 48'	SQUEEZE W/75 SKS "G" CMT

33. PRODUCTION

DATE FIRST PRODUCTION 11/21/98	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) FLOWING	WELL STATUS (Producing or shut-in) PROD
DATE OF TEST 11-23-98	HOURS TESTED 24	CHOKE SIZE 16/64
FLOW. TUBING PRESS. 200	CASING PRESSURE 250#	CALCULATED 24-HOUR RATE _____
	PROD'N. FOR TEST PERIOD _____	OIL-BBLS. 0
		GAS-MCF. 178
		WATER-BBL. 0
		GAS-OIL RATIO _____
		OIL GRAVITY-API (CORR.) _____

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

TEST WITNESSED BY
Ivan Sadlier

35. LIST OF ATTACHMENTS

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

SIGNED *Lucy Helmer* TITLE **ADMINISTRATIVE ASSISTANT** DATE **1/7/99**

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

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

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

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				WASATCH MESA VERDE	2777' 4429'	

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

TerraTek

TerraTek Inc.

TELEFAX TRANSMISSION

420 Wakara Way
Salt Lake City, Utah 84108

TELEFAX NO. (801) 584-2432
CONFIRMATION NO. (801) 584-2480

DATE: September 2, 1998

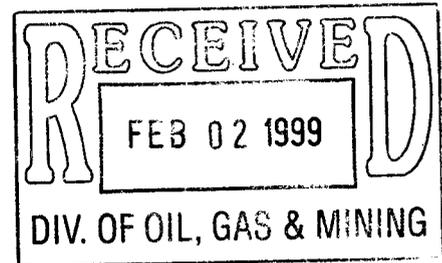
TO: Mr. Danny Widner

LOCATION: Rosewood Resources, Inc.

TO TELEFAX NO.: (435) 789-0479 0497

FROM: Chip DeVaney

NUMBER OF PAGES: 2 (Including Cover)



COMMENTS:

Preliminary data from Plug Dean-Stark Analysis of the percussion sidewall samples taken from the Rosewood Hanging Rock Federal #15-7 Well follow. Please note that percussion sampling methods may affect the reported porosity values.

Since none of the samples were suitable for permeability testing, the price for analysis will be adjusted accordingly. Please contact me should you have any questions or comments.

PROJECT NUMBER: 6811

*Mr. Widner
I will send lithologies
tomorrow. They need to
be Q.C.
ERIC Huseeth*

Table 4. Lithological Descriptions

Description Scheme for Carbonate Sedimentary Rocks:

Rock Type, Color, Grain Size or Crystal Size, Porosity Type, Accessories

Description Scheme for Clastic Sedimentary Rocks:

Rock Type, Color, Grain Size, Cement, Structures and Accessories

Key to Abbreviations:

aff	- anhydrite filled fracture	glauc	- glauconitic	ptg	- parting(s)
alt	- altered	gn	- green	purp	- purple
anhy	- anhydrite(ic)	gr	- grain(ed)	pyr	- pyrite(ic)
arg	- argillaceous	grnl	- granule	qff	- quartz filled fracture
bdd	- bedded	gy	- gray	qtz	- quartz
bent	- bentonite	gyp	- gypsum(liferous)	red	- red
bf	- buff	gypff	- gypsum filled fracture	sa	- salty
biot	- bioturbated	hem	- hematite(ic)	sdv	- sandy
bit	- bitumen	if	- incipient fracture	sh	- shale
bl	- blue(ish)	incl	- inclusion	shy	- shaley
blk	- black	intrpt	- interparticle	sid	- siderite
bnd	- banded	intrprt	- intraparticle	sil	- silica(eous)
brec	- breccia(ted)	intxl	- intercrystalline	sl/	- slightly
brn	- brown	lam	- laminated	sltst	- siltstone
bur	- burrowed	lav	- lavender	sily	- silty
c	- coarse	lig	- lignite(ic)	ss	- sandstone
calc	- calcite(areous)	ls	- limestone	stn	- stain(ed)(ing)
carb	- carbonaceous	lt	- light	str	- streak
cff	- calcite filled fracture	m	- medium	styl	- stylolite
cgl	- conglomerate	mar	- maroon	suc	- sucrosic
chky	- chalky	mas	- massive	tan	- tan
chlor	- chlorite	mdy	- muddy	v/	- very
cht	- chert	mic	- micro	vc	- very coarse
chty	- cherty	mica	- micaceous	vf	- very fine
cist	- clast	mol	- moldic	vgy	- vuggy
clt	- clay(ey)	mot	- mottled	wh	- white
clyst	- claystone	ms	- mudstone	wthrd	- weathered
cob	- cobble	mtx	- matrix	wvy	- wavy
dism	- disseminated	nod	- nodule(s)	yel	- yellow
dk	- dark	o	- oil	xl	- crystalline
dff	- dolomite filled fracture	of	- open fracture		
dol	- dolomite(ic)	ool	- oolitic		
f	- fine	org	- organic		
fen	- fenestral	orug	- orange		
fis	- fissile	pbl	- pebble		
fos	- fossil(liferous)	pel	- peloids		
frac	- fracture	pff	- pyrite filled fracture		
fri	- friable	pis	- pisolithic		
gff	- gouge filled fracture	pk	- pink		
		pof	- partially open fracture		
		ppvgs	- pinpoint vugs		

