

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

5. LEASE DESIGNATION AND SERIAL NO.

UTU-0778

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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

1b. TYPE OF WELL

OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

7. UNIT AGREEMENT NAME

Rockhouse

8. FARM OR LEASE NAME

Rockhouse

2. NAME OF OPERATOR

Rosewood Resources, Inc.

9. WELL NO.

#39

3. ADDRESS OF OPERATOR

P.O. Box 1668 Vernal, UT 84078

10. FIELD AND POOL OR WILDCAT

Rockhouse 1670

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

At Surface **2012' FNL 589' FWL SEC 11 SWNW T11S R23E**

At proposed Prod. Zone *643411 X 29.876526 4415199 Y -109.317175*

11. SEC., T., R., M., OR BLK.

AND SURVEY OR AREA
**SEC 11 SWNW T11S R23E
SLB&M**

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

Approximately 33 miles South of Bonanza, Utah.

12. County

Uintah

13. STATE

Utah

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

589'

16. NO. OF ACRES IN LEASE

640.00

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.

1500'

19. PROPOSED DEPTH

8500'

20. ROTARY OR CABLE TOOLS

Rotary

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

5593'

22. APPROX. DATE WORK WILL START*

Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	32.3#	1000'	+/- 425 sx - Circulate to surface
7 7/8"	4 1/2"	11.6#	8500'	+/- 1240 sx - Cement to surface

Rosewood Resources, Inc. proposes to drill a well to 8500' to test the Wasatch and Mesa Verde formations. If productive, casing will be set and the well completed. If dry, the well will be plugged and abandoned as per BLM & State of Utah requirements.

See Onshore Order No. 1 attached.

CONFIDENTIAL-TIGHT HOLE

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.

SIGNED

[Signature]

TITLE

Administrative Assistant

DATE

7/24/06

(This space for Federal or State office use)

PERMIT NO.

43-047-38410

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:

APPROVED BY

[Signature]

TITLE

**BRADLEY G. HILL
ENVIRONMENTAL MANAGER**

DATE

08-14-06

***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.

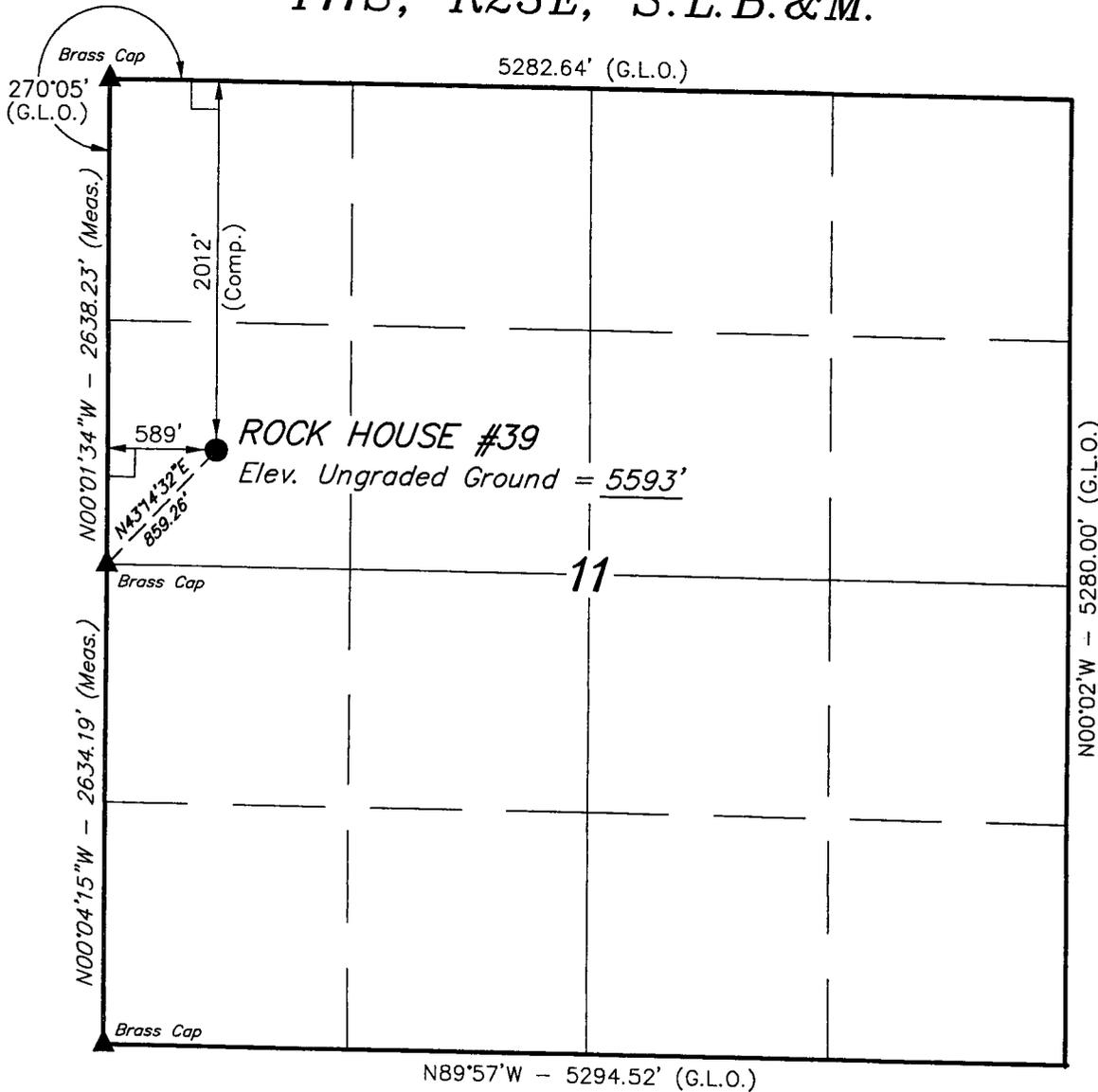
**Federal Approval of this
Action is Necessary**

RECEIVED

JUL 31 2006

DIV. OF OIL, GAS & MINING

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



ROSEWOOD RESOURCES, INC.

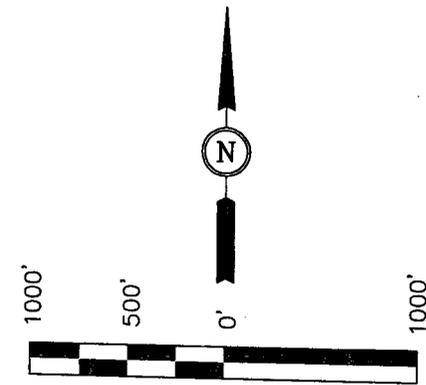
Well location, ROCK HOUSE #39, located as shown in the SW 1/4 NW 1/4 of Section 11, T11S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION IN THE NW 1/4 OF SECTION 27, T11S, R23E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6366 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

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

[Signature]
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

LEGEND:

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

(AUTONOMOUS NAD 83)
 LATITUDE = 39°52'35.54" (39.876539)
 LONGITUDE = 109°19'04.23" (109.317842)
 (AUTONOMOUS NAD 27)
 LATITUDE = 39°52'35.66" (39.876572)
 LONGITUDE = 109°19'01.80" (109.317167)

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

SCALE 1" = 1000'		DATE SURVEYED: 11-11-05	DATE DRAWN: 11-15-05
PARTY B.B. J.R. P.M.		REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE ROSEWOOD RESOURCES, INC.		

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

August 10, 2006

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2006 Plan of Development Rockhouse Unit, Uintah County,
Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Rockhouse Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
	(Proposed PZ MesaVerde)	
43-047-38410	Rockhouse 39 Sec 11 T11S R23E 2012 FNL 0589 FWL	
43-047-38414	Rockhouse 41 Sec 04 T11S R23E 1500 FNL 0656 FWL	

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

/s/ Michael L. Coulthard

bcc: File – Rockhouse Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:8-10-06

ONSHORE ORDER NO. 1
Rosewood Resources, Inc.
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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 Order No. 1 and the approved plan of operations. The operator is fully responsible for the actions off 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	+5593'
Wasatch	3078'	+2515'
Mesa Verde	4808'	785'
T.D.	8500'	-2907'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas/Oil	Wasatch	3078' – 4808'
Gas/Oil	Mesa Verde	4808' – 8500'

All fresh water or 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.

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Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure rating of casing. Pressure shall be maintained for at least 10 minutes or until test requirements 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, no more than a 10% decline in pressure in a 30 minute time period will be acceptable. Valve on casinghead below test plug must be open during test.

Annular type preventers shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until test requirements 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**
- d. 30-day intervals**

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

When testing kill line valve(s) the check shall be held open or 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 BOP safety drill shall be conducted weekly for drilling crews.

Pressure tests shall apply to all related well control equipment.

All prescribed tests and or drills shall be recorded in the daily drilling log.

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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 place until well operations are completed. Preventers will be inspected and operated at least daily to ensure good mechanical working order, this will be recorded on daily drilling report.

The BLM District Office shall be notified with sufficient lead time to have their representative on location during BOPE 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 on rigs drilling in this area utilize a 10" 3000# W.P. blowout preventer.**
 - b. **A choke line and a kill line will be properly installed. The kill line will not be used as a fill-up line.**
 - c. **The accumulator system shall have a pressure capacity to provide repeated operation of hydraulic preventers.**
 - d. **Drill string safety valve(s) to fit all tools in the drill string will 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 mineral deposits. 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 sufficient to handle maximum pressure to which it may be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons;**

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Fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals or 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.**
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells.**
- d. Casing collars shall have a minimum clearance of 0.422 inches on 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 tested used casing that meets or exceeds API standards for new casing.**
- g. The surface casing shall be cemented to surface either during the primary cement job or by remedial cementing.**
- h. All indications of usable water shall be reported to the AO 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 the contamination of cement by displacement fluid. A bottom plug or other acceptable technique,**

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such as a preflush fluid, inner string cement method, etc. shall be utilized to help prevent cement contamination.

- k. All casing strings below the conductor shall be tested to 0.22 psi per foot of casing length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action will 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 anticipated to control the well to the next casing point. This test shall be performed before drilling more than 20' 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 Or equivalent	0-1000'	12 ¼"	9 5/8"	32.3#	H-40	ST&C	New
Production Or equivalent	0-8500'	7 7/8"	4 ½"	11.6#	M-80	LT&C	New

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

<u>Surface</u>	<u>Type and Amount</u>
0-1000'	+/- 425 SXS Premium + 2% CaCl + ¼# /SX Flocele + 2% Gel. Slurry Weight 15.6 PPG. Yield 1.18 ft sk.

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Production

Type and Amount

0-8500'

Lead cement:

**+/- 215 SXS - 10% Excess additives =
Hifill "V" 16% Gel, 1% EX-1, 3% Salt
.2%HR-7, 10# Gilsonite, 25# SX Flocele.
Slurry weight 11 ibm gal. Yield 3.80 ft sk.**

Tail Cement:

**+/- 1025 SXS - 10% Excess additives =
50/50 POZ "G" 2% Gel, 3% KCL, .75%
Halad-322, .2% HR-5, .25# Flocele,
Granulite, 3# SX Silicate, .2% FWCA.
Slurry weight 13.40 ibm gal. Yield 1.49 ft
sk.**

- p. Anticipated cement tops will be reported as to depth; not the expected number of cement sacks to be used. The District Office will be notified, with sufficient lead to have an AO to witness running all casing strings and cementing.**
- q. After cementing but before commencing any test, the casing shall stand idle 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 Office within 30 days of completing work.**
 - 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:**

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- a. Setting of each string of casing, showing the size, weight, grade of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated to surface or top of cement behind casing, depth of cementing tools used, casing test method and results and the date performed. Show the Spud date on the first reports submitted.
- b. Temperature or bond logs must be submitted for each well where cement was not circulated to surface.
- s. Auxiliary equipment to be used is as follows:
 - 1. Kelly Cock Valve
 - 2. No bit float is deemed necessary.
 - 3. Sub with full opening valve.

