

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

Budget Bureau No. 1004-0150
Expires December 31, 1991

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. UTU-0778
1b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Rosewood Resources, Inc.		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR P.O. Box 1668 Vernal, UT 84078		8. FARM OR LEASE NAME Rockhouse
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At Surface 1625' FSL 1204' FEL SEC 09 NESE T11S R23E At proposed Prod. Zone 641769X 4414680Y 39.872214 -109.342332		9. WELL NO. #40
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 33 miles South of Bonanza, Utah.		10. FIELD AND POOL OR WILDCAT Rockhouse <i>1220</i>
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1204'	16. NO. OF ACRES IN LEASE 640.00	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SEC 09 NESE T11S R23E SLB&M
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. On existing well pad of RH #25	19. PROPOSED DEPTH 5600' TVD	12. County Uintah
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6099' GR	17. NO. OF ACRES ASSIGNED TO THIS WELL 40	13. STATE Utah
20. ROTARY OR CABLE TOOLS Rotary		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"	36.0#	600'	+/- 330 sx - Circulate to surface
7 7/8"	4 1/2"	11.6#	5750' MD	+/- 1095 sx - Cement to surface

Rosewood Resources, Inc. proposes to drill a well to 5600' 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 11/9/07

(This space for Federal or State office use)

PERMIT NO. 43-047-9004 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 DATE 04-16-08
ENVIRONMENTAL MANAGER

BHL 641943X 39.870150
4414454Y -109.340349

**RECEIVED
APR 14 2008**

*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.

**Federal Approval of this
Action is Necessary**

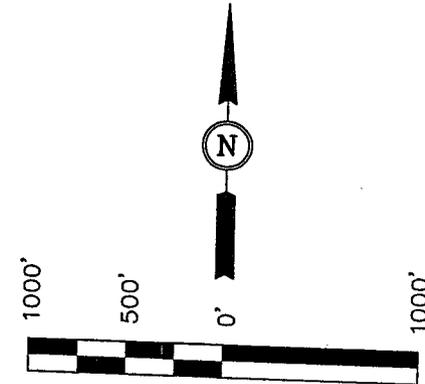
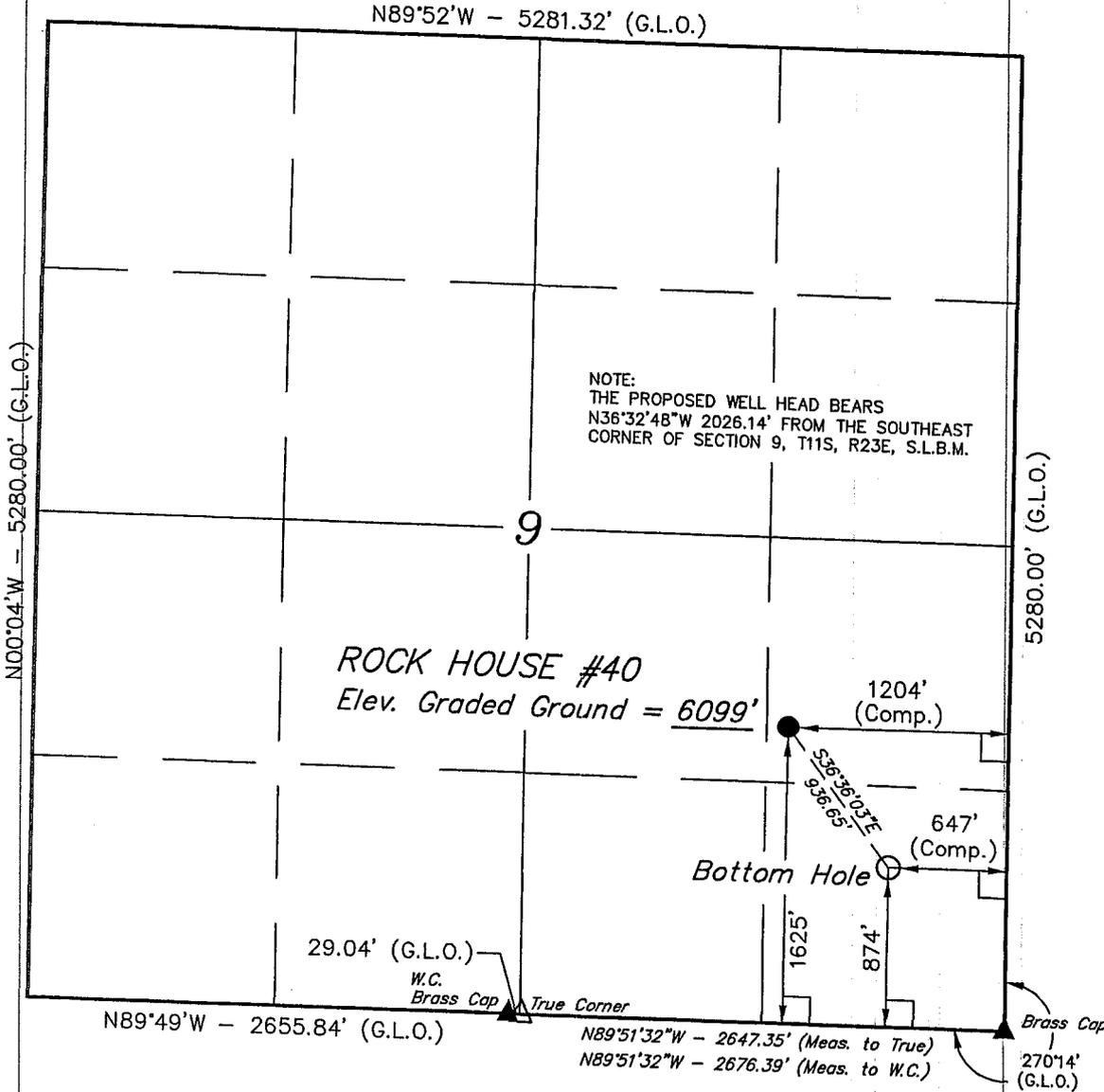
T11S, R23E, S.L.B.&M.

ROSEWOOD RESOURCES, INC.

Well location, ROCK HOUSE #40, located as shown in the NE 1/4 SE 1/4 of Section 9, T11S, R23E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE NW 1/4 CORNER 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.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME AND 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

Revised: 7-27-06

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED (Not Set on Ground)

BASIS OF BEARINGS

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

(AUTONOMOUS NAD 83)
LATITUDE = 39°52'19.65" (39.872125)
LONGITUDE = 109°20'34.71" (109.342975)
(AUTONOMOUS NAD 27)
LATITUDE = 39°52'19.77" (39.872158)
LONGITUDE = 109°20'32.27" (109.342297)

UNTAH ENGINEERING & LAND SURVEYING		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 12-12-05	DATE DRAWN: 12-20-05
PARTY B.B. J.K. K.G.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ROSEWOOD RESOURCES, INC.	

**ROSEWOOD
RESOURCES**

April 13, 2008

Ms. Diana Mason
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Directional Drilling R649-3-11

Rockhouse 40 - SESE 9 T11S R23E 874' FSL 647' FEL (downhole) 1625' FSL 1204' FEL (surf)

Uintah County, UT

Dear Ms Mason:

Pursuant to filing of Rosewood Resources, Inc Application for Permit to Drill regarding the above mentioned well. We are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the Exception to Location and Siting of Wells.

This well is located within the Rockhouse Unit. Rosewood is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location Rosewood will be able to utilize the existing road and pipeline.

Bottom hole location on this well is within 460 feet from lease lines.

Therefore, based on the above stated information Rosewood requests the permit be granted pursuant to R649-3-11

Respectfully Submitted,



Jill Henrie
Rosewood Resources, Inc.
P.O. Box 1668

Rosewood Resources, Inc.
265 East 100 South
P.O. Box 1668
Vernal, Utah 84078
435 789-0414
435 789 0479 (Fax)

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APR 16 2008
DIV. OF OIL, GAS & MINING

ONSHORE ORDER NO. 1
Rosewood Resources, Inc.
Rockhouse #40 (directional)
1625' FSL 1204' FEL (surface)
NE¼ SE ¼ Sec. 09, T11S, R23E
Uintah County, Utah

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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 of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

1. Estimated Tops of Important Geologic Markers

<u>Formation</u>	<u>MD</u>	<u>Subsea</u>	<u>TVD</u>
Green River	Surface	+6099'	Surface
Uteland Butte Limestone	3755'	+2500'	3609'
Wasatch	3816'	+2440'	3669'
Mesa Verde	5597'	+660'	5449'
T.D.	5748'	+509'	5600'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas/Oil	Wasatch	3669' - 5449'
Gas/Oil	Mesa Verde	5449' - 5600' TVD

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.**

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- j. Top plugs shall be used to reduce the contamination of cement by displacement fluid. A bottom plug or other acceptable technique, 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	0-600'	12 ¼"	9 5/8"	36#	J-55	ST&C	New
Production Or equivalent	0-5600'	7 7/8"	4 ½"	11.6#	M-80	LT&C	New

- n. Casing design subject to revision based on geological conditions encountered.**

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- o. The cement program will be as follows:

<u>Surface</u>	<u>Type and Amount</u>
0-600'	+/- 330 SXS (100%excess) Class "G"+ 2% CaCl + 0.125 #/SX Poly E-flake. Slurry Weight 15.8 PPG. Yield 1.17 ft sk. Water requirement = 5.00 gals/sac.
<u>Production</u>	<u>Type and Amount</u>
0-5750' MD'	Lead cement: +/- 215 SXS – (147.13 bbls) Halliburton Hi-fill w/ 1/8 lb/sx Poly-E-Flake. Density 11.0 ppg. Yield 3.84 ft sk. Water requirement = 23.11 gals/sac. Tail Cement: +/- 880 SXS – (180.08 bbls) Premium w/ 0.6% Halad-322 & 1/8 lb/sx Poly-E-Flake. Density 15.8 ppg. Yield 1.15 ft sk. Water requirement 4.93 gals/sac.

- 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.

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1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:
 - a. Setting of each string of casing, showing the size, 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>TVD Interval</u>	<u>Mud Type</u>
0-600'	Fresh Water
600'-2,000'	Fresh water/CRYSTAL DRIL/Sweeps
2,000'-5,600'	2% KCl water/CRYSTAL DRIL/Sweeps

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<u>TVD Interval</u>	<u>Visc</u>	<u>PH</u>	<u>Mud Weight</u>
0-600'	28-29	8.0- 8.5	8.3 – 8.45 ppg
600'-2,000'	28-29	7.0 - 8.0	8.3 – 8.4 ppg
2,000'-5,600'	28-29	8.0- 9.5	8.6 – 8.9 ppg

Prior to logging or running csg, close in system and mud-up with SEAMUD for viscosity and IMOERMEX for filtration control. Use Barite for density above 10.0 ppg (not expected). Use BARADEFOAM 1 for defoamer if needed.

<u>Visc</u>	<u>PH</u>	<u>Mud Weight</u>
32-42	9.0-9.5	8.6-8.9 ppg

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:**
 - 1. 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.**

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- 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:

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. An Induction Log, Neutron Density and Gamma Ray will be run from TD to Surface casing. A Cement Bond Log will be run from TD to top of cement.
- c. No cores will be taken.

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- 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.
 - 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 and rig availability.
 - b. It is anticipated that the drilling of this well will take approximately 9 days.
 - c. The BLM in Vernal, Utah will be notified of anticipated dates to begin road & location construction and spud date.

