API Well Number: 43047545100000

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

FORM 3

AMENDED REPORT ☑

APPLICATION FOR PERMIT TO DRILL

1. WELL NAME and NUMBER
Croquet Fed 32-35

2. TYPE OF WORK
DRILL NEW WELL ■ REENTER P&A WELL ○ DEEPEN WELL ○

3. FIELD OR WILDCAT
HORSESHOE BEND

4. TYPE OF WELL
Oil Well Coalbed Methane Well: NO

5. UNIT or COMMUNITIZATION AGREEMENT NAME

6. NAME OF OPERATOR
ROSEWOOD RESOURCES INC

7. OPERATOR PHONE
435 789-0414

8. ADDRESS OF OPERATOR
PO Box 1668, Vernal , UT, 84078

9. OPERATOR E-MAIL
jhenrie@rosewd.com

10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)
UTU-53862

11. MINERAL OWNERSHIP
FEDERAL ■ INDIAN ○ STATE ○ FEE ○

12. SURFACE OWNERSHIP
FEDERAL ■ INDIAN ○ STATE ○ FEE ○

13. NAME OF SURFACE OWNER (if box 12 = 'fee')

14. SURFACE OWNER PHONE (if box 12 = 'fee')

15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')

16. SURFACE OWNER E-MAIL (if box 12 = 'fee')

17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')

18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS
YES ○ (Submit Commingling Application) NO ■

19. SLANT
VERTICAL ■ DIRECTIONAL ○ HORIZONTAL ○

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	2624 FNL 2218 FEL	SWNE	35	6.0 S	21.0 E	S
Top of Uppermost Producing Zone	2624 FNL 2218 FEL	SWNE	35	6.0 S	21.0 E	S
At Total Depth	2624 FNL 2218 FEL	SWNE	35	6.0 S	21.0 E	S

21. COUNTY
UINTAH

22. DISTANCE TO NEAREST LEASE LINE (Feet)
2218

23. NUMBER OF ACRES IN DRILLING UNIT
635

25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)
1000

26. PROPOSED DEPTH
MD: 8400 TVD: 8400

27. ELEVATION - GROUND LEVEL
4796

28. BOND NUMBER
MT-0627

29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE
49-2343

Hole, Casing, and Cement Information

String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
SURF	12.25	8.625	0 - 1000	24.0	J-55 Casing/Tubing	16.0	Class G	575	1.18	15.6
PROD	7.875	5.5	0 - 8400	17.0	M-80 LT&C	11.0	Type V	275	3.8	11.0
							50/50 Poz	710	1.46	13.5

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

- ☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- ☑ COMPLETE DRILLING PLAN
- ☐ AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)
- ☐ FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
- ☐ DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)
- ☑ TOPOGRAPHICAL MAP

NAME Jill Henrie | **TITLE** Administravtive Assistant | **PHONE** 435 789-0414

SIGNATURE | **DATE** 06/18/2014 | **EMAIL** jhenrie@rosewd.com

API NUMBER ASSIGNED
43047545100000

APPROVAL
Permit Manager

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ONSHORE ORDER NO. 1
Rosewood Resources, Inc.
Croquet Fed #32-35
2624' FNL 2218' FEL
SWNE SEC 35, T6S R21E SLB&M
Uintah County, Utah

CONFIDENTIAL– TIGHT HOLE

Lease No. UTU-53862

DRILLING PROGRAM

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

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Order No. 1 and the approved plan of operations. The operator is fully responsible for the actions off his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

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1. Estimated Tops of Important Geologic Markers

Formation	Depth
Duchesne River	Surface
Uintah	1,900'
Green River	3,500'
Wasatch	7,100'
T.D.	8,400'

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

Substance	Formation	Depth
Gas	Uinta "B"	3300'-4000'
Oil	Green River	6100'-7100'
Gas/Oil	Wasatch	7100'-TD
Water	Base of Useable Water	Less than 350'

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 approve 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

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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.

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

RECEIVED: March 12, 2014

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.

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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; 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 0.38 to 0.47 psi per foot for exploratory wells.

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c. **Casing design shall assume fracture gradients from 0.65 to .95 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 staring with the shoe joint.**

j. **Top plugs shall be used to reduce the contamination of cement by displacement fluid. A bottom plug or other acceptable technique,**

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**

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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:

Purpose	Depth	Hole Size	O.D.	Weight	Grade	Type	Annular
Conductor Or equivalent	0-10'	14'					
Surface Or equivalent	0-1000'	12 ¼"	8 5/8"	24#	J-55	HT&C	0.0735 bbl/ft
Production Or equivalent	0-8400'	7 7/8"	5 ½"	17#	M-80	LT&C	0.0309 bbl/ft

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

o. The cement program will be as follows:

Surface	Quantity	Weight	Yeild	Cement Type
0-1000'	+/- 575 sxs	15.6 ppg	1.18 cuft/sk	Class G + 2% CaCl + ¼ #/sk Flocele + 2% Gel

Production		Quantity	Weight	Yield
0-8400'	Lead Cement:	+/- 275 sxs	11.0 PPG	3.8 cuft/sk

Cement Type
Hifill"V"16%Gel+1% EX-1 + 3% Salt + 0.2% HR-7 + 10# Gilsonite + ¼#/sk Flocele

Tail Cement: +/- 710 sxs 13.5 ppg 1.46 cuft/sk

Cement Type
50/50 POZ "G" + 2% Gel + 3% KCL + 0.75% Halad-322 + 0.2% HR-5 + ¼#/sk Flocele + 10#/sk Granulite + 3#/sk Silicate + 0.2% FWCA

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p. **Anticipated cement tops will be reported as to depth; not the expected number of cement sacks to be used. The District Office will be notified, with sufficient lead to have an AO to witness running all casing strings and cementing.**

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

r. **The following reports shall be filed with the District Office within 30 days of completing work.**

1. **Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:**

2.

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.**

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5. Mud Program

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

Interval	Mud Type
0-1,000'	Air or water drill
1,000'-2,000'	Fresh water/Crystal Dril/Sweeps
2,000'-5,660'	2% KCl water/Crystal Dril/Sweeps
5,660-8,400'	2% KCL/Impermex/Seamud

Interval	Visc	PH	Mud Weight
0-1,000'	28-29	8.0- 8.5	8.3 – 8.5 ppg
1,000'-2,000'	28-29	7.0 - 8.0	8.3 – 8.4 ppg
2,000'-5,660'	28-29	8.0- 9.5	8.6 – 8.9 ppg
5,660-8,400'	32-42	9.0 - 9.5	8.6 – 8.9 ppg

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

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

Mud monitoring equipment to be used is as follows:

b. 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. **A Litho-density, Compensated Neutron, Induction, SP, Gamma Ray, & Caliper will be run from the surface casing to T.D.**

c. **Cores (sidewall or full-bore) will be run if deemed necessary.**

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.**

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e. **The anticipated completion program will be to test prospective zones in the Green River 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.**

b. **It is anticipated that the drilling of this well will take approximately 13 days.**

c. **The BLM in Vernal, Utah will be notified of anticipated dates to begin road & location construction and spud date.**

d. **No location will be constructed or moved without approval from the AO. If well is plugged or suspended, prior approval from the AO must be obtained and notification given before resuming operations.**

e. **The spud date will be reported orally to the AO within 48 hours after spudding. If well is spud on a weekend or holiday, the report will submitted the following regular work day. Follow oral report with Sundry Notice.**

f. **In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, Utah 84078.**

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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 via a Sundry Notice, 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.

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.

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.)

l. 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

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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.

m. 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.

9. Air Quality Mitigation

a. All internal combustion equipment would be kept in good working order

b. No open burning of garbage or refuse at well sites or other facilities would be allowed.

c. Drill rigs used would be equipped with Tier II or better diesel engines

d. Vent emissions to be reduced by use of ANARDO valves, where applicable, on all future projects.

a. To the extent feasible, Operator would install low or no bleed pneumatic valves on wells, separator dump valves, compressors and other controllers on all future projects.

b. Limit flaring on completion operations as required or recommended by applicable rules.

c. Well site telemetry would be utilized to eliminate unnecessary pumper travel to wells.

d. Operator will utilize zero emission dehydrators at future compressor stations if available and economically feasible.

e. To the extent it is practical and economically feasible; the operator will centralize the use of fracing operations, water storage, production facilities and gathering systems.

f. Solar powered chemical pumps will be used in place of pneumatic pumps on all future projects, if available and economically feasible.

