

15-181-20454-01-00

Ø2-Ø75-39W

ROSEWOOD RESOURCES INC.

Field: Sherman County, KS
 Site: Yarger 24-02H
 Well: #24-02H
 Wellpath: Lateral



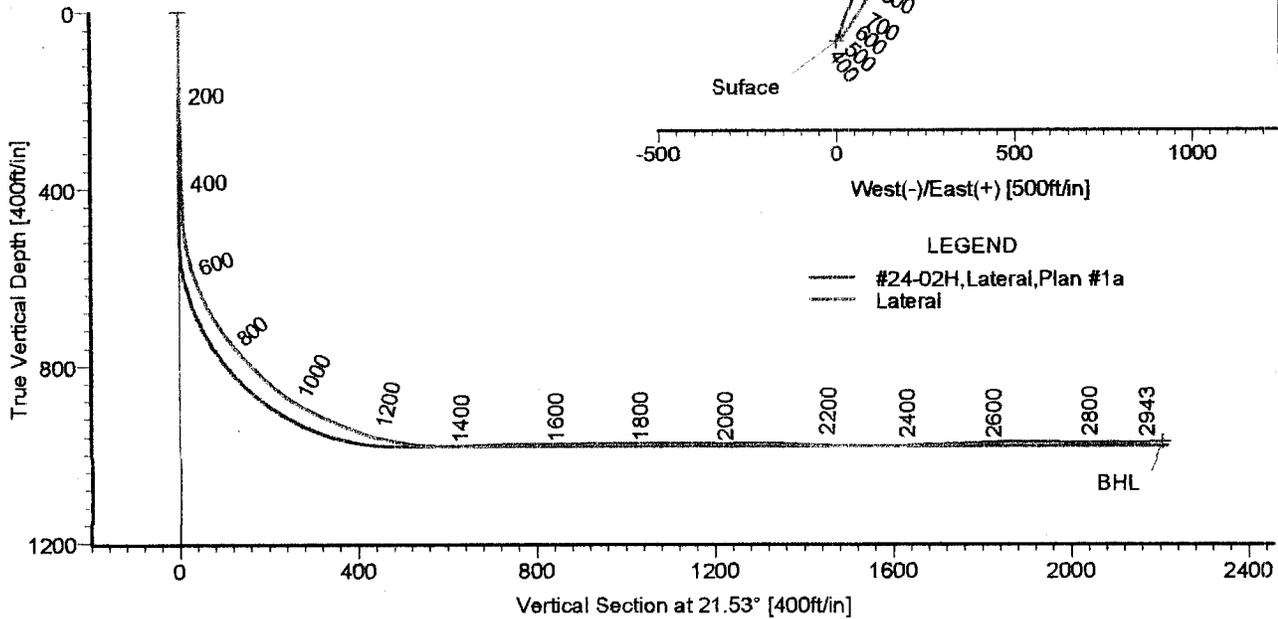
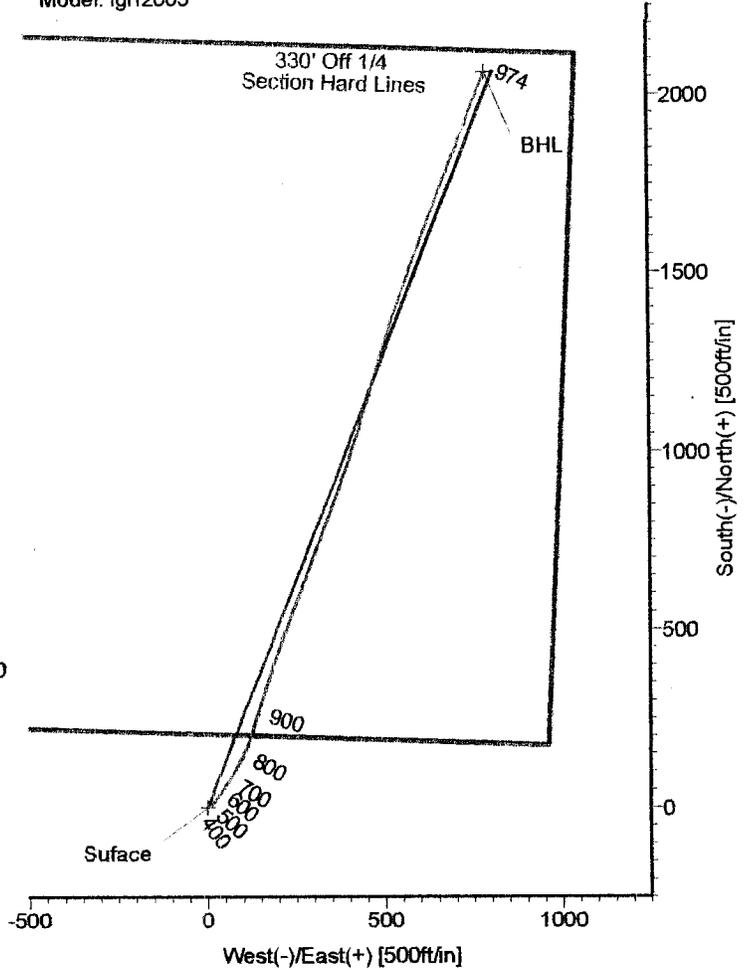
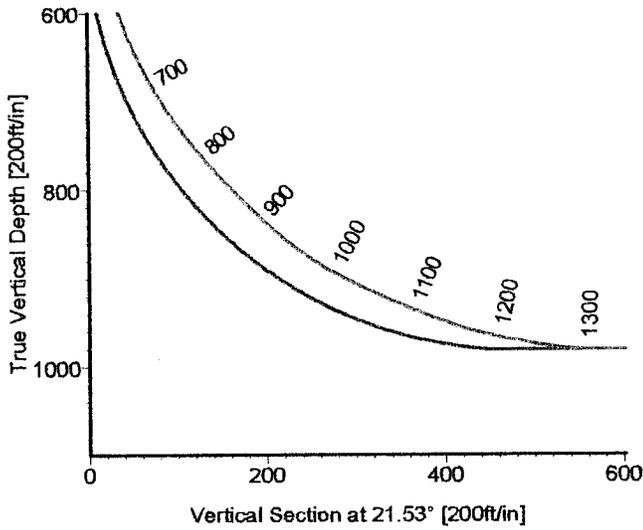
Azimuths to Grid North
 True North: 2.31°
 Magnetic North: 9.93°