5. Mud Program

- a. The proposed circulating mediums to be used during drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>
0-1000'	Air or water drill
1000'-2,000'	Fresh water CRYSTAL DRIL/Sweeps
2,000'-5,660'	2% KCl water/CRYSTAL DRIL/Sweeps
5,660-8,500'	2% KCL/IMPERMEX/SEAMUD

<u>Interval</u>	<u>Visc</u>	<u>PH</u>	<u>Mud Weight</u>
0-1000'	28-29	8.0- 8.5	8.3 – 8.5 ppg
1000'-2,000'	28-29	7.0 - 8.0	8.3 – 8.4 ppg
2,000'-5,660'	28-29	8.0- 9.5	8.6 – 8.9 ppg
5,660-8,500'	32-42	9.0 - 9.5	8.6 – 8.9 ppg

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

A mud test will 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:

Periodic checks will be made each tour of the mud system. The mud level will be monitored 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 in association with the drilling of this well. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

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 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:

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Initial opening of DST tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the AO. 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 AO. Closed chamber DST's may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be reversed out of the test string under controlled surface conditions. This would involve 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. A Litho-density, Compensated Neutron, Induction, SP, Gamma Ray, & Caliper will be run from the surface casing to T.D.**
- c. No cores will be run.**
- d. Whether the well is completed as a dry hole or a producer, a "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, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description and all pertinent information compiled during the drilling, completion and/or workover operations.**
- e. The anticipated completion program will be to test prospective zones in the Mesa Verde and Wasatch Formations by perforating and fracture stimulation.**

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- f. **Daily drilling and completion progress reports shall be submitted to the Vernal Office on a weekly basis**

7. Abnormal Temperatures or Pressures

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

8. Anticipated Starting Dates and Notification of Operations

- a. **Drilling will commence upon approval.**
- b. **It is anticipated that the drilling of this well will take approximately 13 days.**
- c. **The BLM in Vernal, Utah will be notified of anticipated dates to begin road & location construction and spud date.**
- d. **No location will be constructed or moved without approval from the AO. If well is plugged or suspended, prior approval from the AO must be obtained and notification given before resuming operations.**
- e. **The spud date will be reported orally to the AO within 48 hours after spudding. If well is spud on a weekend or holiday, the report will be submitted the following regular work day. Follow oral report with 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, Utah 84078**

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- f. Immediately Report: Spills, blowouts, fires, leaks, accidents or any other unusual occurrences will be promptly reported in accordance with the requirements of NTL-3A or its revision.**
- g. A Completion Rig will be moved in following drilling operations. All conditions of this approved plan are applicable during the completion operations.**
- h. 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 the well is put on line.**
- i. 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 a permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.**
- j. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding 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 period.**
- k. 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 product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.)**

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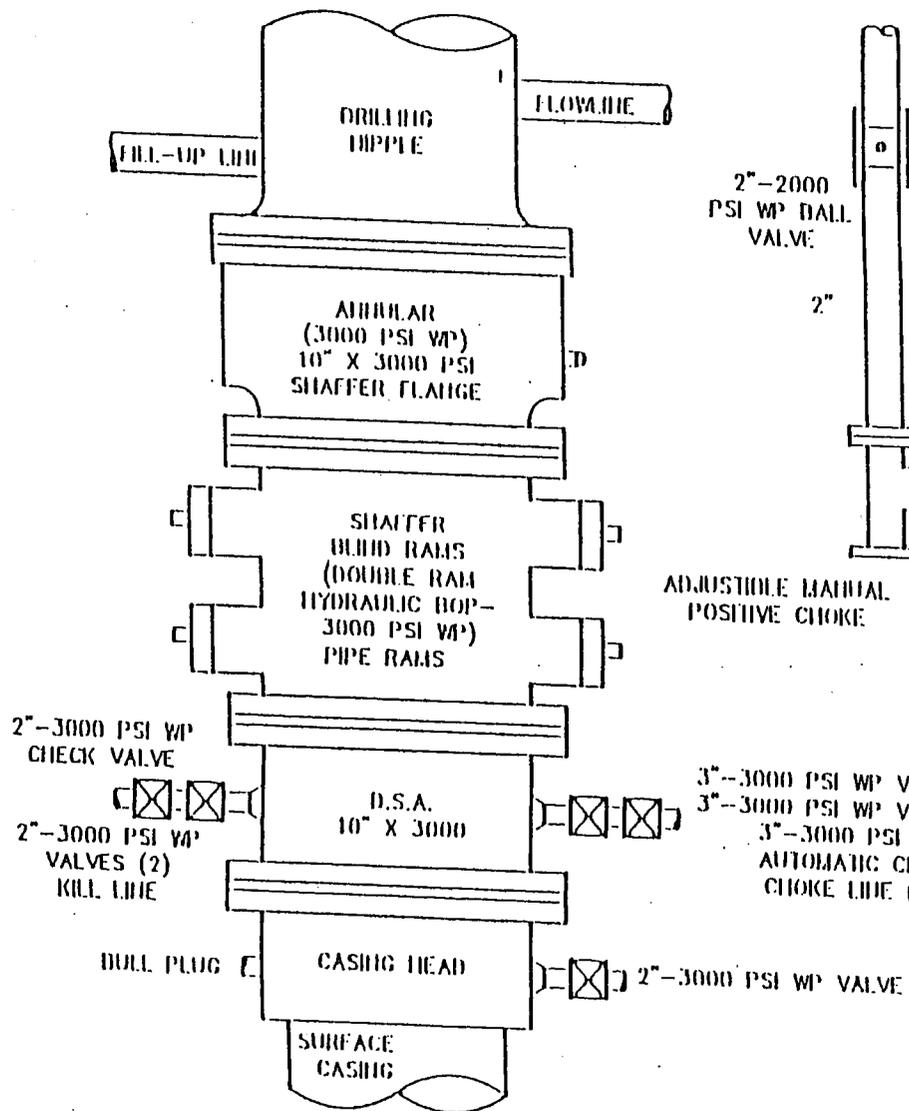
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- i. A first production conference will be scheduled within 15 days after receipt of the first production notice.**

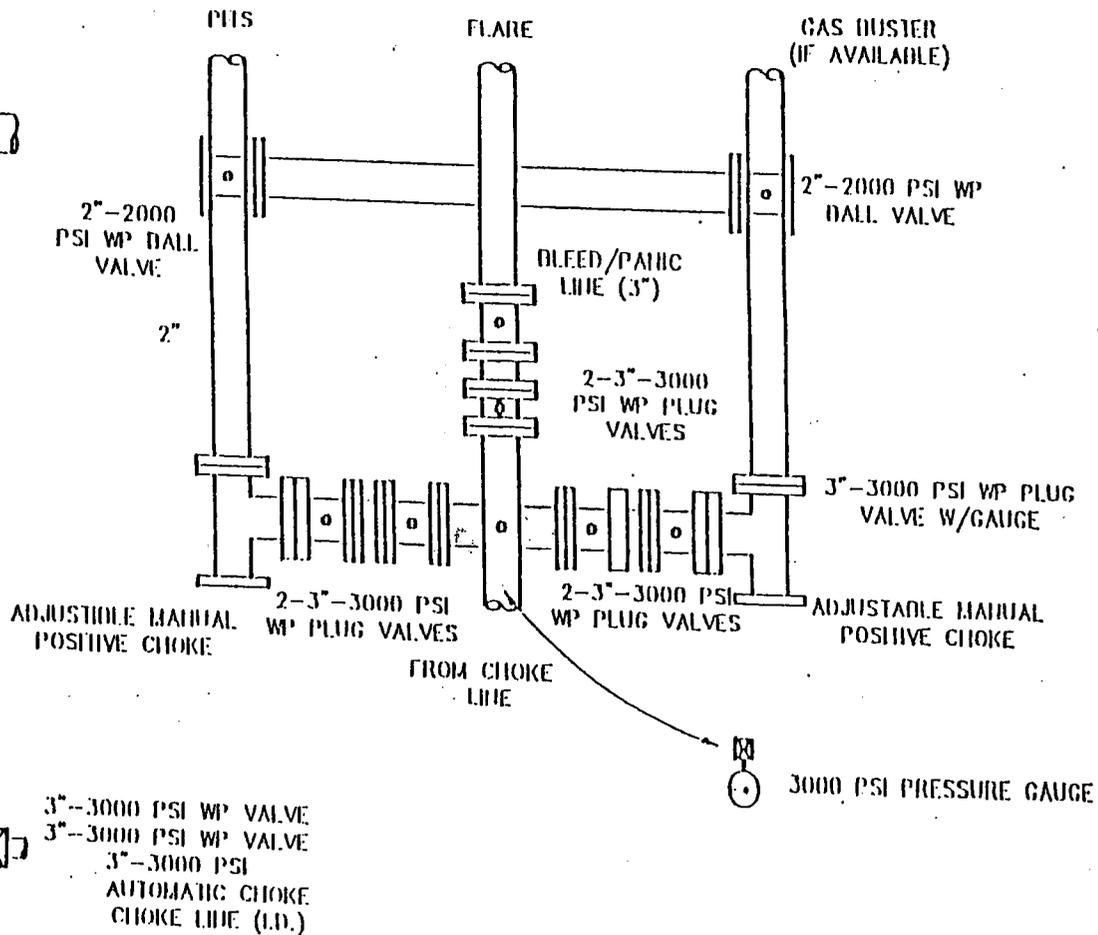
- m. No well abandonment operations will commence without prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5 will be filed with the AO within 30 days following abandonment operations. This report will indicate where plugs were placed and the current status of the 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 the surface managing agency.**

- n. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see their exploration, development, production and construction operations are conducted in a manner which conforms with applicable Federal, State and Local laws and regulations.**

**ROP SCHEMATIC
3000 PSI WORKING PRESSURE**



PLAN VIEW CHOKE MANIFOLD



THE HYDRAULIC CLOSING UNIT WILL BE LOCATED MORE THAN 30' FROM THE WELLHEAD. CHOKES AND BLEED/PANIC LINES WILL GO TO THE PIT AND FLARE. ALL CONNECTIONS IN CHOKES 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 ELBS. ALL LINES SHALL BE ANCHORED.

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SURFACE USE PLAN

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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 in 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.
BOPE and Related - Equipment Tests	Twenty-four (24) hours prior to initiating pressure tests.
First Production -	Within five (5) business days after new well begins or production resumes after well has been off line for more than ninety (90) days.

The following individuals met on Wednesday, Jan 24th for the onsite evaluation of the proposed site.

Holly Via	Bureau of Land Management
Todd McGrath	SWCA
Brandon McDonald	SWCA
Greg D. Olsen	Uintah Engineering & Land Survey
Benjamin R. Johnson	Uintah Engineering & Land Survey
Jill Henrie	Rosewood Resources, Inc.
Dennis Atwood	Rosewood Resources, Inc.

1. Existing roads

- a. The proposed well is located approximately 33 miles south of Bonanza, Ut.**

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Rosewood Resources, Inc.
Rockhouse #39
2012' FNL 589' FWL
SW¼ NW ¼ Sec. 11, T11S, R23E
Uintah County, Utah

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Lease No. UTU-0778

SURFACE USE PLAN

Page 2

b. Directions to the location from Bonanza, Utah are as follows:

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 Coral. 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 Well road. Proceed 10.5 miles turn north (right) off the county road. Proceed .7 miles stay to the right at the intersection. Proceed 4.6 miles to the proposed location and access road.

- c. For location of access roads within 2-mile radius, see Maps A & B.**
- d. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.**
- e. Existing roads and any newly constructed roads will be maintained in accordance with the standards of the Surface Managing Agency.**

2. Planned Access Roads

- a. The last 60' +/-' of proposed access will be flat bladed with minimal disturbance. The remainder of the access is maintained by the County Road Dept. or is a BLM road.**
- b. The maximum grade of the new construction will be approximately 3%.**
- c. No turnouts are planned at this time.**
- d. There are no major cuts or fills. No culverts and/or bridges will be required.**
- e. The new access road was centerline flagged at the time of staking.**
- f. The use of surfacing material is not anticipated, however it may be necessary depending on weather conditions.**

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- g. Surface disturbance and vehicular travel will be limited to the approved location and access route. Any additional area needed will be approved in advance.**
- h. No cattleguards will be necessary**
- i. 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)**
- j. 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, crowning and capping the roadbed as necessary to provide a well constructed and 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 crossing type. Crossings will be designed to prohibit siltation or accumulation of debris in the crossing nor shall the drainage be blocked by the road. Erosion of barrow ditches by runoff water shall be prevented by diverting water 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. Rosewood will berm the location as needed.**
- k. If the well is productive, additional water drainage would be added to keep water off the roadway.**
- l. 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 drilling of this well.**
- m. No road right-of-way will be required at this time.**

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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- Rockhouse #27 NENE SEC 10 T11S R23E**
Rockhouse #34 #32 & #36 NESE SEC 10 T11S R23E
(RH #32 & RH #36 are directional wells from #34 pad)
Rockhouse #3 NWSE SEC 11 T11S R23E
- d. **Drilling wells – none**
- e. **Shut-in wells – none**
- f. **Temporarily abandoned – Rockhouse #1 SESE SEC10 T11S R23E**
- 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 Pumping Units) will be painted Olive Black. All facilities will be painted within six months of installation. Facilities required to comply with Occupational Safety and Health Act (OSHA) will be excluded.**

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- b. If storage facilities/tank batteries are constructed on this lease, they will be surrounded by a containment dike of sufficient capacity to contain 1 ½ times the contents of the largest tank or vessel, unless more stringent protective requirements are deemed necessary by the AO.**
- 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 load lines will be placed inside the containment dike.**
- 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. 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 and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and on all future calibrations. A copy of the calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with 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 contradiction in the unit or other lease or 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 AO.**

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- h. Any necessary pits will be properly fenced to prevent 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 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 pipeline will be 100' from the well-site to the tie-in point and will be constructed of welded steel. It will be 4" in diameter.**

5. Location and Type of Water Supply

- a. The proposed water source for this well is the Rock House 5A - Water Permit # 49-1547. SEC 13 T11S R 23E. Please see attached maps.**
- b. Water will be hauled over the roads shown on Maps "A" and "B".**

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.**

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7. Methods of Handling Waste Disposal