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API Well Number: 43047545100000

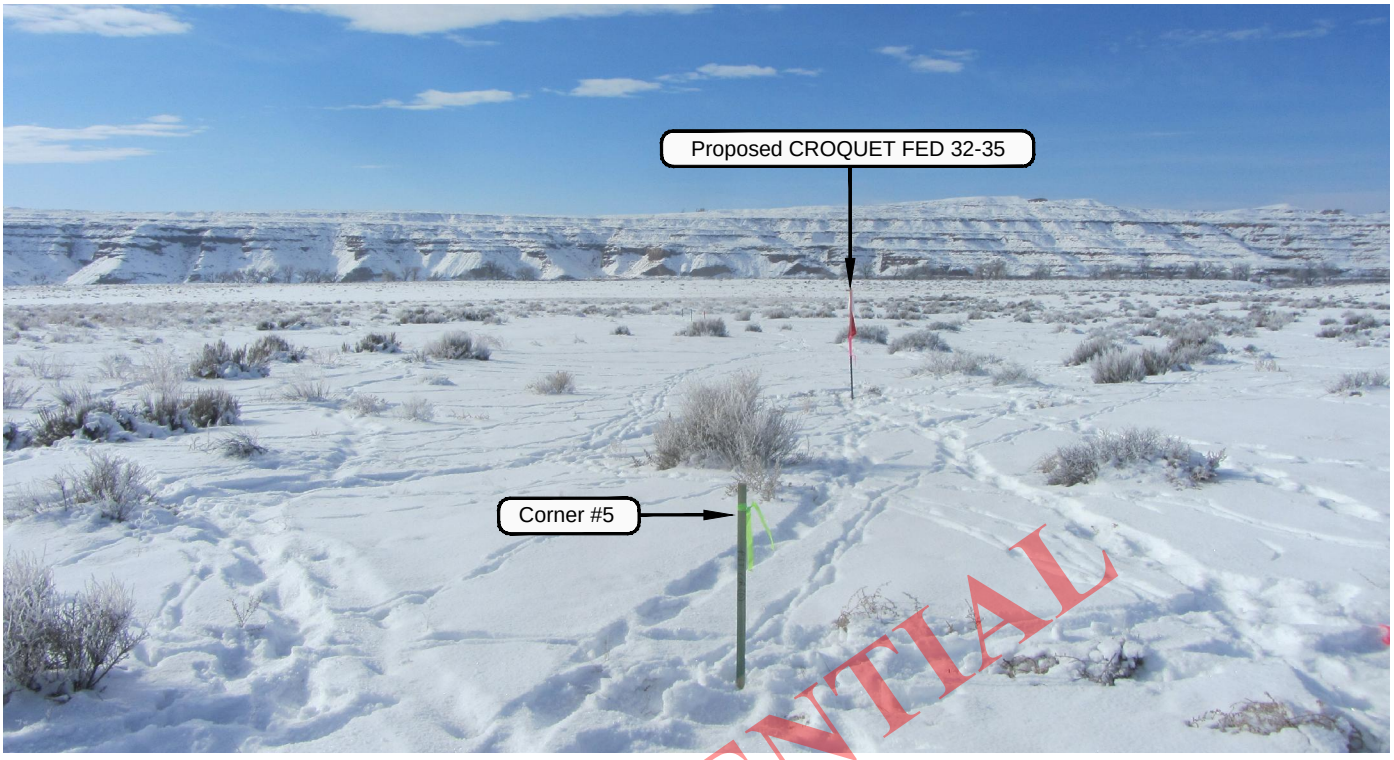

PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE CAMERA ANGLE: SOUTHWESTERLY

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PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD CAMERA ANGLE: WESTERLY

ROSEWOOD RESOURCES

WELL PAD: CROQUET FED 32-35

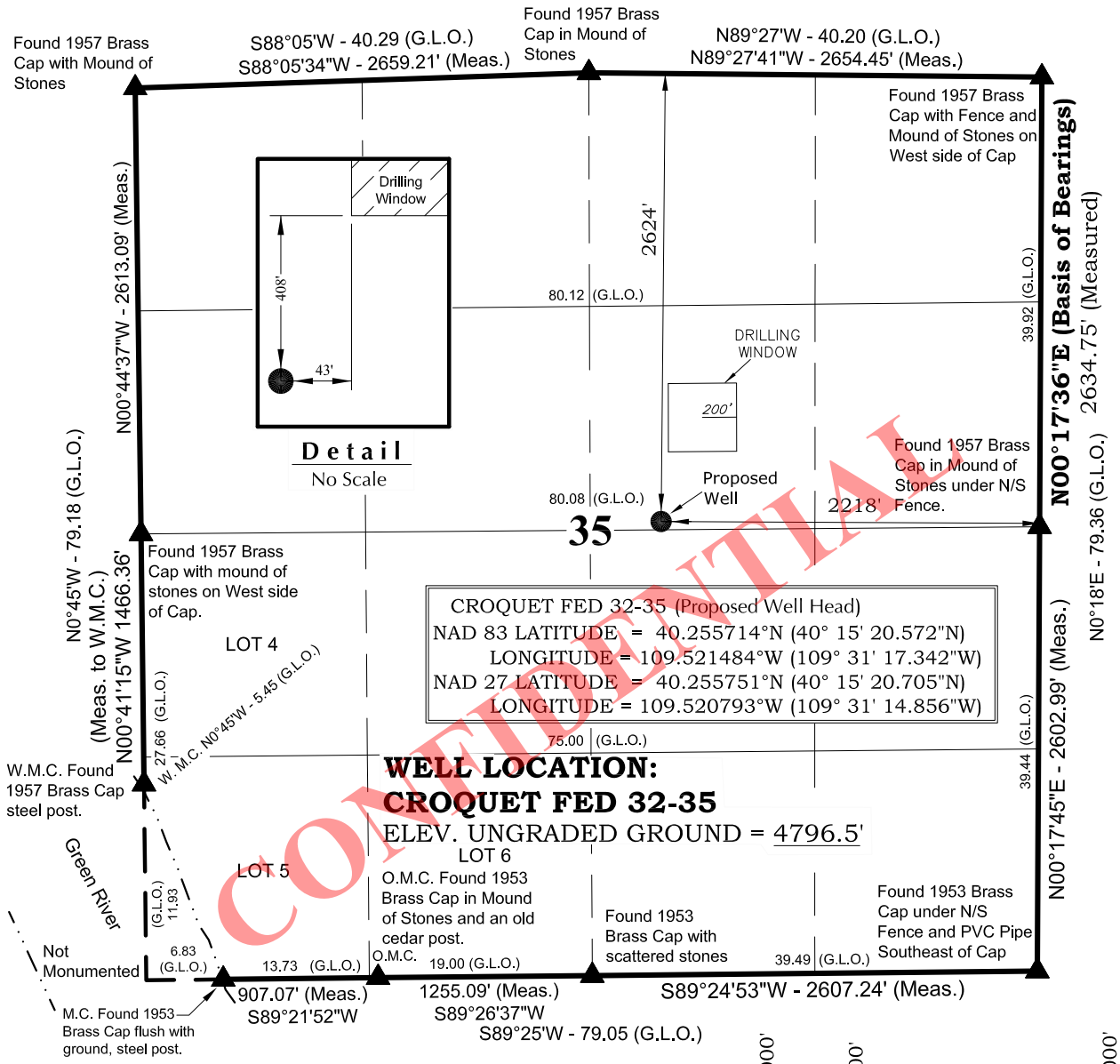
LOCATION PHOTOS
CROQUET FED 32-35
2624' FNL & 2218' FEL
LOCATED IN SECTION 35, T6S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH.

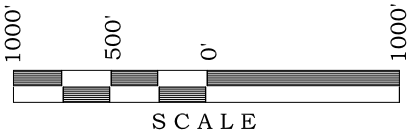
TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE PHOTOS TAKEN: 7-17-13	PHOTOS TAKEN BY: A.F.	SHEET NO:
DATE DRAWN: 7-23-13	DRAWN BY: M.W.W.	1
Date Last Revised: J.G.C. 1-15-14		OF 11

RECEIVED: March 12, 2014

T6S, R21E, S.L.B.&M.





NOTES:

▲ = Section Corners Located

1. Well footages are measured at right angles to the Section Lines.
2. Government Land Office (G.L.O.) distances are shown in feet or chains. 1 chain = 66 feet.
3. Bearings are based on Global Positioning Satellite observations.
4. BASIS OF ELEVATION IS TRIANGULATION STATION HORSESHOE WHICH IS LOCATED IN THE NW 1/4 OF SECTION 34, T6S, R21E, S.L.B.&M. THE ELEVATION OF THIS TRIANGLUATION STATION IS SHOWN ON THE VERNAL SE 7.5 MIN. QUADRANGLE AS BEING 5222'.

SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. 2-18-14

PROFESSIONAL LAND SURVEYOR No.6028691 JOHN R SLAUGH STATE OF UTAH

PROFESSIONAL LAND SURVEYOR
REGISTRATION No. 6028691
STATE OF UTAH

ROSEWOOD RESOURCES

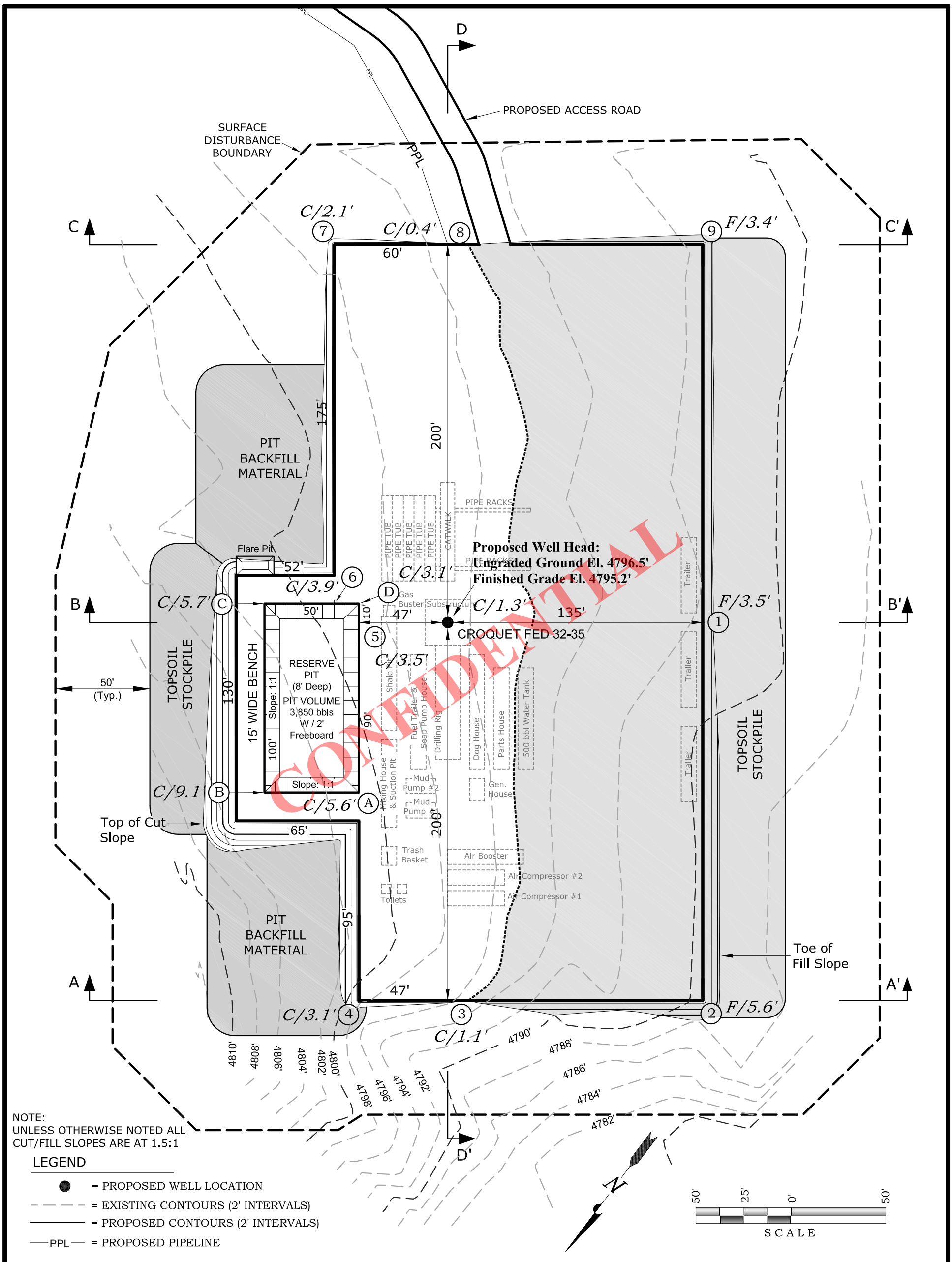
WELL PAD: CROQUET FED 32-35

CROQUET FED 32-35
WELL PLAT
2624' FNL & 2218' FEL
SW ¼ NE ¼ OF SECTION 35, T6S, R21E, S.L.B.&M., UINTAH COUNTY, UTAH.

N

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 7-17-13	SURVEYED BY: A.F.	SHEET NO: 2 OF 11
DATE DRAWN: 7-23-13	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised: 1-15-14 J.G.C.	



NOTE:
UNLESS OTHERWISE NOTED ALL CUT/FILL SLOPES ARE AT 1.5:1

LEGEND

- ● = PROPOSED WELL LOCATION
- = EXISTING CONTOURS (2' INTERVALS)
- = PROPOSED CONTOURS (2' INTERVALS)
- —PPL— = PROPOSED PIPELINE

ROSEWOOD RESOURCES

PAD FOOTPRINT AREA	= ±2.13 ACRES
PAD DISTURBANCE AREA (Cut/Fill Slopes, Stockpiles)	= ±2.91 ACRES
AREA WITHIN SURFACE DISTURBANCE BOUNDARY	= ±4.79 ACRES

REFERENCE POINTS:
250' NORTHWESTERLY, EL = 4790.3'
300' NORTHWESTERLY, EL = 4786.2'
185' SOUTHWESTERLY, EL = 4789.6'
235' SOUTHWESTERLY, EL = 4787.4'

WELL PAD: CROQUET FED 32-35

WELL PAD - LOCATION LAYOUT
WELL - CROQUET FED 32-35
2624' FNL & 2218' FEL
LOCATED IN SECTION 35, T6S, R21E, S.L.B.&M., UINTAH COUNTY, UTAH.

ESTIMATED EARTHWORK QUANTITIES
(No shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

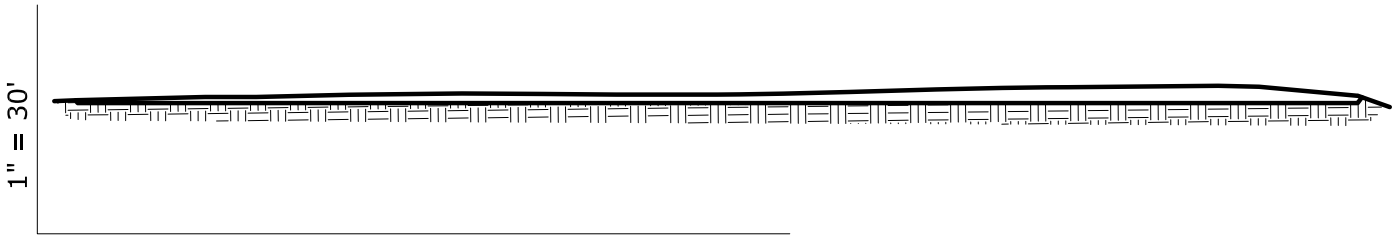
6" Topsoil Stripping = 1720
Remaining Location = 5660
TOTAL CUT = 7380
FILL = 4510

Pit Backfill = 1150, Excess Material = 0

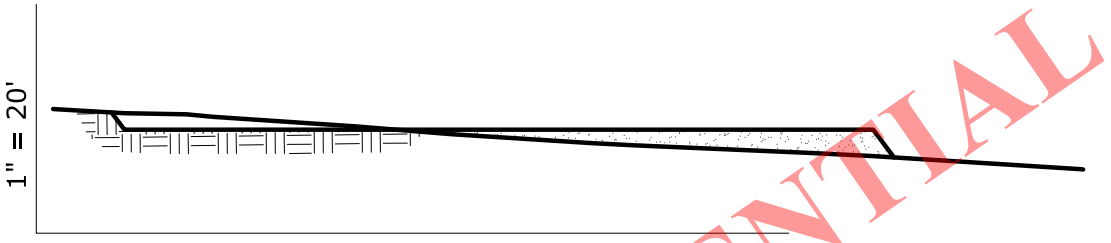
TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 7-17-13	SURVEYED BY: A.F.	SHEET NO: 3 OF 11
DATE DRAWN: 7-29-13	DRAWN BY: M.W.W.	
SCALE: 1" = 50'	Date Last Revised: 1-15-14 J.G.C.	

RECEIVED: March 12, 2014



CROSS SECTION D-D'



CROSS SECTION C-C'

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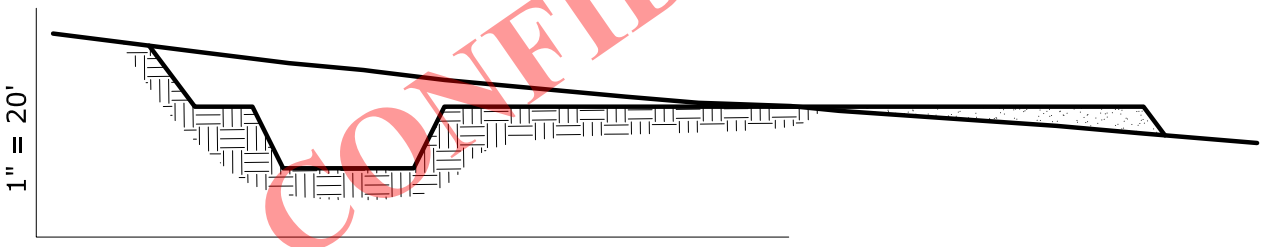
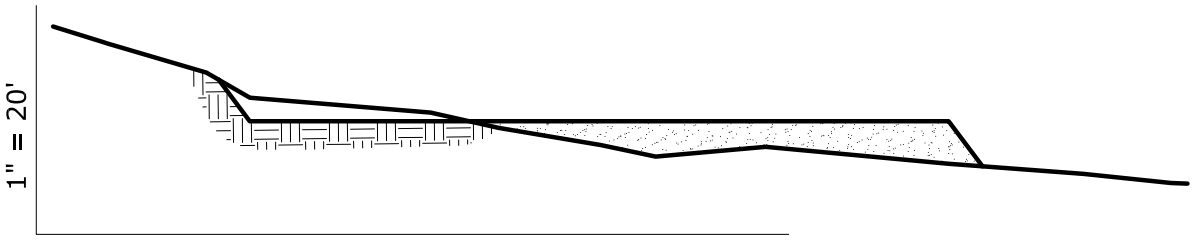
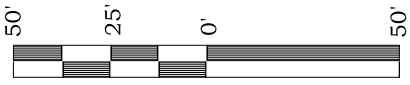


