



May 4, 1998

Bureau of Land Management
170 South 500 East
Vernal, UT 84078

Attention: Minerals

RE: Rosewood Federal #28-8
SENE Sec. 28, T11S, R22E

Rosewood Federal #19-11
NESW Sec. 19, T12S, R22E

Rosewood Federal #14-6
SENE Sec. 14, T12S, R22E

Rosewood Federal #4-6
SENE Sec. 4, T12S, R22E

Rosewood Federal #5-6
SENE Sec. 5, T12S, R22E

Gentlemen:

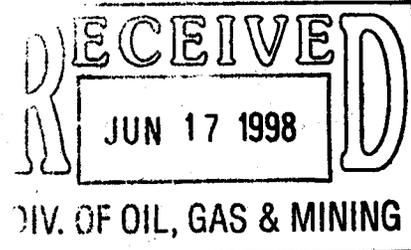
This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Rosewood Resources, Inc. when necessary for filing county, state and federal permits including Onshore Order no. 1, Right of Way applications, etc., for the above mentioned wells.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Rosewood Resources, Inc. agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above-mentioned wells. If you have any questions, please feel free to contact me at (435) 789-0414.

Sincerely,

Danny Widner
Drilling Manager



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

June 15, 1998

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

Attn: John Baza

Re: **Rosewood Resources, Inc.**
Rosewood Federal #14-6
2176' FNL and 1854' FWL
SE NW Sec. 14, T12S - R22E
Uintah County, Utah

Dear John,

Enclosed please find three copies of the Application for Permit to Drill on the above mentioned well along with one copy of the drilling program and surface use plan which has been filed with the BLM in Vernal, Utah.

Please forward the approved copies Lucy Nemec of Rosewood Resources, Inc., P.O. Box 1668, Vernal, UT 84078. Thanks for your assistance in this matter. If you have any questions, please don't hesitate to contact me.

Sincerely,

PERMITCO INC.

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

Enc.

cc: **Rosewood Resources, Inc. - Vernal, UT**
Rosewood Resources, Inc. - Dallas, TX

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

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

2. NAME OF OPERATOR **Rosewood Resources, Inc.** P. O. Box 1668 Vernal, UT 84078

3. ADDRESS AND TELEPHONE NO. **PERMITCO INC.** 303/857-9999 14421 Weld County Rd. 10 Ft. Lupton, CO, 80621

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At Surface **2176' FNL and 1854' FWL**
At proposed prod. zone **SE NW Section 14, T12S - R22E**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE **Approximately 30.4 miles south of Ouray, Utah**

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) **+/- 1200'**

16. NO. OF ACRES IN LEASE **1,400.00**

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

18. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. **None**

19. PROPOSED DEPTH **5,400'**

20. ROTARY OR CABLE TOOLS **Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.) **5,826' ungraded**

22. APPROX. DATE WORK WILL START* **August 20, 1998**

5. LEASE DESIGNATION AND SERIAL NO. **UTU-73689**

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

7. UNIT AGREEMENT NAME **N/A**

8. FARM OR LEASE NAME, WELL NO. **Rosewood Federal**

9. API WELL NO. **#14-6**

10. FIELD AND POOL, OR WILDCAT **Wildcat**

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA **Section 14, T12S - R22E**

12. COUNTY OR PARISH **Uintah** 13. STATE **Utah**

RECEIVED
JUN 17 1998
DIV. OF OIL, GAS & MINING

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36#	500'	350 sx - circulate to surface
7-7/8"	4-1/2"	11.6#	5,400'	700 sx - Stage tool @ 3,000'.

Rosewood Resources, Inc. proposes to drill a well to 5,400' to test the Wasatch and Mesa Verde Formations. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See Onshore Order No. 1 attached. **CONFIDENTIAL - TIGHT HOLE**

Please be advised that Rosewood Resources, Inc. is considered to be the Operator of the above mentioned well. Rosewood Resources, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Nationwide Bond No. MT-0627. The principal is Rosewood Resources, Inc. via surety consent as provided for in 43 CFR 3104.2.

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

24. SIGNER: Lisa L. Smith TITLE: Authorized Agent for: Rosewood Resources, Inc. DATE: 6/15/98

(This space for Federal or State office use)
PERMIT NO. 43-047-33131 APPROVAL DATE _____

Application approval 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.
CONDITIONS OF APPROVAL, IF ANY: **Federal Approval of this Action is Necessary**

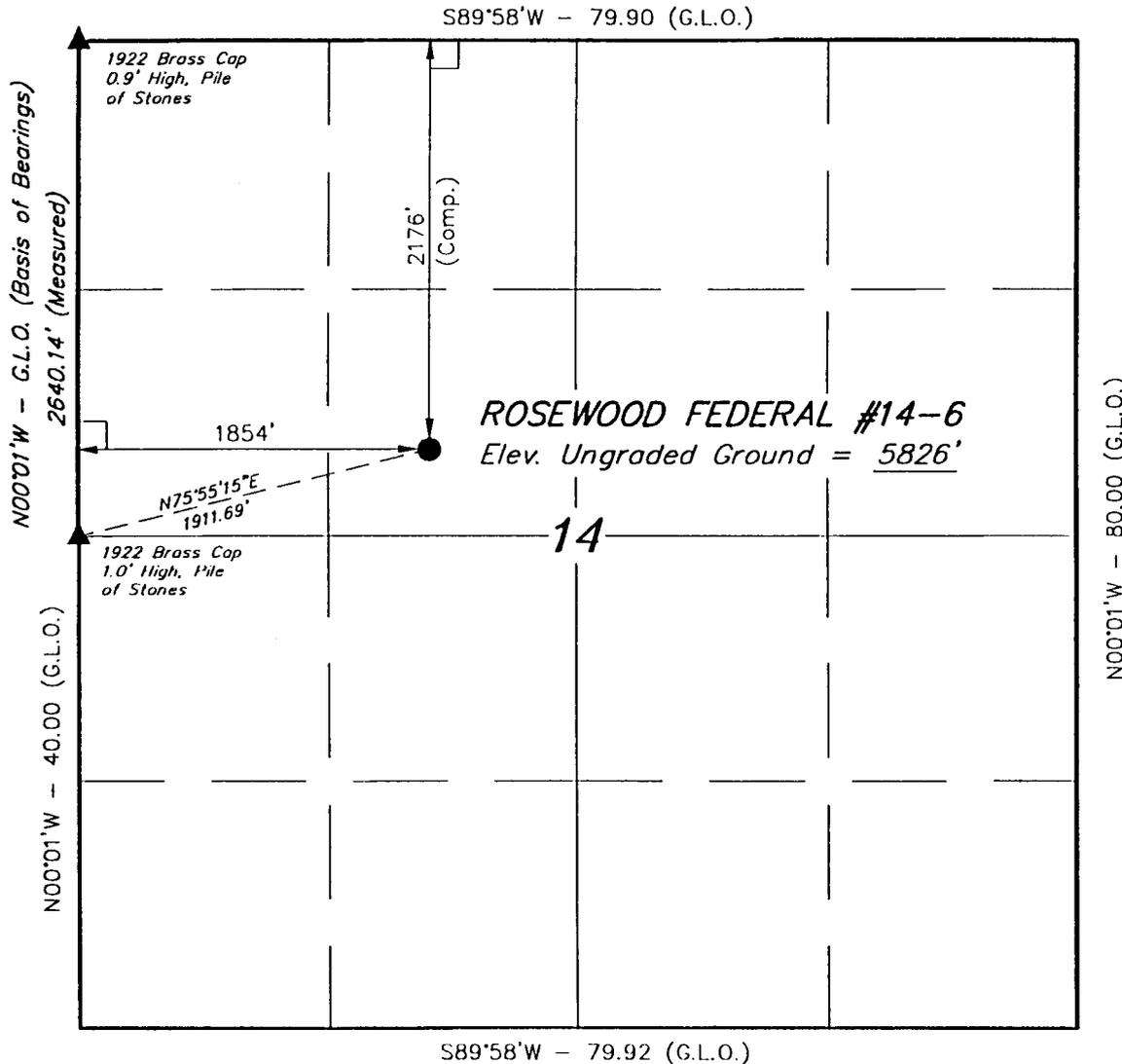
APPROVED BY: Bradley G. Hill TITLE: BRADLEY G. HILL RECLAMATION SPECIALIST III DATE: 7/1/98

*See Instructions On Reverse Side

T12S, R22E, S.L.B.&M.

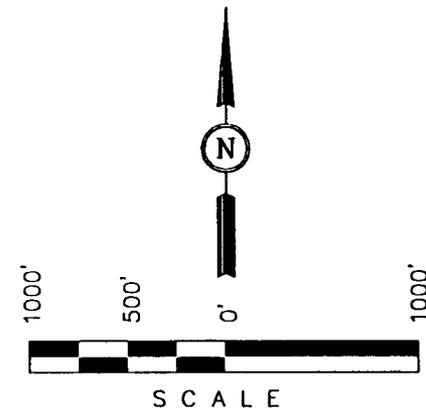
ROSEWOOD RESOURCES, INC.

Well location, ROSEWOOD FEDERAL #14-6, located as shown in the SE 1/4 NW 1/4 of Section 14, T12S, R22E, S.L.B.&M. Uintah County, Utah.



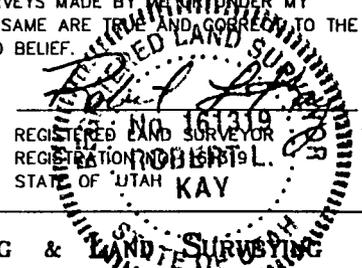
BASIS OF ELEVATION

BENCH MARK 74 EAM LOCATED AT A ROAD INTERSECTION IN SECTION 10, T13S, R22E, S.L.B.&M. TAKEN FROM THE BATES KNOLLS QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5192 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:

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

LATITUDE = $39^{\circ}46'29''$
 LONGITUDE = $109^{\circ}25'28''$

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

SCALE 1" = 1000'	DATE SURVEYED: 03-09-98	DATE DRAWN: 03-12-98
PARTY L.D.T. D.K. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ROSEWOOD RESOURCES, INC.	

ONSHORE OIL & GAS ORDER NO. 1

**Approval of Operations on Onshore
Federal and Indian Oil & Gas Leases**

**ROSEWOOD FEDERAL #14-6
2176' FNL and 1854' FWL
SE NW Sec. 14, T12S - R22E
Uintah County, Utah**

Prepared For:

ROSEWOOD RESOURCES, INC.