Magnetic Field
 Strength: 53503nT
 Dip Angle: 66.97°
 Date: 10/15/2006
 Model: igrf2005



SW SW SE SW
 BLOCK CALLS

Surface: 125' FSL, 1380' FWL
 BHL: 2062.28' FSL, 790.64' FWL



LEGEND
 — #24-02H, Lateral, Plan #1a
 — Lateral

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
Surface	0.00	0.00	0.00	433844.40	970778.50	39°28'03.473N	101°38'47.481W	Point
BHL	974.26	2062.28	790.64	435906.68	971569.14	39°28'24.154N	101°38'38.465W	Point



STRATA DIRECTIONAL TECHNOLOGY, INC.
 1034 Regional Park Drive Houston, Texas 77060
 Phone: 713-934-9600 Fax: 713-934-9067

Wellpath: (#24-02H/Lateral)
 Created By: David Vogler Date: 11/3/2006
 Checked: _____ Date: _____

Strata Directional Technology, Inc.

Survey Report

Company: ROSEWOOD RESOURCES INC.		Date: 11/3/2006	Time: 13:28:53	Page: 1
Field: Sherman County, KS		Co-ordinate(NE) Reference:	Well: #24-02H, Grid North	
Site: Yarger 24-02H		Vertical (TVD) Reference:	3489'GL+13'KB 3502.0	
Well: #24-02H		Section (VS) Reference:	Well (0.00N,0.00E,21.53Azi)	
Wellpath: Lateral		Survey Calculation Method:	Minimum Curvature	Db: Adapti

Field: Sherman County, KS		
Map System: US State Plane Coordinate System 1927	Map Zone:	Kansas, Northern Zone
Geo Datum: NAD27 (Clarke 1866)	Coordinate System:	Well Centre
Sys Datum: Mean Sea Level	Geomagnetic Model:	igrf2005

Site: Yarger 24-02H		
Site Position:	Northing: 433844.40 ft	Latitude: 39 28 3.473 N
From: Map	Easting: 970778.50 ft	Longitude: 101 38 47.481 W
Position Uncertainty: 0.00 ft		North Reference: Grid
Ground Level: 3489.00 ft		Grid Convergence: -2.31 deg