CROSS SECTION B-B'



CROSS SECTION A-A'



ROSEWOOD RESOURCES

WELL PAD: CROQUET FED 32-35

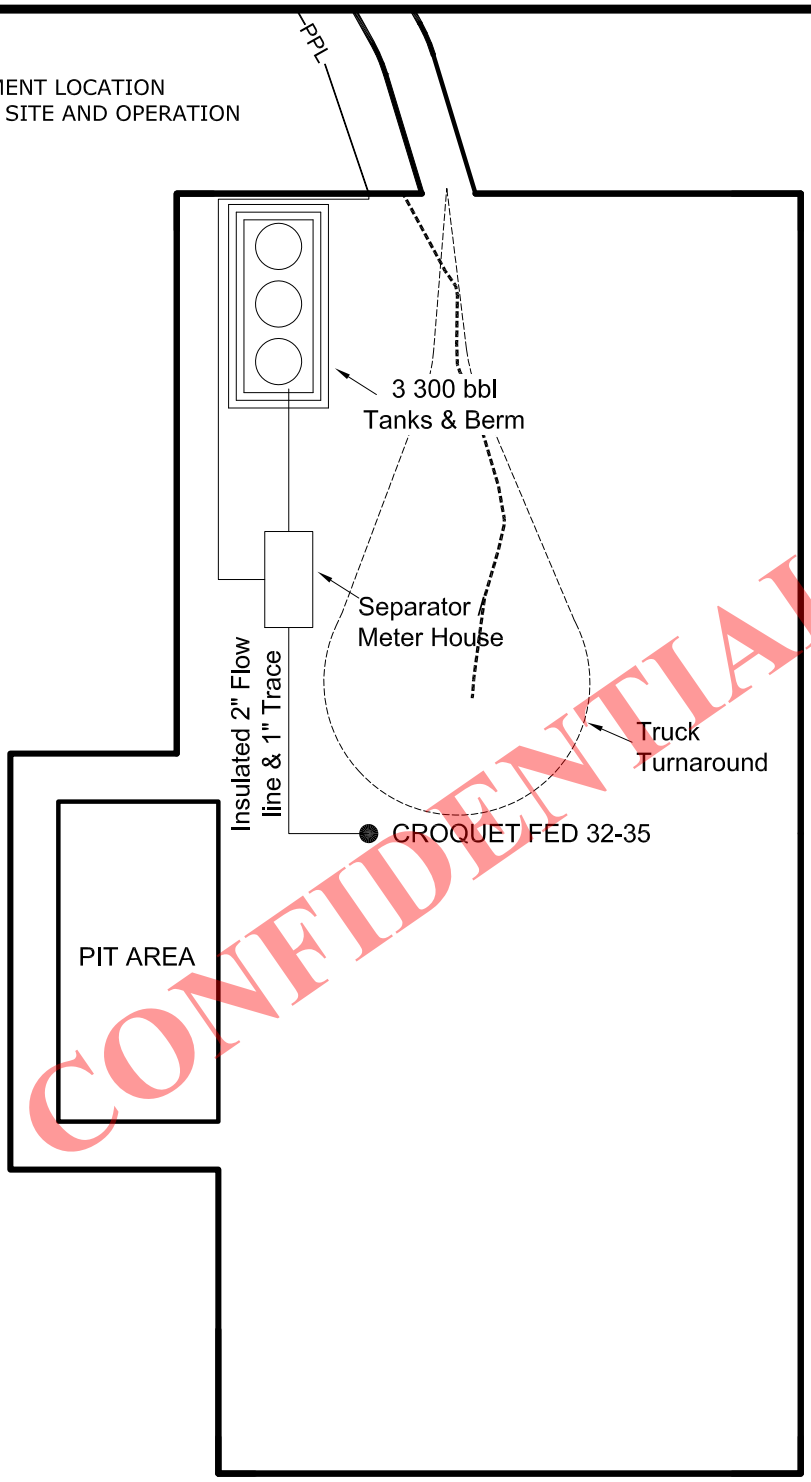
WELL PAD - CROSS SECTION
WELL - CROQUET FED 32-35
2624' FNL & 2218' FEL
LOCATED IN SECTION 35, T6S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH.

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 7-17-13	SURVEYED BY: A.F.	SHEET NO:
DATE DRAWN: 7-29-13	DRAWN BY: M.W.W.	4
	Date Last Revised: J.G.C. 1-15-14	OF 11

RECEIVED: March 12, 2014

NOTE:
PRODUCTION EQUIPMENT LOCATION
COULD VARY DUE TO SITE AND OPERATION
EFFECTIVENESS.



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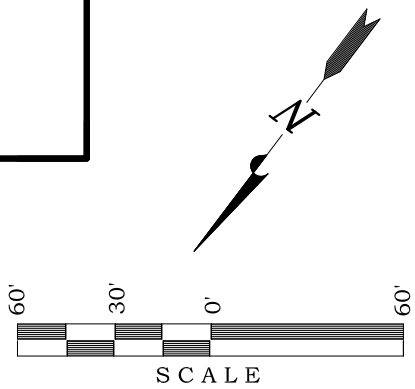
LEGEND

● = PROPOSED WELL LOCATION

—PPL— = PROPOSED PIPELINE



ROSEWOOD RESOURCES

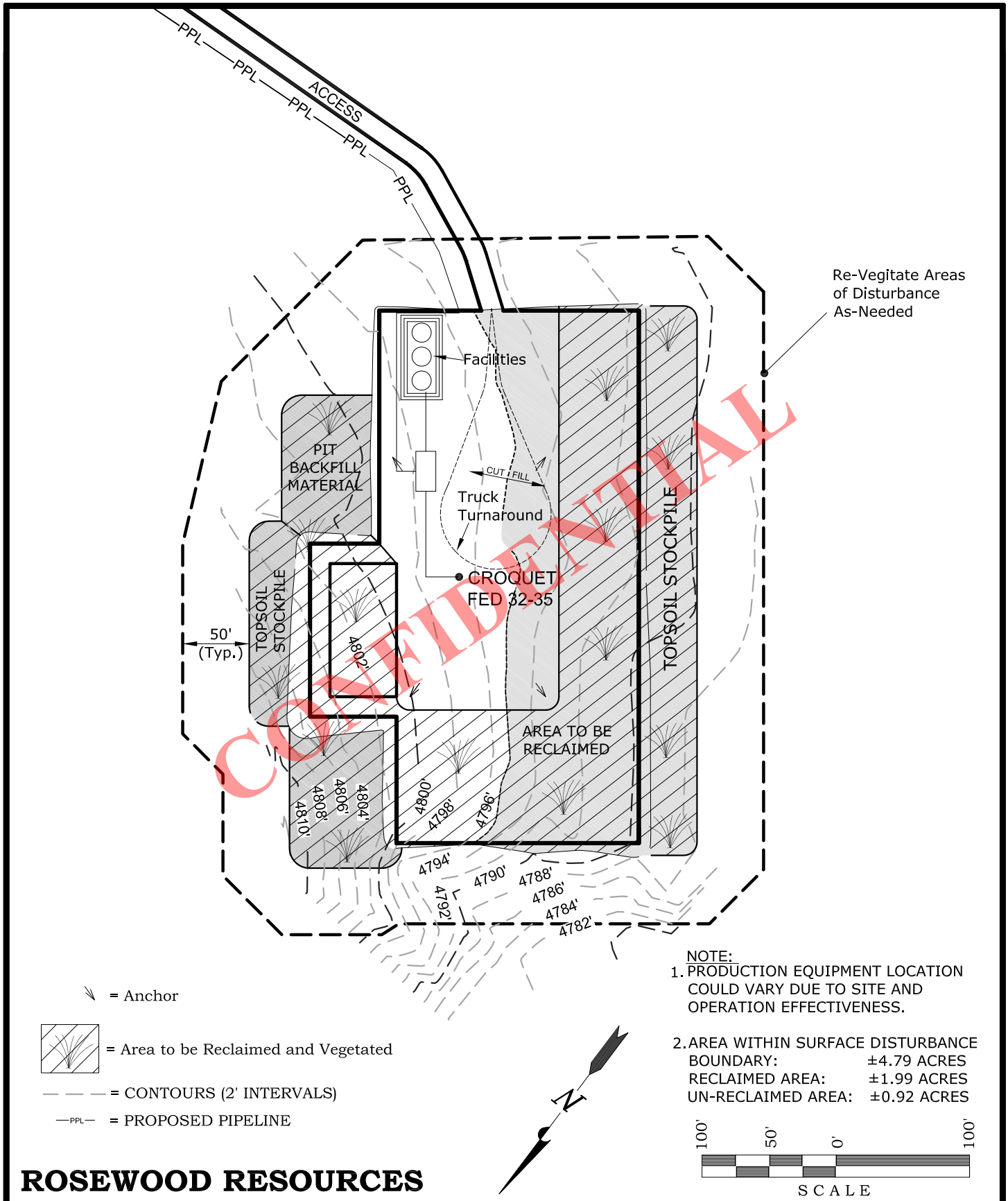
WELL PAD: CROQUET FED 32-35

WELL PAD - FACILITY DIAGRAM
WELL - CROQUET FED 32-35
2624' FNL & 2218' FEL
LOCATED IN SECTION 35, T6S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH.