By:

**PERMITCO INC.
14421 Weld County Rd. 10
Ft. Lupton, Colorado 80621
303/857-9999**

CONFIDENTIAL - TIGHT HOLE

Copies Sent To:

- 3 - Bureau of Land Management - Vernal, UT**
- 1 - Utah Division of Oil, Gas & Mining - Salt Lake City, UT**
- 3 - Rosewood Resources, Inc. - Vernal, UT**
- 3 - Rosewood Resources, Inc. - Dallas, TX**
- 1 - Uintah Basin Public Health Dept. - Vernal, UT**



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ONSHORE ORDER NC
Rosewood Resources, Inc.
Rosewood Federal #14-6
2176' FNL and 1854' FWL
SE NW Sec. 14, T12S - R22E
Uintah County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-73689

DRILLING PROGRAM
Page 1

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

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 Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Estimated Tops of Important Geologic Markers

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Uintah A	Surface	+5,826'
Wasatch	2,890'	+2,936'
Mesa Verde	4,880'	+ 946'
T.D.	5,400'	+ 426'

2. Estimated Depth of Anticipated Water, Oil, Gas or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil	Wasatch	2,890'-4,880'
Oil	Mesa Verde	4,880'-5,400'

All fresh water prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment

Rosewood's minimum specifications for pressure control equipment are as follows:

Ram Type: 10" Hydraulic double with annular, 3000 psi w.p.



ONSHORE ORDER NO. _____
Rosewood Resources, Inc.
Rosewood Federal #14-6
2176' FNL and 1854' FWL
SE NW Sec. 14, T12S - R22E
Uintah County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-73689

DRILLING PROGRAM

Page 2

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed;**
- b. whenever any seal subject to test pressure is broken**
- c. following related repairs; and**
- d. at 30-day intervals**

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log.



BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead time, in order to have the BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 10", 3000 psi working pressure blowout preventor.
 - b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
 - c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
 - d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.
4. Proposed Casing and Cementing Program:
- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture



gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.

- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).**
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)**
- d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.**
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.**
- f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.**
- g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.**
- h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.**
- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.**
- j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.**



- k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- l. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- m. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Surface	0-500'	12-1/4"	9-5/8"	36#	J-55	ST&C	New
Produc.	0-5400'	7-7/8"	4-1/2"	11.6#	N-80	LT&C	New

- n. Casing design subject to revision based on geologic conditions encountered.
- o. The cement program will be as follows:

Surface
0-500'

Type and Amount
350 sx Class "G" containing 2% CaCl₂ and 1/4# sk Cello-flake or sufficient to circulate to surface.

Production
0-5400'

Type and Amount
1st Stage: 500 sx Class "G" + 10% salt + 10% Gypsum + 0.6% FL-52. Top of cement on 1st stage at approximately 3400'. Cement stage tool will be set at approximately 3000'.

2nd Stage: 200 sx Class "G" + 3% salt + 16% gel + 5#/sk Gilsonite, + .25#/sk celloflake. Top of cement on 2nd stage at surface.



- p. **Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.**

- q. **After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.**

- r. **The following reports shall be filed with the District Manager within 30 days after the work is completed.**
 - 1. **Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:**
 - a. **Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.**

 - b. **Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.**

- s. **Auxiliary equipment to be used is as follows:**
 - 1. **Kelly cock**

 - 2. **No bit float is deemed necessary.**

 - 3. **A sub with a full opening valve.**



5. Mud Program

- a. The proposed circulating mediums to be employed in drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-300'	Air/Clear Water	8.3	---	N/C	---
300-2000'	Clear Water	8.3	---	N/C	---
2000'-5400'	Water/Gel	8.4-9.7	30-40	8	---

There will be sufficient mud on location to control a blowout should one occur.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

- b. Mud monitoring equipment to be used is as follows:
1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.
- c. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- e. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.



6. Evaluation Program

The anticipated type and amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's 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 vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. An AIT/GR/CDL/ML/GR will be run from surface casing to T.D.
- c. No cores will be run.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and



compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cutting, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).

- e. The anticipated completion program will be to test prospective zones in Mesa Verde and Wasatch Formations by perforating and fracture stimulation.
- f. Daily drilling and completion progress reports shall be submitted to the BLM in Vernal on a weekly basis.

7. Abnormal Temperatures or Pressures

- a. The expected bottom hole pressure is 3000 psi.
- b. No hydrogen sulfide gas is anticipated and no abnormal pressures or temperatures are anticipated.

8. Anticipated Starting Dates and Notification of Operations

- a. Drilling will commence August 20, 1998.
- b. It is anticipated that the drilling of this well will take approximately 10 days.
- c. The BLM in Vernal, Utah shall be notified of anticipated date of location construction commencement and of anticipated spud date.
- d. 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.
- e. The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.



- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, UT 84078.
- g. 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.
- h. 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.
- i. 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 communications, not later than 5 days following the date on which the well is placed on production.
- j. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- k. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.
- l. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d.), 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 Order No. 3 shall be adhered to. All



ONSHORE ORDER NC
Rosewood Resources, Inc.
Rosewood Federal #14-6
2176' FNL and 1854' FWL
SE NW Sec. 14, T12S - R22E
Uintah County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-73689

DRILLING PROGRAM

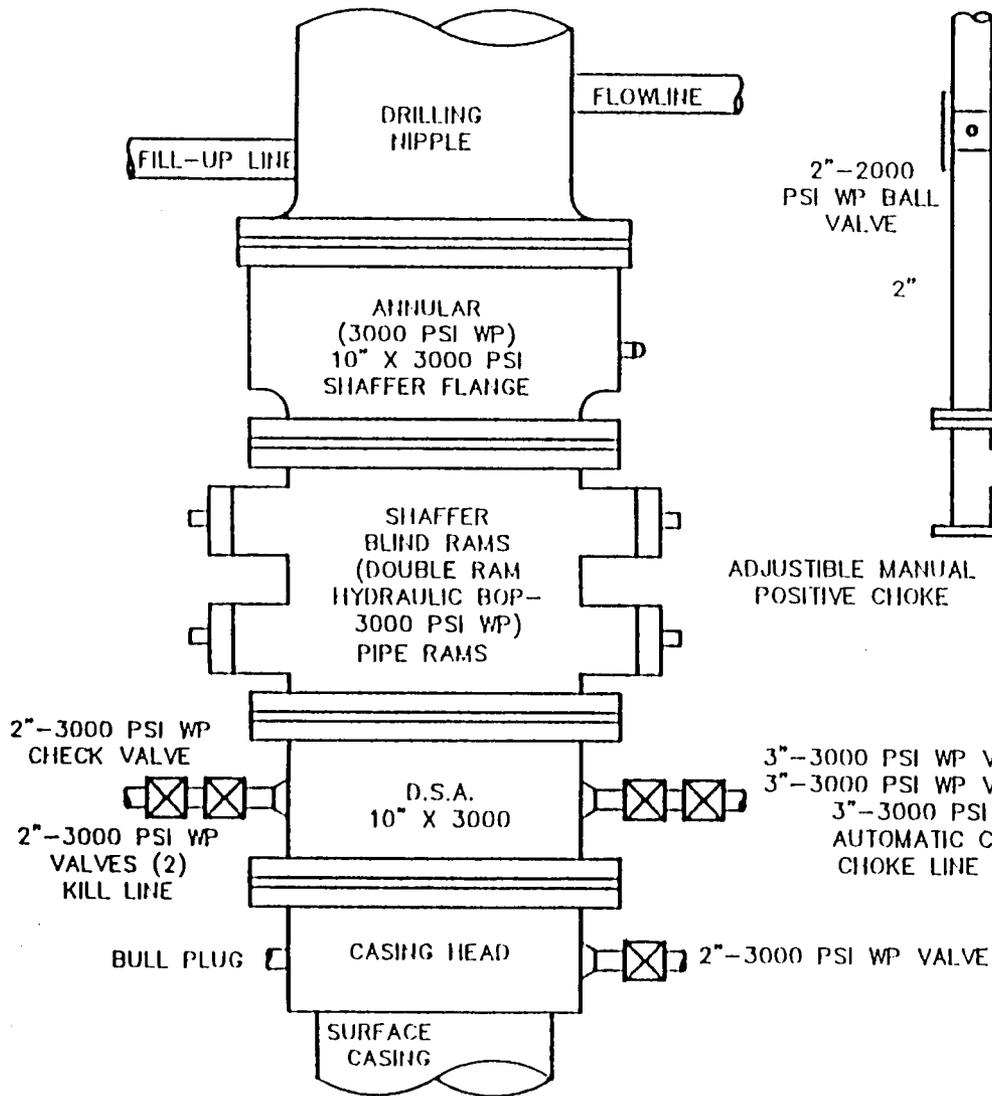
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product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.).