- a. The reserve pit will be constructed so as not to leak, break or allow discharge.**
- b. The reserve pit will be lined with 10 mil. Plastic liner. The pit area will be sufficiently bedded with either straw or felt prior to installing liner. The liner will overlap the pit walls and be covered with dirt 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 AO.**
- c. Burning will not be allowed. All trash will be contained in a trash cage and its contents hauled to an approved disposal facility.**
- d. After first production, produced water will be confined to a pit or storage tank for a period not to exceed ninety (90) days. During this time, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with water analysis, will be submitted for the AO's approval.**
- 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 portable-toilet will be furnished with the drilling rig.**

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8. Ancillary Facilities

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

9. Well Site Layout

- a. The operator or dirt contractor shall contact the BLM Office at (435) 781-4400, forty-eight (48) hours prior to construction activities.**
- b. The reserve pit will be on the east of the location.**
- c. The flare pit will be located downwind of the prevailing wind direction on the southeast side, a minimum of 100 feet from the wellhead and 30 feet from the reserve pit fence.**
- d. The stockpiled topsoil (first six inches) will be stored on the north of the location as shown on the Pit & Pad Layout. The topsoil pile for the reserve pit reclamation will be stored on the southeast of the location as shown on the Pit & Pad Layout. Topsoil along the access route will be windrowed on the uphill side.**
- e. Access to the well pad will be from the southwest as shown in the Pit & Pad Layout.**
- f. See Location Layout for orientation of rig, cross section of drill pad, cuts and fills.**
- g. The location of mud tanks, reserve pit, trash cage, pipe racks and living facilities are also shown on the Location Layout.**

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- h. During construction, all brush/trees will be removed from the well pad and access road to be stockpiled separately from the topsoil piles as shown in the Pit & Pad Layout.**
- i. All pits will be fenced to the following minimum standards:**

 - 1. 39 inch net wire shall be used with at least one strand of 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 should 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.**
- j. The reserve pit fencing will be on three sides during the drilling operations and on the fourth side when the rig is moved off the location. Pits will be fenced and maintained until cleanup.**

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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. **The plastic nylon reinforced liner shall be torn and perforated before backfilling the reserve pit.**
- d. **The reserve pit and that portion of the location not needed for production facilities/operations will be contoured to approximate the original contours of the site.**
- e. **Reclamation of unrequired areas on the well pad/access road no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the AO.**

The seed mixture requested by the BLM during onsite inspection is as follows: 4 lb Crested Wheat, 4 lbs Indian Ricegrass, 4 lb Needle and Thread Grass.

Seeding will be performed with approval from AO. Generally seeding is performed in the Fall prior to permanent ground freezing. Seed will be drilled or broadcast and seed walked in with dozer.

- f. **The topsoil stockpile will be seeded with above determined seed mixture.**

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Dry Hole

- g. At such time as the well is plugged and abandoned, the operator shall submit a Subsequent Report of Abandonment and the AO will attach the appropriate surface rehabilitation conditions of approval.**

11. Surface Ownership

Access Roads - All roads are county maintained or managed by the BLM.

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

Mineral Ownership

The minerals are owned by the Federal Government and have been leased by Rosewood Resources, Inc.

12. Other Information

- a. A Class III archeological survey has been conducted by Sagebrush Archeology. A copy of this report will be sent directly to the appropriate agencies by Sagebrush Archeology. Cover sheet is attached for your convenience.**
- e. A Paleontological reconnaissance survey of proposed well pads, pipelines and access roads has been conducted by Stephen D Sandau. A copy of this report has been sent directly to the appropriate agencies by Mr. Sandau. Cover sheet is attached for your convenience.**
- b. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing and/or collecting artifacts from historic or archeological sites. If historic or archeological materials are uncovered during construction, the operator is to immediately halt all**

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operations and contact the 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 an 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 that 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 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, pesticides or other potentially hazardous chemicals.**
- d. 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 time without BLM authorization.**

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- e. **All lease and/or unit operations will be conducted in such a manner that full compliance 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 the approved APD shall be on location during construction and drilling activities.**
- f. **A complete copy of the APD shall be on location during construction of location and drilling activities.**
- g. **There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices shall be observed. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.**
- h. **“Sundry Notice and Report on Wells” (Form 3160-5) will be used to request plan changes and other operations in accordance with 43 CFR 3162.3-2.**
- i. **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. After permit termination, a new application will need to be filed for any future operations.**
- j. **The operator or his contractor shall contact the BLM Offices at (435) 781-4400 48 hours prior to beginning construction activities.**
- k. **The BLM Office shall be notified upon site completion prior to moving in the drilling rig.**
- l. **Rosewood acknowledges the Golden Eagle timing period for no drilling February 1 through July 15th.**

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- m. **In the event after-hours approval is necessary, please contact one of the following individuals:**

Matt Baker	Petroleum Engineer (435)828-4470
Michael Lee	Petroleum Engineer (435)828-7875
BLM Fax Machine	(435)789-3634

13. Lessee's or Operator's Representatives

ROSEWOOD RESOURCES, INC.
P.O. Box 1668
72 North Vernal Avenue
Vernal, Utah 84078
435/789-0414

Permit Matters
Jill Henrie - 435/789-0414 Ext. 10

Drilling & Completion Matters
Jerry Dietz - 303/542-1931 (Office)
303/877-4670 (Mobile)

Environmental & Safety Matters
Alan Roachell - 214/756-6694 (Office)
214/466-2993 (Cell)

Rockhouse #39

SELF CERTIFICATION

Please be advised that Rosewood Resources, Inc. is to be considered the operator of the Rockhouse #39 well located at SWNW SEC 11 T11S R23E Lease #UTU-0778 in Uintah County. Rosewood Resources, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

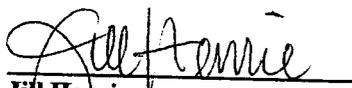
Bond coverage for this well is provided by Nationwide Bond no. MT-0627. The principal is Rosewood Resources, Inc. via surety consent as provided for in 43 CFR 3104.2.

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.

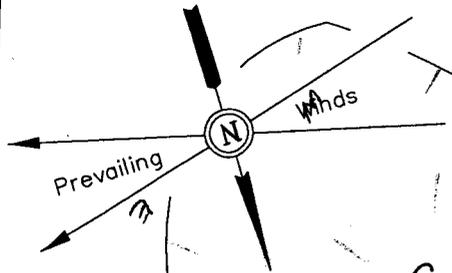
This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

Date 7/24/06


Jill Henrie
Administrative Assistant
Rosewood Resources, Inc.

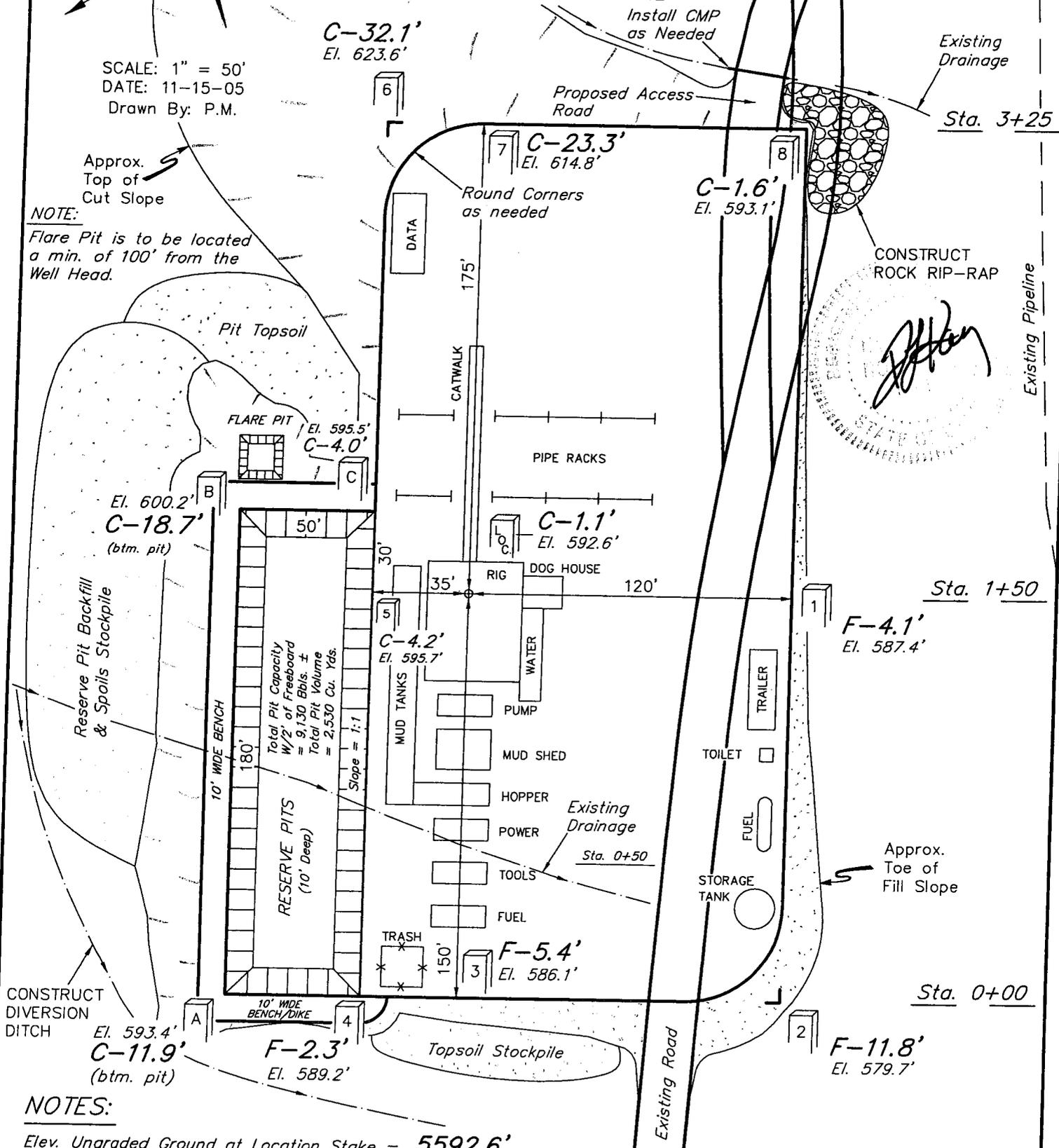
ROSEWOOD RESOURCES, INC.
LOCATION LAYOUT FOR

ROCK HOUSE #39
SECTION 11, T11S, R23E, S.L.B.&M.
2012' FNL 589' FWL



SCALE: 1" = 50'
 DATE: 11-15-05
 Drawn By: P.M.

NOTE:
 Flare Pit is to be located a min. of 100' from the Well Head.



NOTES:
 Elev. Ungraded Ground at Location Stake = 5592.6'
 Elev. Graded Ground at Location Stake = 5591.5'

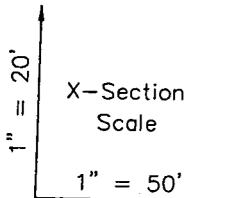
ROSEWOOD RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

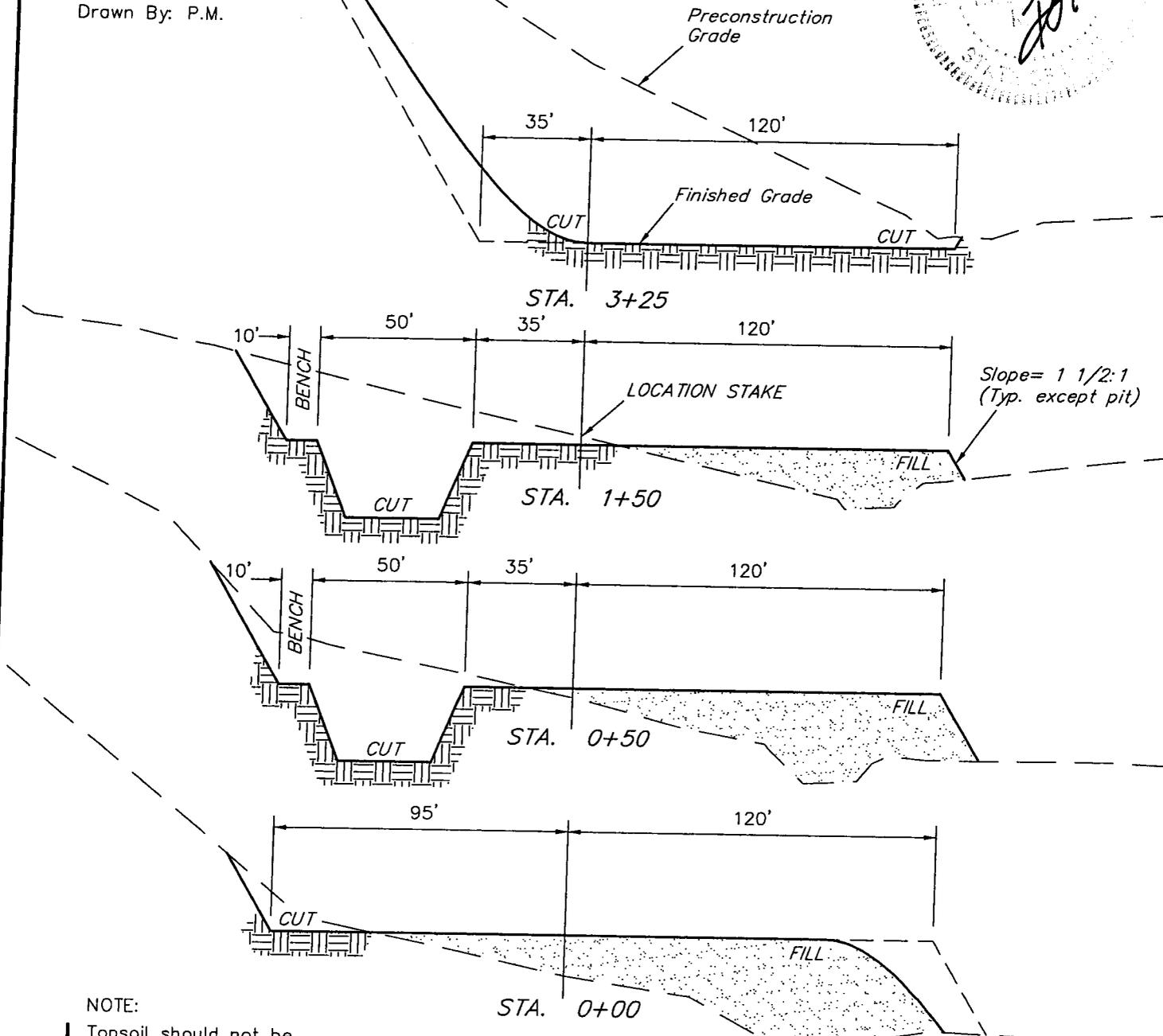
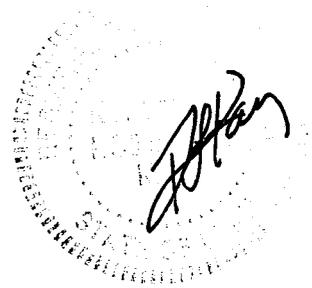
ROCK HOUSE #39