Well: #24-02H		Slot Name:		
Well Position: +N/-S 0.00 ft	Northing: 433844.40 ft	Latitude: 39 28 3.473 N		
+E/-W 0.00 ft	Easting: 970778.50 ft	Longitude: 101 38 47.481 W		
Position Uncertainty: 0.00 ft				

Wellpath: Lateral		Drilled From: Surface	
Current Datum: 3489'GL+13'KB	Height 3502.00 ft	Tie-on Depth: 0.00 ft	
Magnetic Data: 10/15/2006		Above System Datum: Mean Sea Level	
Field Strength: 53503 nT		Declination: 7.62 deg	
Vertical Section: Depth From (TVD)	+N/-S	Mag Dip Angle: 66.97 deg	
ft	ft	ft	Direction deg
0.00	0.00	0.00	21.53

Survey Program for Definitive Wellpath				
Date: 10/20/2006	Validated: No	Version: 0		
Actual From	To	Survey	Toolcode	Tool Name
ft	ft			
406.00	2887.00	Survey #1 (406.00-2887.00)	MWD	Std MWD
2943.00	2943.00	Survey #2 (2943.00-2943.00)	Project	Projection

Survey										
MD	Incl	Azim	TVD	+N/-S	+E/-W	VS	DLS	Build	Turn	Tool/Comment
ft	deg	deg	ft	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	TIE LINE
406.00	2.60	54.00	405.86	5.41	7.45	7.77	0.64	0.64	0.00	MWD
454.00	2.30	62.70	453.82	6.50	9.19	9.41	0.99	-0.62	18.12	MWD
485.00	4.00	51.70	484.77	7.45	10.59	10.82	5.80	5.48	-35.48	MWD
517.00	8.60	39.90	516.57	9.98	13.00	14.05	14.86	14.37	-36.87	MWD
549.00	13.40	39.00	547.97	14.70	16.87	19.87	15.01	15.00	-2.81	MWD
580.00	17.10	45.00	577.88	20.72	22.36	27.48	12.96	11.94	19.35	MWD
612.00	20.70	40.10	608.15	28.37	29.33	37.16	12.29	11.25	-15.31	MWD
643.00	23.90	37.20	636.83	37.57	36.66	48.40	10.91	10.32	-9.35	MWD
675.00	27.60	33.30	665.65	48.93	44.65	61.90	12.71	11.56	-12.19	MWD
707.00	31.00	30.40	693.55	62.24	52.89	77.31	11.51	10.62	-9.06	MWD
739.00	35.40	32.10	720.32	77.21	61.99	94.57	14.05	13.75	5.31	MWD
770.00	38.30	31.70	745.12	92.99	71.81	112.86	9.39	9.35	-1.29	MWD
802.00	41.20	30.90	769.72	110.47	82.44	133.02	9.20	9.06	-2.50	MWD
834.00	44.00	29.60	793.28	129.18	93.34	154.43	9.17	8.75	-4.06	MWD
866.00	44.80	25.60	816.15	149.02	103.71	176.68	9.09	2.50	-12.50	MWD
898.00	47.30	21.50	838.36	170.14	112.89	199.69	12.09	7.81	-12.81	MWD
930.00	51.60	19.00	859.16	192.94	121.29	223.99	14.69	13.44	-7.81	MWD
961.00	55.60	17.70	877.55	216.62	129.13	248.90	13.34	12.90	-4.19	MWD
993.00	61.50	17.20	894.24	242.66	137.31	276.12	18.49	18.44	-1.56	MWD
1025.00	64.00	17.60	908.89	269.80	145.82	304.49	7.89	7.81	1.25	MWD
1057.00	66.70	17.60	922.24	297.52	154.61	333.50	8.44	8.44	0.00	MWD

Strata Directional Technology, Inc.