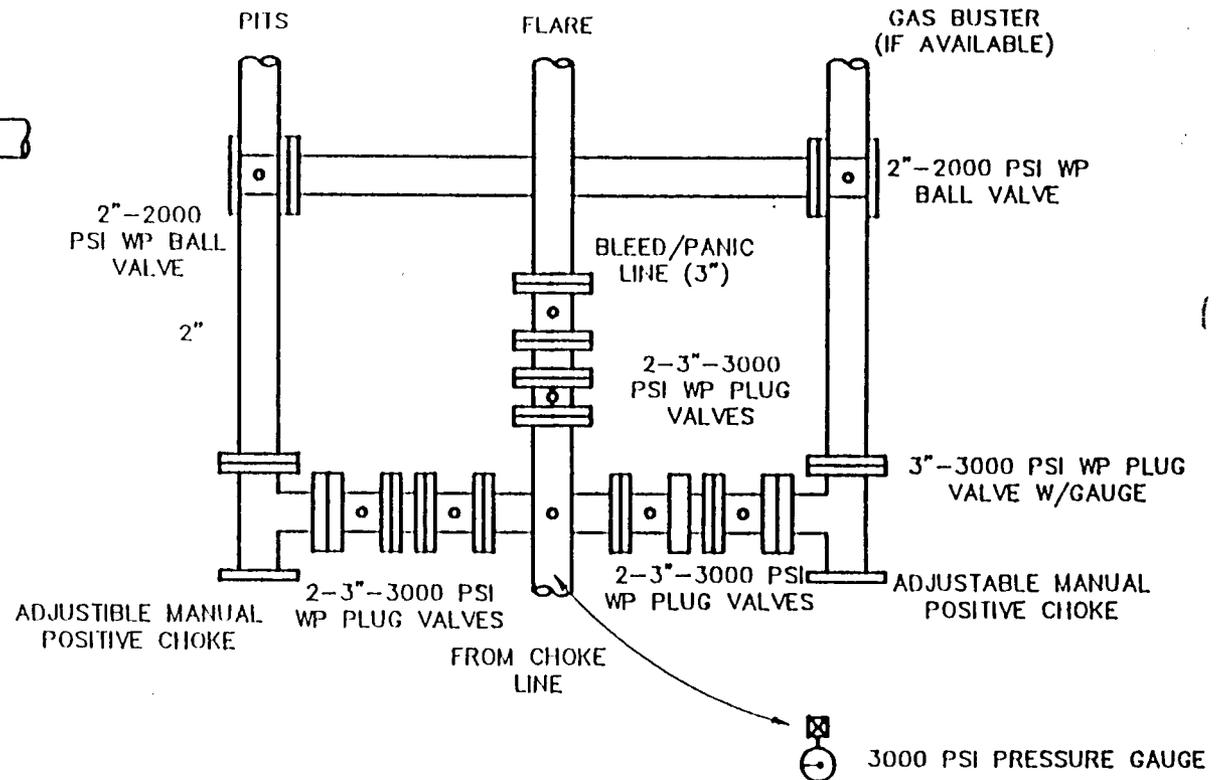
- m. A first production conference will be scheduled within 15 days after receipt of the first production notice.
- n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 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.
- o. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.



BOP SCHEMATIC
3000 PSI WORKING PRESSURE



PLAN VIEW CHOKE MANIFOLD



THE HYDRAULIC CLOSING UNIT WILL BE LOCATED MORE THAN 30' FROM THE WELLHEAD. CHOKE AND BLEED/PANIC LINES WILL GO TO THE PIT AND FLARE. ALL CONNECTIONS IN CHOKE LINES AND MANIFOLD WILL BE FLANGED OR WELDED. ALL FLANGES SHOULD BE RING JOINT GASKET TYPE. ALL TURNS IN LINES SHALL BE CONSTRUCTED USING TARGETING 90° TEES OR ELLS. ALL LINES SHALL BE ANCHORED.

ONSHORE OIL & GAS ORDER NO. 1

NOTIFICATION REQUIREMENTS

- Location Construction - 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 - twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - 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.

The onsite inspection for the subject well was conducted on Tuesday, May 5, 1998 at approximately 1:30 p.m. Weather conditions were warm and breezy. In attendance at the onsite inspection were the following individuals:

Lisa Smith
Robert Kay
Byron Tolman
Steve Strong
Danny Widner
Charlie Foster

Permitco Inc.
Uintah Engineering and Land Surveying
Bureau of Land Management
Bureau of Land Management
Rosewood Resources, Inc.
Rosewood Resources, Inc.

1. Existing Roads

- a. The proposed well site is located approximately 30.4 miles south of Ouray, Utah.



- b. **Directions to the location from Ouray, Utah are as follows:**

Proceed southerly on the Seep Ridge Road for 24.5 miles to a fork in the road. Turn left onto an existing graded road and proceed northerly for 5.9 miles to the location.

- c. **For location of access roads within a 2-Mile radius, see Maps A & B.**
- d. **Improvement to the last 5.9 miles of access road will be necessary.**
- e. **All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.**
- f. **Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.**

2. Planned Access Roads

- a. **The last 5.9 miles will be upgraded (flatbladed along the entire length). Some areas will be upgraded further to keep drainage off of the access road. The remainder of the access is maintained by the county road department or is a BLM road. If the well is productive, this route will be crowned and ditched with a 17' running surface and 30' maximum disturbed width.**
- b. **Since the wellpad crosses the existing road, the road will be re-routed around the wellpad to allow for through traffic.**
- c. **The maximum grade of the upgrade construction will be approximately 3%.**
- d. **No turnouts are planned.**
- e. **Low water crossings will be installed where necessary along the last 5.9 miles of access. There are no major cuts and fills. No culverts and/or bridges will be required.**



- f. The last 5.9 miles of access road was centerline flagged at the time of staking.
- g. The use of surfacing material is not anticipated, however it may be necessary depending on weather conditions.
- h. No cattleguards will be necessary at this time. There is an existing gate in the NW NW of Section 35, T12S - R22E. This gate will be left open during the summer and will be replaced with a cattleguard if the well is productive.
- i. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- j. 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).
- k. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowing and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the 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. 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. Should mud holes develop, they shall be filled in and detours around them avoided.
- l. If the well is productive, additional water drainage will be installed along the new portion of access road to keep the water off the road.



- m. **No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.**
 - n. **A road right of way will be required for the portion of access road after leaving the Seep Ridge Road in the NE NE of Section 9, T13S - R22E and proceeding northerly to the lease boundary in Section 14, T13S - R22E. This right of way will be submitted separately under SF-299 along with the appropriate filing fees.**
- 3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location. See Map "B".**
- a. **Water wells - none**
 - b. **Injection wells - none**
 - c. **Producing wells - none**
 - d. **Drilling wells - none**
 - e. **Shut-in wells - none**
 - f. **Temporarily abandoned wells - none**
 - g. **Disposal wells -none**
 - h. **Abandoned wells - none**
 - i. **Dry Holes - none**



4. Location of Tank Batteries and Production Facilities.

- a. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted Carlsbad Canyon. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.
- b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the wellpad shall be surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- c. A typical production layout is attached. If at the time of production it is determined that an alternate layout is necessary, a Sundry Notice will be submitted showing placement of all production facilities prior to construction.
- d. All loading lines will be placed inside the berm surrounding the tank battery.
- e. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.
- f. 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 monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil and Gas Order No. 4 for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurement.



- g. If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.
- h. Any necessary pits will be properly fenced to prevent any wildlife entry.
- i. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- j. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- k. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- l. The road will be maintained in a safe useable condition.
- m. The surface pipeline will be 4" welded steel and will be 30,500 feet in length. The pipeline route is shown on Map "C"

5. Location and Type of Water Supply

- a. The proposed water source is a water well to be drilled on the Rosewood Federal #14-6 wellpad located SE NW Sec. 14, T12S - R22E. If this source should be insufficient, additional water will be obtained from the Rock House #5A or Bitter Creek. Copies of approved water permits will be sent to the BLM, upon approval from the Utah Division of Water Rights once copies are received.
- b. It will not be necessary to pump or haul water, assuming the water well on location is successful.
- c. No water well will be drilled on this lease.



6. Source of Construction Material

- a. Surface and subsoil materials in the immediate area will be utilized.
- b. Any gravel used will be obtained from a commercial source.
- c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
- d. No construction materials will be removed from Federal land.

7. Methods of Handling Waste Disposal

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- b. If it is necessary to blast the pit area during construction, an inspection of the pit will be made by a representative of the BLM with a representative of Rosewood Resources, Inc. and it will be determined if a reserve pit liner is necessary. If fractured rock is encountered, the pit will be first lined with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.
- c. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.
- d. After first production, produced waste water will be confined to a unlined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure



to file an application within the time allowed will be considered an incident of noncompliance.

- e. Drill cuttings are to be contained and buried in the reserve pit.
- f. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
- g. A chemical porta-toilet will be furnished with the drilling rig.
- h. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

8. Ancillary Facilities

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. Well Site Layout

- a. The operator or his/her contractor shall contact the BLM Office at 435/789-1362 forty-eight (48) hours prior to construction activities.
- b. The reserve pit will be located on the northeast side of the location. A diversion dam will be constructed above the reserve pit at the time of construction to keep runoff from washing across the pit area.
- c. The flare pit will be located downwind of the prevailing wind direction on the east side, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.
- d. The stockpiled topsoil (first six inches) will be stored on the west side of the location as shown on the Pit & Pad Layout. Topsoil along the access route will be windrowed on the uphill side. A separate topsoil pile will be located near the reserve pit to be used in the initial reclamation of the pit if the well is productive.



- e. **Trees will be stockpiled separately from the topsoil and subsoil on the uphill side of the pit.**
- f. **Access to the wellpad will be from the south as shown on the Pit & Pad Layout.**
- g. **See Location Layout for orientation of rig, cross section of drill pad and cuts and fills.**
- h. **The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be shown on the Location Layout.**
- i. **During construction, all brush/trees will be removed from the wellpad and access road and stockpiled separately from the topsoil as shown on the Pit & Pad Layout.**
- j. **All pits will be fenced according to the following minimum standards:**
 - 1. **39 inch net wire shall be used with at least one strand or barbed 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).**
 - 2. **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.**
 - 3. **Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.**
 - 4. **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 feet.**
 - 5. **All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.**



- k. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.

10. Plans for Restoration of Surface

Producing Location

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- b. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- c. If a plastic nylon reinforced liner is used it shall be torn and perforated before backfilling of the reserve pit.
- d. The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., will be removed.
- e. Reclamation of unused disturbed areas on the well pad/access road no longer needed for operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer.

The seed mixture requested by the BLM for reclamation of the drillsite is as follows:

<u>Species</u>	<u>Lbs. PLS/Acre</u>
Fourwing Saltbush	4
Western Wheatgrass	3
Shadscale	3
Needle and Thread	2



Seeding will be performed in the fall after September 15 or until permanent ground freeze. Any other seeding period will require the approval of the authorized officer of the BLM. Seed will be broadcast and walked in with a dozer.

- f. The topsoil stockpile will be seeded with Fourwing Saltbush at the rate of 5 lbs./acre

Dry Hole

- g. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and BLM will attach the appropriate surface rehabilitation conditions of approval.

11. Surface Ownership

Access Roads - All roads are County maintained or managed by the Bureau of Land Management.

Wellpad - The well pad is located on lands managed by the BLM.