SECTION 11, T11S, R23E, S.L.B.&M.

2012' FNL 589' FWL



DATE: 11-15-05
Drawn By: P.M.



NOTE:

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

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,780 Cu. Yds.
Remaining Location	= 14,790 Cu. Yds.
TOTAL CUT	= 16,570 CU.YDS.
FILL	= 6,720 CU.YDS.

EXCESS MATERIAL	= 9,850 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,050 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 6,800 Cu. Yds.

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

ROSEWOOD RESOURCES, INC.

ROCK HOUSE #39
LOCATED IN UINTAH COUNTY, UTAH
SECTION 11, T11S, R23E, S.L.B.&M.

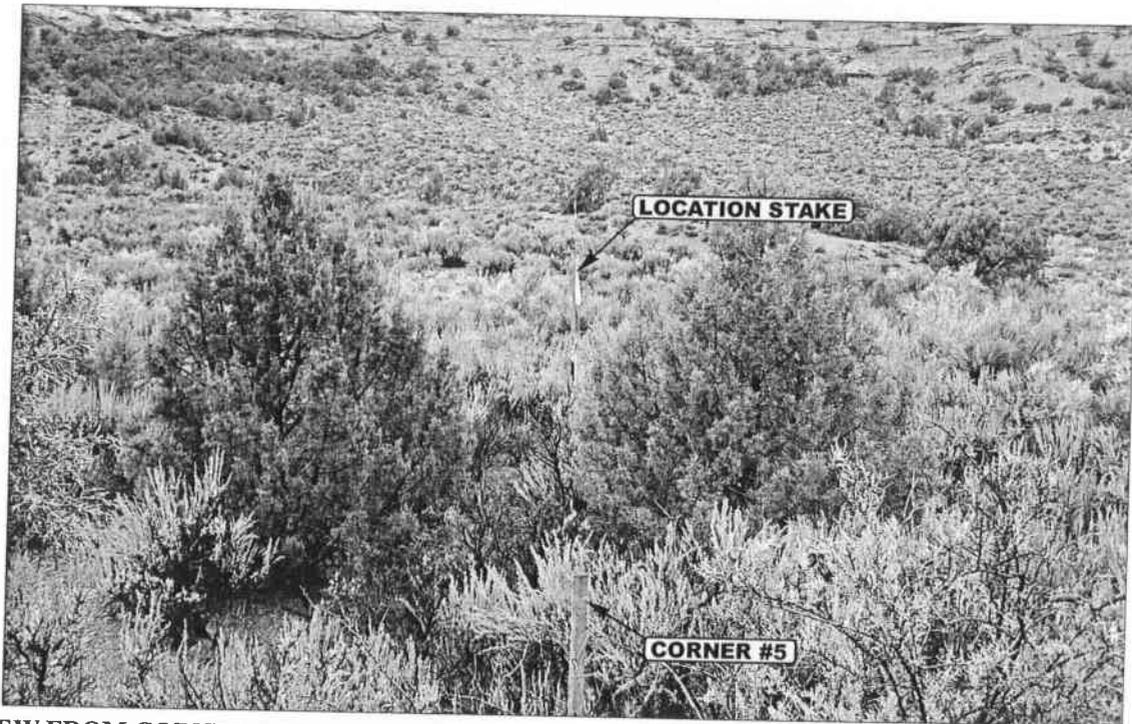


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

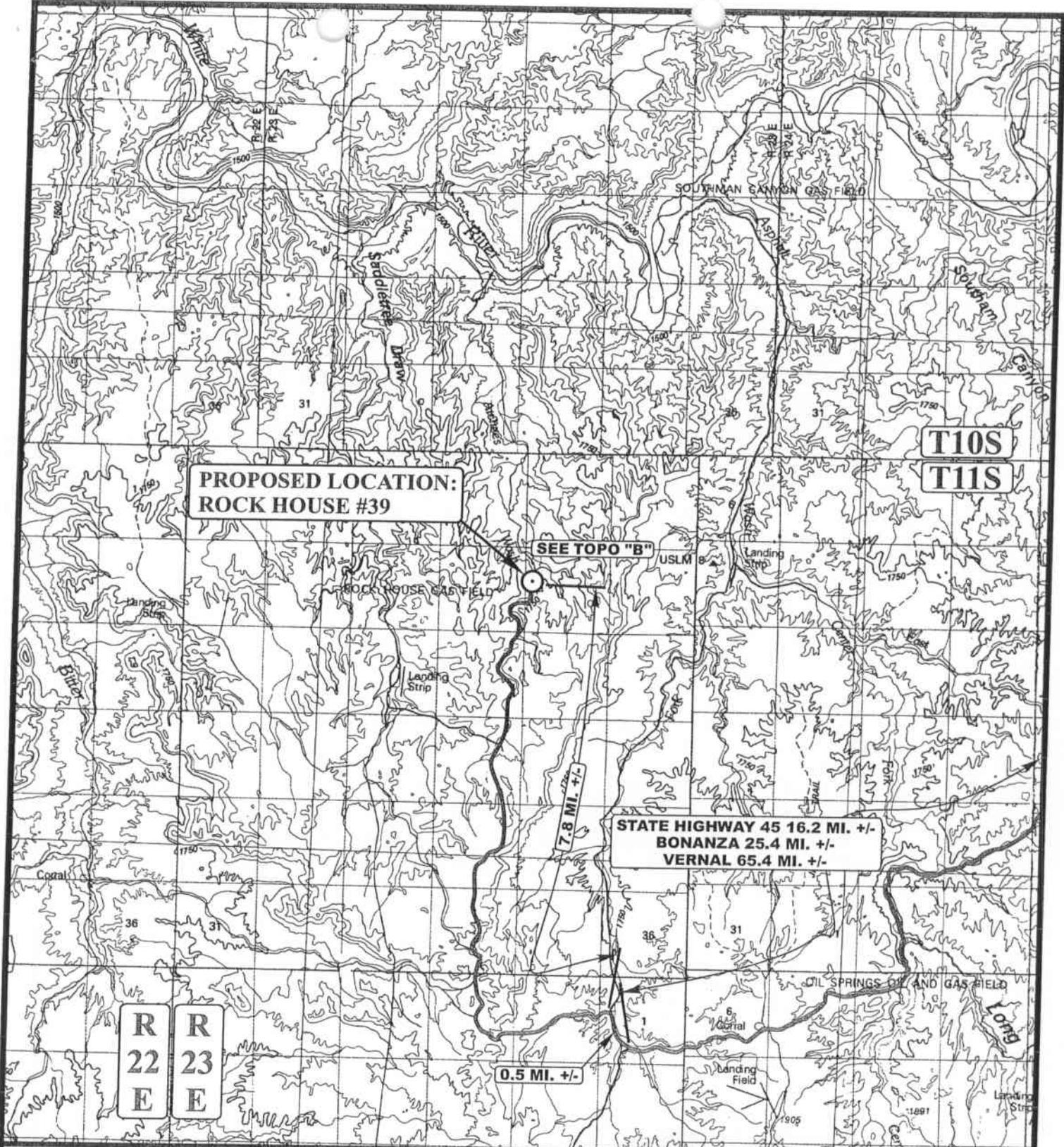
CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	11	16	05	PHOTO
TAKEN BY: B.B.	MONTH	DAY	YEAR	
DRAWN BY: C.P.	REVISED: 00-00-00			



**PROPOSED LOCATION:
ROCK HOUSE #39**

SEE TOPO "B"

**STATE HIGHWAY 45 16.2 MI. +/-
BONANZA 25.4 MI. +/-
VERNAL 65.4 MI. +/-**

**R R
22 23
E E**

**T10S
T11S**

LEGEND:

○ PROPOSED LOCATION



ROSEWOOD RESOURCES, INC.

**ROCK HOUSE #39
SECTION 11, T11S, R23E, S.L.B.&M.
2012' FNL 589' FWL**



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

TOPOGRAPHIC MAP

11	16	05
MONTH	DAY	YEAR

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



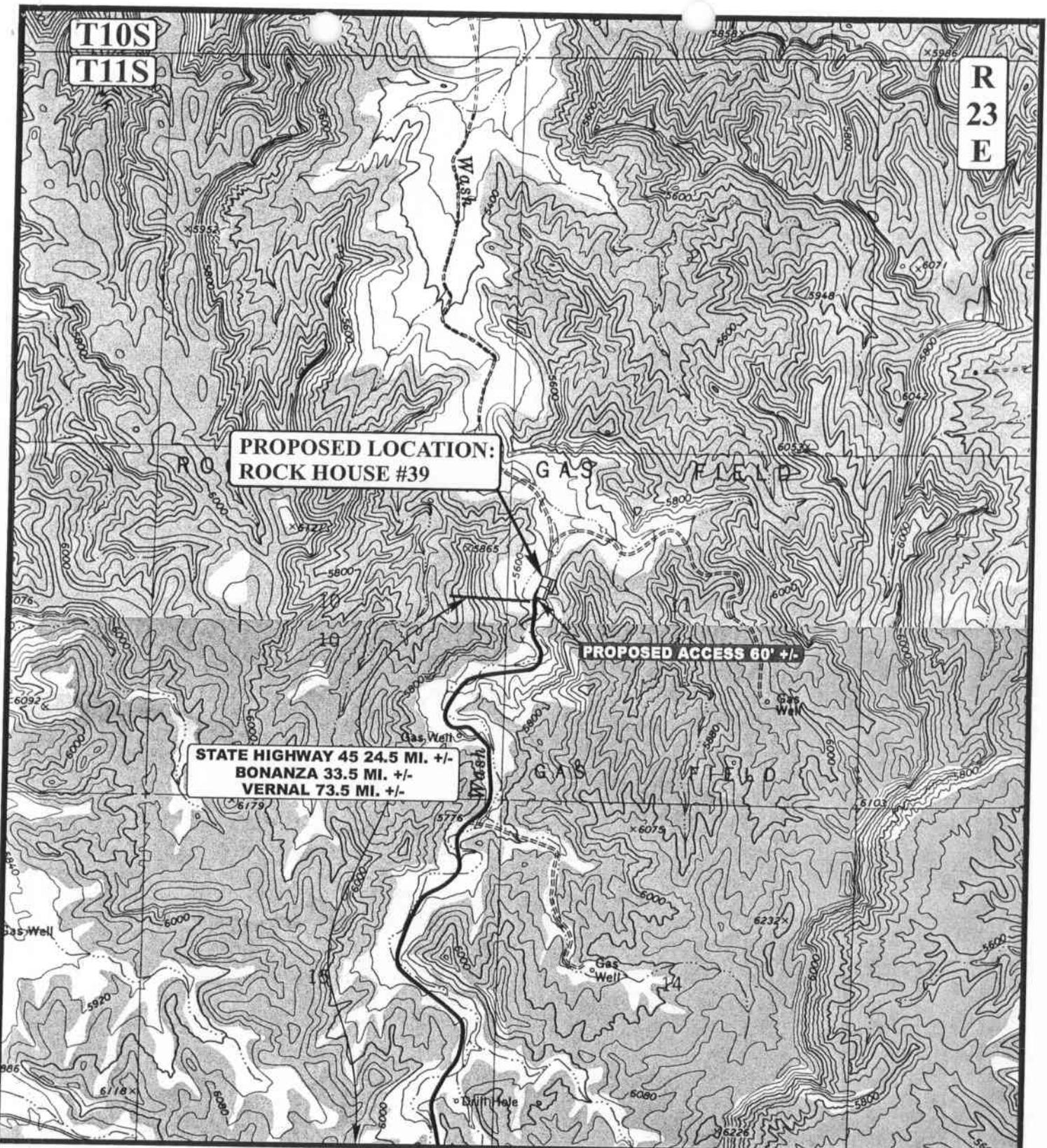
T10S
T11S

R
23
E

**PROPOSED LOCATION:
ROCK HOUSE #39**

PROPOSED ACCESS 60' +/-

**STATE HIGHWAY 45 24.5 MI. +/-
BONANZA 33.5 MI. +/-
VERNAL 73.5 MI. +/-**



LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD

ROSEWOOD RESOURCES, INC.