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- 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.
- g. 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.
- h. A Completion Rig will be moved in following drilling operations. All conditions of this approved plan are applicable during the completion operations.
- i. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date the well is put on line.
- j. Pursuant to Onshore Order no. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for a permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

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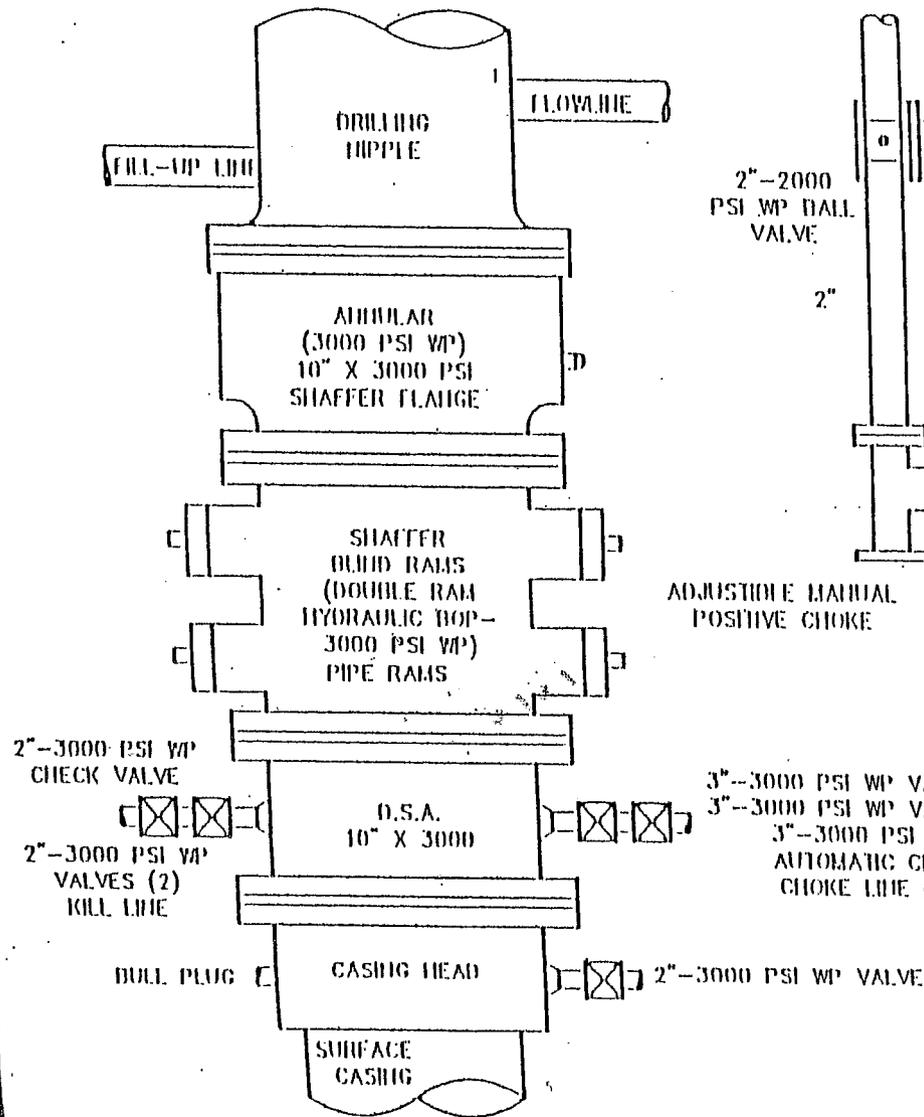
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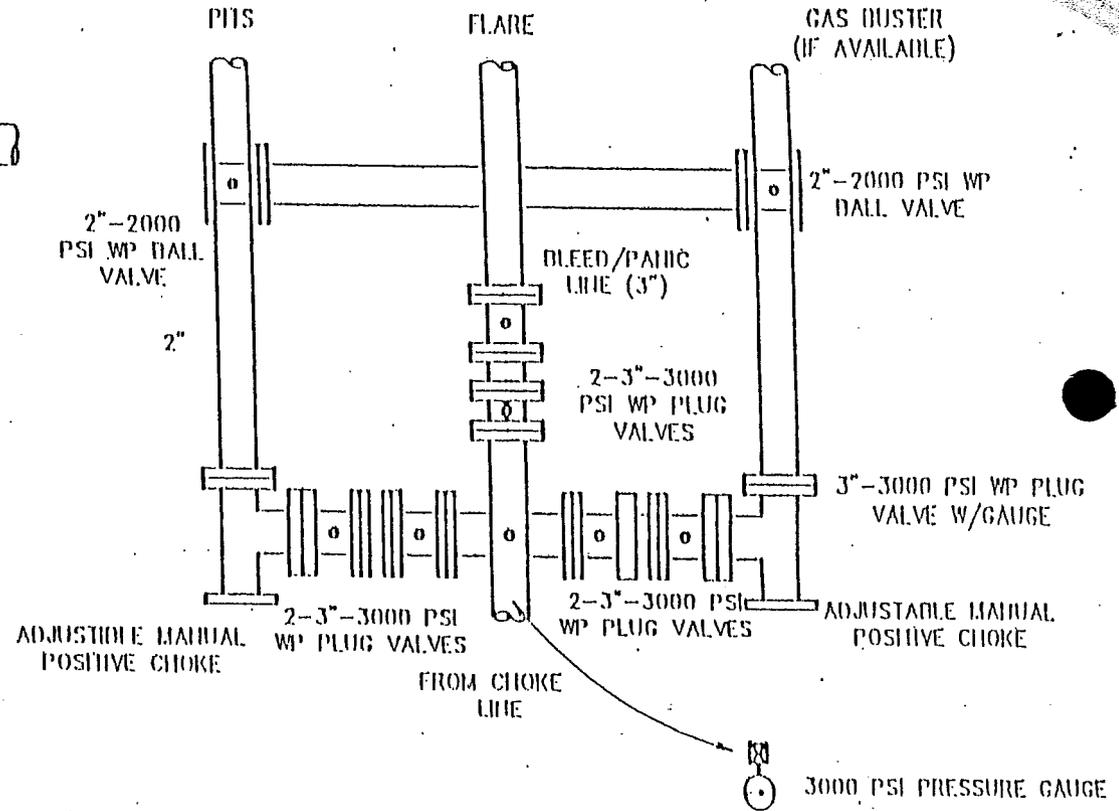
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- k. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day period.**
- l. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.)**
- m. A first production conference will be scheduled within 15 days after receipt of the first production notice.**
- n. No well abandonment operations will 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.**
- o. 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.**

BOP SCHEMATIC
3000 PSI WORKING PRESSURE



PLAN VIEW CHOKE MANIFOLD



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

ONSHORE ORDER NO. 1
Rosewood Resources, Inc.
Rockhouse #40 (directional)
1625' FSL 1204' FEL (surface)
NE¼ SE ¼ Sec. 09, T11S, R23E
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-0778

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 -** Twenty-four (24) hours prior to running casing and
Cementing cementing all casing strings.
- BOPE and Related -** Twenty-four (24) hours prior to initiating pressure tests.
Equipment 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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- b. Starting in Bonanza, Utah proceed South on the paved road for 4 miles. Turn South (left) on the Book Cliff's road (dirt road). Proceed South 3.9 miles to the Greeks Corrals. Turn West (right) at the fork in the road. Proceed 8.3 miles to the Asphalt Wash sign. Stay to the South (left) of the sign. Proceed .7 miles to the Rainbow sign. Stay to the West (right) of the sign. This is also called the Kings Well road. Proceed 10.5 miles, turn North (right) off the County road. Proceed .7 miles and stay to the right at the intersection. Proceed 2.8 miles turn West (right). Proceed 1.4 miles to Saddletree Draw. Turn North (right) proceed .7 miles to the oil field access road to the Rockhouse #19. Turn West (left) to the access road for Rosewood Resources Rockhouse #40 proposed location.
 - c. Improvements to the existing access (BLM and County roads) will not be necessary.
 - d. For location of access roads within 2-mile radius, see Maps A & B.
 - e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
 - f. Existing roads and any newly constructed roads will be maintained in accordance with the standards of the Surface Managing Agency.
2. **Planned Access Roads**
- a. All access roads are maintained by the Operator, County Road Dept. or is a BLM road
 - b. No new roads will be required.
 - 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 use of surfacing material is not anticipated; however it may be necessary depending on weather conditions.
-

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- f. **Surface disturbance and vehicular travel will be limited to the approved location and access route. Any additional area needed will be approved in advance.**
 - g. **No cattleguards will be necessary**
 - h. **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)**
 - i. **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.**
 - j. **No road right-of-way will be required at this time.**
- 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 #25, Rockhouse #18, Rockhouse #19, Rockhouse #17, Rockhouse #14, Rockhouse #22, Rockhouse #26, Rockhouse #27, Rockhouse #28**
 - d. **Drilling wells – none**
 - e. **Shut-in wells – none**
 - f. **Temporarily abandoned wells – none**
 - g. **Disposal wells –none**
-

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- h. Dry Holes – none**
 - i. Abandoned wells – Rockhouse #16**
- 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 Juniper Green. All facilities will be painted within six months of installation. Facilities required to comply with Occupational Safety and Health Act (OSHA) will be excluded.**
 - 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. At the time of production, 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. 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**

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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 to 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.
 - 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. The road will be maintained in a safe and useable condition.
 - l. The pipeline will be within +/-200' 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".
-

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6. Source of Construction Material

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

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.**

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- 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.**

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 Northeast 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 south and northwest of the location as shown on the Pit & Pad Layout. The topsoil pile for the reserve pit reclamation will be stored on the northeast of the location as shown on the Pit & Pad Layout. Topsoil along the access route will be windrowed on the uphill side.**

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- e. Access to the well pad will be from the northwest 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.
- h. Brush and trees will not be an issue for this well pad.
- 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.**
- f. **The seed mixture to be used for reclamation of the drill site if needed is as follows: Fourwing Saltbrush 4 Lbs. PLS/Acre, Western Wheatgrass 2 Lbs. PLS/Acre. Shad Scale 3 Lbs PLS/Acre, Black Sage 3 Lbs. PLS/Acre.**
- g. **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.**
- h. **The topsoil stockpile will be seeded with above determined seed mixture.**

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11. Dry Hole

- a. 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.

12. 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.

13. Other Information

- a. A Class III archeological survey was conducted prior to drilling the existing Rockhouse #25 location.
- b. A Paleontological reconnaissance survey was conducted prior to drilling the Rockhouse #25 location.
- c. 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

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archeological sites. If historic or archeological materials are uncovered during construction, the operator is to immediately halt all 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.

- d. 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.
- e. 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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- f. 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.**
- g. A complete copy of the APD shall be on location during construction of location and drilling activities.**
- h. There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices shall be observed. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.**
- i. "Sundry Notice and Report on Wells" (Form 3160-5) will be used to request plan changes and other operations in accordance with 43 CFR 3162.3-2.**
- j. This permit will be valid for a period of two years 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.**
- k. The operator or his contractor shall contact the BLM Offices at (435) 781-4400 48 hours prior to beginning construction activities.**
- l. The BLM Office shall be notified upon site completion prior to moving in the drilling rig.**

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

Matt Baker
Michael Lee
BLM Fax Machine

Petroleum Engineer (435)828-4470
Petroleum Engineer (435)828-7875
(435)789-3634

14. 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 (Office)
435/828-0717 (Mobile)

Drilling & Completion Matters

Jerry Watkins - 214-756-6642 (Office)
214-801-1025 (Mobile)

Tony Urruty - 303/991/4690 (Office)
303/547/6653 (Mobile)

Environmental & Safety Matters

Alan Roachell - 214/756-6694 (Office)
214/466-2993 (Mobile)

Rockhouse #40

SELF CERTIFICATION

Please be advised that Rosewood Resources, Inc. is to be considered the operator of the Rockhouse #40 well located at NESE SEC 09 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.

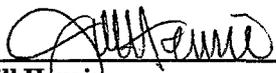
CERTIFICATION

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

11/9/07



Jill Henrie

Administrative Assistant
Rosewood Resources, Inc.

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Rockhouse #40 (Directional)

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2. Anticipated Depths of Oil, Gas and Water
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6. Testing Logging and Coring
7. Abnormal Pressures and H₂S Gas
8. Other Information & Notification Requirements

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 3. Location of Wells Within one mile Radius
 4. Proposed Production Facilities
 5. Water Supply
 6. Construction Materials
 7. Waste Disposal
 8. Ancillary Facilities
 9. Wellsite Layout
 10. Reclamation
 11. Surface/Mineral Ownership
 12. Other Information
 13. Lessee's or Operator Representatives
-