12. Other Information

- a. A Class III archeological survey has been conducted by Sagebrush Archeology. A copy of this report will be submitted directly to the appropriate agencies by Sagebrush Archeology.
- b. The operator is responsible for informing all persons in the areas who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

-whether the materials appear eligible for the National Register of Historic Places;



-the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and

-a time frame for the AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- c. 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.**
- d. Drilling rigs and/or equipment used during drilling operations on this wellsite 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.**
- e. No erosion control structures are proposed at this time.**
- f. 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 approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.**



- g. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.**
- h. 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.**
- i. "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.**
- j. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period. After permit termination, a new application will be filed for approval for any future operations.**
- k. The operator or his contractor shall contact the BLM Offices at 435/789-1362 48 hours prior to construction activities.**
- l. The BLM Office shall be notified upon site completion prior to moving on the drilling rig.**
- m. In the event after-hours approvals are necessary, please contact one of the following individuals:**

Ed Forsman
Wayne Bankert
BLM Fax Machine

Petroleum Engineer 435/789-7077
Petroleum Engineer 435/789-4170
435/789-3634



ONSHORE ORDER NO.
Rosewood Resources, Inc.
Rosewood Federal #14-6
2176' FNL and 1854' FWL
SE NW Sec. 14, T12S - R22E
Uintah County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-73689

SURFACE USE PLAN
Page 14

13. Lessee's or Operator's Representative and Certification

Permit Matters

PERMITCO INC.
Lisa L. Smith
14421 Weld County Rd. 10
Ft. Lupson, Co 80621
303/857-9999

Drilling & Completion Matters

ROSEWOOD RESOURCES, INC.
P.O. Box 1668
Vernal, UT 84078
435/789-0414 (O)
435/828-6100 (M) - Danny Widner
435/828-6438 (M) - Salty Miller
435/789-0823 (H)

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite 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, true and correct; and, that the work associated with the operations proposed herein will be performed by Rosewood Resources, Inc. and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

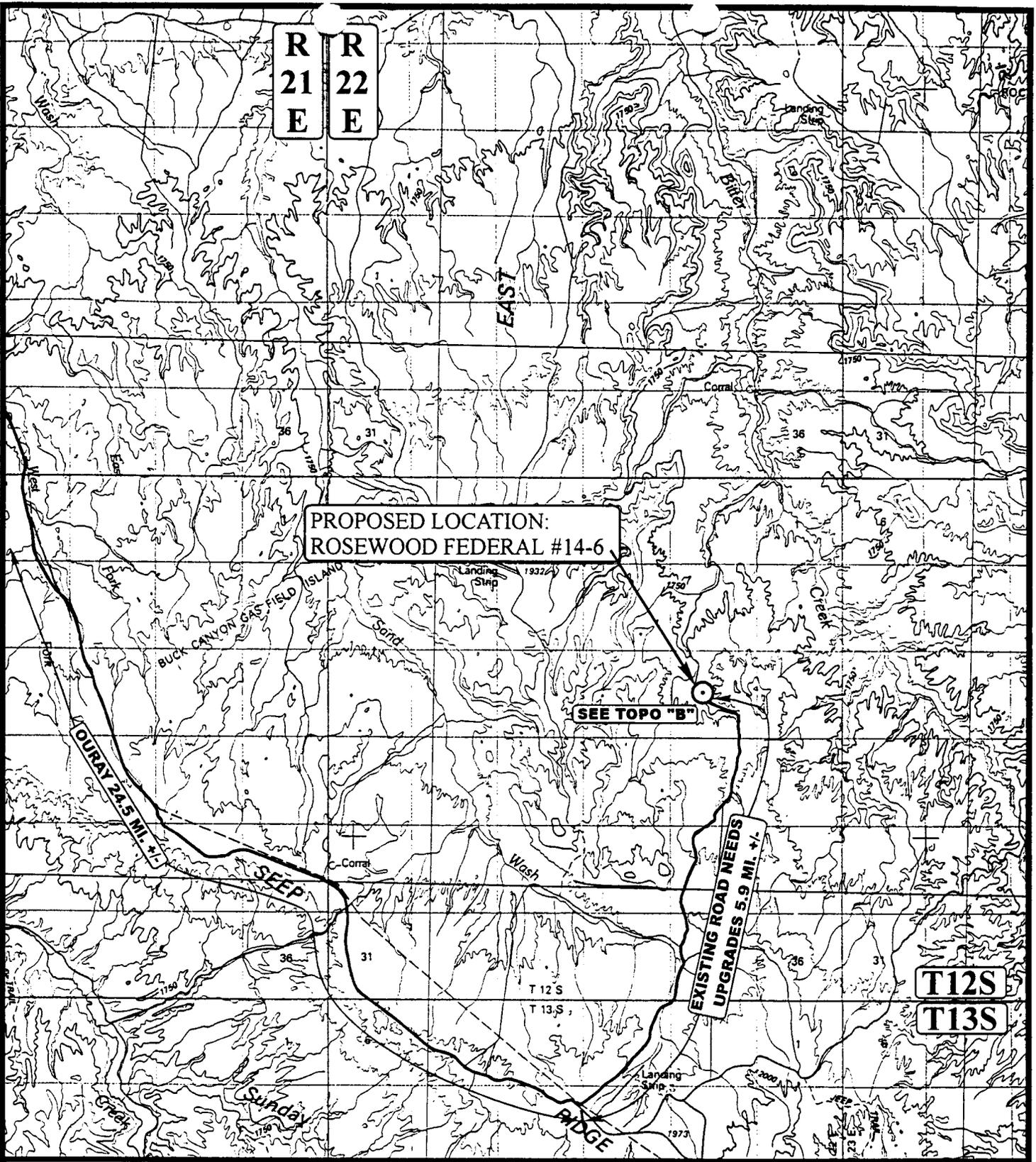
This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

June 15, 1998
Date:



Lisa L. Smith - PERMITCO INC.
Authorized Agent for:
ROSEWOOD RESOURCES, INC.





**PROPOSED LOCATION:
ROSEWOOD FEDERAL #14-6**

SEE TOPO "B"

**EXISTING ROAD NEEDS
UPGRADES 5.9 MI. +/-**

**T12S
T13S**

LEGEND:

⊙ PROPOSED LOCATION



ROSEWOOD RESOURCES, INC.

**ROSEWOOD FEDERAL #14-6
SECTION 14, T12S, R22E, S.L.B.&M.
2176' FNL 1854' FWL**



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

TOPOGRAPHIC **3 12 98**
MAP MONTH DAY YEAR

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



R
22
E

PROPOSED LOCATION:
ROSEWOOD FEDERAL #14-6

EXISTING ROAD NEEDS
UPGRADES 5.9 MI. +/-
OURAY 30.4 MI. +/-

T12S

LEGEND:

--- PROPOSED ACCESS ROAD
— EXISTING ROAD

ROSEWOOD RESOURCES, INC.

ROSEWOOD FEDERAL #14-6
SECTION 14, T12S, R22E, S.L.B.&M.
2176' FNL 1854' FWL



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

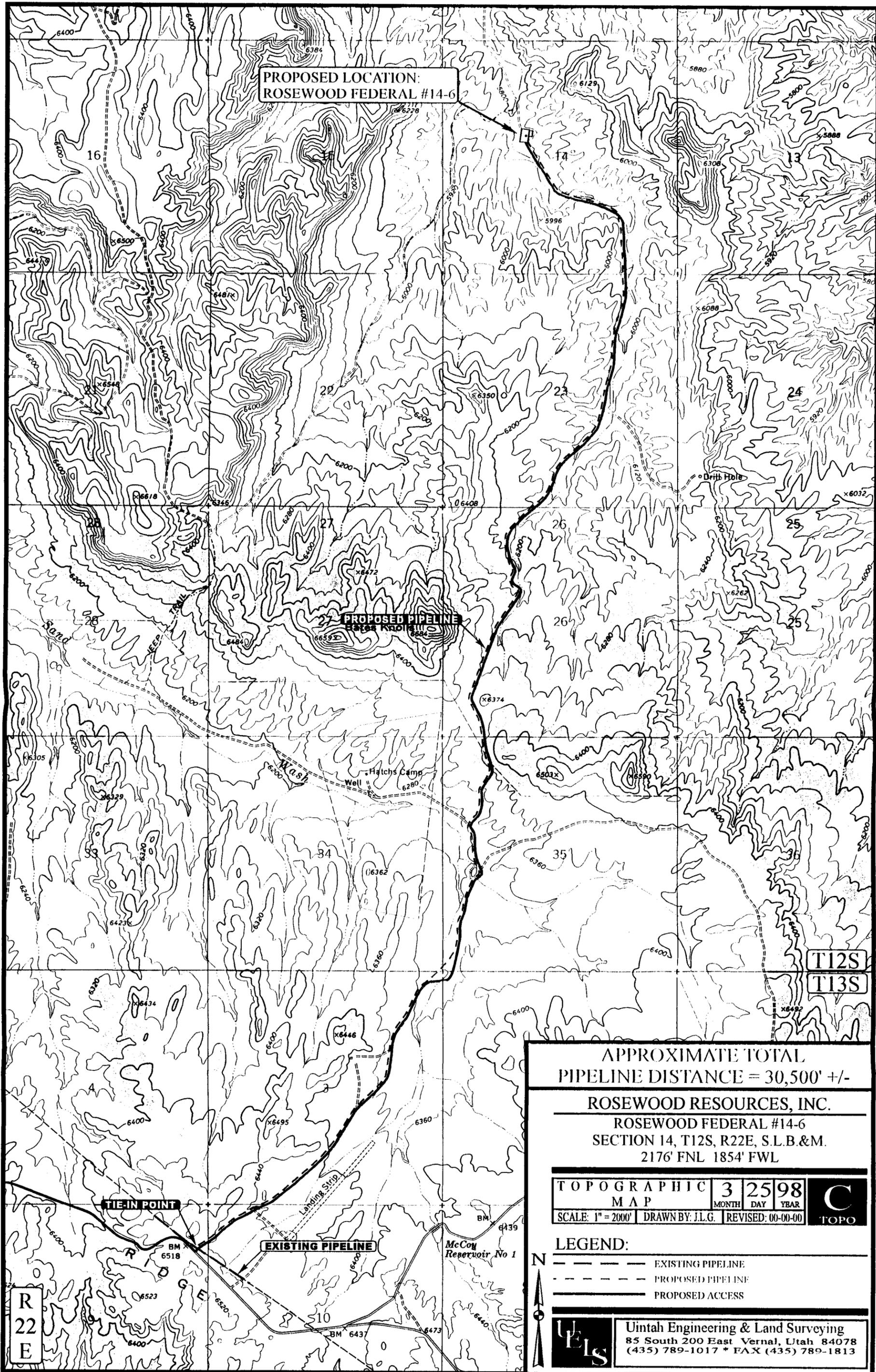


TOPOGRAPHIC
MAP

3 12 98
MONTH DAY YEAR

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

B
TOPO



**PROPOSED LOCATION:
ROSEWOOD FEDERAL #14-6**

PROPOSED PIPELINE

TIE-IN POINT

EXISTING PIPELINE

**APPROXIMATE TOTAL
PIPELINE DISTANCE = 30,500' +/-**

ROSEWOOD RESOURCES, INC.
ROSEWOOD FEDERAL #14-6
SECTION 14, T12S, R22E, S.L.B.&M.
2176' FNL 1854' FWL

TOPOGRAPHIC MAP	3	25	98	C TOPO
SCALE: 1" = 2000'	MONTH	DAY	YEAR	
DRAWN BY: J.L.G.		REVISED: 00-00-00		

LEGEND:

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS

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

**R
22
E**

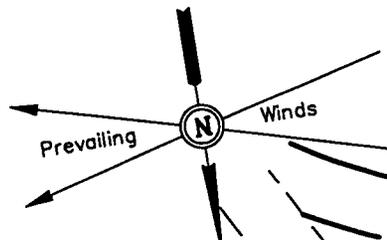
**T12S
T13S**



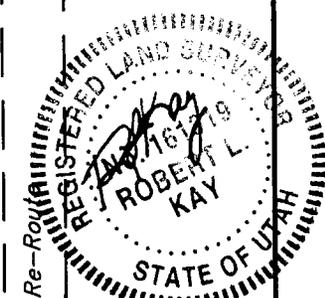
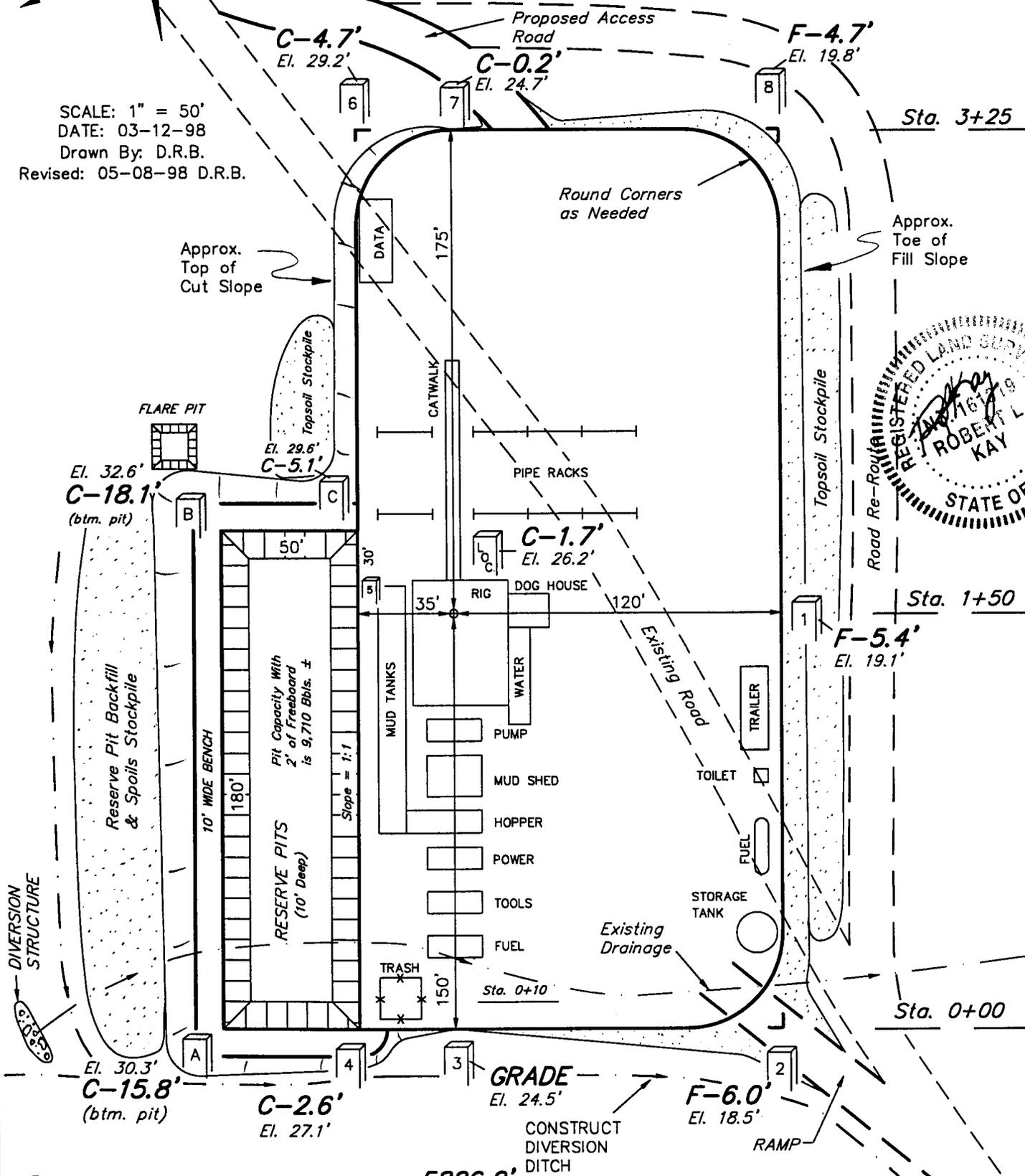
ROSEWOOD RESOURCES, INC.

LOCATION LAYOUT FOR

ROSEWOOD FEDERAL #14-6
SECTION 14, T12S, R22E, S.L.B.&M.
2176' FNL 1854' FWL



SCALE: 1" = 50'
DATE: 03-12-98
Drawn By: D.R.B.
Revised: 05-08-98 D.R.B.

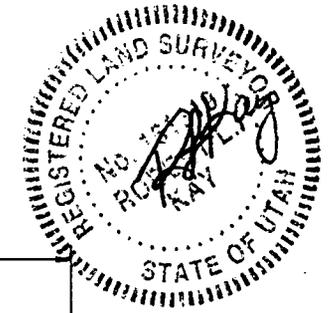


Elev. Ungraded Ground at Location Stake = **5826.2'**
Elev. Graded Ground at Location Stake = **5824.5'**

ROSEWOOD RESOURCES, INC.

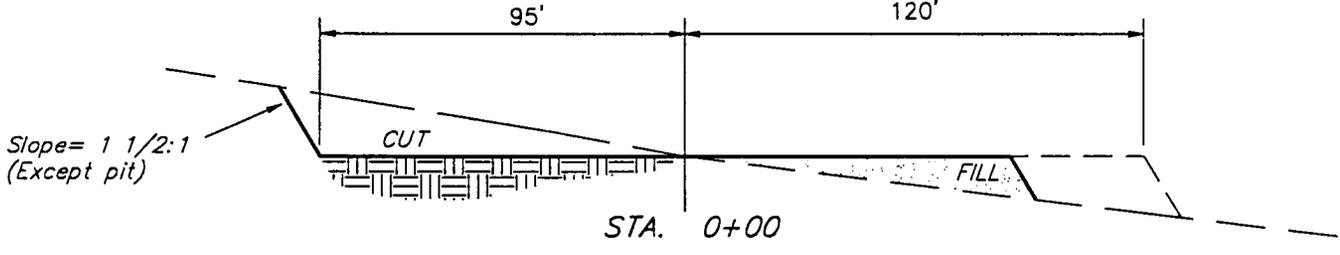
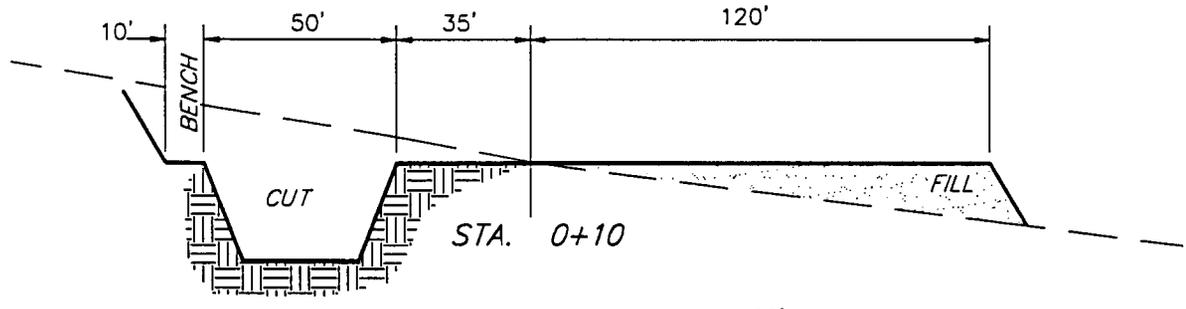
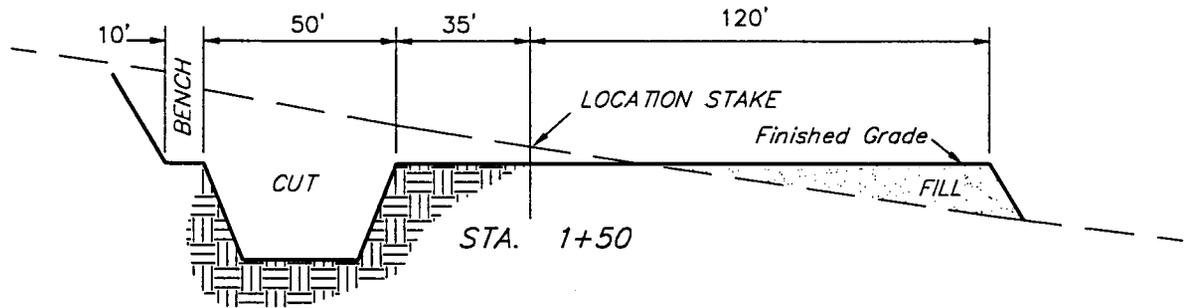
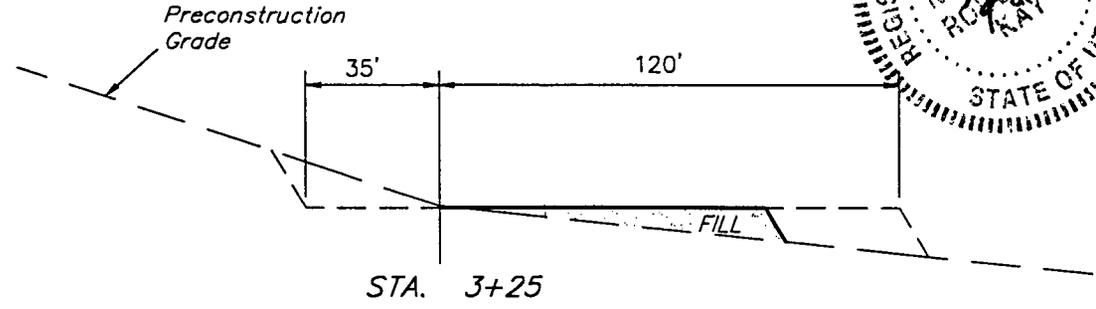
TYPICAL CROSS SECTIONS FOR

ROSEWOOD FEDERAL #14-6
SECTION 14, T12S, R22E, S.L.B.&M.
2176' FNL 1854' FWL



1" = 20'
X-Section
Scale
1" = 50'

DATE: 03-13-98
Drawn By: D.R.B.