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 7-17-13	SURVEYED BY: A.F.	SHEET NO:
DATE DRAWN: 7-29-13	DRAWN BY: M.W.W.	5
SCALE: 1" = 60'	Date Last Revised: J.G.C. 1-15-14	OF 11

RECEIVED: March 12, 2014



NOTE:
1. PRODUCTION EQUIPMENT LOCATION COULD VARY DUE TO SITE AND OPERATION EFFECTIVENESS.
2. AREA WITHIN SURFACE DISTURBANCE BOUNDARY: ±4.79 ACRES
RECLAIMED AREA: ±1.99 ACRES
UN-RECLAIMED AREA: ±0.92 ACRES

ROSEWOOD RESOURCES

WELL PAD: CROQUET FED 32-35

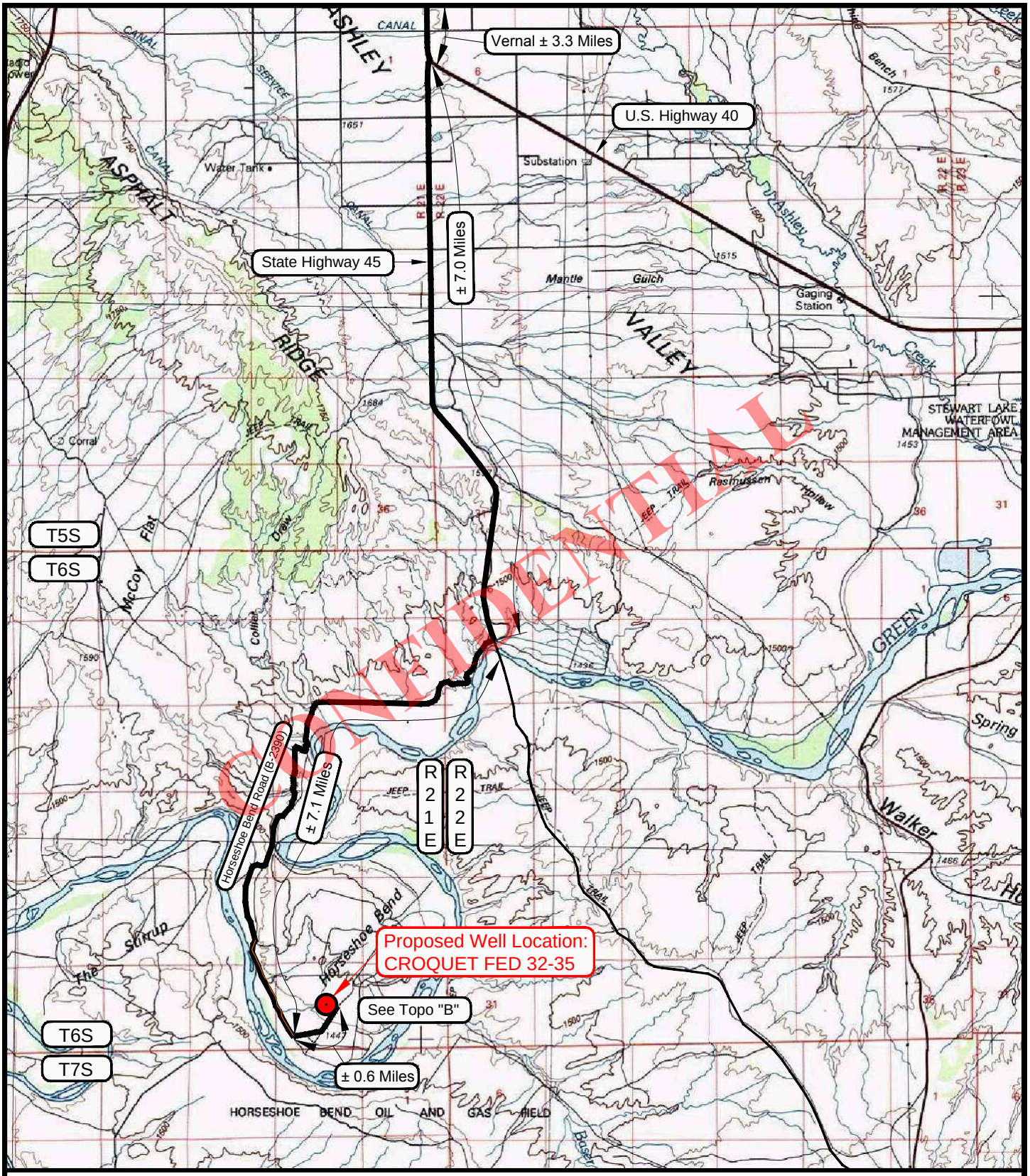
WELL PAD
INTERIM RECLAMATION DIAGRAM
WELL - CROQUET FED 32-35
2624' FNL & 2218' FEL
LOCATED IN SECTION 35, T6S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH.

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 7-17-13	SURVEYED BY: A.F.	SHEET NO:
DATE DRAWN: 7-29-13	DRAWN BY: M.W.W.	6
SCALE: 1" = 100'	Date Last Revised: 1-15-14 J.G.C.	OF 11

RECEIVED: March 12, 2014

API Well Number: 43047545100000



LEGEND

PROPOSED ACCESS ROAD
= SUBJECT WELL
= OTHER WELLS
= EXISTING ROAD
= EXISTING ROAD (TO BE IMPROVED)

B-5460 = COUNTY ROAD CLASS & NUMBER

N

ROSEWOOD RESOURCES

WELL PAD - CROQUET FED 32-35
WELL - CROQUET FED 32-35
2624' FNL & 2218' FEL
LOCATED IN SECTION 35, T6S, R21E, S.L.B.&M., UINTAH COUNTY, UTAH.

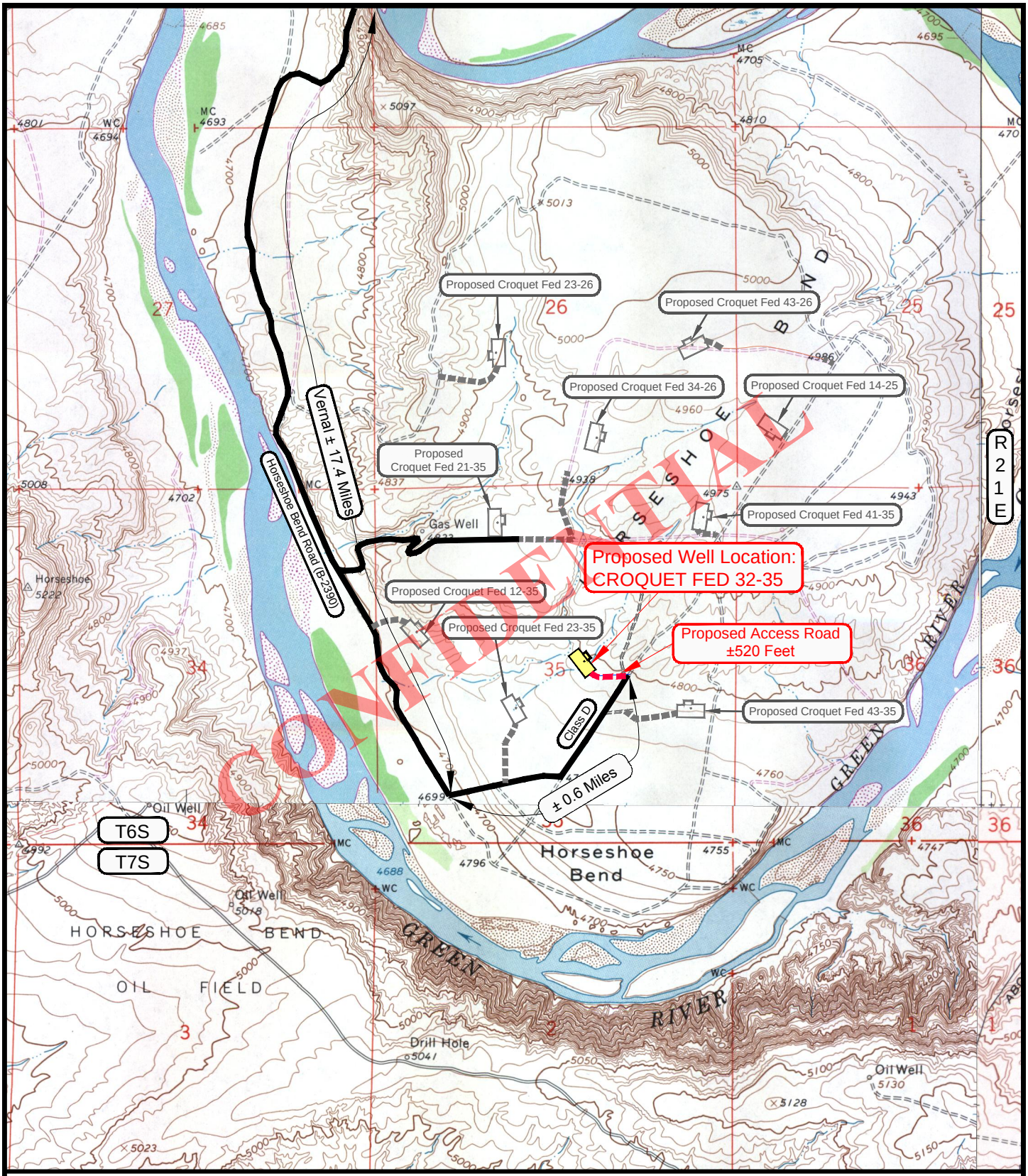
TOPOGRAPHIC MAP "A"		DATE SURVEYED: 7-17-13
		DATE DRAWN: 7-23-13
SCALE: 1:100,000	DRAWN BY: M.W.W.	REVISED: 1-15-14 J.G.C.