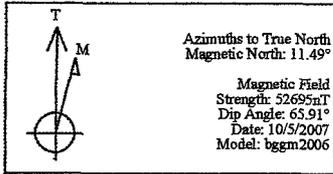
ROSEWOOD RESOURCES

ROCK HOUSE UNIT #40
 1625' FSL, 1204' FEL
 SECTION 9 T11S, R23E
 UTAH COUNTY, UTAH

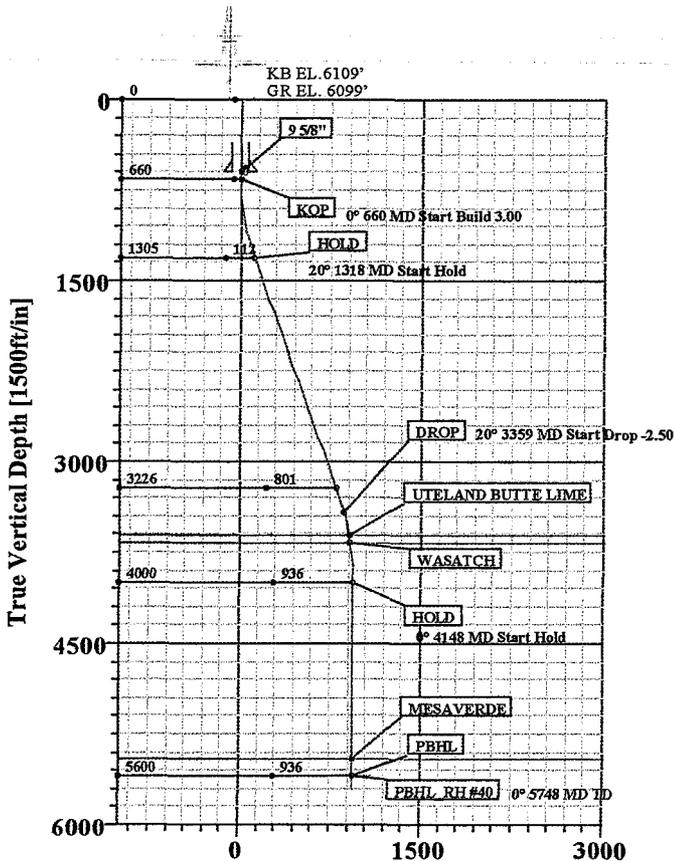
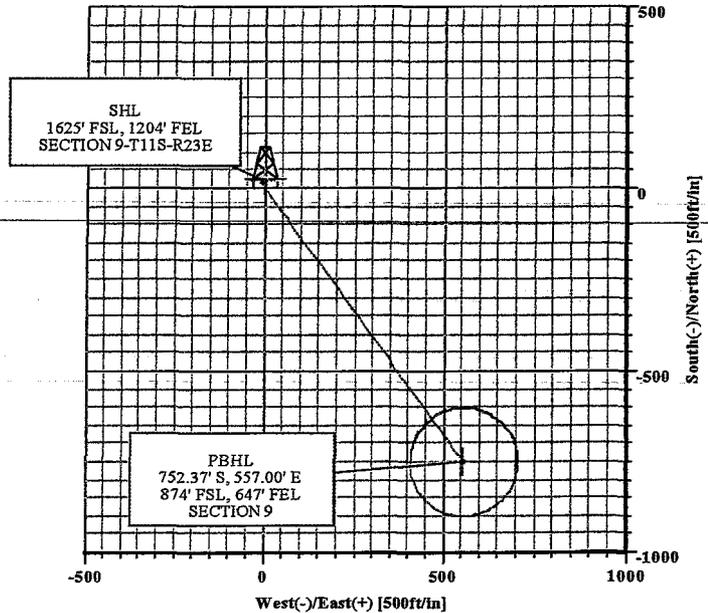


SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	143.49	0.00	0.00	0.00	0.00	0.00	0.00	
2	660.00	0.00	143.49	660.00	0.00	0.00	0.00	0.00	0.00	
3	1317.93	19.74	143.49	1304.99	-90.18	66.77	3.00	143.49	112.21	
4	3358.85	19.74	143.49	3226.01	-644.15	476.88	0.00	0.00	801.47	
5	4148.37	0.00	143.49	4000.00	-752.37	557.00	2.50	180.00	936.12	
6	5748.37	0.00	143.49	5600.00	-752.37	557.00	0.00	143.49	936.12	PBHL_RH #40

TARGET DETAILS								
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
PBHL_RH #40	5600.00	-752.37	557.00	7128720.61	2246320.71	39°52'12.214N	109°20'27.566W	Circle (Radius: 150)



TOTAL CORRECTION TO GRID NORTH: 11.49°



Vertical Section at 143.49° [1500ft/in]

SITE DETAILS	
ROCK HOUSE #40 SECTION 9 T11S-R23E 1625' FSL, 1024' FEL	
Site Centre Latitude:	39°52'19.650N
Longitude:	109°20'34.710W
Ground Level:	6099.00
Positional Uncertainty:	0.00
Convergence:	1.38

FIELD DETAILS	
UINTAH COUNTY, UTAH	
Geodetic System:	US State Plane Coordinate System 1983
Ellipsoid:	GRS 1980
Zone:	Utah, Central Zone
Magnetic Model:	bggm2006
System Datum:	Mean Sea Level
Local North:	True North

Plan: Plan #1 (RHU #40/1)
 Created By: ROBERT SCOTT
 Date: 10/18/2007

Weatherford International, I.O.

PLAN REPORT

Company: ROSEWOOD RESOURCES	Date: 10/18/2007	Time: 13:59:01	Page: 1
Field: UINTAH COUNTY, UTAH	Co-ordinate(NE) Reference: Well: RHU #40, True North		
Site: ROCK HOUSE #40	Vertical (TVD) Reference: SITE 6109.0		
Well: RHU #40	Section (VS) Reference: Well (0.00N,0.00E,143.49Azi)		
Wellpath: 1	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Field: UINTAH COUNTY, UTAH

Map System: US State Plane Coordinate System 1983
 Geo Datum: GRS 1980
 Sys Datum: Mean Sea Level

Map Zone: Utah, Central Zone
 Coordinate System: Well Centre
 Geomagnetic Model: bggm2006

Site: ROCK HOUSE #40
 SECTION 9 T11S-R23E
 1625' FSL, 1024' FEL

Site Position:	Northing: 7129459.33 ft	Latitude: 39 52 19.650 N
From: Geographic	Easting: 2245745.73 ft	Longitude: 109 20 34.710 W
Position Uncertainty: 0.00 ft		North Reference: True
Ground Level: 6099.00 ft		Grid Convergence: 1.38 deg

Well: RHU #40
 1625' FSL, 1204' FEL

Slot Name:

Well Position: +N/-S 0.00 ft	Northing: 7129459.33 ft	Latitude: 39 52 19.650 N
+E/-W 0.00 ft	Easting: 2245745.73 ft	Longitude: 109 20 34.710 W
Position Uncertainty: 0.00 ft		

Wellpath: 1

Drilled From: Surface
Tie-on Depth: 0.00 ft
Above System Datum: Mean Sea Level
Declination: 11.49 deg
Mag Dip Angle: 65.91 deg
+E/-W Direction
ft deg

Current Datum: SITE	Height 6109.00 ft
Magnetic Data: 10/5/2007	
Field Strength: 52695 nT	
Vertical Section: Depth From (TVD)	
ft	ft
0.00	0.00

Plan: Plan #1

Date Composed: 10/5/2007
 Version: 1
 Tied-to: From Surface

Principal: Yes

Plan Section Information

MD	Incl	Azim	TVD	+N/-S	+E/-W	DLS	Build	Turn	TFO	Target
ft	deg	deg	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft	deg	
0.00	0.00	143.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
660.00	0.00	143.49	660.00	0.00	0.00	0.00	0.00	0.00	0.00	
1317.93	19.74	143.49	1304.99	-90.18	66.77	3.00	3.00	0.00	143.49	
3358.85	19.74	143.49	3226.01	-644.15	476.88	0.00	0.00	0.00	0.00	
4148.37	0.00	143.49	4000.00	-752.37	557.00	2.50	-2.50	0.00	180.00	
5748.37	0.00	143.49	5600.00	-752.37	557.00	0.00	0.00	0.00	143.49	PBHL_RH #40

Survey

MD	Incl	Azim	TVD	N/S	E/W	VS	DLS	Build	Turn	Comment
ft	deg	deg	ft	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft	
660.00	0.00	143.49	660.00	0.00	0.00	0.00	0.00	0.00	0.00	KOP
760.00	3.00	143.49	759.95	-2.10	1.56	2.62	3.00	3.00	0.00	
860.00	6.00	143.49	859.63	-8.41	6.23	10.46	3.00	3.00	0.00	
960.00	9.00	143.49	958.77	-18.90	13.99	23.51	3.00	3.00	0.00	
1060.00	12.00	143.49	1057.08	-33.54	24.83	41.74	3.00	3.00	0.00	
1160.00	15.00	143.49	1154.31	-52.30	38.72	65.08	3.00	3.00	0.00	
1260.00	18.00	143.49	1250.18	-75.13	55.62	93.48	3.00	3.00	0.00	
1317.93	19.74	143.49	1304.99	-90.18	66.77	112.21	3.00	3.00	0.00	HOLD
1360.00	19.74	143.49	1344.59	-101.60	75.22	126.42	0.00	0.00	0.00	
1460.00	19.74	143.49	1438.72	-128.75	95.31	160.19	0.00	0.00	0.00	
1560.00	19.74	143.49	1532.84	-155.89	115.41	193.96	0.00	0.00	0.00	
1660.00	19.74	143.49	1626.97	-183.03	135.50	227.73	0.00	0.00	0.00	
1760.00	19.74	143.49	1721.09	-210.18	155.60	261.50	0.00	0.00	0.00	
1860.00	19.74	143.49	1815.22	-237.32	175.69	295.28	0.00	0.00	0.00	
1960.00	19.74	143.49	1909.34	-264.46	195.79	329.05	0.00	0.00	0.00	

Weatherford International, Ltd.

PLAN REPORT

Company: ROSEWOOD RESOURCES Field: UINTAH COUNTY, UTAH Site: ROCK HOUSE #40 Well: RHU #40 Wellpath: 1	Date: 10/18/2007 Time: 13:59:01 Page: 2 Co-ordinate(NE) Reference: Well: RHU #40, True North Vertical (TVD) Reference: SITE 6109.0 Section (VS) Reference: Well (0.00N,0.00E,143.49Azi) Survey Calculation Method: Minimum Curvature Db: Sybase
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Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Comment
2060.00	19.74	143.49	2003.47	-291.60	215.88	362.82	0.00	0.00	0.00	
2160.00	19.74	143.49	2097.59	-318.75	235.98	396.59	0.00	0.00	0.00	
2260.00	19.74	143.49	2191.71	-345.89	256.07	430.36	0.00	0.00	0.00	
2360.00	19.74	143.49	2285.84	-373.03	276.17	464.14	0.00	0.00	0.00	
2460.00	19.74	143.49	2379.96	-400.18	296.26	497.91	0.00	0.00	0.00	
2560.00	19.74	143.49	2474.09	-427.32	316.35	531.68	0.00	0.00	0.00	
2660.00	19.74	143.49	2568.21	-454.46	336.45	565.45	0.00	0.00	0.00	
2760.00	19.74	143.49	2662.34	-481.61	356.54	599.22	0.00	0.00	0.00	
2860.00	19.74	143.49	2756.46	-508.75	376.64	632.99	0.00	0.00	0.00	
2960.00	19.74	143.49	2850.59	-535.89	396.73	666.77	0.00	0.00	0.00	
3060.00	19.74	143.49	2944.71	-563.03	416.83	700.54	0.00	0.00	0.00	
3160.00	19.74	143.49	3038.84	-590.18	436.92	734.31	0.00	0.00	0.00	
3260.00	19.74	143.49	3132.96	-617.32	457.02	768.08	0.00	0.00	0.00	
3358.85	19.74	143.49	3226.01	-644.15	476.88	801.47	0.00	0.00	0.00	
3360.00	19.71	143.49	3227.09	-644.46	477.11	801.85	2.50	-2.50	0.00	
3460.00	17.21	143.49	3321.93	-669.91	495.95	833.51	2.50	-2.50	0.00	
3558.85	14.74	143.49	3416.96	-691.77	512.13	860.71	2.50	-2.50	0.00	DROP
3560.00	14.71	143.49	3418.07	-692.01	512.31	861.01	2.50	-2.50	0.00	
3660.00	12.21	143.49	3515.32	-710.71	526.16	884.28	2.50	-2.50	0.00	
3755.45	9.82	143.49	3609.00	-725.37	537.01	902.52	2.50	-2.50	0.00	UTELAND BUTTE LIME
3760.00	9.71	143.49	3613.49	-725.99	537.47	903.29	2.50	-2.50	0.00	
3816.21	8.30	143.49	3669.00	-733.06	542.70	912.09	2.50	-2.50	0.00	WASATCH
3860.00	7.21	143.49	3712.39	-737.81	546.22	918.00	2.50	-2.50	0.00	
3960.00	4.71	143.49	3811.84	-746.16	552.40	928.38	2.50	-2.50	0.00	
4060.00	2.21	143.49	3911.65	-751.00	555.99	934.41	2.50	-2.50	0.00	
4148.37	0.00	143.49	4000.00	-752.37	557.00	936.12	2.50	-2.50	0.00	HOLD
4160.00	0.00	143.49	4011.63	-752.37	557.00	936.12	0.00	0.00	0.00	
4260.00	0.00	143.49	4111.63	-752.37	557.00	936.12	0.00	0.00	0.00	
4360.00	0.00	143.49	4211.63	-752.37	557.00	936.12	0.00	0.00	0.00	
4460.00	0.00	143.49	4311.63	-752.37	557.00	936.12	0.00	0.00	0.00	
4560.00	0.00	143.49	4411.63	-752.37	557.00	936.12	0.00	0.00	0.00	
4660.00	0.00	143.49	4511.63	-752.37	557.00	936.12	0.00	0.00	0.00	
4760.00	0.00	143.49	4611.63	-752.37	557.00	936.12	0.00	0.00	0.00	
4860.00	0.00	143.49	4711.63	-752.37	557.00	936.12	0.00	0.00	0.00	
4960.00	0.00	143.49	4811.63	-752.37	557.00	936.12	0.00	0.00	0.00	
5060.00	0.00	143.49	4911.63	-752.37	557.00	936.12	0.00	0.00	0.00	
5160.00	0.00	143.49	5011.63	-752.37	557.00	936.12	0.00	0.00	0.00	
5260.00	0.00	143.49	5111.63	-752.37	557.00	936.12	0.00	0.00	0.00	
5360.00	0.00	143.49	5211.63	-752.37	557.00	936.12	0.00	0.00	0.00	
5460.00	0.00	143.49	5311.63	-752.37	557.00	936.12	0.00	0.00	0.00	
5560.00	0.00	143.49	5411.63	-752.37	557.00	936.12	0.00	0.00	0.00	
5597.37	0.00	143.49	5449.00	-752.37	557.00	936.12	0.00	0.00	0.00	MESAVERDE
5660.00	0.00	143.49	5511.63	-752.37	557.00	936.12	0.00	0.00	0.00	
5748.37	0.00	143.49	5600.00	-752.37	557.00	936.12	0.00	0.00	0.00	PBHL_RH #40

Annotation

MD ft	TVD ft	
660.00	660.00	KOP
1317.93	1304.99	HOLD
3558.85	3416.96	DROP
4148.37	4000.00	HOLD
5748.37	5600.00	PBHL

Weatherford International, Ltd.