APPROXIMATE YARDAGES

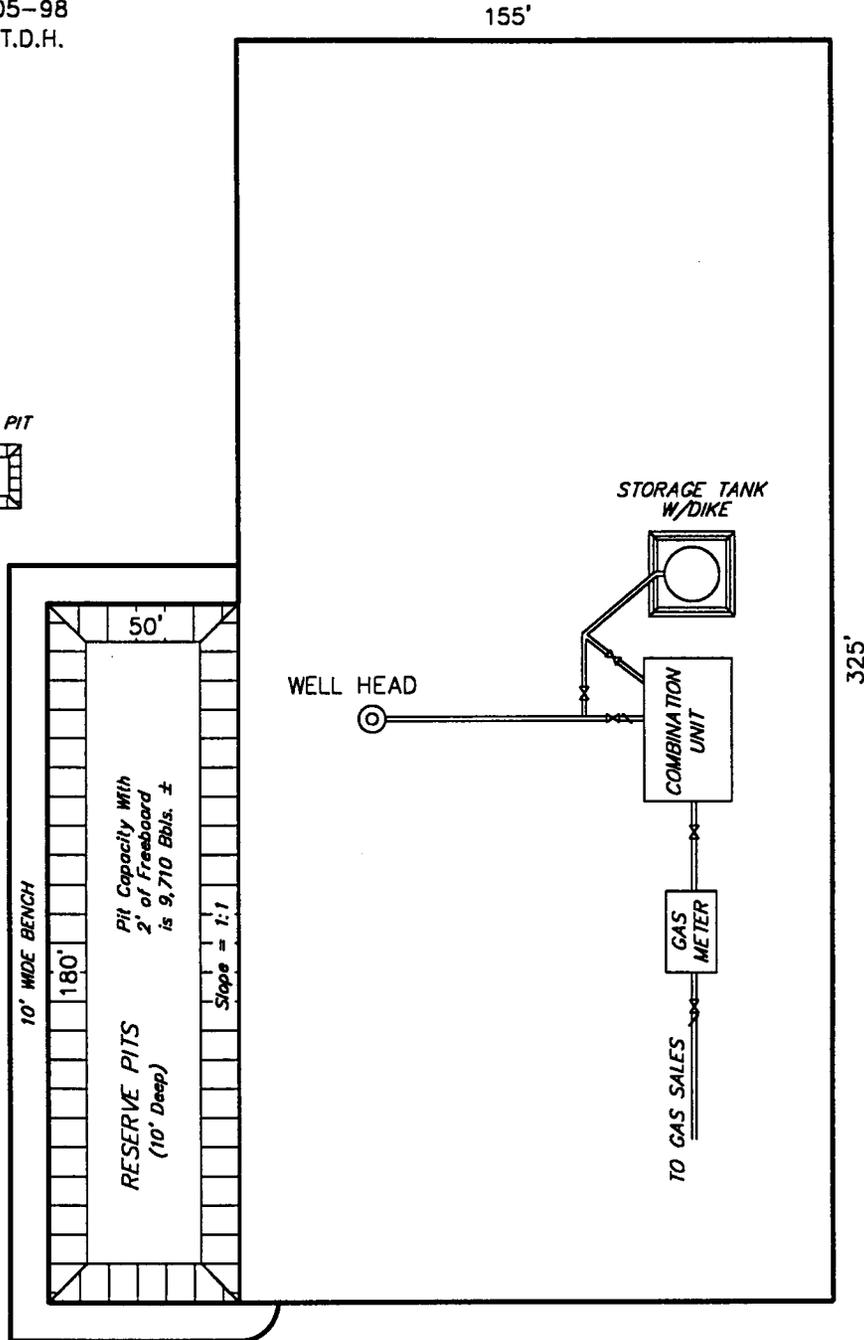
(6") Topsoil Stripping	= 1,100 Cu. Yds.	EXCESS MATERIAL AFTER 5% COMPACTION	= 2,360 Cu. Yds.
Remaining Location	= 6,060 Cu. Yds.	Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,360 Cu. Yds.
TOTAL CUT	= 7,160 CU.YDS.	EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.
FILL	= 4,560 CU.YDS.		

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

ROSEWOOD RESOURCES, INC.
TYPICAL PRODUCTION FACILITY LAYOUT

ROSEWOOD FEDERAL #14-6
SECTION 14, T12S - R22E
2176' FNL AND 1854' FWL

SCALE: 1" = 50'
DATE: 05-05-98
Drawn By: T.D.H.



There are no federal stipulations at this time.



A Class III Archeological Survey has been conducted by Sage Brush Archeology. A copy of this report will be submitted directly to the appropriate agencies by Sagebrush Archeology.



UINTAH BASIN PUBLIC HEALTH DEPARTMENT



Uintah County Office
147 East Main
Vernal, Utah 84078
(801) 781-5475
FAX: (801) 781-5319

Duchesne County Office
734 North Center Street
P.O. Box 210
Duchesne, Utah 84021
(801) 738-2202

Daggett County Office
Daggett County Courthouse
P.O. Box 156
Manila, Utah 84046
(801) 784-3494

Roosevelt Branch Office
34 South 200 East
Roosevelt, Utah 84066
(801) 722-5085

Joseph B. Shaffer, I., M.B.A., E.H.S.
Director/Health Officer

WASTEWATER PERMIT APPLICATION FOR DRILLING SITES

HEALTH DEPARTMENT USE ONLY

Permit #: _____
Fee (\$80.00) received: _____
Approved: _____
Date: _____

DRILLING COMPANY Chandler Drilling RESPONSIBLE PARTY Terry Cox
ADDRESS 475 - 17th St., Suite 100, Denver, CO 80202 PHONE 303/295-0400
DRILLING FOR Rosewood Resources, Inc.
SITE LOCATION Rosewood Federal #14-6 SE NW Section 14, T12S - R22E 2176' FNL and 1854' FWL
APPROXIMATE DATES August 20, 1998 TO _____
SERVICES: POTABLE WATER YES NO SUPPLIER Mountain West Oil Field Services
CHEMICAL TOILETS YES NO SUPPLIER Mountain West Oil Field Services
LIVING OR OFFICE UNITS: _____ BUNKHOUSES _____ MOBILE HOMES 3 REC. VEHICLES _____
TOTAL UNITS 3 TOTAL PERSONNEL AT SITE: _____

WASTEWATER DISPOSAL PROPOSED:

- HOLDING TANK AND SCAVENGER PUMPING SERVICE - If this system is used, indicate the licensed scavenger employed Mountain West Oil Field Services
- SEPTIC TANK AND ABSORPTION SYSTEM - If this system is proposed, please supply the following information:
1. A soil log prepared by a certified engineer or sanitation.
 2. Indicate the type of absorption system intended:
 Absorption Field
 Seepage Trench
 Seepage Pit
 Absorption Bed
 OTHER - Describe proposal in detail on an attached sheet.

In the spaces below, provide a sketch or drawing of the site indicating:

1. Location of water supply and plumbing. **See Wellsite Layout Attached**
2. Location of living units, offices, etc.
3. Proposed wastewater system layout including septic tank or holding tank and absorption system, if any.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/17/98

API NO. ASSIGNED: 43-047-33131

WELL NAME: ROSEWOOD FED 14-6
 OPERATOR: ROSEWOOD RESOURCES INC (n7510)
 CONTACT: Lisa Smith (303) 857-9999

PROPOSED LOCATION:
 SENW 14 - T12S - R22E
 SURFACE: 2176-FNL-1854-FWL
 BOTTOM: 2176-FNL-1854-FWL
 UINTAH COUNTY
 WILDCAT FIELD (001)

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

LEASE TYPE: FED
 LEASE NUMBER: UTU-73689
 SURFACE OWNER: Federal

PROPOSED FORMATION: MVRD

RECEIVED AND/OR REVIEWED:

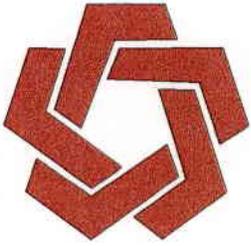
Plat
 Bond: Federal State Fee
 (No. MT-0627)
 Potash (Y/N)
 Oil Shale (Y/N) *190-5(B)
 Water Permit
 (No. New Water Well or Bitter Creek)
 ~~RDCC Review~~ (Y/N)
 (Date: _____)
 St/Fee Surf Agreement (Y/N)

LOCATION AND SITING:

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

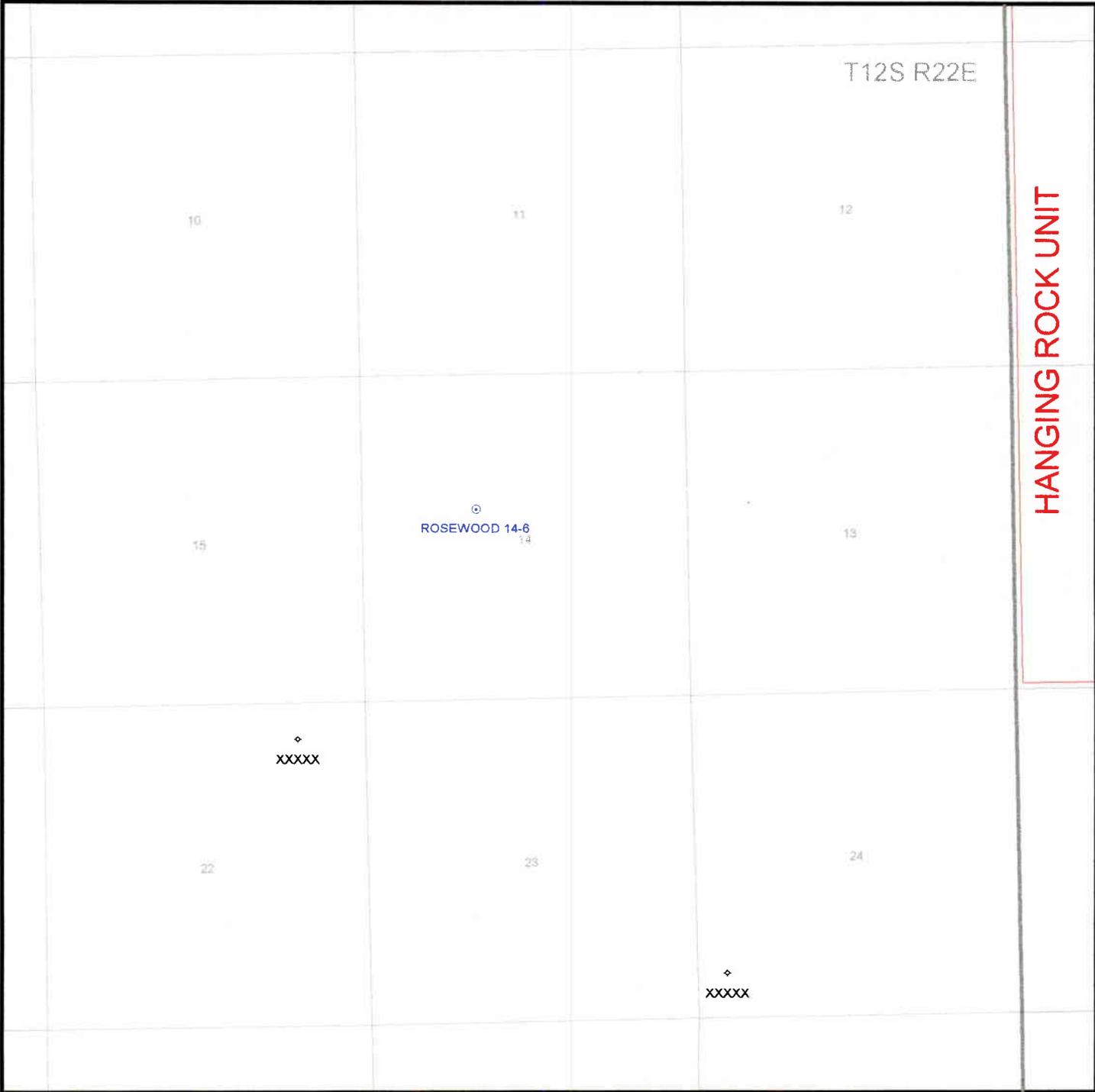
COMMENTS: _____

STIPULATIONS: ① FEDERAL APPROVAL



DIVISION OF OIL, GAS & MINING

OPERATOR: ROSEWOOD RESOURCES (N7510)
FIELD: WILDCAT (001)
SEC. 14, TWP 12S, RNG 22E
COUNTY: UINTAH UAC: R649-3-2 STATEWIDE



DATE PREPARED:
23-JUNE-1998



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

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

July 1, 1998

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

Re: Rosewood Federal 14-6 Well, 2176' FNL, 1854' FWL, SE NW,
Sec. 14, T. 12 S., R. 22 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 43-047-33131.

Sincerely,

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

John R. Baza
Associate Director

lwp

Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal District Office

Operator: Rosewood Resources, Inc.
Well Name & Number: Rosewood Federal 14-6
API Number: 43-047-33131
Lease: UTU-73689
Location: SE NW Sec. 14 T. 12 S. R. 22 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 prior to spudding the well. 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 Robert Krueger at (801) 538-5274.

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK **DRILL** **DEEPEN**

b. TYPE OF WELL
OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR **Rosewood Resources, Inc.** P. O. Box 1668 Vernal, UT 84078

3. ADDRESS AND TELEPHONE NO. **PERMITCO INC.** 303/857-9999 14421 Weld County Rd. 10 Ft. Lupton, CO 80621

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At Surface **2176' FNL and 1854' FWL**
At proposed prod. zone **SE NW Section 14, T12S - R22E**

5. LEASE DESIGNATION AND SERIAL NO. **UTU-73689**

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

7. UNIT AGREEMENT NAME **N/A**

8. FARM OR LEASE NAME, WELL NO. **Rosewood Federal**

9. API WELL NO. **#14-6**

10. FIELD AND POOL, OR WILDCAT **Wildcat**

11. SEC., T., R. M., OR BLK. AND SURVEY OR AREA **Section 14, T12S - R22E**

12. COUNTY OR PARISH **Uintah** 13. STATE **Utah**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE **Approximately 30.4 miles south of Ouray, Utah**

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) **+/- 1200'**

16. NO. OF ACRES IN LEASE **1,400.00**

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

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. **None**

19. PROPOSED DEPTH **5,400'**

20. ROTARY OR CABLE TOOLS **Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.) **5,826' ungraded**

22. APPROX. DATE WORK WILL START* **August 20, 1998**

CONFIDENTIAL

RECEIVED
AUG 06 1998

DIV. OF OIL GAS & MINING

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36#	500'	350 sx - circulate to surface
7-7/8"	4-1/2"	11.6#	5,400'	700 sx - Stage tool @ 3,000'.

Rosewood Resources, Inc. proposes to drill a well to 5,400' to test the Wasatch and Mesa Verde Formations. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See Onshore Order No. 1 attached. **CONFIDENTIAL - TIGHT HOLE**

Please be advised that Rosewood Resources, Inc. is considered to be the Operator of the above mentioned well. Rosewood Resources, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Nationwide Bond No. MT-0627. The principal is Rosewood Resources, Inc. via surety consent as provided for in 43 CFR 3104.2.

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

24. **Lisa L. Smith** Authorized Agent for: **Rosewood Resources, Inc.** DATE **6/15/98**

SIGNED *[Signature]* TITLE DATE

CONDITIONS OF APPROVAL ATTACHED

PERMIT NO. _____
Application approval 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.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *[Signature]* TITLE **Assistant Field Manager Mineral Resources** DATE **8/3/98**

*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.

DOGMA

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Rosewood Resources, Inc.

Well Name & Number: Rosewood Federal 14-6

API Number: 43-047-33131

Lease Number: U - 73689

Location: SENW Sec. 14 T.12S R. 22E

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.

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

A. DRILLING PROGRAM

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

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

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

2. Pressure Control Equipment

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

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

3. Casing Program and Auxiliary Equipment

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany oil shale zone, identified at 375 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.

5. Coring, Logging and Testing Program

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

6. Notifications of Operations

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

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 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.

7. Other Information

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).

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

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

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

Refinery wastes

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

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM
Conditions of Approval (COAS)

-The access road will be crowned at between 2 to 3%. When snow is removed from the road during the winter months, the snow will be pushed outside of the burrow ditches and the turn outs shall be kept clear so that when the snow melts the water will be channeled away from the road.

-The location topsoil pile will be seeded immediately after the soil is piled by broadcasting the seed, then walking the topsoil pile with the dozer to plant the seed. The seed mix provided in the APD under section 10 of the surface use plan shall be used instead of the straight fourwing saltbush application mentioned in the APD. All poundages are in Pure Live Seed.

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

-A pile of subsoil which can be used to construct dikes shall be left near where the access road enters the location.

-A right of way will be necessary for the construction of the pipeline.

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- 73689

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

7. If Unit or CA, Agreement Designation
N/A

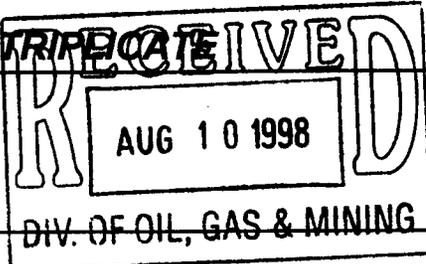
8. Well Name and No.
ROSEWOOD FEDERAL #14-6

9. API Well No.
43-047-33131

10. Field and Pool, or Exploratory Area
WILDCAT

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN



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, UTAH 435-789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2176' FNL AND 1854' FWL
SE/NW SECTION 14, T12S, R22E

CONFIDENTIAL

12. CHECK 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"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>ADDENDUM TO APD</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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.)
IF WELL PROVES COMMERCIAL, OPERATOR PROPOSES TO INSTALL ON SURFACE A 4" NOM. SCH. 40 BARE WELDED STEEL GAS SALES PIPELINE. LINE WOULD BE 30,500' IN LENGTH. THE PIPELINE ROUTE IS SHOWN ON MAP "C" IN ORIGINAL APD SUBMITTAL. PIPELINE WOULD RUN PARALLEL WITH PROPOSED ACCESS ROAD AND PLACED WITHIN 15' OF BARROW DITCH WHERE POSSIBLE. ALL MATERIALS WILL BE STOCKPILED ON WELLSITE AND/OR PIPELINE TAP. PIPE WILL BE WELDED AND THEN PULLED FROM THESE SITES VIA DOZER IN EASE OF INSTALLATION AND TO MINIMIZE SURFACE DISTURBANCE. CONSTRUCTION WIDTH REQUIRED IS 20'. AN ESTIMATED 14 ACRES WOULD BE INVOLVED DURING CONSTRUCTION. ANTICIPATED MAXIMUM PRESSURE 250#. ANTICIPATED OPERATING PRESSURE 150#. ANY TRENCHING WOULD BE LIMITED TO THE WELLSITE AND ROAD CROSSINGS. VALVES WOULD BE INSTALLED DOWNSTREAM OF METER RUN AND AT MAIN LINE TAP.