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

SHEET 7 OF 11

RECEIVED: March 12, 2014

API Well Number: 43047545100000



LEGEND

PROPOSED ACCESS ROAD
= SUBJECT WELL
= OTHER WELLS
= EXISTING ROAD
= EXISTING ROAD (TO BE IMPROVED)

B-5460 = COUNTY ROAD CLASS & NUMBER
= LEASE LINE AND / OR PROPERTY LINE

N

ROSEWOOD RESOURCES

WELL PAD - CROQUET FED 32-35
WELL- CROQUET FED 32-35
2624' FNL & 2218' FEL
LOCATED IN SECTION 35, T6S, R21E, S.L.B.&M., UINTAH COUNTY, UTAH.

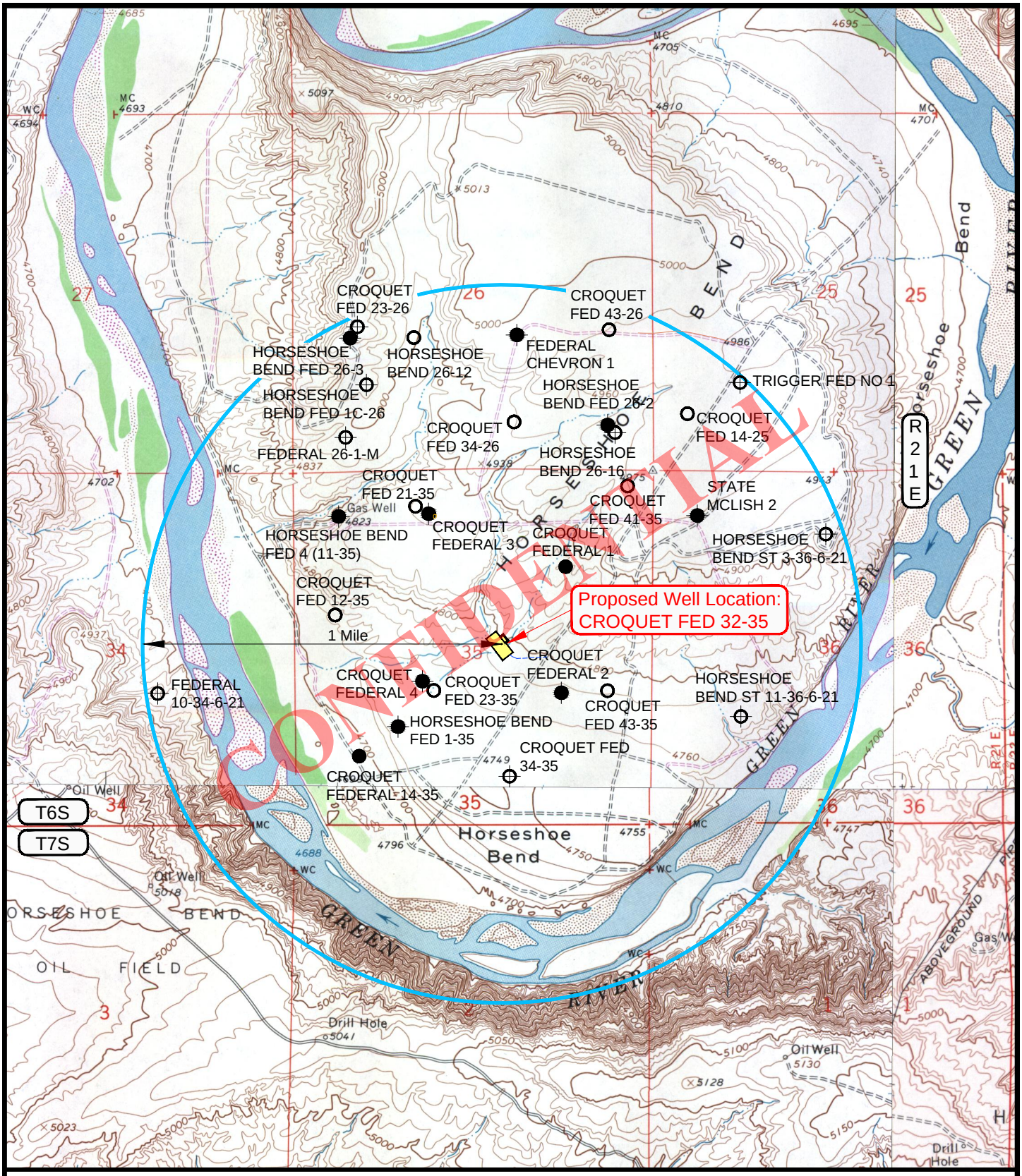
TOPOGRAPHIC MAP "B"		DATE SURVEYED: 7-17-13
		DATE DRAWN: 7-23-13
SCALE: 1" = 2000'	DRAWN BY: M.W.W.	REVISED: 1-15-14 J.G.C.

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

SHEET 8 OF 11

RECEIVED: March 12, 2014

API Well Number: 43047545100000



LEGEND

- = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- = PROPOSED WELL
- = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL
- = ABANDONED LOCATION

N

ROSEWOOD RESOURCES

WELL PAD - CROQUET FED 32-35
CROQUET FED 32-35
2624' FNL & 2218' FEL
LOCATED IN SECTION 35, T6S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH.

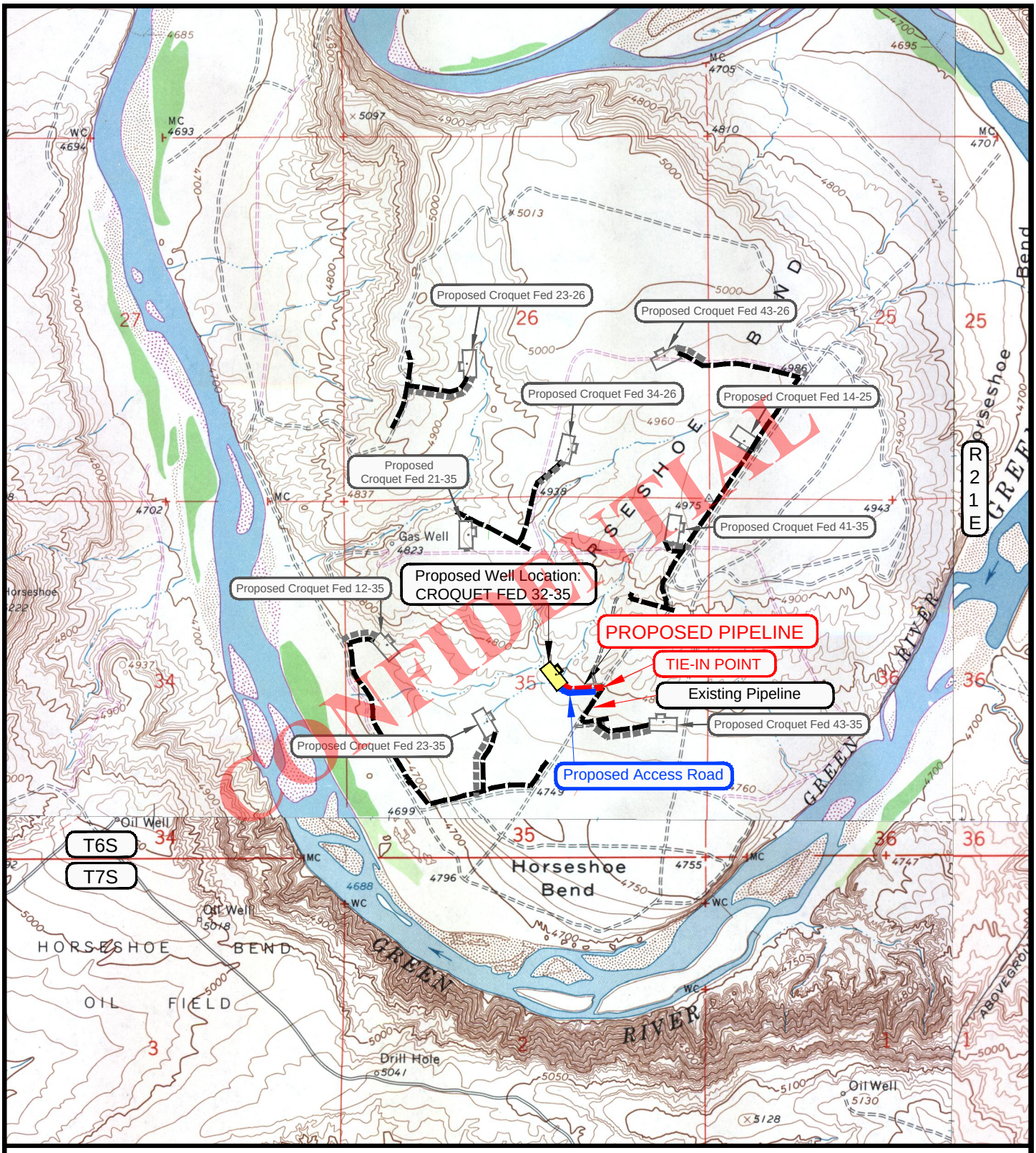
TOPOGRAPHIC MAP "C"		DATE SURVEYED: 7-17-13
		DATE DRAWN: 7-23-13
SCALE: 1" = 2000'	DRAWN BY: M.W.W.	REVISED: 1-15-14 J.G.C.