Anticollision Report

Company:	ROSEWOOD RESOURCES	Date:	10/18/2007	Time:	14:21:34	Page:	2
Field:	UINTAH COUNTY, UTAH	Co-ordinate(NE) Reference:	Well: RHU #40, True North				
Reference Site:	ROCK HOUSE #40	Vertical (TVD) Reference:	SITE 6109.0				
Reference Well:	RHU #40						
Reference Wellpath:	1						

Db: Sybase

Site: RHU 12
 Well: RHU 12
 Wellpath: 1 VO Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference MD	TVD	Offset		Semi-Major Axis			Offset Location		Ctr-Ctr Distance	Edge Distance	Separation Factor	Warning
		MD	TVD	Ref	Offset	TFO-HS	North	East				
ft	ft	ft	ft	ft	ft	deg	ft	ft	ft	ft		
3600.00	3456.85	3456.85	3456.85	0.00	7.65	125.30	-713.17	-1266.27	1784.47	1776.82	233.37	
3700.00	3554.49	3554.49	3554.49	0.00	7.87	126.12	-713.17	-1266.27	1797.26	1789.39	228.49	
3800.00	3652.97	3652.97	3652.97	0.00	8.09	126.76	-713.17	-1266.27	1807.63	1799.55	223.52	
3900.00	3752.12	3752.12	3752.12	0.00	8.31	127.25	-713.17	-1266.27	1815.49	1807.18	218.47	
4000.00	3851.73	3851.73	3851.73	0.00	8.53	127.57	-713.17	-1266.27	1820.75	1812.22	213.35	
4100.00	3951.63	3951.63	3951.63	0.00	8.76	127.73	-713.17	-1266.27	1823.38	1814.62	208.18	
4200.00	4051.63	4051.63	4051.63	0.00	8.98	271.23	-713.17	-1266.27	1823.69	1814.71	203.01	
4300.00	4151.63	4151.63	4151.63	0.00	9.21	271.23	-713.17	-1266.27	1823.69	1814.48	198.05	
4400.00	4251.63	4251.63	4251.63	0.00	9.43	271.23	-713.17	-1266.27	1823.69	1814.26	193.33	
4500.00	4351.63	4351.63	4351.63	0.00	9.66	271.23	-713.17	-1266.27	1823.69	1814.03	188.84	
4600.00	4451.63	4451.63	4451.63	0.00	9.88	271.23	-713.17	-1266.27	1823.69	1813.81	184.54	
4700.00	4551.63	4551.63	4551.63	0.00	10.11	271.23	-713.17	-1266.27	1823.69	1813.58	180.44	
4800.00	4651.63	4651.63	4651.63	0.00	10.33	271.23	-713.17	-1266.27	1823.69	1813.36	176.51	
4900.00	4751.63	4751.63	4751.63	0.00	10.56	271.23	-713.17	-1266.27	1823.69	1813.13	172.75	
5000.00	4851.63	4851.63	4851.63	0.00	10.78	271.23	-713.17	-1266.27	1823.69	1812.91	169.15	
5100.00	4951.63	4951.63	4951.63	0.00	11.01	271.23	-713.17	-1266.27	1823.69	1812.68	165.70	
5200.00	5051.63	5051.63	5051.63	0.00	11.23	271.23	-713.17	-1266.27	1823.69	1812.46	162.38	
5300.00	5151.63	5151.63	5151.63	0.00	11.46	271.23	-713.17	-1266.27	1823.69	1812.23	159.19	
5400.00	5251.63	5251.63	5251.63	0.00	11.68	271.23	-713.17	-1266.27	1823.69	1812.01	156.13	
5500.00	5351.63	5351.63	5351.63	0.00	11.91	271.23	-713.17	-1266.27	1823.69	1811.78	153.18	
5600.00	5451.63	5451.63	5451.63	0.00	12.13	271.23	-713.17	-1266.27	1823.69	1811.56	150.35	
5700.00	5551.63	5551.63	5551.63	0.00	12.35	271.23	-713.17	-1266.27	1823.69	1811.33	147.61	

Site: RHU 18
 Well: RHU 18
 Wellpath: 1 VO Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference MD	TVD	Offset		Semi-Major Axis			Offset Location		Ctr-Ctr Distance	Edge Distance	Separation Factor	Warning
		MD	TVD	Ref	Offset	TFO-HS	North	East				
ft	ft	ft	ft	ft	ft	deg	ft	ft	ft	ft		
100.00	100.00	100.00	100.00	0.00	0.10	162.50	-2144.67	676.13	2248.72	2248.62	22188.84	
200.00	200.00	200.00	200.00	0.00	0.33	162.50	-2144.67	676.13	2248.72	2248.40	6895.58	
300.00	300.00	300.00	300.00	0.00	0.55	162.50	-2144.67	676.13	2248.72	2248.17	4082.08	
400.00	400.00	400.00	400.00	0.00	0.78	162.50	-2144.67	676.13	2248.72	2247.95	2899.17	
500.00	500.00	500.00	500.00	0.00	1.00	162.50	-2144.67	676.13	2248.72	2247.72	2247.80	
600.00	600.00	600.00	600.00	0.00	1.22	162.50	-2144.67	676.13	2248.72	2247.50	1835.43	
700.00	700.00	700.00	700.00	0.00	1.45	19.02	-2144.67	676.13	2248.33	2246.88	1550.64	
800.00	799.87	799.87	799.87	0.00	1.67	19.11	-2144.67	676.13	2243.87	2242.20	1340.09	
900.00	899.37	899.37	899.37	0.00	1.90	19.28	-2144.67	676.13	2234.49	2232.59	1177.25	
1000.00	998.21	998.21	998.21	0.00	2.12	19.56	-2144.67	676.13	2220.21	2218.09	1047.17	
1100.00	1096.12	1096.12	1096.12	0.00	2.34	19.93	-2144.67	676.13	2201.08	2198.74	940.52	
1200.00	1192.83	1192.83	1192.83	0.00	2.56	20.41	-2144.67	676.13	2177.17	2174.61	851.23	
1300.00	1288.09	1288.09	1288.09	0.00	2.77	21.01	-2144.67	676.13	2148.56	2145.79	775.16	
1400.00	1382.24	1382.24	1382.24	0.00	2.98	21.40	-2144.67	676.13	2116.92	2113.94	709.57	
1500.00	1476.37	1476.37	1476.37	0.00	3.19	21.74	-2144.67	676.13	2085.27	2082.08	652.68	
1600.00	1570.49	1570.49	1570.49	0.00	3.41	22.08	-2144.67	676.13	2053.69	2050.28	602.87	
1700.00	1664.62	1664.62	1664.62	0.00	3.62	22.44	-2144.67	676.13	2022.17	2018.55	558.91	
1800.00	1758.74	1758.74	1758.74	0.00	3.83	22.81	-2144.67	676.13	1990.73	1986.90	519.83	
1900.00	1852.87	1852.87	1852.87	0.00	4.04	23.19	-2144.67	676.13	1959.37	1955.33	484.85	
2000.00	1946.99	1946.99	1946.99	0.00	4.25	23.58	-2144.67	676.13	1928.09	1923.84	453.38	
2100.00	2041.12	2041.12	2041.12	0.00	4.46	23.98	-2144.67	676.13	1896.90	1892.43	424.90	
2200.00	2135.24	2135.24	2135.24	0.00	4.68	24.40	-2144.67	676.13	1865.79	1861.11	399.03	
2300.00	2229.36	2229.36	2229.36	0.00	4.89	24.83	-2144.67	676.13	1834.78	1829.89	375.41	

Weatherford International, Inc.

Anticollision Report

Company: ROSEWOOD RESOURCES **Date:** 10/18/2007 **Time:** 14:21:34 **Page:** 3
Field: UINTAH COUNTY, UTAH
Reference Site: ROCK HOUSE #40 **Co-ordinate(N/E) Reference:** Well: RHU #40, True North
Reference Well: RHU #40 **Vertical (TVD) Reference:** SITE 6109.0
Reference Wellpath: 1 **Db:** Sybase

Site: RHU 18
Well: RHU 18
Wellpath: 1 VO Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference		Offset		Semi-Major Axis			Offset Location		Ctr-Ctr	Edge	Separation	Warning
MD ft	TVD ft	MD ft	TVD ft	Ref ft	Offset ft	TFO-HS deg	North ft	East ft	Distance ft	Distance ft	Factor	
2400.00	2323.49	2323.49	2323.49	0.00	5.10	25.28	-2144.67	676.13	1803.87	1798.77	353.77	
2500.00	2417.61	2417.61	2417.61	0.00	5.31	25.74	-2144.67	676.13	1773.06	1767.75	333.88	
2600.00	2511.74	2511.74	2511.74	0.00	5.52	26.22	-2144.67	676.13	1742.36	1736.84	315.53	
2700.00	2605.86	2605.86	2605.86	0.00	5.73	26.71	-2144.67	676.13	1711.78	1706.05	298.55	
2800.00	2699.99	2699.99	2699.99	0.00	5.95	27.22	-2144.67	676.13	1681.32	1675.38	282.80	
2900.00	2794.11	2794.11	2794.11	0.00	6.16	27.75	-2144.67	676.13	1650.99	1644.83	268.16	
3000.00	2888.24	2888.24	2888.24	0.00	6.37	28.30	-2144.67	676.13	1620.80	1614.43	254.51	
3100.00	2982.36	2982.36	2982.36	0.00	6.58	28.87	-2144.67	676.13	1590.74	1584.16	241.76	
3200.00	3076.49	3076.49	3076.49	0.00	6.79	29.46	-2144.67	676.13	1560.85	1554.05	229.82	
3300.00	3170.61	3170.61	3170.61	0.00	7.00	30.07	-2144.67	676.13	1531.11	1524.10	218.64	
3400.00	3264.86	3264.86	3264.86	0.00	7.21	30.54	-2144.67	676.13	1501.84	1494.63	208.16	
3500.00	3360.24	3360.24	3360.24	0.00	7.43	30.78	-2144.67	676.13	1475.73	1468.30	198.64	
3600.00	3456.85	3456.85	3456.85	0.00	7.65	31.00	-2144.67	676.13	1453.38	1445.73	190.07	
3700.00	3554.49	3554.49	3554.49	0.00	7.87	31.19	-2144.67	676.13	1434.79	1426.93	182.41	
3800.00	3652.97	3652.97	3652.97	0.00	8.09	31.36	-2144.67	676.13	1419.95	1411.86	175.58	
3900.00	3752.12	3752.12	3752.12	0.00	8.31	31.49	-2144.67	676.13	1408.85	1400.54	169.54	
4000.00	3851.73	3851.73	3851.73	0.00	8.53	31.57	-2144.67	676.13	1401.47	1392.94	164.22	
4100.00	3951.63	3951.63	3951.63	0.00	8.76	31.62	-2144.67	676.13	1397.81	1389.06	159.60	
4200.00	4051.63	4051.63	4051.63	0.00	8.98	175.11	-2144.67	676.13	1397.38	1388.40	155.55	
4300.00	4151.63	4151.63	4151.63	0.00	9.21	175.11	-2144.67	676.13	1397.38	1388.17	151.76	
4400.00	4251.63	4251.63	4251.63	0.00	9.43	175.11	-2144.67	676.13	1397.38	1387.95	148.14	
4500.00	4351.63	4351.63	4351.63	0.00	9.66	175.11	-2144.67	676.13	1397.38	1387.72	144.69	
4600.00	4451.63	4451.63	4451.63	0.00	9.88	175.11	-2144.67	676.13	1397.38	1387.50	141.40	
4700.00	4551.63	4551.63	4551.63	0.00	10.11	175.11	-2144.67	676.13	1397.38	1387.27	138.26	
4800.00	4651.63	4651.63	4651.63	0.00	10.33	175.11	-2144.67	676.13	1397.38	1387.05	135.25	
4900.00	4751.63	4751.63	4751.63	0.00	10.56	175.11	-2144.67	676.13	1397.38	1386.82	132.37	
5000.00	4851.63	4851.63	4851.63	0.00	10.78	175.11	-2144.67	676.13	1397.38	1386.60	129.61	
5100.00	4951.63	4951.63	4951.63	0.00	11.01	175.11	-2144.67	676.13	1397.38	1386.37	126.96	
5200.00	5051.63	5051.63	5051.63	0.00	11.23	175.11	-2144.67	676.13	1397.38	1386.15	124.42	
5300.00	5151.63	5151.63	5151.63	0.00	11.46	175.11	-2144.67	676.13	1397.38	1385.92	121.98	
5400.00	5251.63	5251.63	5251.63	0.00	11.68	175.11	-2144.67	676.13	1397.38	1385.70	119.63	
5500.00	5351.63	5351.63	5351.63	0.00	11.91	175.11	-2144.67	676.13	1397.38	1385.47	117.38	
5600.00	5451.63	5451.63	5451.63	0.00	12.13	175.11	-2144.67	676.13	1397.38	1385.25	115.20	
5700.00	5551.63	5551.63	5551.63	0.00	12.35	175.11	-2144.67	676.13	1397.38	1385.03	113.10	