**ROCK HOUSE #39
SECTION 11, T11S, R23E, S.L.B.&M.
2012' FNL 589' FWL**



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



**TOPOGRAPHIC
MAP**

11	16	05
MONTH	DAY	YEAR

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

**B
TOPO**

T10S
T11S

R
23
E

HOUSE GAS FIELD

x 6121

5865
TIE-IN POINT

PROPOSED LOCATION:
ROCK HOUSE #39

EXISTING PIPELINE

PROPOSED ACCESS ROAD

Gas Well

HOUSE GAS FIELD

5776

x 6075

APPROXIMATE TOTAL PIPELINE DISTANCE = 100' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE

ROSEWOOD RESOURCES, INC.

ROCK HOUSE #39
SECTION 11, T11S, R23E, S.L.B.&M.
2012' FNL 589' FWL



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

TOPOGRAPHIC	11	22	05
MAP	MONTH	DAY	YEAR
SCALE: 1" = 1000'	DRAWN BY: C.P.		REVISED: 00-00-00





January 2, 2006

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

RE: *A Cultural Resource Inventory of Rockhouse Wells #38, #39, #42, #43, #44, #45, and #46
For Rosewood Resources, Inc., Uintah County, Utah. Sagebrush Report No 1491*

Dear Jill,

Enclosed please find one copy of the above cited report. Blaine Phillips, Archaeologist at the BLM Vernal Field Office has been sent two copies of the report. During this inventory there were no cultural resources found.

Please let me know if you have questions or need further information.

Sincerely,

A handwritten signature in cursive script, appearing to read "Wendy Simmons Johnson".

Wendy Simmons Johnson
Senior Archaeologist

enclosure

Paleontological Reconnaissance Report

**Rosewood Resources Proposed Well Pads, Pipelines and Access
Roads for "Rock House #38-39 & #42-46"
(Sec. 5-6 & 11, T 11 S, R 23 E)**

**Archy Bench, Archy Bench SE, & Asphalt Wash
Topographic Quadrangles
Uintah County, Utah**

December 7, 2005

Prepared by Stephen D. Sandau
Paleontologist for
Intermountain Paleo-Consulting
P. O. Box 548
Springville, Utah 84663



Rockhouse 5A

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 07/31/2006

API NO. ASSIGNED: 43-047-38410

WELL NAME: ROCKHOUSE 39
 OPERATOR: ROSEWOOD RESOURCES INC (N7510)
 CONTACT: JILL HENRIE

PHONE NUMBER: 435-789-0414

PROPOSED LOCATION:

SWNW 11 110S 230E
 SURFACE: 2012 FNL 0589 FWL
 BOTTOM: 2012 FNL 0589 FWL
 COUNTY: UINTAH
 LATITUDE: 39.87654 LONGITUDE: -109.3172
 UTM SURF EASTINGS: 643911 NORTHINGS: 4415199
 FIELD NAME: ROCK HOUSE (670)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-0778
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. MT-0627)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-1547)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

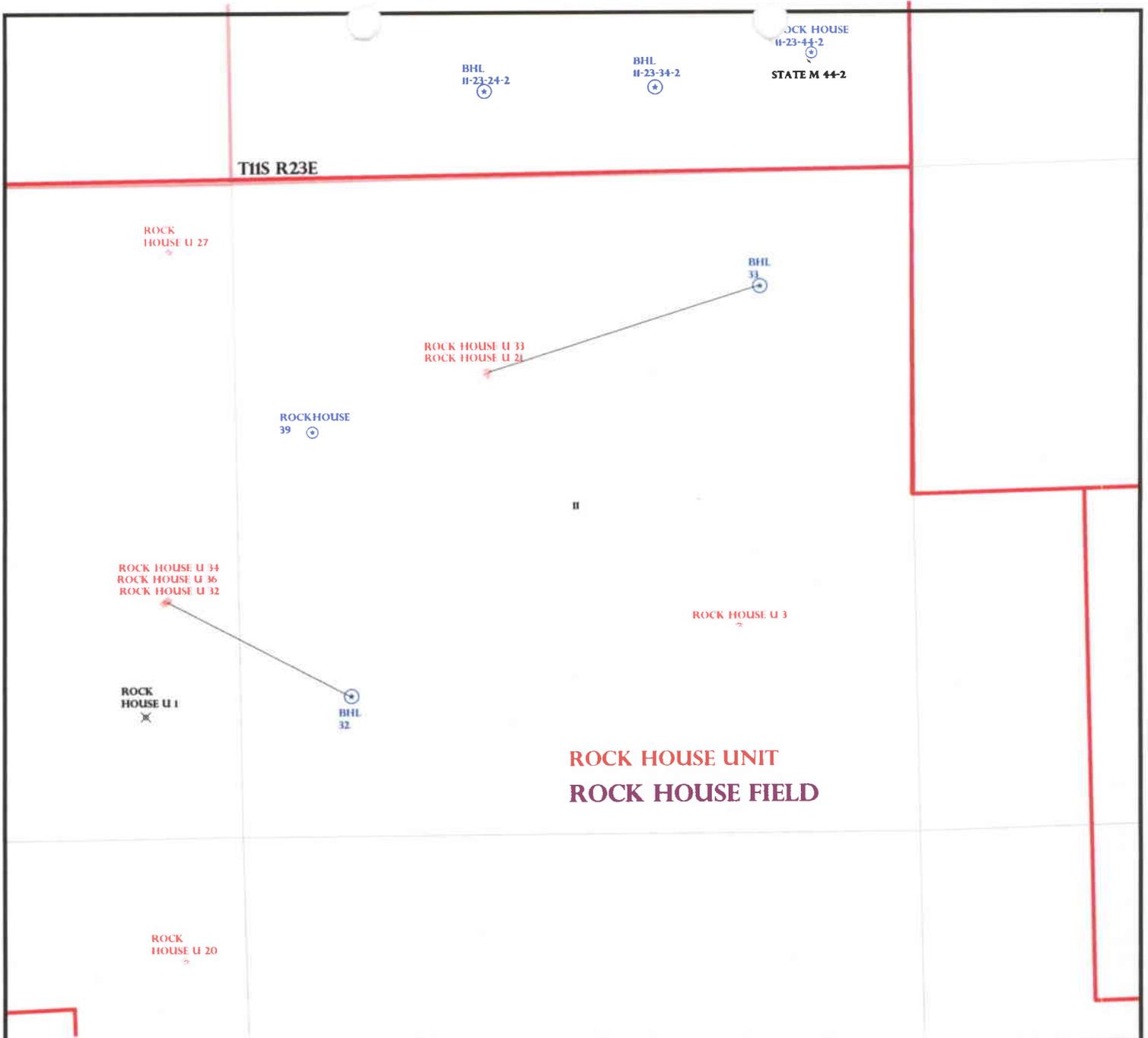
LOCATION AND SITING:

- R649-2-3.
- Unit: ROCK HOUSE
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1. Federal Approval

2. Spacing Strip



**ROCK HOUSE UNIT
ROCK HOUSE FIELD**

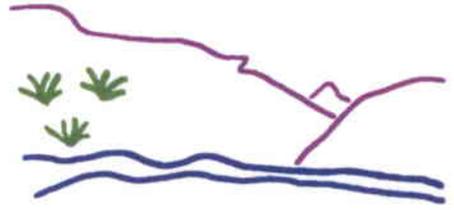
OPERATOR: ROSEWOOD RES INC (N7510)

SEC: 11 T.11S R. 23E

FIELD: ROCK HOUSE (670)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

- Wells Status**
- GAS INJECTION
 - GAS STORAGE
 - LOCATION ABANDONED
 - NEW LOCATION
 - PLUGGED & ABANDONED
 - PRODUCING GAS
 - PRODUCING OIL
 - SHUT-IN GAS
 - SHUT-IN OIL
 - TEMP. ABANDONED
 - TEST WELL
 - WATER INJECTION
 - WATER SUPPLY
 - WATER DISPOSAL
 - DRILLING



PREPARED BY: DIANA WHITNEY
DATE: 09-AUGUST-2006

- Field Status**
- ABANDONED
 - ACTIVE
 - COMBINED
 - INACTIVE
 - PROPOSED
 - STORAGE
 - TERMINATED

- Unit Status**
- EXPLORATORY
 - GAS STORAGE
 - NF PP OIL
 - NF SECONDARY
 - PENDING
 - PI OIL
 - PP GAS
 - PP GEOTHERML
 - PP OIL
 - SECONDARY
 - TERMINATED



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 14, 2006

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

Re: Rockhouse 39 Well, 2012' FNL, 589' FWL, SW NW, Sec. 11, T. 11 South,
R. 23 East, 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 43-047-38410.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Rosewood Resources Inc.
Well Name & Number Rockhouse 39
API Number: 43-047-38410
Lease: UTU-0778

Location: SW NW Sec. 11 T. 11 South R. 23 East

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 of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will 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 supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 24 2006

5. LEASE DESIGNATION AND SERIAL NO
UTU-0778

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a. TYPE OF WORK **DRILL** **DEEPEN**
1b. TYPE OF WELL
OIL **GAS** **SINGLE** **MULTIPLE**
WELL **WELL** **OTHER** **ZONE** **ZONE**

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Rockhouse

2. NAME OF OPERATOR
Rosewood Resources, Inc.

9. WELL NO.
#39

3. ADDRESS OF OPERATOR
P.O. Box 1668 Vernal, UT 84078

10. FIELD AND POOL OR WILDCAT
Rockhouse

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At Surface **2012' FNL 589' FWL SEC 11 SWNW T11S R23E**
At proposed Prod. Zone

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
**SEC 11 SWNW T11S R23E
SLB&M**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 33 miles South of Bonanza, Utah.

12. County
Uintah

13. STATE
Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)
589'

16. NO. OF ACRES IN LEASE
640.00

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.
1500'

19. PROPOSED DEPTH
8500'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5593'

22. APPROX. DATE WORK WILL START*
Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	32.3#	1000'	+/- 425 sx - Circulate to surface
7 7/8"	4 1/2"	11.6#	8500'	+/- 1240 sx - Cement to surface

Rosewood Resources, Inc. proposes to drill a well to 8500' to test the Wasatch and Mesa Verde formations. If productive, casing will be set and the well completed. If dry, the well will be plugged and abandoned as per BLM & State of Utah requirements.

See Onshore Order No. 1 attached.

CONFIDENTIAL-TIGHT HOLE

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. SIGNED [Signature] TITLE Administrative Assistant DATE 7/24/06

(This space for Federal or State office use)

PERMIT NO. _____ 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:

APPROVED BY [Signature] TITLE Assistant Field Manager DATE 5-18-2007
Lands & Mineral Resources

RECEIVED
JUN 13 2007

4006m

*See Instructions On Reverse Side

DIV. OF OIL, GAS & MINING

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.

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

06GXJ0591A

NOS - 11/22/05

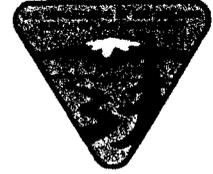


**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE**

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Rosewood Resources, Inc.
Well No: #39
API No: 43-047- 38410

Location: SWNW, Sec. 11, T11S, R23E
Lease No: UTU- 0778
Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
NRS/Enviro Scientist:	Paul Buhler	(435) 781-4475	(435) 828-4029
NRS/Enviro Scientist:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:	Melissa Hawk	(435) 781-4476	(435) 828-7381
NRS/Enviro Scientist:	Chuck MacDonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Jannice Cutler	(435) 781-3400	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	

Fax: (435) 781-4410

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	- Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	- Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC CONDITIONS OF APPROVAL

- During operations, if any vertebrate paleontological resources are discovered, all operations affecting such sites shall be immediately suspended, and all discoveries shall be left intact until authorized to proceed by the Authorized Officer. The appropriate Authorized Officer of the Vernal BLM office shall be notified within 48 hrs of the discovery, and a decision as to the preferred alternative/course of action will be rendered.
- In order to protect Threatened and Endangered Fish the entire location must be bermed. The pits should be lined with 16 gauge liners. All secondary drainages will be rerouted around the proposed pad. All pipelines that will run through the 100-year floodplain or that will cross the floodplain should be buried at least 6 feet or to bedrock. The road should approach the pad from the north of the location (downstream from the direction of flow from the wash).
- The interim seed mix for this location shall be:

Crested wheatgrass	<i>Agropyron cristatum</i>	4 lbs. /acre
Needle and Threadgrass	<i>Stipa comata</i>	4 lbs. /acre
Indian Ricegrass	<i>Stipa hymenoides</i>	4 lbs. /acre

 - All pounds are in pure live seed.
 - Reseeding may be required if first seeding is not successful.
- The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding should take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.
- The well will be spudded within five years of the existing or supplemented NEPA documentation.
- Golden Eagle habitat – No surface construction or drilling activities shall occur from February 1 through August 15. The operator may request in writing an exception to this COA. The exception should be requested one month prior to the anticipated construction. A golden eagle survey will be conducted by a BLM biologist or a qualified biologist contracted by the operator.