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

SHEET 9 OF 11

RECEIVED: March 12, 2014

API Well Number: 43047545100000



APPROXIMATE PIPELINE LENGTH = ±580 FEET

LEGEND

= PROPOSED PIPELINE
= OTHER PIPELINE
PROPOSED ACCESS ROAD
= SUBJECT WELL
= OTHER WELLS
= LEASE LINE AND / OR PROPERTY LINE

N

ROSEWOOD RESOURCES

WELL PAD - CROQUET FED 32-35
WELL- CROQUET FED 32-35
2624' FNL & 2218' FEL
LOCATED IN SECTION 35, T6S, R21E, S.L.B.&M., UINTAH COUNTY, UTAH.

TOPOGRAPHIC MAP "D"		DATE SURVEYED: 7-17-13
		DATE DRAWN: 7-23-13
SCALE: 1" = 2000'	DRAWN BY: M.W.W.	REVISED: 1-15-14 J.G.C.

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

SHEET 10 OF 11

RECEIVED: March 12, 2014

ONSHORE OIL & GAS ORDER NO. 1

NOTIFICATION REQUIREMENTS

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

The following individuals met on Dec 3rd for the onsite evaluation of the proposed site.

Dave Gordon	**Bureau of Land Management**
Brock Slaugh	**Timberline Land Survey**
Andrew Floyd	**Timberline Land Survey**
Jill Henrie	**Rosewood Resources, Inc.**
Dennis Atwood	**Rosewood Resources, Inc.**

1. <u>Existing roads</u>

Total distance from Vernal, Utah to the proposed well location is approximately 18.3 miles in a southerly direction.

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a. **From the intersection of U.S. Highway 40 and 500 East street in Vernal, Utah, proceed in an easterly then southerly direction along U.S. Highway 40 approximately 3.3 miles to the junction of State Highway 45. Exit right and proceed in a southerly direction along State Highway 45 approximately 7.0 miles to the junction of the Horseshoe Bend Road (County B Road 2390). Exit right and proceed in a southwesterly direction along the Horseshoe Bend Road approximately 7.1 miles to the intersection of a Class D county road. Exit left and proceed in an northeasterly direction along the Class D county road approximately 0.6 miles to a service road to the north. Exit left and proceed in a northerly direction along the service road approximately 0.2 miles to the proposed access road. Follow red flags to the proposed well location.**

b. **Improvements to the existing access (BLM and County roads) will not be necessary.**

c. **For location of access roads within 2-mile radius, see Maps 7- 9.**

d. **All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.**

e. **Existing roads and any newly constructed roads will be maintained in accordance with the standards of the Surface Managing Agency.**

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2. **Planned Access Roads**

a. **All existing 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. Location must have adequate ditches to prevent any flooding.**

e. **The use of surfacing material is not anticipated; however it may be necessary depending on weather conditions.**

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.**

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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.**

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3. **Location of Existing Wells within a 1-Mile Radius of the Proposed Location. See Sheet 9 of plats.**

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 Covert 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.**

RECEIVED: March 12, 2014

f. **The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and on all future calibrations. A copy of the calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform 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 +/-580' from the well-site to the tie-in point and will be constructed of welded steel. It will be 3" in diameter, laid on surface.**

5. **Location and Type of Water Supply**

a. **The proposed water source for this well will be provided by Tu and Frum Inc. 7485 S Hwy 87 - Kenny Sutton 738-3990. It will be taken from the Green River, water right number 49-2343.**

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b. Water will be hauled over the roads shown on Topo Maps.

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.

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7. Methods of Handling Waste Disposal

a. The reserve pit will be constructed so as not to leak, break or allow discharge.

b. The reserve pit will be lined with 10 mil. Plastic liner. The pit area will be sufficiently bedded with either straw or felt prior to installing liner. The liner will overlap the pit walls and be covered with dirt or rocks to hold it in place. No trash, scrap pipe, etc. that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the AO.

c. Burning will not be allowed. All trash will be contained in a trash cage and its contents hauled to an approved disposal facility.

d. A Hospital muffler will be installed on the pumping unit to reduce noise. It will be facing upward, not at the river.

e. 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.

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f. **Drill cuttings are to be contained and buried in the reserve pit.**

g. **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.**

h. **A chemical portable-toilet will be furnished with the drilling rig.**

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8. **Ancillary Facilities**

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

9. **Well Site Layout**

a. **The operator or dirt contractor shall contact the BLM Office at (435) 781-4400, forty-eight (48) hours prior to construction activities.**

b. **The reserve pit will be located on the west of the location.**

c. **The flare pit will be located downwind of the prevailing wind direction on the northeast of the reserve pit, a minimum of 100 feet from the wellhead and 30 feet from the reserve pit fence.**

d. **Access to the well pad will be from the southeast as shown in the Pit & Pad Layout.**

e. **See Location Layout for orientation of rig, cross section of drill pad, cuts and fills, and topsoil stockpiles.**

f. **The location of mud tanks, reserve pit, trash cage, pipe racks and living facilities are also shown on the Location Layout.**

g. **Brush and trees will not be an issue for this well pad.**

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h. 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.

6. 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.

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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:**

Common name	Latin name	lbs/acre	Recommended seed planting depth
Squirreltail grass	Elymus elymoides	4.0	¼ - ½"
Siberian Wheatgrass	Agropyron fragile	2.0	½"
Needle and Thread	Stipa comate	3.0	½"
Shadscale	Atriplex confertifolia	0.50	½"
Gardner's saltbush	Atriplex gardneri	0.50	½"
Bluebunch Wheatgrass	Pseudoroegneria Spicata	3.0	½"
Scarlet globemallow	Sphaeralcea coccinea	0.10	⅛ – ¼"

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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 according to our reclamation plan.**

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

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.

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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.

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13. Other Information

a. A Class III archeological survey was conducted and is attached.

b. A Paleontological reconnaissance survey was conducted and is attached.

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 archaeological 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.

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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.**

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.**

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k. **Rosewood acknowledges and will adhere to Crucial year-long deer fawning habitat May 15 - June 20th. No construction and or drilling under this time frame unless a survey is conducted and variance is granted.**

a. **The operator or his contractor shall contact the BLM Offices at (435) 781-4400 48 hours prior to beginning construction activities.**

b. **The BLM Office shall be notified upon site completion prior to moving in the drilling rig.**

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

Jerry Kenzka	**BLM**	**(435)781-4400**
Michael Lee	**Petroleum Engineer**	**(435)828-7875**
BLM Fax Machine		**(435)789-3634**

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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
Dennis Atwood – 435-789-0414 (Office)
435-828-8943 (Mobile)

Environmental & Safety Matters
Heather Stone - 214-756-6694 (Office)