Site: RHU 25
Well: RHU 25
Wellpath: 1 VO Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference		Offset		Semi-Major Axis			Offset Location		Ctr-Ctr	Edge	Separation	Warning
MD ft	TVD ft	MD ft	TVD ft	Ref ft	Offset ft	TFO-HS deg	North ft	East ft	Distance ft	Distance ft	Factor	
100.00	100.00	100.00	100.00	0.00	0.10	351.94	22.56	-3.20	22.79	22.69	224.86	
200.00	200.00	200.00	200.00	0.00	0.33	351.94	22.56	-3.20	22.79	22.46	69.88	
300.00	300.00	300.00	300.00	0.00	0.55	351.94	22.56	-3.20	22.79	22.24	41.37	
400.00	400.00	400.00	400.00	0.00	0.78	351.94	22.56	-3.20	22.79	22.01	29.38	
500.00	500.00	500.00	500.00	0.00	1.00	351.94	22.56	-3.20	22.79	21.79	22.78	
600.00	600.00	600.00	600.00	0.00	1.22	351.94	22.56	-3.20	22.79	21.56	18.60	
700.00	700.00	700.00	700.00	0.00	1.45	207.96	22.56	-3.20	23.16	21.71	15.97	
800.00	799.87	799.87	799.87	0.00	1.67	203.39	22.56	-3.20	27.41	25.73	16.37	
900.00	899.37	899.37	899.37	0.00	1.90	197.32	22.56	-3.20	36.74	34.84	19.35	
1000.00	998.21	998.21	998.21	0.00	2.12	192.39	22.56	-3.20	51.38	49.26	24.23	

Weatherford International, Inc.

Anticollision Report

Company: ROSEWOOD RESOURCES **Date:** 10/18/2007 **Time:** 14:21:34 **Page:** 4
Field: UINTAH COUNTY, UTAH
Reference Site: ROCK HOUSE #40 **Co-ordinate(NE) Reference:** Well: RHU #40, True North
Reference Well: RHU #40 **Vertical (TVD) Reference:** SITE 6109.0
Reference Wellpath: 1 **Db:** Sybase

Site: RHU 25
Well: RHU 25
Wellpath: 1 VO Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference		Offset		Semi-Major Axis			Offset Location		Ctr-Ctr	Edge	Separation	Warning
MD ft	TVD ft	MD ft	TVD ft	Ref ft	Offset ft	TFO-HS deg	North ft	East ft	Distance ft	Distance ft	Factor	
1100.00	1096.12	1096.12	1096.12	0.00	2.34	188.99	22.56	-3.20	71.33	68.99	30.48	
1200.00	1192.83	1192.83	1192.83	0.00	2.56	186.73	22.56	-3.20	96.48	93.92	37.72	
1300.00	1288.09	1288.09	1288.09	0.00	2.77	185.20	22.56	-3.20	126.74	123.96	45.72	
1400.00	1382.24	1382.24	1382.24	0.00	2.98	184.12	22.56	-3.20	160.33	157.35	53.74	
1500.00	1476.37	1476.37	1476.37	0.00	3.19	183.41	22.56	-3.20	194.04	190.84	60.73	
1600.00	1570.49	1570.49	1570.49	0.00	3.41	182.90	22.56	-3.20	227.76	224.36	66.86	
1700.00	1664.62	1664.62	1664.62	0.00	3.62	182.53	22.56	-3.20	261.50	257.88	72.28	
1800.00	1758.74	1758.74	1758.74	0.00	3.83	182.24	22.56	-3.20	295.25	291.42	77.10	
1900.00	1852.87	1852.87	1852.87	0.00	4.04	182.01	22.56	-3.20	329.00	324.96	81.41	
2000.00	1946.99	1946.99	1946.99	0.00	4.25	181.82	22.56	-3.20	362.76	358.50	85.30	
2100.00	2041.12	2041.12	2041.12	0.00	4.46	181.67	22.56	-3.20	396.51	392.05	88.82	
2200.00	2135.24	2135.24	2135.24	0.00	4.68	181.54	22.56	-3.20	430.27	425.60	92.02	
2300.00	2229.36	2229.36	2229.36	0.00	4.89	181.42	22.56	-3.20	464.04	459.15	94.94	
2400.00	2323.49	2323.49	2323.49	0.00	5.10	181.33	22.56	-3.20	497.80	492.70	97.63	
2500.00	2417.61	2417.61	2417.61	0.00	5.31	181.24	22.56	-3.20	531.56	526.25	100.10	
2600.00	2511.74	2511.74	2511.74	0.00	5.52	181.17	22.56	-3.20	565.33	559.81	102.38	
2700.00	2605.86	2605.86	2605.86	0.00	5.73	181.10	22.56	-3.20	599.09	593.36	104.49	
2800.00	2699.99	2699.99	2699.99	0.00	5.95	181.04	22.56	-3.20	632.86	626.92	106.45	
2900.00	2794.11	2794.11	2794.11	0.00	6.16	180.99	22.56	-3.20	666.63	660.47	108.28	
3000.00	2888.24	2888.24	2888.24	0.00	6.37	180.94	22.56	-3.20	700.40	694.03	109.98	
3100.00	2982.36	2982.36	2982.36	0.00	6.58	180.90	22.56	-3.20	734.16	727.58	111.58	
3200.00	3076.49	3076.49	3076.49	0.00	6.79	180.86	22.56	-3.20	767.93	761.14	113.07	
3300.00	3170.61	3170.61	3170.61	0.00	7.00	180.82	22.56	-3.20	801.70	794.70	114.48	
3400.00	3264.86	3264.86	3264.86	0.00	7.21	180.79	22.56	-3.20	835.12	827.91	115.75	
3500.00	3360.24	3360.24	3360.24	0.00	7.43	180.75	22.56	-3.20	865.12	857.69	116.45	
3600.00	3456.85	3456.85	3456.85	0.00	7.65	180.72	22.56	-3.20	890.93	883.28	116.52	
3700.00	3554.49	3554.49	3554.49	0.00	7.87	180.69	22.56	-3.20	912.50	904.63	116.01	
3800.00	3652.97	3652.97	3652.97	0.00	8.09	180.68	22.56	-3.20	929.79	921.70	114.97	
3900.00	3752.12	3752.12	3752.12	0.00	8.31	180.66	22.56	-3.20	942.77	934.46	113.45	
4000.00	3851.73	3851.73	3851.73	0.00	8.53	180.66	22.56	-3.20	951.41	942.88	111.49	
4100.00	3951.63	3951.63	3951.63	0.00	8.76	180.65	22.56	-3.20	955.70	946.95	109.12	
4200.00	4051.63	4051.63	4051.63	0.00	8.98	324.14	22.56	-3.20	956.21	947.23	106.44	
4300.00	4151.63	4151.63	4151.63	0.00	9.21	324.14	22.56	-3.20	956.21	947.01	103.85	
4400.00	4251.63	4251.63	4251.63	0.00	9.43	324.14	22.56	-3.20	956.21	946.78	101.37	
4500.00	4351.63	4351.63	4351.63	0.00	9.66	324.14	22.56	-3.20	956.21	946.56	99.01	
4600.00	4451.63	4451.63	4451.63	0.00	9.88	324.14	22.56	-3.20	956.21	946.33	96.76	
4700.00	4551.63	4551.63	4551.63	0.00	10.11	324.14	22.56	-3.20	956.21	946.11	94.61	
4800.00	4651.63	4651.63	4651.63	0.00	10.33	324.14	22.56	-3.20	956.21	945.88	92.55	
4900.00	4751.63	4751.63	4751.63	0.00	10.56	324.14	22.56	-3.20	956.21	945.66	90.58	
5000.00	4851.63	4851.63	4851.63	0.00	10.78	324.14	22.56	-3.20	956.21	945.43	88.69	
5100.00	4951.63	4951.63	4951.63	0.00	11.01	324.14	22.56	-3.20	956.21	945.21	86.88	
5200.00	5051.63	5051.63	5051.63	0.00	11.23	324.14	22.56	-3.20	956.21	944.98	85.14	
5300.00	5151.63	5151.63	5151.63	0.00	11.46	324.14	22.56	-3.20	956.21	944.76	83.47	
5400.00	5251.63	5251.63	5251.63	0.00	11.68	324.14	22.56	-3.20	956.21	944.53	81.86	
5500.00	5351.63	5351.63	5351.63	0.00	11.91	324.14	22.56	-3.20	956.21	944.31	80.32	
5600.00	5451.63	5451.63	5451.63	0.00	12.13	324.14	22.56	-3.20	956.21	944.08	78.83	
5700.00	5551.63	5551.63	5551.63	0.00	12.35	324.14	22.56	-3.20	956.21	943.86	77.40	

Weatherford International, Ltd.

Anticollision Report

Company:	ROSEWOOD RESOURCES	Date:	10/18/2007	Time:	14:21:34	Page:	5
Field:	UINTAH COUNTY, UTAH	Co-ordinate(NE) Reference:	Well: RHU #40, True North				
Reference Site:	ROCK HOUSE #40	Vertical (TVD) Reference:	SITE 6109.0				
Reference Well:	RHU #40						
Reference Wellpath:	1						