Survey Report

Company: ROSEWOOD RESOURCES INC.	Date: 11/3/2006	Time: 13:28:53	Page: 2
Field: Sherman County, KS	Co-ordinate(NE) Reference: Well: #24-02H, Grid North		
Site: Yarger 24-02H	Vertical (TVD) Reference: 3489'GL+13'KB 3502.0		
Well: #24-02H	Section (VS) Reference: Well (0.00N,0.00E,21.53Azi)		
Wellpath: Lateral	Survey Calculation Method: Minimum Curvature	Db: Adapti	

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	Tool/Comment
1089.00	67.00	17.70	934.82	325.56	163.54	362.86	0.98	0.94	0.31	MWD
1120.00	68.90	18.00	946.45	352.91	172.34	391.53	6.19	6.13	0.97	MWD
1152.00	72.80	18.50	956.95	381.61	181.81	421.71	12.28	12.19	1.56	MWD
1184.00	77.50	19.20	965.15	410.87	191.80	452.59	14.84	14.69	2.19	MWD
1216.00	78.90	19.40	971.69	440.44	202.16	483.89	4.42	4.37	0.62	MWD
1248.00	81.30	20.00	977.19	470.11	212.78	515.40	7.72	7.50	1.87	MWD
1279.00	87.10	21.00	980.32	498.99	223.58	546.22	18.98	18.71	3.23	MWD
1311.00	88.80	20.90	981.47	528.85	235.01	578.20	5.32	5.31	-0.31	MWD
1343.00	89.40	21.10	981.97	558.72	246.48	610.19	1.98	1.87	0.62	MWD
1374.00	91.10	20.90	981.84	587.66	257.59	641.19	5.52	5.48	-0.65	MWD
1406.00	92.50	20.70	980.83	617.56	268.95	673.17	4.42	4.37	-0.62	MWD
1438.00	92.70	21.20	979.38	647.41	280.38	705.14	1.68	0.62	1.56	MWD
1470.00	90.70	20.70	978.43	677.28	291.81	737.12	6.44	-6.25	-1.56	MWD
1501.00	90.20	20.10	978.19	706.34	302.62	768.11	2.52	-1.61	-1.94	MWD
1533.00	90.30	20.30	978.05	736.37	313.67	800.10	0.70	0.31	0.62	MWD
1629.00	90.50	20.90	977.38	826.23	347.44	896.09	0.66	0.21	0.62	MWD
1724.00	90.40	19.60	976.63	915.35	380.32	991.06	1.37	-0.11	-1.37	MWD
1819.00	89.90	18.50	976.38	1005.15	411.33	1085.97	1.27	-0.53	-1.16	MWD
1915.00	89.20	16.50	977.14	1096.70	440.19	1181.72	2.21	-0.73	-2.08	MWD
2010.00	91.10	17.30	976.89	1187.59	467.81	1276.41	2.17	2.00	0.84	MWD
2106.00	87.50	16.50	978.06	1279.42	495.71	1372.07	3.84	-3.75	-0.83	MWD
2202.00	88.30	19.30	981.58	1370.70	525.19	1467.80	3.03	0.83	2.92	MWD
2296.00	90.50	20.00	982.56	1459.22	556.80	1561.74	2.46	2.34	0.74	MWD
2392.00	92.00	20.60	980.47	1549.23	590.10	1657.69	1.68	1.56	0.62	MWD
2487.00	91.70	20.70	977.40	1638.08	623.58	1752.63	0.33	-0.32	0.11	MWD
2583.00	91.80	21.10	974.47	1727.72	657.81	1848.58	0.43	0.10	0.42	MWD
2677.00	88.70	21.50	974.06	1815.29	691.95	1942.57	3.33	-3.30	0.43	MWD
2772.00	90.00	21.40	975.14	1903.70	726.69	2037.56	1.37	1.37	-0.11	MWD
2867.00	90.30	21.70	974.89	1992.06	761.58	2132.56	0.45	0.32	0.32	MWD
2887.00	90.50	22.60	974.75	2010.58	769.12	2152.56	4.61	1.00	4.50	MWD
2943.00	90.50	22.60	974.26	2062.28	790.64	2208.54	0.00	0.00	0.00	Project

Targets

Name	Description Dip. Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude --->		<--- Longitude --->	
							Deg	Min Sec	Deg	Min Sec
Surface		0.00	0.00	0.00	433844.40	970778.50	39	28	3.473	N 101 38 47.481 W
BHL		974.26	2062.28	790.64	435906.68	971569.14	39	28	24.154	N 101 38 38.465 W

KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

Type Test:

- Open Flow
 Deliverability

(See Instructions on Reverse Side)