Surface COAs:

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

DOWNHOLE COAs:

SITE SPECIFIC DOWNHOLE COAs:

- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 200 ft above the surface casing shoe.
- A cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe. A field copy of the CBL shall be submitted to the BLM Vernal Field Office.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers 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 shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 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 Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-0778
2. NAME OF OPERATOR: Rosewood Resources, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. Box 1668 CITY Vernal STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (435) 789-0414		8. WELL NAME and NUMBER: Rockhouse #39
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2012' FNL 589' FWL		9. API NUMBER: 4304738410
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 11 11S 23E		10. FIELD AND POOL, OR WILDCAT: Rockhouse

COUNTY: Uintah

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<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 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 checked="" type="checkbox"/> OTHER: <u>Extension Request</u>
	<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.

Rosewood Resources, Inc. respectfully requests a one year extension of the Application for Permit to Drill on the above mentioned location. Please feel free to call with any questions or concerns.

Thank You,

Jill Henrie
Rosewood Resources, Inc.
P.O. Box 1668 Vernal, UT 84078
435-789-0414 x10

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 08-27-07
By: [Signature]

NAME (PLEASE PRINT) <u>Jill Henrie</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u>[Signature]</u>	DATE <u>8/22/2007</u>

(This space for State use only)

AUG 24 2007

8-27-07
Rm

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304738410
Well Name: Rockhouse #39
Location: SWNW SEC 11 T11S R23E SLB&M
Company Permit Issued to: Rosewood Resources, Inc
Date Original Permit Issued: 8/14/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

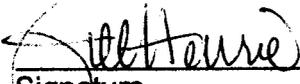
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No



Signature

8/22/2007

Date

Title: Administrative Assistant

Representing: Rosewood Resources, Inc.

REC'D
AUG 24 2007

OFFICE OF THE SUPERVISOR

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-0778

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

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

CONFIDENTIAL

7. If Unit or CA, Agreement Designation
Rockhouse Unit

8. Well Name and No.
Rockhouse #39

2. Name of Operator
ROSEWOOD RESOURCES, INC.

9. API Well No.
43-047-38410

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

10. Field and Pool, or Exploratory Area
Rockhouse

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2012' FNL 589' FWL SEC 11 SWNW T11S R23E

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

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

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

Abandonment Change of Plans
 Recompletion New Construction
 Plugging Back Non-Routine Fracturing
 Casing Repair Water Shut-Off
 Altering Casing Conversion to Injection
 Other TD change to 7500' Dispose Water

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

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

Rosewood Resources, Inc. respectfully requests attached changes in procedure be approved for the Application for Permit to Drill on above mentioned well. Please feel free to call with any questions or concerns.

Thank You,
Jill Henrie
Rosewood Resources, Inc.
Vernal Utah Field Office
435-789-0414 x10

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR

Date: 7-23-2008
Initials: KS

Date: 07-21-08
By: [Signature]

I hereby certify that the foregoing is true and correct

Signed [Signature]

Title Administrative Assistant

Date 07/15/08

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

RECEIVED

WELL NAME:

ROCKHOUSE UNIT #39

FORMATION TOPS

	MD	SUBSEA DEPTHS
GREEN RIVER (SHALE)	SURFACE	SURFACE
UTELAND BUTTE (LIMESTONE)	3,038'	+2,565'
WASATCH (SANDSTONE)	3,088'	+2,515'
MESA VERDE (SANDSTONE)	4,818'	+785'
T.D.	7,500'	

CASING PROGRAM

DRILL 12 1/4" HOLE TO +/- 600' SET 9 5/8" SURFACE CASING
DRILL 7 7/8" HOLE TO T.D. SET 4 1/2" PRODUCTION CASING

RECOMMENDED DRILLING FLUIDS PROGRAM

<u>INTERVAL</u> (FEET)	<u>MUD WEIGHT</u> (LBS/GAL.)	<u>VISCOSITY</u> (SEC./QT.)	<u>FLUID LOSS</u> (ML/30 MIN.)	<u>MUD TYPE</u>
0-600'	8.3-8.8	27-40	NO CONTROL	SPUD MUD

PRE-SET SURFACE IF AT ALL POSSIBLE.

SPUD IN WITH WATER AND NATIVE MUD. ADD GEL AND LIME AS NEEDED FOR VISCOSITY CONTROL. ALLOW THE VISCOSITY TO INCREASE AS THE TOTAL DEPTH OF THE SURFACE HOLE IS REACHED, HAVE THE HOLE IN CONDITION TO RUN, LAND AND CEMENT THE SURFACE CASING.

THERE IS A POSSIBILITY THAT LOST CIRCULATION COULD BE ENCOUNTERED WHILE DRILLING SURFACE HOLE. A GOOD CROSS SECTION OF LOST CIRCULATION MATERIAL SHOULD BE ON LOCATION FOR USE IF NEEDED. TOURLY ADDITIONS OF DRILLING DETERGENT WILL PROVIDE LUBRICITY AND MINIMIZE BIT BALLING. MIX GEL AND LCM SWEEPS AS NEEDED TO CLEAN THE HOLE.

<u>INTERVAL</u> (FEET)	<u>MUD WEIGHT</u> (LBS./GAL.)	<u>VISCOSITY</u> (SEC./QT.)	<u>FLUID LOSS</u> (ML/30 MIN.)	<u>MUD TYPE</u> (WATER)
600-2,800'	8.3-8.6	27-32	NO CONTROL	WATER/LIME/ POLYMER

DRILL OUT OF THE SURFACE CASING WITH WATER. MAINTAIN NATIVE SOLIDS AT A MINIMUM BY ADDING LIME AND PHPA AND CIRCULATING THE RESERVE PIT IF POSSIBLE. IF UNABLE TO CIRCULATE THE RESERVE PIT, FREQUENT DUMPING AND CLEANING OF THE MUD TANKS WILL BE NECESSARY TO AVOID RECIRCULATING DRILLED SOLIDS. ADD PHPA TO INHIBIT SENSITIVE SHALES AND ADD VISCOSITY TO INSURE KEEPING THE HOLE CLEAN.

WHEN DRILLING WITH WATER, NEGLECT OF SOLIDS CONTROL CAN LEAD TO DIFFERENTIAL STICKING IN SUBNORMALLY PRESSURED PERMEABLE ZONES. THIS IS DUE TO THE FORMATION OF A THICK WALL CAKE WHICH RESULTS FROM THE COMBINATION OF HIGH FLUID LOSS AND RELATIVELY HIGH SOLIDS CONTENT. MAINTAIN CLEAR WATER AT THE SUCTION BY UTILIZING ALL AVAILABLE MEANS OF SOLIDS CONTROL.

MAKE TOURLY ADDITIONS OF PHPA. THIS POLYMER IS AN EXCELLENT FRICTION REDUCER AND CAN ALSO BE USED AS A SWEEP WHEN RUN DOWN THE DRILL PIPE. USE THESE SWEEPS IF TIGHT CONNECTIONS ARE EXPERIENCED OR EXCESSIVE FILL IS ENCOUNTERED. TOURLY ADDITIONS OF DRILLING DETERGENT WILL PROVIDE LUBRICITY AND MINIMIZE BIT BALLING.

SOLIDS CONTROL EQUIPMENT SHOULD BE RUN CONTINUOUSLY TO PREVENT SOLIDS BUILDUP.

WHILE DRILLING IN THIS SECTION OF THE HOLE THERE IS A POSSIBILITY YOU COULD HAVE DEVIATION PROBLEMS WHICH SHOULD BE TAKEN CARE OF WITH FREQUENT SURVEYS. SEEPAGE LOSS IS A POSSIBILITY AND SHOULD BE TREATED WITH PILL TYPE TREATMENTS.

<u>INTERVAL</u> (FEET)	<u>MUD WEIGHT</u> (LBS./GAL.)	<u>VISCOSITY</u> (SEC./QT.)	<u>FLUID LOSS</u> (ML/30 MIN.)	<u>MUD TYPE</u> (LSND)
2,800'-T.D.	8.8-10.4	36-48	8-12 CC'S	GEL/CHEM

MUD UP DEPTH SHOULD BE DETERMINED BY HOLE CONDITIONS AND OPERATOR REQUIRMENTS. IF NOT MUDDED UP BY THIS DEPTH WE RECOMMEND DOING SO. YOU SHOULD DEFINETLY BE MUDDED UP 200' BEFORE DRILLING THE WASATCH BECAUSE OF A SHALLOW GAS SAND IN THE TOP OF THE FORMATION

OUR PURPOSE IN RECOMMENDING A LOW SOLIDS NON-DISPERSED MUD IS TO INCREASE PENETRATION, REDUCE THE POSSIBILITY OF LOST CIRCULATION, IMPROVE HYDRAULICS AND PROLONG BIT LIFE.

LOW SOLIDS NON-DISPERSED SYSTEMS HAVE BEEN USED SUCCESSFULLY IN THIS AREA. THEY ARE EASILY DISPERSED IF IT BECOMES NECESSARY.

A TYPICAL FORMULA FOR LSND MUD, AFTER ALL TANKS ARE CLEANED, IS AS FOLLOWS:

.05#/BBL BENEX
.25#/BBL SODA ASH
.25#/BBL CAUSTIC SODA
10-12#/BBL BENTONITE

THE FLUID LOSS MAY BE REDUCED TO THE DESIRED RANGE WITH DRISPAC. SHOULD IT BECOME NECESSARY TO DISPERSE THE SYSTEM DO SO WITH LIGHT TREATMENTS OF DESCO AND ADDITIONS OF LIGNITE.

PROPERTIES SHOULD BE ADJUSTED AS DRILLING PROGRESSES TO MEET EXISTING HOLE CONDITIONS AND TO ENSURE SATISFACTORY LOGGING AND CASING OPERATIONS.

LOST CIRCULATION IS A POSSIBILITY WHILE DRILLING IN THE LOWER SECTION OF THE HOLE. WE WOULD RECOMMEND A GOOD CROSS SECTION OF LCM TO BE ON LOCATION AT ALL TIMES. PILL TREATMENTS OF LCM WILL NORMALLY TAKE CARE OF MINOR LOST CIRCULATION. FOR SEVERE LOST CIRCULATION LCM PERCENTAGES MAY BE AS MUCH AS 20-25% LCM.

HALLIBURTON

**Rosewood Resources Inc Ebusiness
2711 N Haskell Ave - Do Not Mail
Dallas, Texas 75204-2944**

Rockhouse #39

Uintah County, Utah
United States of America
S:11 T:11S R:23E

Surface & Production Cement Recommendation

Prepared for:
June 10, 2008
Version: 166925-2

Submitted by:
Robert Kruger
Halliburton
1085 E Main
Vernal, Utah 84078
435.789.2550

HALLIBURTON

Job Information

Surface

Well Name: Rockhouse

Well #: #39

12 1/4" Openhole

0 - 1000 ft (MD)

Inner Diameter

12.250 in

Job Excess

100 %

9 5/8" Surface Casing

0 - 1000 ft (MD)

Outer Diameter

9.625 in

Inner Diameter

8.921 in

Linear Weight

36 lbm/ft

HALLIBURTON

Job Recommendation

Surface

Fluid Instructions

Fluid 1: Water Spacer

Fresh Water

Fluid Density: 8.340 lbm/gal

Fluid Volume: 20 bbl

Fluid 2: Primary Cement

Standard Cement

94 lbm/sk Standard Cement (Cement)

2 % Calcium Chloride (Accelerator)

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 15.600 lbm/gal

Slurry Yield: 1.198 ft³/sk

Total Mixing Fluid: 5.258 Gal/sk

Top of Fluid: 0 ft

Calculated Fill: 1000 ft

Volume: 111.562 bbl

Calculated Sacks: 522.851 sks

Proposed Sacks: 530 sks

Fluid 3: Water Spacer

Water Displacement

Fluid Density: 8.340 lbm/gal

Fluid Volume: 77.310 bbl

Detailed Pumping Schedule

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Estimated Avg Rate bbl/min	Downhole Volume
1	Spacer	Fresh Water	8.3		20 bbl
2	Cement	Standard Cement	15.6		530 sks
3	Spacer	Water Displacement	8.3		77.310 bbl

Job Information

Production

Well Name: Rockhouse

Well #: #39

9 5/8" Surface Casing	0 - 1000 ft (MD)
Outer Diameter	9.625 in
Inner Diameter	8.921 in
Linear Weight	36 lbm/ft