Db: Sybase

Site: RHU 31
Well: RHU 31
Wellpath: 1 VO

Inter-Site Error: 0.00 ft

Reference MD ft	TVD ft	Offset		Semi-Major Axis		Offset Location			Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
		MD ft	TVD ft	Ref ft	Offset ft	TFO-HS deg	North ft	East ft				
100.00	100.00	0.00	0.00	0.00	0.00	42.18	1036.59	939.23	1447.17			No Data
200.00	200.00	0.00	0.00	0.00	0.00	42.18	1036.59	939.23	1424.82			No Data
300.00	300.00	0.00	0.00	0.00	0.00	42.18	1036.59	939.23	1409.22			No Data
400.00	400.00	0.00	0.00	0.00	0.00	42.18	1036.59	939.23	1400.61			No Data
500.00	500.00	29.03	29.03	0.00	0.02	42.18	1036.59	939.23	1398.81	1398.79	81791.34	
600.00	600.00	129.19	129.19	0.00	0.13	42.18	1036.61	939.19	1398.80	1398.67	10801.25	
700.00	700.00	229.36	229.36	0.00	0.24	258.67	1036.67	939.10	1398.86	1398.62	5783.39	
800.00	799.87	329.40	329.40	0.00	0.35	258.50	1036.76	938.95	1399.76	1399.41	3953.33	
900.00	899.37	429.03	429.03	0.00	0.47	258.15	1036.89	938.74	1401.74	1401.28	3009.42	
1000.00	998.21	527.98	527.98	0.00	0.58	257.64	1037.05	938.48	1404.90	1404.32	2436.10	
1100.00	1096.12	600.00	599.99	0.00	0.72	257.18	1037.76	937.99	1409.90	1409.17	1936.73	
1200.00	1192.83	662.62	662.51	0.00	0.87	256.70	1040.88	936.67	1418.59	1417.71	1617.82	
1300.00	1288.09	721.00	720.52	0.00	1.01	256.17	1046.98	934.41	1431.98	1430.96	1410.22	
1400.00	1382.24	797.00	795.70	0.00	1.22	254.90	1057.33	930.39	1448.93	1447.70	1177.70	
1500.00	1476.37	895.79	892.89	0.00	1.55	253.03	1072.72	921.74	1467.01	1465.47	948.82	
1600.00	1570.49	1002.67	997.39	0.00	1.96	250.91	1090.71	908.33	1485.82	1483.87	760.75	
1700.00	1664.62	1092.54	1084.88	0.00	2.34	249.10	1105.94	894.58	1505.14	1502.79	641.92	
1800.00	1758.74	1167.99	1157.58	0.00	2.71	247.50	1120.39	880.57	1526.54	1523.83	563.17	
1900.00	1852.87	1237.84	1224.54	0.00	3.09	246.01	1134.50	866.50	1550.07	1546.99	504.21	
2000.00	1946.99	1294.70	1278.64	0.00	3.41	244.78	1147.06	854.39	1576.50	1573.12	466.34	
2100.00	2041.12	1346.24	1327.47	0.00	3.71	243.66	1159.33	843.33	1606.05	1602.38	438.63	
2200.00	2135.24	1396.20	1374.45	0.00	4.02	242.58	1172.30	832.37	1638.86	1634.92	416.04	
2300.00	2229.36	1470.34	1443.83	0.00	4.51	240.99	1192.34	815.58	1674.14	1669.77	383.63	
2400.00	2323.49	1551.55	1519.73	0.00	5.05	239.29	1214.32	796.85	1711.09	1706.27	355.20	
2500.00	2417.61	1617.69	1581.49	0.00	5.48	237.94	1232.23	781.34	1749.63	1744.46	338.58	
2600.00	2511.74	1701.18	1659.50	0.00	6.01	236.29	1255.10	762.37	1790.07	1784.50	321.08	
2700.00	2605.86	1766.00	1720.12	0.00	6.43	235.05	1272.50	747.38	1831.49	1825.56	308.92	
2800.00	2699.99	1801.82	1753.37	0.00	6.69	234.37	1282.65	738.74	1875.43	1869.36	309.00	
2900.00	2794.11	1830.00	1779.20	0.00	6.90	233.82	1291.42	731.68	1922.51	1916.34	311.58	
3000.00	2888.24	2002.36	1937.42	0.00	8.18	230.62	1343.44	687.47	1970.52	1963.32	273.59	
3100.00	2982.36	2052.00	1983.51	0.00	8.52	229.76	1357.08	675.06	2017.39	2009.95	271.14	
3200.00	3076.49	2104.75	2032.28	0.00	8.92	228.86	1372.17	661.77	2066.18	2058.53	270.08	
3300.00	3170.61	2147.00	2071.12	0.00	9.23	228.16	1384.96	651.17	2117.16	2109.36	271.24	
3400.00	3264.86	2216.73	2134.98	0.00	9.77	226.57	1406.62	633.41	2169.47	2161.31	265.87	
3500.00	3360.24	2275.77	2188.92	0.00	10.23	224.62	1425.10	618.06	2220.73	2212.28	263.00	
3600.00	3456.85	2337.00	2244.73	0.00	10.71	222.82	1444.93	602.57	2270.83	2262.14	261.22	
3700.00	3554.49	2500.49	2394.99	0.00	11.88	220.13	1495.44	562.64	2317.54	2308.03	243.92	
3800.00	3652.97	2572.94	2462.08	0.00	12.40	218.68	1516.50	545.17	2360.11	2350.29	240.41	
3900.00	3752.12	2632.44	2516.98	0.00	12.83	217.49	1534.51	530.92	2400.99	2390.92	238.27	
4000.00	3851.73	2715.06	2593.11	0.00	13.43	216.26	1560.02	511.49	2439.57	2429.16	234.35	
4100.00	3951.63	2812.88	2683.26	0.00	14.14	215.09	1590.20	488.42	2475.12	2464.26	227.99	
4200.00	4051.63	2878.03	2743.07	0.00	14.65	357.95	1610.46	472.38	2508.31	2497.14	224.39	
4300.00	4151.63	3062.70	2912.97	0.00	16.01	356.91	1666.27	426.41	2540.90	2528.83	210.50	
4400.00	4251.63	3289.00	3127.09	0.00	17.38	355.88	1721.44	378.72	2564.89	2551.92	197.72	
4500.00	4351.63	3343.74	3179.37	0.00	17.68	355.67	1734.24	368.80	2590.45	2577.37	198.04	
4600.00	4451.63	3384.00	3217.50	0.00	17.91	355.53	1745.11	361.82	2618.76	2605.50	197.42	
4700.00	4551.63	3412.24	3244.07	0.00	18.09	355.44	1753.37	356.98	2649.26	2635.91	198.43	
4800.00	4651.63	3450.70	3280.02	0.00	18.33	355.31	1765.26	350.26	2681.85	2668.39	199.22	
4900.00	4751.63	3479.00	3306.30	0.00	18.52	355.21	1774.47	345.23	2716.45	2702.88	200.19	
5000.00	4851.63	3542.42	3364.76	0.00	18.98	354.99	1796.10	333.55	2752.57	2738.79	199.84	
5100.00	4951.63	3624.64	3439.95	0.00	19.62	354.69	1825.16	317.33	2790.01	2775.91	197.86	

Weatherford International, Ltd.

Anticollision Report

Company:	ROSEWOOD RESOURCES	Date:	10/18/2007	Time:	14:21:34	Page:	6
Field:	UINTAH COUNTY, UTAH	Co-ordinate(NE) Reference:	Well: RHU #40, True North				
Reference Site:	ROCK HOUSE #40	Vertical (TVD) Reference:	SITE 6109.0				
Reference Well:	RHU #40	Db: Sybase					
Reference Wellpath:	1						

Site: RHU 31
 Well: RHU 31
 Wellpath: 1 V0

Inter-Site Error: 0.00 ft

Reference MD ft	TVD ft	Offset		Semi-Major Axis			Offset Location		Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
		MD ft	TVD ft	Ref ft	Offset ft	TFO-HS deg	North ft	East ft				
5200.00	5051.63	3806.73	3607.27	0.00	20.98	353.98	1885.83	278.91	2825.75	2810.89	190.12	
5300.00	5151.63	3895.33	3689.31	0.00	21.61	353.66	1914.05	260.97	2860.10	2844.89	188.07	
5400.00	5251.63	3963.33	3751.93	0.00	22.12	353.41	1936.05	246.19	2895.24	2879.78	187.19	
5500.00	5351.63	4071.61	3851.48	0.00	22.93	352.98	1971.02	221.88	2930.58	2914.68	184.25	
5600.00	5451.63	4183.66	3954.84	0.00	23.74	352.57	2006.64	197.34	2965.42	2949.09	181.50	
5700.00	5551.63	4295.02	4057.89	0.00	24.53	352.18	2041.47	173.44	2999.78	2983.02	179.02	

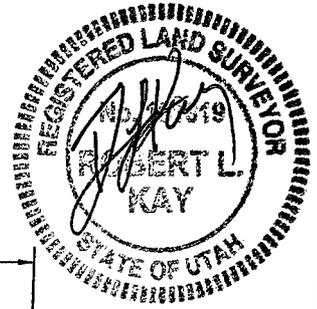
ROSEWOOD RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

ROCK HOUSE #40

SECTION 9, T11S, R23E, S.L.B.&M.

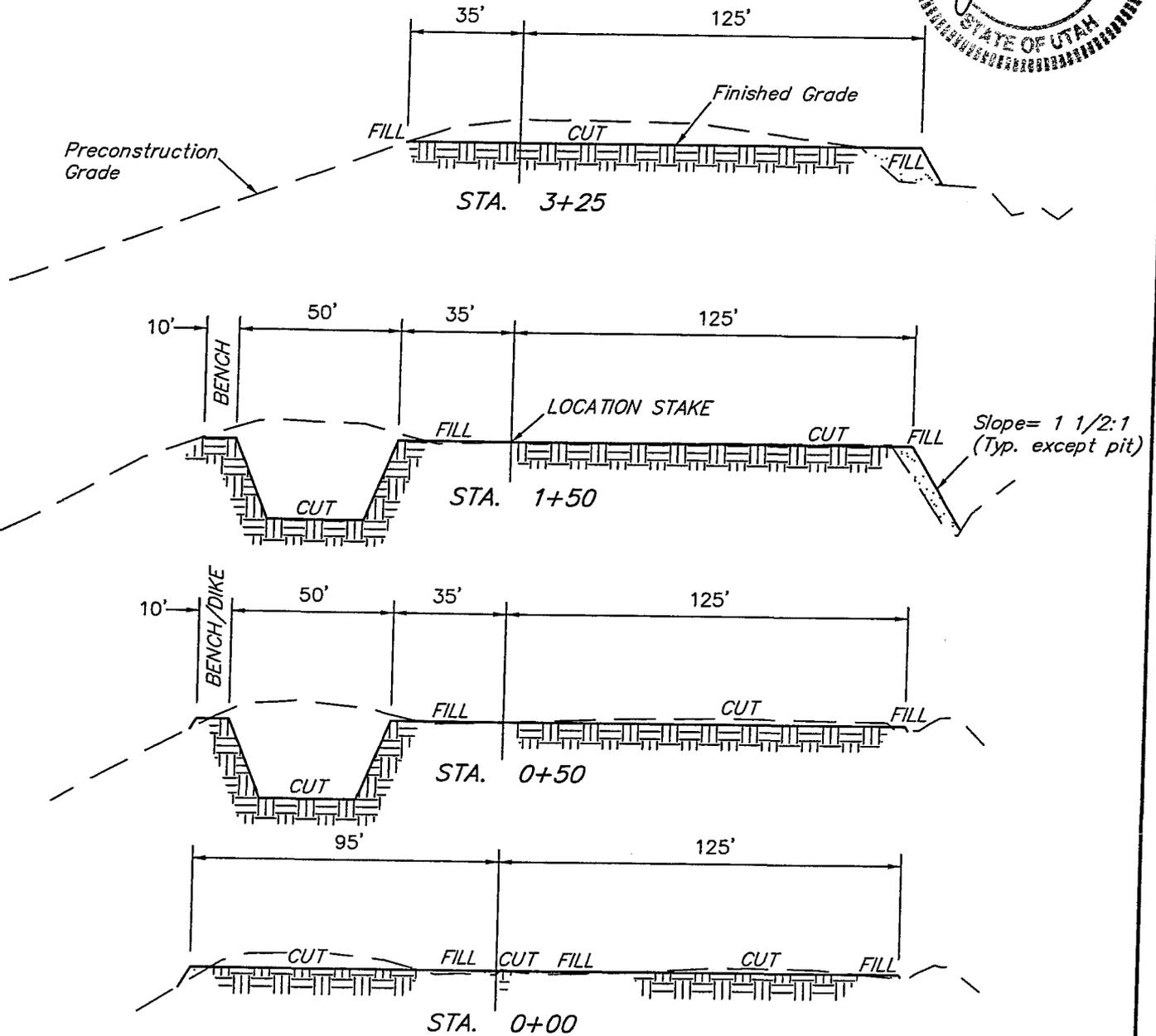
1625' FSL 1204' FEL



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

DATE: 5-19-05

Drawn By: K.G.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 410 Cu. Yds.
(New Constuction Only)	
Remaining Location	= 3,770 Cu. Yds.
TOTAL CUT	= 4,180 CU.YDS.
FILL	= 610 CU.YDS.

EXCESS MATERIAL	= 3,570 Cu. Yds.
Topsoil & Pit Backfill	= 1,680 Cu. Yds.
(1/2 Pit Vol.)	
EXCESS UNBALANCE	= 1,890 Cu. Yds.
(After Interim Rehabilitation)	

ROSEWOOD RESOURCES, INC.

ROCK HOUSE #40
LOCATED IN Uintah COUNTY, UTAH
SECTION 9, T11S, R23E, S.L.B.&M.