TerraTek

University Research Park
420 Wakara Way • Salt Lake City, Utah 84108
Telephone (801) 584-2400
FAX (801) 584-2432

095 P02 SEP 23 '98 15:35

+8015842432 TERRA TEK INC.

ROSEWOOD RESOURCES

Well: HANGING ROCK FED. #15-7
 Field:
 Drilling fluid:

State: Utah
 County: Uintah
 Location: SW-NE SEC15 T12S R23E

Date: September 02, 1998
 TICS File #: 6611
 Elevation:

PLUG DEAN-STARK ANALYSIS

Sample Number	Depth (feet)	Permeability		Porosity %	Saturation		Grain Density (gm/cc)	Lithology
		Horz (md)	Vert (md)		Oil %	H2O %		
20	2389.0	NA	NA	34.6	17.0	77.4	2.82	
19	2397.0	NA	NA	26.8	0.0	77.4	2.76	
18	2408.0	NA	NA	31.3	0.0	76.3	2.65	
17	2482.0	NA	NA	33.4	0.0	60.5	2.64	
16	2501.0	NA	NA	30.3	0.0	78.4	2.66	
15	2816.0	NA	NA	29.9	0.0	70.1	2.65	
14	2970.0	NA	NA	28.9	0.0	73.4	2.69	
13	3143.0	NA	NA	31.5	0.0	54.9	2.65	
12	3539.0	NA	NA	26.0	0.0	78.9	2.67	
11	4020.0	NA	NA	28.9	0.0	77.6	2.68	
10	4227.0	NA	NA	38.5	0.0	58.5	2.69	
9	4275.0	NA	NA	36.7	0.0	57.3	2.68	
8	4442.0	NA	NA	21.5	0.0	73.5	2.65	
6	4476.0	NA	NA	27.7	0.0	66.1	2.65	
5	4482.0	NA	NA	NA	0.0	NA	NA	
4	4551.0	NA	NA	29.9	0.0	70.2	2.66	
3	4555.0	NA	NA	27.7	1.8	72.5	2.66	
2	4623.0	NA	NA	32.2	0.0	70.1	2.65	
1	4633.0	NA	NA	28.0	0.0	71.3	2.66	

PRELIMINARY

HR 15-7

Rosewood Resources Lithologies
TerraTek Project #6611

Depth	ID
4633"	1) Ss, lt gy/wh, f gr, cly/qtz/calc, fri*
4623"	2) Ss, lt gy/wh, f gr, cly/calc, fri*
4555"	3) Ss, lt gy/wh, f gr, cly/calc/qtz, fri*
4551"	4) Ss, lt gy, f gr, calc/qtz, fri*
4476"	6) Ss, lt gy, f gr, cly/calc, fri*
4442"	8) Sh, dkgy, sh, calc, lam*
4275"	9) Ss, lt gy, f-m gr, calc/cly, feld*
4227"	10) Ss, lt gy/wh, f gr, calc/cly, fri*
4020"	11) Ss, lt gy, vf-f gr, calc/cly, fri*
3539"	12) Ss, vlt gy, vf-f gr, calc/cly, fri, mica, chlor, carb*
3143"	13) Ss, vlt gy, f-m gr, calc/cly, fri*
2970"	14) Ms, bf, md, calc/cly, slty*
2816"	15) Ss, vlt gy, f-m gr, cly/calc, fri, feld*
2501"	16) Ss, lt gy/wh, f gr, cly/calc/qtz, fri, pyr*
2482"	17) Ss, vlt gy, f gr, calc/cly, fri, mica, pyr, feld*
2408"	18) Ss, vlt gy, f gr, qtz/calc/cly, fri*
2397"	19) Ls, tan/lt gy, microxl, brec, intprt, fos
2389"	20) Dol, bf, microxl, intprt, calc, fos

* Sample contains white, pore-filling clay, likely illite and kaolinite

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:

8. WELL NAME and NUMBER:

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

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

RECEIVED

APR 29 2002

DIVISION OF
OIL, GAS AND MINING

Name Gary Taraba

Title Vice President Rosewood Resources, Inc

Signature Gary Taraba

Date 4/23/02

NAME (PLEASE PRINT) John D. Steuble

TITLE Engineering Manager McElvain O & G Properties

SIGNATURE John D. Steuble

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 15-7
SWNE, Sec. 15, 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