RECEIVED: March 12, 2014

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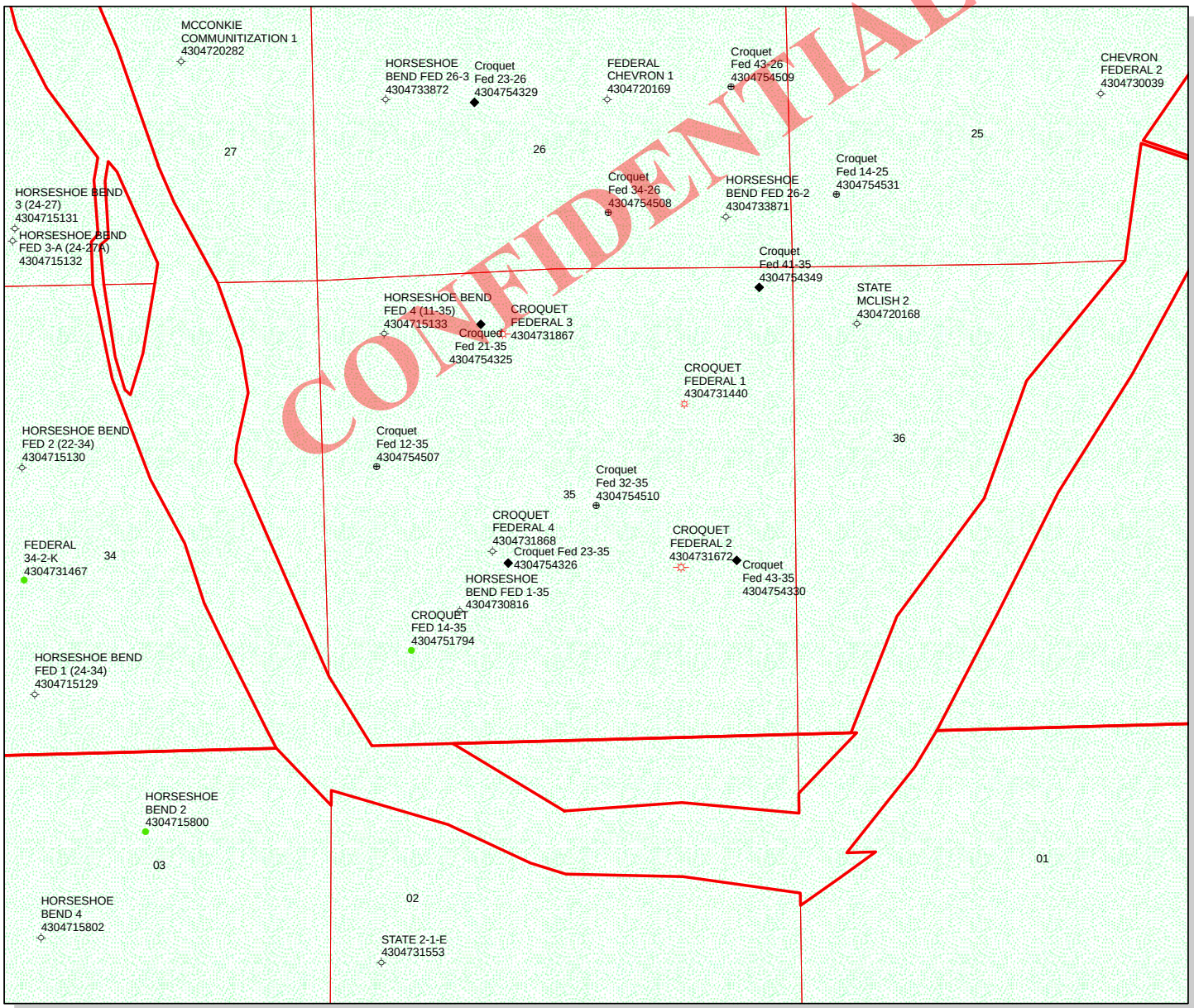
RECEIVED: March 12, 2014

API Well Number: 43047545100000



API Number: 4304754510

Well Name: Croquet Fed 32-35

Township: T06.0S Range: R21.0E Section: 35 Meridian: S

Operator: ROSEWOOD RESOURCES INC

Map Prepared: 6/20/2014
Map Produced by Diana Mason

Wells Query

Status

- APD - Aproved Permit
- DRL - Spuded (Drilling Commenced)
- GIW - Gas Injection
- GS - Gas Storage
- LOC - New Location
- OPS - Operation Suspended
- PA - Plugged Abandoned
- PGW - Producing Gas Well
- POW - Producing Oil Well
- SGW - Shut-in Gas Well
- SOW - Shut-in Oil Well
- TA - Temp. Abandoned
- TW - Test Well
- WDW - Water Disposal
- WIW - Water Injection Well
- WSW - Water Supply Well

Units

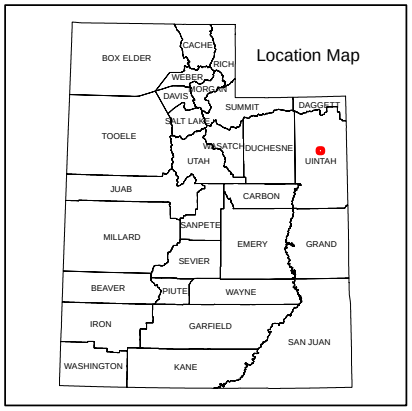
STATUS

- ACTIVE
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields

STATUS

- Unknown
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- STORAGE
- TERMINATED



N

1,400 700 0 1,400 Feet

1:13,814

RECEIVED: June 20, 2014

API Well Number: 43047545100000

ROSEWOOD RESOURCES

06/23/2014

Division of Oil, Gas & Mining
1594 W. N. Temple STE 1210
Salt Lake City, UT 84114-5801

To Whom it May Concern:

In reference to the State Oil and Gas Conservation rule R649'3-3 the Croquet Fed 32-35 located at 2624' FNL 2218' FEL SWNE SEC 35 6S 21E is an exception to this rule due to topography.

There are no additional lease owners within 460' of the proposed location. If you have any questions please contact Jill Henrie at 435-789-0414 x10.

Thank you,

Jill Henrie
Administrative Assistant/RL

CONFIDENTIAL

Rosewood Resources, Inc.
72 North Vernal Avenue
P.O. Box 1668
Vernal, Utah 84078
435-789-0414
435-789-0479 (Fax)

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 6/18/2014
API NO. ASSIGNED: 43047545100000
WELL NAME: Croquet Fed 32-35
OPERATOR: ROSEWOOD RESOURCES INC (N7510)
PHONE NUMBER: 435 789-0414
CONTACT: Jill Henrie

PROPOSED LOCATION: SWNE 35 060S 210E
Permit Tech Review: ✔

SURFACE: 2624 FNL 2218 FEL
Engineering Review: ☐

BOTTOM: 2624 FNL 2218 FEL
Geology Review: ✔

COUNTY: UINTAH
LATITUDE: 40.25562
LONGITUDE: -109.52152
UTM SURF EASTINGS: 625733.00
NORTHINGS: 4457178.00
FIELD NAME: HORSESHOE BEND
LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-53862
PROPOSED PRODUCING FORMATION(S): WASATCH
SURFACE OWNER: 1 - Federal
COALBED METHANE: NO

CONFIDENTIAL

RECEIVED AND/OR REVIEWED:

- ✔ **PLAT**
- ✔ **Bond:** FEDERAL - MT-0627
- ☐ **Potash**
- ☐ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ✔ **Water Permit:** 49-2343
- ☐ **RDCC Review:**
- ☐ **Fee Surface Agreement**
- ☐ **Intent to Commingle**

Commingling Approved

LOCATION AND SITING:

- ☐ **R649-2-3.**

Unit:

- ☐ **R649-3-2. General**
- ✔ **R649-3-3. Exception**
- ✔ **Drilling Unit**

Board Cause No: R649-3-3
Effective Date:
Siting:

- ☐ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations:
1 - Exception Location - dmason
4 - Federal Approval - dmason
23 - Spacing - dmason

RECEIVED: July 01, 2014

GARY R. HERBERT
Governor
SPENCER J. COX
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

Permit To Drill

****

Well Name: Croquet Fed 32-35
API Well Number: 43047545100000
Lease Number: UTU-53862
Surface Owner: FEDERAL
Approval Date: 7/1/2014

Issued to:
ROSEWOOD RESOURCES INC, PO Box 1668, Vernal , UT 84078

Authority:
Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the WASATCH Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:
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

Exception Location:
Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

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.

Conditions of Approval:
State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

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.

Notification Requirements:
The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well - contact Carol Daniels at 801-538-5284
  (please leave a voicemail message if not available)
  OR
  submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website
  at http://oilgas.ogm.utah.gov

Reporting Requirements:
All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) - due within 5 days of spudding the well
- Monthly Status Report (Form 9) - due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) - due prior to implementation
- Written Notice of Emergency Changes (Form 9) - due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) - due prior to implementation
- Report of Water Encountered (Form 7) - due within 30 days after completion
- Well Completion Report (Form 8) - due within 30 days after completion or plugging

Approved By:

For John Rogers
Associate Director, Oil & Gas

GARY R. HERBERT
Governor

SPENCER J. COX
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

August 20, 2015

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

Re: APDs Rescinded for Rosewood Resources, Inc., Uintah County

Ladies and Gentlemen:

Enclosed find the list of APDs that is being rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded effective August 20, 2015.

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

43-047-54349 Croquet Fed 41-35
43-047-54507 Croquet Fed 12-35
43-047-54508 Croquet Fed 34-26
43-047-54509 Croquet Fed 43-26
43-047-54531 Croquet Fed 14-25
43-047-54510 Croquet Fed 32-35