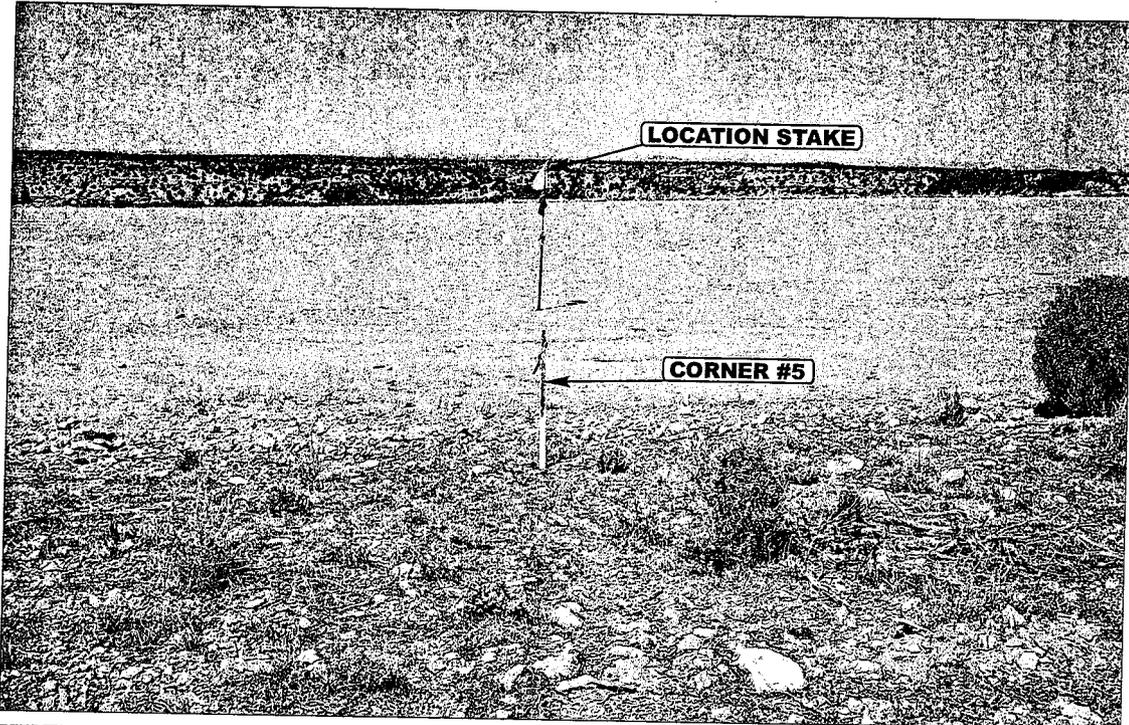


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY

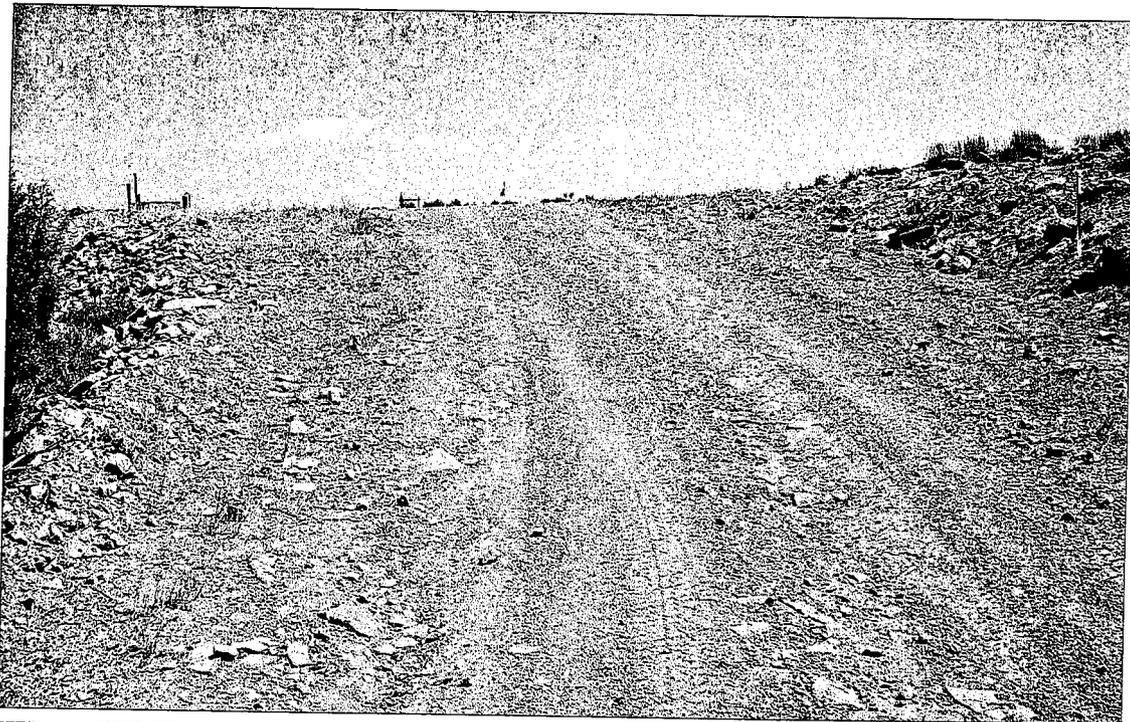


PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: NORTHEASTERLY



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

LOCATION PHOTOS

12
MONTH

13
DAY

05
YEAR

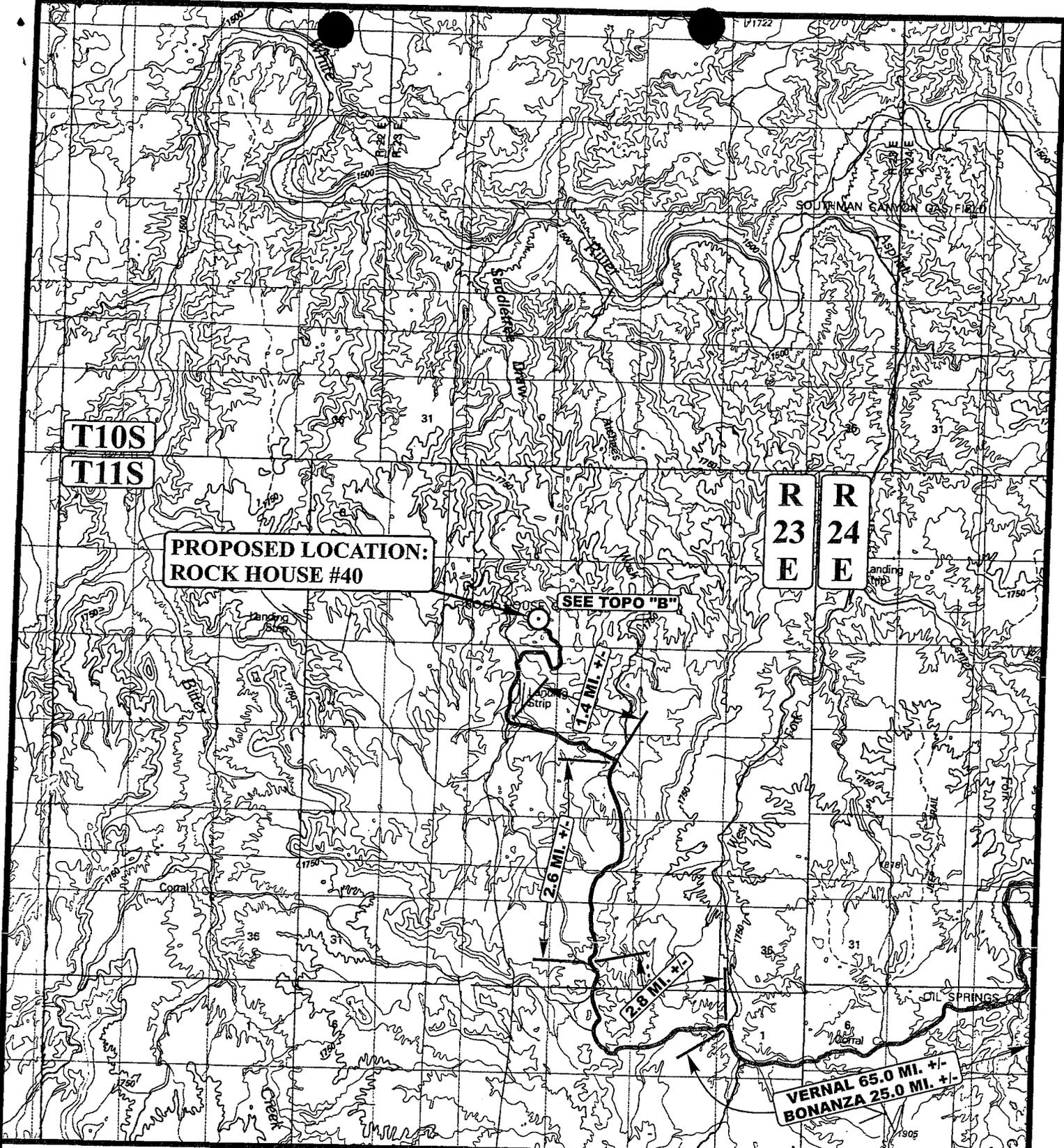
PHOTO

TAKEN BY: M.A.

DRAWN BY: L.K.

REVISED: 07-26-06C.P.

Since 1964



**PROPOSED LOCATION:
ROCK HOUSE #40**

**R
23
E** **R
24
E**

SEE TOPO "B"

**VERNAL 65.0 MI. +/-
BONANZA 25.0 MI. +/-**

LEGEND:

○ PROPOSED LOCATION

N

ROSEWOOD RESOURCES, INC.

**ROCK HOUSE #40
SECTION 9, T11S, R23E, S.L.B.&M.
1625' FSL 1204' FEL**



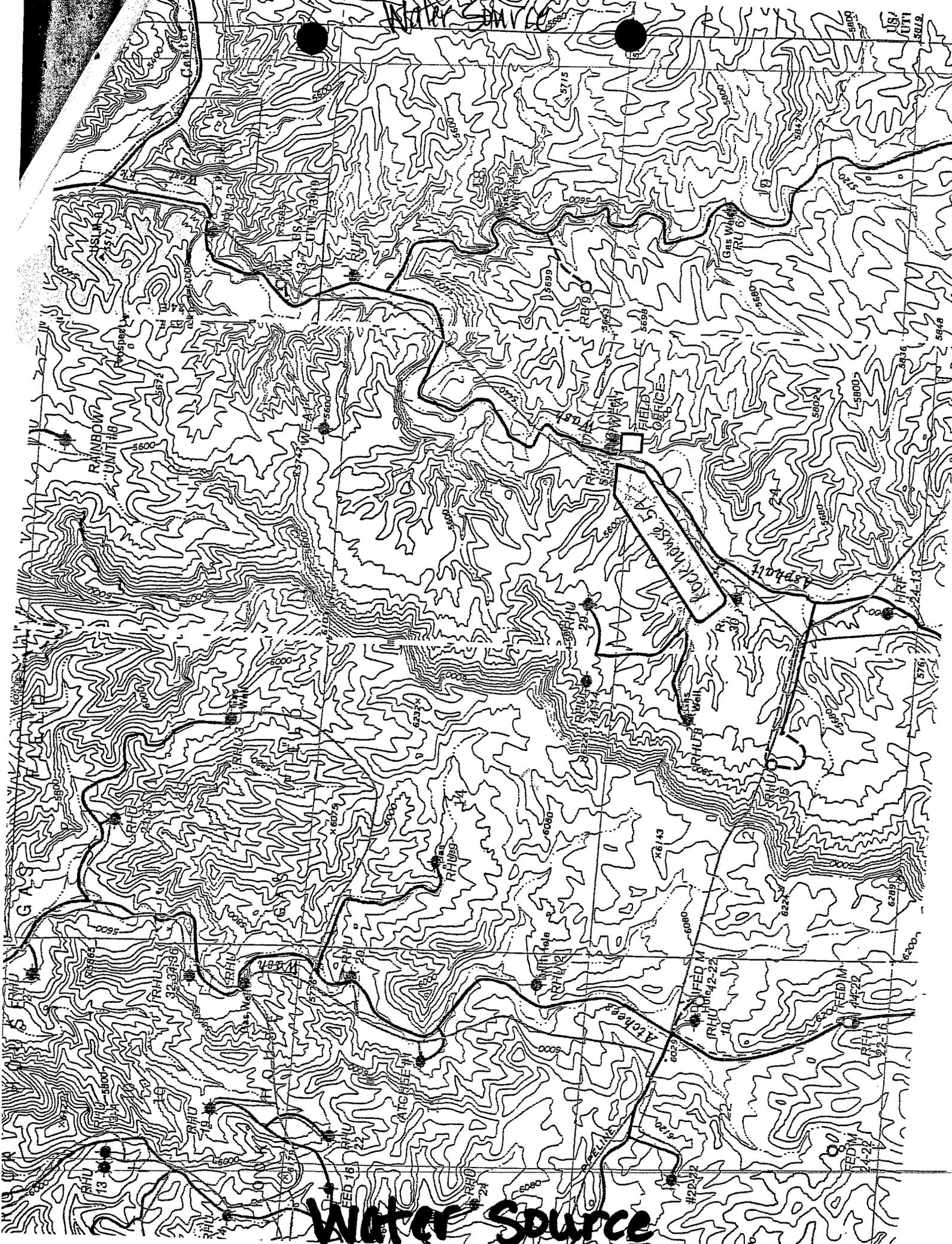
Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