COPY SENT TO OPERATOR
Date: 8-20-98
Initials: VDP

COPIES: ORIG. & 2-BLM; DIV. OG&M; JMCQUILLEN- DALLAS; BWASHINGTON- DALLAS

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

Signed [Signature]

Title Accepted by the Utah Division of Oil, Gas and Mining

Date 07/31/98

(This space for Federal or State office use)

Approved by _____

Title **FOR RECORD ONLY**

Date _____

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.
UTU-73689

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
NA

8. Well Name and No.
ROSEWOOD FEDERAL #14-6

9. API Well No.
43-047-33131

10. Field and Pool, or Exploratory Area
WILDCAT

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

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

CONFIDENTIAL

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)
2176' FNL 1854' FWL SENW SECTION 14, T12S, R22E

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

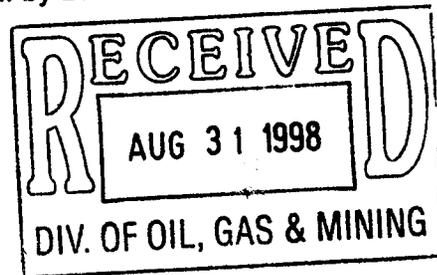
TYPE OF ACTION

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 8/17/98 @ 10:00 a.m. by Bill Jr's Rathole Service.
(See attached report for setting of surface casing.)



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

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

Signed [Signature] Title Administrative Assistant Date 08/26/98

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

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

***See Instructions on Reverse Side**

ROSEWOOD RESOURCES, INC.

DAILY DRILLING REPORT

LEASE: ROSEWOOD FEDERAL DATE: 9-01-98
 WELL: #14-6
 RIG: Chandler Rig #1
 PRESENT OPERATION: LAY DOWN DRILL PIPE

CURRENT DEPTH 5400' TD
 PROPOSED TD 5400'
 FOOTAGE PAST 24 HRS 0
 ENGINEER D.WIDNER
 CONSULTANT BO SHERMAN

FROM TO ACTIVITY PAST 24 HRS:

0600	0700	TRIP OUT.
0700	1100	LOGGING WITH SCHLUMBERGER.
1100	1500	W/O ORDERS
1500	1630	LAY DOWN DRILL COLLARS.
1630	1830	TRIP IN TO PLUG.
1830	1900	LAY DOWN 8 JTS DRILL PIPE.
1900	0030	CIRC (W.O. HALLIBURTON TO SET CEMENT PLUGS).
0300	0100	SET FIRST PLUG WITH HALLIBURTON.
0100	0500	W/O CEMENT.
0500	0530	TRIP IN (TAG CEMENT PLUG AT 4190).
0530	0600	LAY DOWN DRILL PIPE.

MUD PROPERTIES:

WT	9.7	% OIL		Ca+	40
VIS	49	%SAND	1/2	cake	2/32
WL	9.4	%SOLID	9.9	pH	10
GELS		ALK	.5	DAILY MUD COST	0
PV	18	Cl-	400	CUM. MUD COST	8675
YP	10				

DAILY COSTS:

FOOTAGE	
DAYWORK	6450
LOCATION	
MUD	
RIG MOVE	
SURVEYOR	
LOGGING	13055
MUD LOG	500
CEMENTING	
FLOAT EQUIP	
WATER	
CASING HANGER	
CSG CREW	
RENTALS	500
CASING	
SUPERVISION	500
DC INSPECTION	
TOTAL DAILY	21005
COST FORWARD	154303
CUM.TO DATE	175308

PUMP DATA:

	1	2
MAKE	EMSCO	G/D
MODEL	D500	DZ8
LINER	5 1/2	6 1/2
SPM		
PSI		

HYDRAULICS:

WOB	
RPM	
GPM	

BIT RECORD:

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

TELEDRIFT SURVEY DATA:

	DEPTH	DEGREES

ADDITIONAL COMMENTS:

ROSEWOOD RESOURCES, INC.

DAILY DRILLING REPORT

LEASE: ROSEWOOD FEDERAL DATE: 9-02-98
 WELL: #14-6
 RIG: Chandler Rig #1
 PRESENT OPERATION: RIG DOWN (MOVING RIG TO FED 19-11)

CURRENT DEPTH 5400' TD
 PROPOSED TD 5400'
 FOOTAGE PAST 24 HRS 0
 ENGINEER D.WIDNER
 CONSULTANT BO SHERMAN

FROM	TO	ACTIVITY PAST 24 HRS:
0600	0630	LAY DOWN DRILL PIPE TO 2100.
0630	0700	SET 2ND PLUG AT 2900 TO 2700.
0700	0930	LAY DOWN DRILL PIPE TO 620.
0930	1000	SET 3RD PLUG AT 620 TO 420.
1000	1030	LAY DOWN 19 JTS, TRIP IN 7 STDS.
1030	1130	N/D, PICK UP STACK.
1130	1200	SET 4TH PLUG 50' TO SURFACE.
1200	1600	CLEAN MUD TANKS.
1600	0600	RIG DOWN, RIG RELEASED @ 1600. 9-1-98
		1ST PLUG 4400 TO 4200 PUMP 80 SKS PREM "G" WITH 3% CACL WITH 57 BBLs MUD -
		2ND PLUG 2900 TO 2700 PUMP 70 SKS PREM "G" CEMENT DISPLACE WITH 35 BBLs MUD -
		3RD PLUG 620 TO 420 PUMP 70 SKS PREM "G" DISPLACE WITH 15 BBLs MUD -
		4TH PLUG 50' TO SURFACE, PUMP 20 SKS PREM "G", CIRC CEMENT TO SURFACE.

MUD PROPERTIES:

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

DAILY COSTS:

FOOTAGE	
DAYWORK	3560
LOCATION	
MUD	
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	
CEMENTING	7232
FLOAT EQUIP	
WATER	
CASING HANGER	
CSG CREW	1927
RENTALS	
CASING	
SUPERVISION	
DC INSPECTION	
TOTAL DAILY	12719
COST FORWARD	175308
CUM. TO DATE	188027

PUMP DATA:

	1	2
MAKE	EMSCO	G/D
MODEL	D500	DZ8
LINER	5 1/2	6 1/2
SPM		
PSI		

HYDRAULICS:

WOB	<input type="text"/>
RPM	<input type="text"/>
GPM	<input type="text"/>

BIT RECORD:

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

TELEDRIFT SURVEY DATA:

	DEPTH DEGREES	

ADDITIONAL COMMENTS:

PLUGGING WELL WAS WITNESSED BY BLM REP WAYNE BANKERT.

OPERATOR ROSEWOOD RESOURCES, INC.
 ADDRESS P.O. BOX 1668
VERNAL, UT 84078

OPERATOR ACCT. NO. N7510

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE	
					QQ	SC	TP	RG	COUNTY			
A	99999	12450	4304733132	Rosewood Federal #5-6	SE	W	5	12S	22E	Uintah	8/6/98	8/6/98
WELL 1 COMMENTS: CONFIDENTIAL												
A	99999	12451	4304733131	Rosewood Federal #14-6	SE	W	14	12S	22E	Uintah	8/17/98	8/17/98
WELL 2 COMMENTS: CONFIDENTIAL												
A	99999	12452	4304733144	Rosewood Federal #19-11	NE	SW	19	12S	22E	Uintah	8/19/98	8/19/98
WELL 3 COMMENTS: CONFIDENTIAL												
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)

Aug Nemo
 Signature _____
 Admin. Assistant
 Title _____ Date _____
 Phone No. 435 789-0414

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
UTU-73689

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK

WELL GAS WELL DRY

CONFIDENTIAL
Other PERIOD EXPIRED
Other 10-1-99

7. UNIT AGREEMENT NAME

N/A

1b. TYPE OF WELL

NEW WELL WORK OVER WELL EN PLUG BACK DIFF RESVR

8. FARM OR LEASE NAME, WELL NO.

ROSEWOOD FED I #14-6

2. NAME OF OPERATOR

ROSEWOOD RESOURCES, INC.

9. API WELL NO.

43-047-33131

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 1668, VERNAL, UT 84078 435-789-0414

10. FIELD AND POOL OR WILDCAT

WILDCAT

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*

At Surface
2176' FNL 1854' FWL SE/NW
At top prod. Interval reported below

CONFIDENTIAL

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

SEC. 14, T12S, R22E

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

At total depth

14. PERMIT NO.

DATE ISSUED

6/15/98

12. COUNTY OR PARISH

UINTAH

13. STATE

UTAH

15. DATE SPUNDED

8/17/98

16. DATE T.D. REACHED

8/30/98

17. DATE COMPL. (Ready to prod.)

P & A 9-1-98

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

5826' GR

19. ELEV. CASINGHEAD

5841' KB

20. TOTAL DEPTH, MD & TVD

5400' MD

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

TD MD TVD

22. IF MULTIPLE COMPL., HOW MANY*

P & A

23. INTERVALS DRILLED BY

→

ROTARY TOOLS

505' - 5400'

CABLE TOOLS

NA

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

P & A

25. WAS DIRECTIONAL SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

AI/LC/GR, CNLD/GR, ML, MUD LOG

9-1-98

27. WAS WELL CORED

NO

28. 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#	497.85' GL	12 1/4"	SURF-300 SX Class "G" + ADD	NONE

29. LINER RECORD

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

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
PLUG #1 - 4400' - 4200'	80 SKS "G"	DISPLACEW/57 BBLS MUD
PLUG #2 - 2900' - 2700'	70 SKS "G"	DISPLACE W/35 BBLS
PLUG #3 - 620' - 420'	70 SKS "G"	DISPLACE W/15 BBLS MUD
PLUG #4 - SURF - 50'	20 SKS "G"	CEMENT TO SURF

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.* PRODUCTION

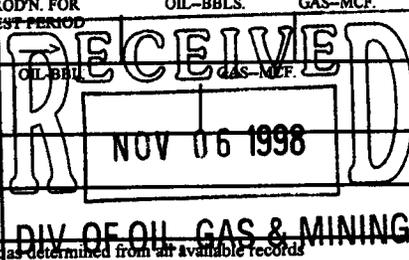
DATE FIRST PRODUCTION P & A 9/1/98	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)	WELL STATUS (Producing or shut-in) P & A					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD.N. FOR TEST PERIOD	OIL--BBL.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL-BBL.	GAS-MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)	

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

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED [Signature] TITLE ADMINISTRATIVE ASISTANT DATE 11/3/98



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

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

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);	38. GEOLOGIC MARKERS				
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	TOP	
				MEAS. DEPTH	TRUE VERT. DEPTH
				2800'	4800'
				WASATCH	MESA VERDE

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