7 7/8" Openhole	1000 - 7500 ft (MD)
Inner Diameter	7.875 in
Job Excess	50 %

4 1/2" Production Casing	0 - 7500 ft (MD)
Outer Diameter	4.500 in
Inner Diameter	4.000 in
Linear Weight	11.600 lbm/ft

HALLIBURTON

Job Recommendation

Production

Fluid Instructions

Fluid 1: Water Spacer

Fresh Water Ahead

Fluid Density: 8.340 lbm/gal
Fluid Volume: 10 bbl

Fluid 2: Reactive Spacer

SUPER FLUSH 101

Fluid Density: 10 lbm/gal
Fluid Volume: 20 bbl

Fluid 3: Water Spacer

Fresh Water Behind

Fluid Density: 8.340 lbm/gal
Fluid Volume: 10 bbl

Fluid 4: Lead Cement

Halliburton Light Standard

61.1 lbm/sk Standard Cement (Cement)
24.675 lbm/sk Pozmix A (Light Weight Additive)
6 % Bentonite (Light Weight Additive)
1 % Econolite (Light Weight Additive)
2 % Microbond (Expander)
3 % Salt (Salt)
0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 12.400 lbm/gal
Slurry Yield: 2.045 ft³/sk
Total Mixing Fluid: 11.195 Gal/sk
Top of Fluid: 0 ft
Calculated Fill: 2500 ft
Volume: 148.926 bbl
Calculated Sacks: 408.880 sks
Proposed Sacks: 410 sks

Fluid 5: Tail Cement

Premium Cement

94 lbm/sk Premium Cement (Cement)
2 % Microbond (Expander)
0.3 % CFR-3 (Dispersant)
0.5 % Halad(R)-9 (Low Fluid Loss Control)
0.2 % Super CBL (Expander)
0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 14.500 lbm/gal
Slurry Yield: 1.422 ft³/sk
Total Mixing Fluid: 6.876 Gal/sk
Top of Fluid: 2500 ft
Calculated Fill: 5000 ft
Volume: 304.291 bbl
Calculated Sacks: 1201.456 sks
Proposed Sacks: 1205 sks

Fluid 6: Water Spacer

Water Displacement

Fluid Density: 8.340 lbm/gal
Fluid Volume: 116.571 bbl

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: ROSEWOOD RESOURCES INC

Well Name: ROCKHOUSE 39

Api No: 43-047-38410 Lease Type: FEDERAL

Section 11 Township 11S Range 23E County UINTAH

Drilling Contractor COZ RIG # RATHOLE

SPUDDED:

Date 08/19/08

Time 8:00 AM

How DRY

Drilling will Commence: _____

Reported by JOE SCHOENBERGER

Telephone # (435) 828-7120

Date 08/20/08 Signed CHD

ROSEWOOD RESOURCES, INC

72 NORTH VERNAL AVE, VERNAL UTAH
84078

OFF 435 789-0414

FAX 435 789-0497

DENNIS---

CELL 435 828-8943

JERRY WATKINS, CELL, 214-801-1025

OFFICE- 214-756-6642

DAILY DRILLING REPORT

LEASE NAME & WELL NO. RH # 39				FIELD ROCK HOUSE, UNIT # 39		DATE August 30, 2008	
RIG NAME AND NUMBER FRONTIER # 1				COUNTY UINTAH	STATE UTAH	REPORT # 6	
TOTAL DEPTH 4350	Rot. Hrs 22.5	Cum Rot. Hrs 47	FOOTAGE DRILLED 1717	LAST CASING SIZE, WEIGHT, GRADE 9-5/8" 36#-K55		SET @ 1031--KB	DAYS FROM SPUD 3
ACTIVITY AT REPORT TIME DRILLING FORMATION 7-7/8" HOLE					REPORTED BY D-DAY		
REMARKS FORMATION--WASATCH						KB TO GL 13	
TIME LOG							
	TO	HOURS	Activity Detail			API NO. 43-047-38410	
6:00	11:00	5.00	DRILL FROM 2633 TO 3078' 15/18M-54 RPMS, PSI 950, 9.0 WT, 36 VIS				
11:00	11:30	0.5	SERVICE RIG				
11:30	20:00	8.5	DRILL FROM 3078 TO 3693'				
20:00	20:30	0.5	WIRE LINE SURVEY AT 3607-1-1/4 DEG				
20:30	3:30	7	DRILL FROM 3683 TO 4191'				
3:30	04:00	0.5	WIRE LINE SURVEY AT 4117, 1-3/4 DEG.				
4:00	06:00	2	DRILL FROM 4191 TO 4350'-15/18M, 54/72 RPMS, PSI, 1314, 42 VIS, 9.2 WT.				
WASATCH TOP-3036'---50% SH, RED BRN TO GRY, 50% SLTST; LT GRY, FIR, BLKY, RGH DULL.							
SHOWS--662 UNITS@2998, 781 UNITS@3021', 819 UNITS @ 3071'							
CONNECTION, 78 UNITS, BGG, 1-35 UNITS.							
LOST NO DRILLING FLUID TO THIS DEPTH.							
						STRING WT	
						UP	116,000
						DOWN	116,000
						ROTATE	116,000
		24.00					
MUD RECORD			MUD MATERIALS USED		BIT RECORD		
DEPTH	3301		NO. OF SACKS/LBS	PRODUCT NAME	BIT NO.	#-1	
TIME	14:00		2	LIME	SIZE	7-7/8"	
WEIGHT	9.2		150	GEL	MFG	SMITH	
VIS	39		2	CASUTIC	TYPE	MI-616	
WL	16		1	AL-STEARATE	JET	3-13/32-3-12/32	
PV/YP	8/5		1	EZ-UD	SERIAL NO.	ER20877	
H2S			25	SAWDUST	DEPTH OUT		
CA	40				DEPTH IN	1031	
GELS	2/6				TOTAL FEET	3319	
ALK	.5/1.2				HRS	47	
pH	11				ROP(fph)	70.6	
CAKE					WT. ON BIT	10/15,000	
CL	1,700		DAILY COST	\$1,759.00	RPM	57/-MM-73	
KCL %	1.000%		PREVIOUS COST	\$82.00	Cond.		
K Ion			CUMULATIVE COST	\$1,841	AN VEL	155/236	
DRILLING ASSEMBLY			PUMP DATA			DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	2	DEPTH	INCLINATION
1	BIT	1.00	MAKE	GD	GD	2558	1-1/2 DEG
1	MUD MOTOR	33.15	MODEL	PZ8	PZ8	3098	1-1/2 DEG
12	DRILL COLLARS	370.69	STROKE	8.0	8.0	3607	1-1/4 DEG
1	JARS	31.51	LINER SIZE	6.0	6.0	4117	1-3/4 DEG
3	DRILL COLLARS	92.75	SPM	124			
			GPM	334			
			SURF PRESSURE	1326			
			ECD	9.3		DAILY WELL COST	\$44,029
			SLOW PUMP- SPM			PREVIOUS CUM COST	\$196,516
			SLOW PUMP- PRES			CUMULATIVE WELL COST	\$240,545

ROSEWOOD RESOURCES, INC

72 NORTH VERNAL AVE, VERNAL UTAH
84078

OFF 435 789-0414

FAX 435 789-0497

DENNIS

CELL 435 828-8943

JERRY WATKINS, CELL, 214-801-1025

OFFICE- 214-756-6642

DAILY DRILLING REPORT

LEASE NAME & WELL NO. RH # 39				FIELD ROCK HOUSE, UNIT # 39		DATE August 31, 2008	
RIG NAME AND NUMBER FRONTIER # 1				COUNTY UINTAH	STATE UTAH	REPORT # 7	
TOTAL DEPTH 5780	Rot. Hrs 22.5	Cum Rot. Hr 69.5	FOOTAGE DRILLED 1430	LAST CASING SIZE, WEIGHT, GRADE 9-5/8" 36#-K55		SET @ 1031--KB	DAYS FROM SPUD 4
ACTIVITY AT REPORT TIME DRILLING FORMATION 7-7/8" HOLE						REPORTED BY D-DAY	
REMARKS FORMATION--MESAVERDE						KB TO GL 13	

TIME LOG			Activity Detail		API NO.
	TO	HOURS			43-047-38410
6:00	11:30	5.50	DRILLING FROM 4350 TO 4701, 15/18,000, 54/72 RPMS, 38 VIS, 9.2+ WT		
11:30	12:00	0.5	SERVICE RIG		
12:00	20:30	8.5	DRILL FROM 4701 TO 5210		
20:30	21:00	0.5	WIRE LINE SURVEY AT 5134-2.5 DEG		
21:00	4:30	7.5	DRILL FROM 5210 TO 5717.		
04:30	5:00	0.5	WIRE LINE SURVEY AT 5640'-3.0 DEG		
5:00	06:00	1	DRILL FROM 5717 TO 5780'--15/18,000--57/72 RPMS, 9.3+ MUD WT, 39 VIS, HAVE LOST NO DRILLING FLUID TO THIS DEPTH, HAVE SMALL FLOW ON CONNECTIONS.9.3+ WT, 39 VIS SHOWS--2242 UNITS @4447,8089 UNITS @ 4671, 4506 UNITS @4733',1088 UNITS 25544',4637 UNITS @- 5617',5867 UNITS @ 5640'--BGG-17/88 UNITS, CONNETIONS--5879 UNITS @ 5685.		
			50% SH:RED BRN TO GRY, 50% SLTST, LT GRY FIRM, BLKY RGH, DULL.		
			MESAVERDE TOP --??		
					STRING WT
				UP	116,000
				DOWN	116,000
				ROTATE	116,000
		24.00			

MUD RECORD		MUD MATERIALS USED		BIT RECORD	
DEPTH	4784	NO. OF SACKS/LBS	PRODUCT NAME	BIT NO.	#-1
TIME	13:00	3	LIME	SIZE	7-7/8"
WEIGHT	9.2	15	GEL	MFG	SMITH
VIS	38	1	CASUTIC	TYPE	MI-616
WL	10.4	2	CARBONOX	JET	3-13/32-3-12/32
PV/YP	7/5	2	EZ-UD	SERIAL NO.	ER20877
H2S		40	SAWDUST	DEPTH OUT	
CA	20			DEPTH IN	1031
GELS	0/2			TOTAL FEET	4749
ALK	.2/.8			HRS	69.5
pH	9.5			ROP(fph)	68.3
CAKE				WT. ON BIT	10/15,000
CL	1,700	DAILY COST	\$6,162.00	RPM	57/-MM-73
KCL %	1.000%	PREVIOUS COST	\$1,841.00	Cond.	
K Ion		CUMULATIVE COST	\$8,003	AN VEL	155/236

DRILLING ASSEMBLY			PUMP DATA			DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	2	DEPTH	INCLINATION
1	BIT	1.00	MAKE	GD	GD	4117	1-3/4 DEG
1	MUD MOTOR	33.15	MODEL	PZ8	PZ8	5626	1-3/4 DEG
12	DRILL COLLARS	370.69	STROKE	8.0	8.0	5134	2.5
1	JARS	31.51	LINER SIZE	6.0	6.0	5640	3.0
3	DRILL COLLARS	92.75	SPM	124			
			GPM	334			
			SURF PRESSURE	1326			
			ECD	9.3		DAILY WELL COST	\$29,738
			SLOW PUMP- SPM			PREVIOUS CUM COST	\$240,545
			SLOW PUMP- PRES			CUMULATIVE WELL COST	\$270,283

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

ENTITY ACTION FORM

Operator: Rosewood Resources, Inc. Operator Account Number: N 7510
 Address: P.O. Box 1668
city Vernal
state UT zip 84078 Phone Number: (435) 789-0414

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304740015	Rockhouse #38		SE	11	11S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
AB	99999	2025	8/20/2008		9/25/09		
Comments: <u>MVRD = WSMVD</u> <u>BHL = NESW</u>							

CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738410	Rockhouse #39		SW	11	11S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
AB	99999	2025	8/25/2008		9/25/09		
Comments: <u>MVRD = WSMVD</u>							

CONFIDENTIAL

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments: 							

ACTION CODES:

- 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)

Bill Henrie
 Name (Please Print)
Bill Henrie
 Signature
Admin. Asst. 9/9/08
 Title Date

RECEIVED
 SEP 09 2008
 DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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-0778

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Rosewood Resources, Inc.

3a. Address
P.O. Box 1688 Vernal, UT 84078

3b. Phone No. (include area code)
435-789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SWNW SEC 11 T11S R23E SLB&M

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

8. Well Name and No.
Rockhouse 39

9. API Well No.
43-047-38410

10. Field and Pool or Exploratory Area

11. Country or Parish, State
Utah, 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 checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<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.)

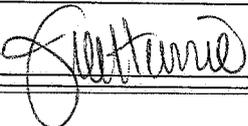
Please see attached rig reports on above mentioned well.
Thank you,

Jill Henrie
Rosewood Resources, Inc.
435-789-0414

CONFIDENTIAL

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

Title Administrative Assistant

Signature 

Date 12/01/2008

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

DEC 09 2008

ROSEWOOD RESOURCES, INC.