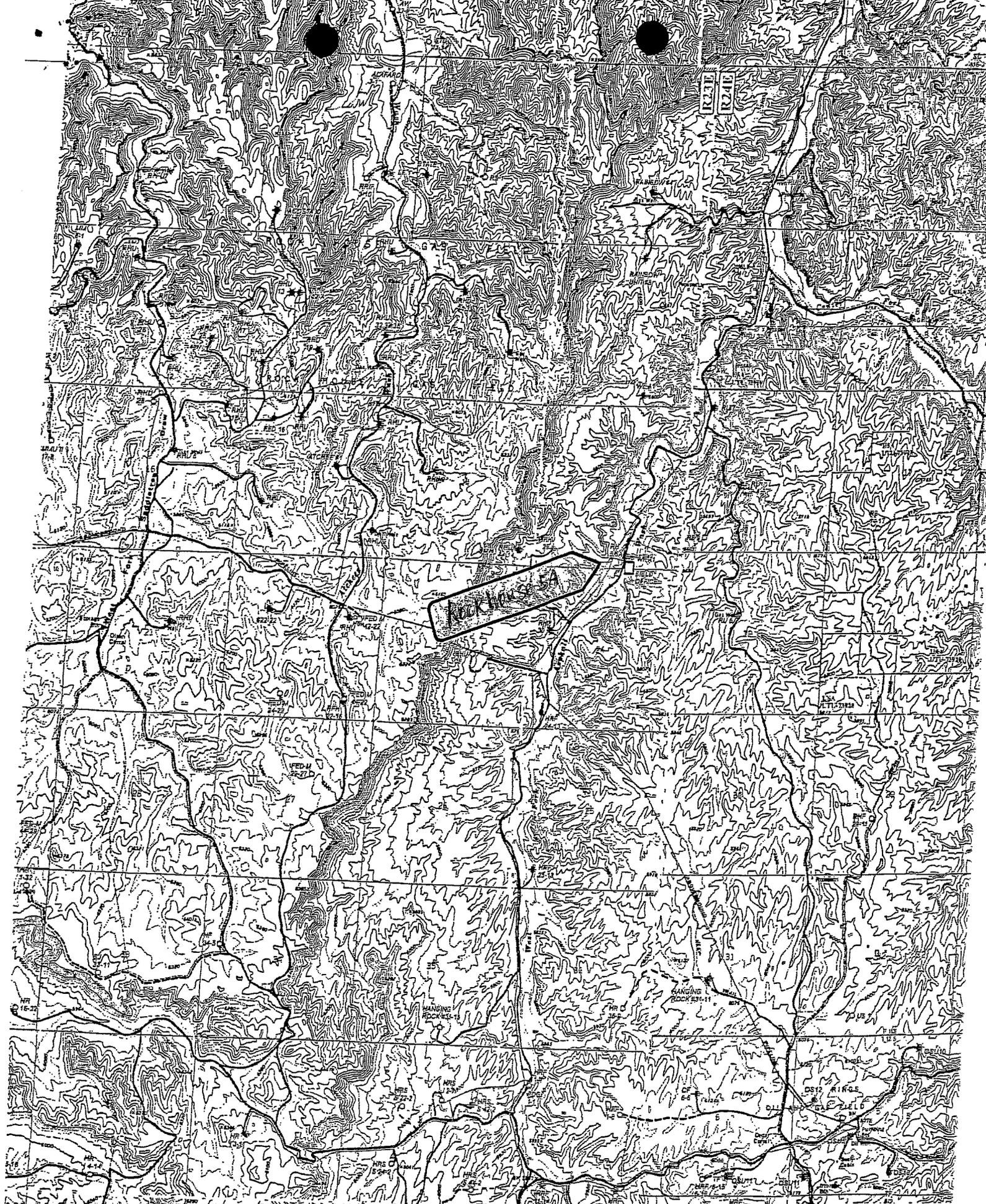
TOPOGRAPHIC 12 13 05
MAP MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 07-26-06C.P.



Water Source





Water Source

Rockhouse 5A
Permit # 49-7547
Sec 13 T11S R23E

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/14/2008

API NO. ASSIGNED: 43-047-40014

WELL NAME: ROCKHOUSE 40
 OPERATOR: ROSEWOOD RESOURCES INC (N7510)
 CONTACT: JILL HENRIE

PHONE NUMBER: 435-789-0414

PROPOSED LOCATION:

NESE 09 110S 230E
 SURFACE: 1625 FSL 1204 FEL
 BOTTOM: 0874 FSL 0647 FEL
 COUNTY: UINTAH
 LATITUDE: 39.87221 LONGITUDE: -109.3423
 UTM SURF EASTINGS: 641769 NORTHINGS: 4414680
 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

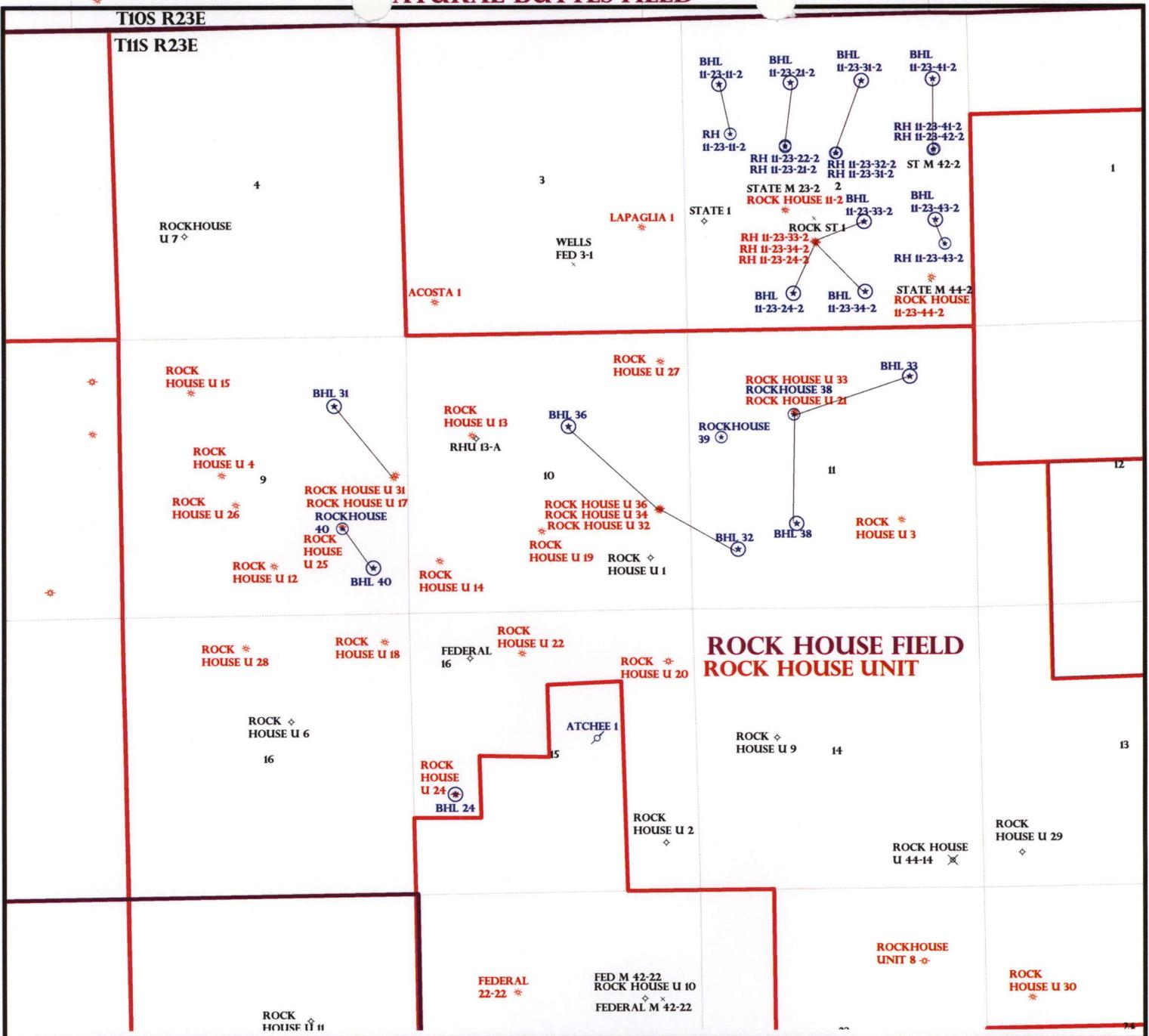
COMMENTS: _____

STIPULATIONS: _____

1- Federal Approval
2- Spacing stip

T10S R23E

T11S R23E



OPERATOR: ROSEWOOD RES LLC (N7510)

SEC: 9,11 T.11S R. 23E

FIELD: ROCK HOUSE (670)

COUNTY: UINTAH

SPACING: R649-3-11 / DIRECTIONAL DRILLING

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

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



OIL, GAS & MINING



PREPARED BY: DIANA MASON
DATE: 15-APRIL-2008

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)

April 15, 2008

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2008 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 2008 within the Rockhouse Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
	(Proposed PZ MesaVerde)	
43-047-40014	Rockhouse 40 Sec 09 T11S R23E 1625 FSL 1204 FEL BHL Sec 09 T11S R23E 0874 FSL 0647 FEL	
43-047-40015	Rockhouse 38 Sec 11 T11S R23E 1613 FNL 1947 FWL BHL Sec 11 T11S R23E 1580 FSL 1950 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:4-15-08



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 16, 2008

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

Re: Rockhouse 40 Well, Surface Location 1625' FSL, 1204' FEL, NE SE, Sec. 9, T. 11 South, R. 23 East, Bottom Location 874' FSL, 647' FEL, SE SE, Sec. 9, 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 43-047-40014.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Rosewood Resources, Inc.
Well Name & Number Rockhouse 40
API Number: 43-047-40014
Lease: UTU-0778

Surface Location: NE SE Sec. 9 T. 11 South R. 23 East
Bottom Location: SE SE Sec. 9 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 Dustin Doucet at (801) 538-5281 (801) 733-0983 home

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. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.
6. 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.

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

5. LEASE DESIGNATION AND SERIAL NO.

UTU-077879

6. IF INDIAN, ALOTTEE OR TRIBE NAME

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL **DEEPEN**

2007 NOV 13 AM 11:09

7. UNIT AGREEMENT NAME

Rockhouse

1b. TYPE OF WELL

OIL WELL **GAS WELL** **OTHER WELL** **SINGLE ZONE** **MULTIPLE ZONE**

8. FARM OR LEASE NAME

Rockhouse

2. NAME OF OPERATOR

Rosewood Resources, Inc.

43 047 4004

9. WELL NO.

#40

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 **1625' FSL 1204' FEL SEC 09 NESE T11S R23E**

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

**SEC 09 NESE T11S R23E
SLB&M**

At proposed Prod. Zone

874' FSL 647' FEL SEC 09 SESE T11S R23E

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)

1204'

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.

On existing well pad of RH #25

19. PROPOSED DEPTH

5600' TVD

20. ROTARY OR CABLE TOOLS

Rotary

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

6099' GR

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"	36.0#	600'	+/- 330 sx - Circulate to surface
7 7/8"	4 1/2"	11.6#	5750' MD	+/- 1095 sx - Cement to surface

Rosewood Resources, Inc. proposes to drill a well to 5600' 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 11/9/07

(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
Lands & Mineral Resources DATE 4-23-2008

CONDITIONS OF APPROVAL ATTACHED

NOTICE OF APPROVAL

*See Instructions On Reverse Side

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

RECEIVED

APR 25 2008

DIV. OF OIL, GAS & MINING

NOS: 04/11/2006
06 BM 0747A

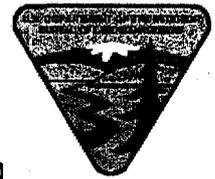


**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE**

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: Rockhouse #40
API No: 43-047-40014

Location: NESE Sec. 9, T11S, R23E
Lease No: UTU-0779
Agreement: Rockhouse Unit WS MV

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:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:		(435) 781-4476	
NRS/Enviro Scientist:	Chuck MacDonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

**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 NRS/Enviro Scientist) | - Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion
(Notify NRS/Enviro 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 Supervisory Petroleum Technician) | - Twenty-Four (24) hours prior to running casing and cementing all casing strings. |
| BOP & Related Equipment Tests
(Notify Supervisory Petroleum Technician) | - 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)

General 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 report will be prepared by a BLM permitted paleontologist and submitted to the AO at the completion of surface disturbing activities.

Specific Surface COAs

- The interim seed mix for this location shall be:

Crested wheatgrass	<i>Agropyron cristatum</i>	4 lbs. /acre
Needle and Thread grass	<i>Stipa comata</i>	4 lbs. /acre
Indian Rice grass	<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.
- All permanent (on-site six months or longer), above ground structures existing, constructed or installed, including pumping units, would be painted Olive Black as requested on the on-site inspection, which is a flat, non-reflective, earth tone color. All facilities would be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) would be excluded.

DOWNHOLE CONDITIONS OF APPROVAL

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- Logging program: Gamma Ray shall be run from TD to surface.

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 $\frac{1}{4}$ 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.



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 1, 2009

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

Re: APD Rescinded – Rockhouse 40, Sec.9, T. 11S, R. 23E,
Uintah County, Utah API No. 43-047-40014

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on April 16, 2008. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 1, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