*File not
there
7/5/02*

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.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
Hanging Rock Fed I #15-7

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

9. API Well No.
43-047-33099

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

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

10. Field and Pool or Exploratory Area
Oil Springs

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1908' FNL & 2123' FEL, SWNE Sec. 15 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 # 15-7 (API# 43-047-33099) located SWNE of Sec. 15 T12S-R23E. If Survey indicates acceptable pressure McElvain would like to swab and 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: CMO

Accepted by
Utah Division of
Oil, Gas and Mining
Date: 5/19/07
By: *D. [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

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

RECEIVED
MAY 15 2007

(Instructions on page 2)

DIV. OF OIL, GAS & MINING

McELVAIN OIL & GAS PROPERTIES, INC.

**Hanging Rock Federal "I" #15-7
SWNE Sec. 15, T12S-R23E
Uintah County, Utah
API # 43-047-33099**

May 2007

DRILL TD: 4700' ORIGINAL PBTD: 4643' Tagged w/ Tbg CURRENT PBTD: 4643' KB: 14'
4578' Tagged w/ Gauge Ring

FORMATION TOPS:

Wasatch: 2777'
Mesaverde: 4429'

CASING:

9 5/8", 36#, J-55 STC @ 511' KB in 12 1/4" hole
Halliburton cemented with 300 sacks Premium Cement, 2% CaCl₂, 0.25#/sk Flocele.
Cement to Surface.

4 1/2", 11.6#, N-80 @ 4698' in 7 7/8" hole.
Lead: 280 sxs HalcoLite + Adds
(Density: 12.4 ppg)
Tail: 450 sxs Premium AG 300 + Adds. No cement to surface..
TOC 350 ft (CBL)

PERFORATIONS:

Wasatch: 3138' - 3148'; 4spf, 90° phasing. (Squeezed, Total 75 sks cement, Pressure tested to 2500 psi)
Wasatch: 3536' - 3542'; 4spf, 90° phasing. Broke down w/ 3% KCL, ISDP: 1300 psi
Broke down w/ 3% KCL, ISDP: 1350 psi
Wasatch: 4224' - 4232' 4 spf, 90° phasing. Broke down w/ 3% KCL, ISDP: 1200 psi
Mesaverde: 4436' - 4444'; 4 spf, 90° phasing. Broke down w/ 3% KCL, ISDP: 2100 psi
(CIBP @ 4320' Dump Bailed 1 sk cmt on top of CIBP)
Mesaverde: 4542' - 4562' 4 spf, 90° phasing. Broke down w/ 3% KCL, ISDP: 1500 psi.
(CIBP @ 4510' Dump Bailed 1 sk cmt on top of CIBP)

PROPOSED PERFORATIONS:

None

CURRENT TUBING/BHA: *(as of 11-21-1998)*

XN Nipple @ 4168', 10' Pup jt 2 3/8" 4.7# J-55 EUE 8rd, 2 3/8" x 4 1/2" ArrowSet IX 10K Packer @ 4153', 2 3/8" On/Off Tool w/ 1.87" "X" Profile @ 4148', 1 jt 2 3/8" 4.7# J-55 EUE 8rd, X Nipple @ 4117', 133 jts. 2 3/8", 4.7# J-55 tubing EUE, 8rd. 1 Pup Jt 2 3/8" J-55, EOT @ 4,168'

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 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.
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 <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. Refer to attached well list
2. Name of Operator McElvain Oil & Gas Properties, Inc.		8. Well Name and No. Refer to attached well list
3a. Address 1050 17th Street, Suite 1800, Denver, CO 80265		9. API Well No. Refer to attached well list
3b. Phone No. (include area code) (303) 893-0933		10. Field and Pool or Exploratory Area Oil Springs
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Refer to attached well list		11. Country or Parish, State Utah County, Utah

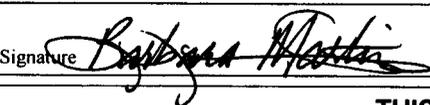
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

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 recompleate 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 recompleation 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.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU-57455

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

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

8. Well Name and No.
Hanging Rock Fed I #15-7

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

9. API Well No.
43-047-33099

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

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

10. Field and Pool or Exploratory Area
Oil Springs

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1908' FNL & 2123' FEL, SWNE Sec. 15 T12S-R23E

11. Country or Parish, State
Uintah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<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 #15-7 (API# 43-047-33099) by the following procedure:

Tubing Set CIBP @ 3050' with 373' cement (± 28 sxs)
Plug Mud 2677' to 625'
200' cement plug 625' to 425' (± 15 sxs)
Plug Mud 425' to 50'
50' cement plug 50' to Surface (± 4 sxs)
50' annulus cement plug 50' to Surface (± 14 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]*

COPY SENT TO OPERATOR
Date: 8-3-07
Initials: 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 07/23/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Office

RECEIVED

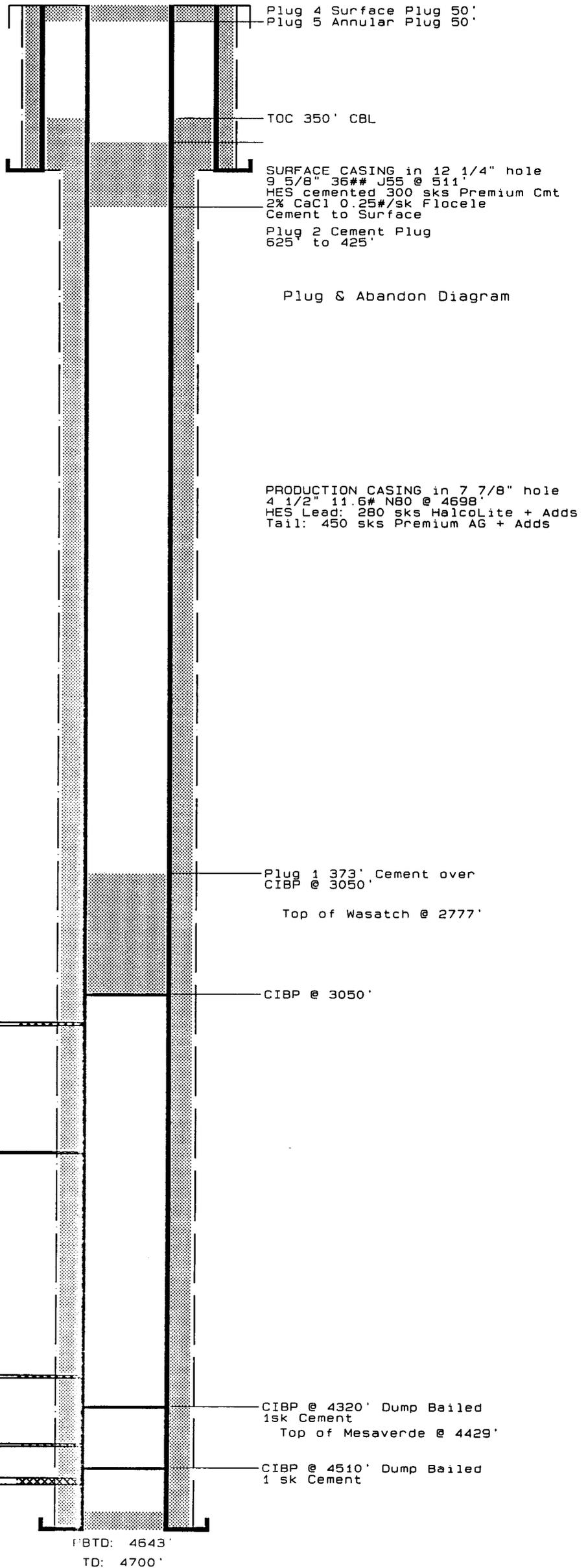
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

JUL 26 2007

(Instructions on page 2)

DIV. OF OIL, GAS & MINING

HRF I 15-7
 SWNE Sec 15 T12S R23E
 Uintah County Utah
 API# 43-047-33099
 Wellbore asof 11-21-98



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU-57455

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well
 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 Federal I #15-7

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

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

9. API Well No.
43-047-33099

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1908' FNL & 2123' FEL (SWNE) Sec. 15, 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	

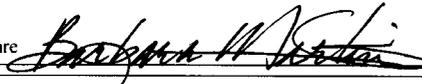
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths 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 plugged and abandoned the Hanging Rock Federal #15-7 (API# 43-047-33099) by the following procedure:

Pumped 12 sxs Cement on Packer @ 4300'
Set CIBP & set w/ Wireline @ 3050' cap with 28 sxs cement
Perferated 3 holes @ 50'
Cement plug w/ 15 sxs from 625' to 423'
Pump down Casing 24 sxs thru holes @ 50'. Cement to Surface
Production casing cement to surface.
Top Out Surface Casing w/ 25 sxs from 50' to Surface
Cut off wellhead
Install Dry Hole Marker - Plugging Date: 10/12/2007
(BLM Inspector Raymond Arnold)

14. I hereby certify that the foregoing is true and correct.
Name (Printed/Typed)
Barbara Martin

Title Engineer

Signature 

Date 10/16/2007

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 *43 047 33099*
Hanging Rock II 15-7
12S 23E 15

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