Daily Chronological Report

WELL NAME: Rockhouse #39

API # 43-047-38410

SWNW SEC 11 T11S R23E SLB&M

Lease Number #UTU-0778

County : Uintah

Engineer : J Watkins / K Carrigan

10/13/2008

MIRU Pro Well Service. Spot in pump & tank. ND Wellhead NU BOP. PU tallied in hole w/ bit scraper, X-over, seat nipple & 120 jts tbg. SDFN.

Daily Cost: \$9,000 Cum Cost: \$9,000

10/14/2008

PU 115 jts of 2 3/8" tbg. Tagged up @ 7380'. RU & drill down to 7513'. Circulated well clean. POOH w/ 30 jts. Laid down. SDFN

Daily Cost: \$8,500 Cum Cost: \$17,500

10/15/2008

0# on well. POOH Laying down 213 jts, X-over, scraper & bit. ND BOP NU Wellhead. RDMO

Daily Cost: \$4,500 Cum Cost: \$22,000

11/10/2008

MIRU. ND WH. NU BOP. RU & Perf Castlegate. 4 SPF . 42 shots total. 360 degree phasing. 7247'-50' 7188'-94' 7154'-57'. RD Wireline truck. PU 75 JTS 2 3/8" JTS TBG. SDFN

Daily Cost: \$14,500 Cum Cost: \$36,500

11/11/2008

0# on well. PU 32 jts . Set pkr @ 3300'. RU Weatherford. Pump break down. Break down pressured up to 4000#. Well would not break down. RD Weatherford. RU & started swabbing. Made 15 runs. Rec 30 bbls. SDFN.

Daily Cost: \$10,000 Cum Cost: \$46,500

11/12/2008

0# on well. PU & RIH w/ 130 jts. SDFN

Daily Cost: \$5,500 Cum Cost: \$52,000

11/13/2008

0# on well. Made 17 swab runs. Rec 60 bbls SDFN.

Daily Cost: \$5,500 Cum Cost: \$57,500

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500# on wellhead. RU Superior Well Service and spotted acid. Set pkr @ 7150'. Pump break down. LD 240 jts of 2 3/8" tbg & pkr. RDMO Superior.

Daily Cost: \$1,100 Cum Cost: \$68,500

11/15/2008

900# on wellhead. RU Cased Hole Solutions. Set CIBP @ 7100'. Shot perfs at 6979'-85', 6917'-21', 6870'-74'. RU Weatherford. Average rate 49.5 BPM. Ave PSI 3699#. Max rate 51.5 BPM. Max PSI 4677#. Ave PSI 4488#. Max Horsepower 5904. Initial SI PSI 2340#. 5 min 2214#. 10 min 2169#. 15 min 2152#. RU Cased Hole Solution. Set composite plug @ 6800'. Shot perfs 6721'-23', 6702'-04', 6609'-11', 6577'-80', 6501'-02', 6474'-75'. RD Cased Hole RU Weatherford. Pumped 2nd stage. Ave rate 49.5 BPM. Ave PSI 3556#. Max rate 49.9 BPM. Max PSI 4780#. Max horsepower 5846. Initial shut down PSI 2468#. 5 min 2344#. 10 min 2318. 15 min 2302#. RD Weatherford. SDFN.

Daily Cost: \$100,000 Cum Cost: \$168,500

11/17/2008

MIRU Cudd Coil tubing unit. SDFN.

Daily Cost: \$15,000 Cum Cost: \$183,500

11/18/2008

Finished RU coil tbg unit. RIH w/ coil & hit bridge from 4800'-5200'. Made it down to bridge plug @ 6800'. Drilled up bridge plug & cleaned out down to CIBP @ 7100'. POOH w/ coil tbg and RD & release Cudd. Started flowing well back on a 24/64" choke @ 2000#. Flowed well overnight. 580 PSI on well this A.M. on 24" choke.

Daily Cost: \$76,561 Cum Cost: \$260,061

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650# on well. Flowed well to pit all day. Had 650# at the end of the day. Still flowing water & some gas. Unable to establish flow rate at this time.

Daily Cost: \$17,000 Cum Cost: \$277,061

11/20/2008

650# at 7A.M. yesterday. Flowed well all day. Mostly water, some gas. No sand at 7 A.M. this morning had 350# still flowing water and gas.

Daily Cost: \$2,000 Cum Cost: \$279,061

11/21/2008

Flow tested at 350# on a 22/64" choke. At 11:30 well down to 50#. Opened up wide open. Well flowed until 4:30 & died.

Daily Cost: \$2,000 Cum Cost: \$281,061

Dennis is getting PSI reading today (11/25/08).

11/25/2008

Well had 2660#. Opened well up. Flowed back for 1 hr. Started to get water at 500#. Opened well wide open. Flowed at 500# for 1 hour then dropped down to 100# for 4 hours. Shut well in. Estimated total fluid recovery 75% of load.

12/01/08 SI PSI 2660#.

12/02/08 SI PSI 2660#.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well Oil Well Gas Well Dry Other
 b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resrv.,
 Other: _____

2. Name of Operator
Rosewood Resources, Inc.

3. Address P.O. Box 1668 Vernal, UT 84078

3a. Phone No. (include area code)
435-789-0414 x10

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface SWNW Sec11 T11S R23E SLB & M
2012' FNL 589' FWL

At top prod. interval reported below SWNW Sec11 T11S R23E SLB & M
2012' FNL 589' FWL

At total depth SWNW Sec11 T11S R23E SLB & M 2012' FNL 589' FWL

14. Date Spudded

15. Date T.D. Reached

16. Date Completed

D & A Ready to Prod.

18. Total Depth: MD 7500'
TVD 7500'

19. Plug Back T.D.: MD 7460'
TVD 7480'

20. Depth Bridge Plug Set: MD 7100'
TVD 7100'

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit report)
 Directional Survey? No Yes (Submit copy)

GR, Pex, CS, AIT, CN, LD

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4"	9 5/8"	36#	0	978'	N/A	530sx A + adds	108 bbl	Circ'd to Sfc	0
7 7/8"	4 1/2"	11.6#	0	7500'	N/A	440sx lead + 995 sx tail	155 bbl 221 bbl	55 bbl circ'd to surface	0

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8"	6224'	6224'						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesa Verde Frac Interval #2	6474'	6723'	6474-6723'	0.38	44	open, frac'd, commingled
B) Mesa Verde Frac Interval #1	6870'	6985'	6470-6985'	0.38	42	open, frac'd, commingled
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
Frac Interval #2 6474-6723	1512 bbl slickwater + 90,000 lbs sand at 50 bpm
Frac Interval #1 6870-6985	2521 bbl slickwater + 150,000 lbs sand at 50 bpm

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
1/12/09	1/12/09	18	→	0	279	140	unknown	unknown	Flowing via 2 3/8 tubing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
14/64	1100	0	→	0	372	186	100% gas	producing to sales with both intervals commingled	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
n/a			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

*(See instructions and spaces for additional data on page 2)

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FEB 09 2009

DIV. OF OIL, GAS & MINING

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Solid, used for fuel, vented, etc.)

Sold

30. Summary of Porous Zones (Include Aquifers):

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.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Uteland Butte	3038	3088	Limestone	Uteland Butte	3038 TMD
Wasatch	3088	4818	Sandstone	Wasatch	3088 TMD
Mesa Verde	4818	7180	Sandstone	Mesa Verde	4818 TMD
Castlegate	7180	TD	Sandstone	Castlegate	7180 TMD

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)
 Geologic Report
 DST Report
 Directional Survey
 Sundry Notice for plugging and cement verification
 Core Analysis
 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Keith D. Carrigan Title Production Engineer / Admin Asst
 Signature [Signature] Date 01/26/2009

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.

(Continued on page 3)

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SWNW SEC 11 T11S R23E SLB&M

Lease Number #UTU-0778

County : Uintah

Engineer : J Watkins / K Carrigan

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Flow tested at 350# on a 22/64" choke. At 11:30 well down to 50#. Opened up wide open. Well flowed until 4:30 & died.

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Dennis is getting PSI reading today (11/25/08).

11/25/2008

Well had 2660#. Opened well up. Flowed back for 1 hr. Started to get water at 500#. Opened well wide open. Flowed at 500# for 1 hour then dropped down to 100# for 4 hours. Shut well in. Estimated total fluid recovery 75% of load.

12/01/08 SI PSI 2660#.

12/02/08 SI PSI 2660#.

12/3/2008

MIRU Pro well Service

Daily Cost: \$3,500 Cum Cost: \$284,561

12/4/2008

RU Cased Hole Solutions. Couldn't get frac valve to shut. Blew well to pit for 1 1/2 hours. Started bringing warm water and thawed frac valve. Got frac valve shut. RIH w/ 4 1/2 pkr. Set pkr @ 6224'. Blew well down. POOH & RD Cased Hole Solutions. ND Frac valve NU BOP. PU & RIH w/ 197 jts 2 3/8 J-55 tbg. Latched on to pkr. Landed tbg w/ 15000# compression. ND BOP NU WH. Pumped off disk. SDFN.

Daily Cost: \$28,478 Cum Cost: \$313,039

1/7/2009

MIRU Pro Well Services. MIRU pump and tank. Well had 500# on TBG & 900# on CSG. Pumped down backside to test PKR. Well circulated. ND WH NU BOP. PU on TBG. On/off tool not latched on to PKR. SDFN.

Daily Cost: \$6,000 Cum Cost: \$319,039

1/8/2009

0# on well. Sand on top of PKR. Cleaned sand off & latched on to PKR. Tested back side to 1000#. Spaced out and landed TBG. ND BOP NU WH. Put 500# on CSG. Pumped 3000# on TBG. Could not get disk to break. Going to get a hot oiler to go to 5000# Will not be able to get until Monday. Shut down until Monday.

Daily Cost: \$5,500 Cum Cost: \$324,539

1/12/2009

RU Hot Oiler. Pressured up to 4300#. Popped off disk. Started flowing well back Flowed for 2 hours. RD & Put well on production. Well flowing at approximately 500 MCF.

Daily Cost: \$4,000 Cum Cost: \$328,539

01/12/09 LP 125#. TP 1100#. Well produced 279 MCF in 18 hours on a 14/64" choke. It made 140 BBLS water. 0 BBLS oil. 7
01/13/09 LP 136#. TP 500#. Well produced 221 MCF in 21 hours on a 14/64" choke. It made 200 BBLS water. 0 BBLS oil. 72
01/14/09 LP 152#. TP 500#. Well produced 177 MCF in 24 hours on a 14/64" choke. It made 217 BBLS water. 0 BBLS oil. 70
01/15/09 LP 136#. TP 500#. Well produced 168 MCF in 24 hours on a 14/64" choke. It made 175 BBLS water. 0 BBLS oil. 68
01/16/09 LP 136#. TP 425#. Well produced 185 MCF in 24 hours on a 14/64" choke. It made 173 BBLS water. 0 BBLS oil. 66
01/17/09 LP 136#. TP 425#. Well produced 202 MCF in 24 hours on a 14/64" choke. It made 145 BBLS water. 0 BBLS oil. 65
01/18/09 LP 136#. TP 425#. Well produced 202 MCF in 24 hours on a 14/64" choke. It made 147 BBLS water. 0 BBLS oil. 64

Rockhouse #39

01/19/09 LP 148#. TP 400#. Well produced 192 MCF in 24 hours on a 14/64" choke. It made 129 BBLS water. 0 BBLS oil. 62
01/20/09 LP 186#. TP 350#. Well produced 194 MCF in 24 hours on a 14/64" choke. It made 118 BBLS water. 0 BBLS oil. 61
01/21/09 LP 164#. TP 350#. Well produced 183 MCF in 24 hours on a 14/64" choke. It made 99 BBLS water. 12 BBLS oil. 60
01/22/09 LP 164#. TP 300#. Well produced 220 MCF in 24 hours on a 16/64" choke. It made 115 BBLS water. 0 BBLS oil. 59
01/23/09 LP 140#. TP 250#. Well produced 255 MCF in 24 hours on a 18/64" choke. It made 110 BBLS water. 3 BBLS oil. 58
01/24/09 LP 144#. TP 250#. Well produced 207 MCF in 24 hours on a 18/64" choke. It made 108 BBLS water. 0 BBLS oil. 57

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-0778
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: ROCK HOUSE
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: ROCKHOUSE 39	
2. NAME OF OPERATOR: ROSEWOOD RESOURCES INC	9. API NUMBER: 43047384100000	
3. ADDRESS OF OPERATOR: PO Box 1668 , Vernal , UT, 84078	PHONE NUMBER: 435 789-0414 Ext	9. FIELD and POOL or WILDCAT: ROCK HOUSE
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2012 FNL 0589 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 11 Township: 11.0S Range: 23.0E Meridian: S	COUNTY: UINTAH	
		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 Approximate date work will start: 11/21/2015 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input checked="" type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER
		<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
Please change this well to shut in status. It was shut in on 11/21/2015 due to economic instability. Thank you Jill		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY January 06, 2016		
NAME (PLEASE PRINT) Jill Henrie	PHONE NUMBER 435 789-0414	TITLE Administravtive Assistant
SIGNATURE N/A	DATE 1/5/2016	