Test Date:
12/2/2006

API No. 15
181-20454-00

Company Rosewood Resources, Inc.		Lease Yarger		Well Number 24-02H	
County Sherman	Location SESW	Section 2	TWP 7S	RNG (E/W) 39W	Acres Attributed 80
Field Goodland		Reservoir Niobrara	Gas Gathering Connection Branch Systems Inc.		
Completion Date 10/18/2006		Plug Back Total Depth 2928'		Packer Set at	
Casing Size 4 1/2"	Weight 10.5#	Internal Diameter 4.000	Set at 2928'	Perforations 2863'	To 2878'
Tubing Size NONE	Weight	Internal Diameter	Set at	Perforations	To
Type Completion (Describe) Single (Horizontal)		Type Fluid Production Dry Gas		Pump Unit or Traveling Plunger? Yes / No Flowing	
Producing Thru (Annulus / Tubing) Annulus		% Carbon Dioxide		% Nitrogen	Gas Gravity - G _g .6
Vertical Depth(H) 2943'		Pressure Taps Flange		(Meter Run) (Prover) Size 2"	
Pressure Buildup: Shut in _____ 20 _____ at _____ (AM) (PM) Taken _____ 20 _____ at _____ (AM) (PM)					
Well on Line: Started 12-2 _____ 20 06 at 1:30 _____ (AM) (PM) Taken 12-3 _____ 20 06 at 2:15 _____ (AM) (PM)					

OBSERVED SURFACE DATA

Duration of Shut-in 24 Hours

Static / Dynamic Property	Orifice Size (inches)	Circle one: Meter or Prover Pressure psig (Pm)	Pressure Differential in Inches H ₂ O	Flowing Temperature t	Well Head Temperature t	Casing Wellhead Pressure (P _w) or (P _i) or (P _c)		Tubing Wellhead Pressure (P _w) or (P _i) or (P _c)		Duration (Hours)	Liquid Produced (Barrels)
						psig	psia	psig	psia		
Shut-In						64	78.4				
Flow						29	43.4			24	0

FLOW STREAM ATTRIBUTES

Plate Coefficient (F _b) (F _p) Mcfd	Circle one: Meter or Prover Pressure psia	Press Extension $\sqrt{P_m \times h}$	Gravity Factor F _g	Flowing Temperature Factor F _t	Deviation Factor F _{pv}	Metered Flow R (Mcfd)	GOR (Cubic Feet/ Barrel)	Flowing Fluid Gravity G _m
						24		

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

(P_c)² = _____ ; (P_w)² = _____ ; P_d = _____ % (P_c - 14.4) + 14.4 = _____ ; (P_a)² = 0.207 ; (P_d)² = _____

(P _c) ² - (P _a) ² or (P _c) ² - (P _d) ²	(P _c) ² - (P _w) ²	Choose formula 1 or 2: 1. P _c ² - P _a ² 2. P _c ² - P _d ² divided by: P _c ² - P _w ²	LOG of formula 1, or 2, and divide by: P _c ² - P _w ²	Backpressure Curve Slope = "n" or Assigned Standard Slope	n x LOG []	Antilog	Open Flow Deliverability Equals R x Antilog (Mcfd)

Open Flow

Mcfd @ 14.65 psia

Deliverability

Mcfd @ 14.65 psia

The undersigned authority, on behalf of the Company, states that he is duly authorized to make the above report and that he has knowledge of the facts stated therein, and that said report is true and correct. Executed this the 2 day of February, 2007.

Witness (if any)

For Company

For Commission

Checked by

Tom W. Ruelph
For Company

I declare under penalty of perjury under the laws of the state of Kansas that I am authorized to request exempt status under Rule K.A.R. 82-3-304 on behalf of the operator Rosewood Resources, Inc.

and that the foregoing pressure information and statements contained on this application form are true and correct to the best of my knowledge and belief based upon available production summaries and lease records of equipment installation and/or upon type of completion or upon use being made of the gas well herein named.

I hereby request a one-year exemption from open flow testing for the Yarger 24-02H gas well on the grounds that said well:

(Check one)

- is a coalbed methane producer
- is cycled on plunger lift due to water
- is a source of natural gas for injection into an oil reservoir undergoing ER
- is on vacuum at the present time; KCC approval Docket No. _____
- is not capable of producing at a daily rate in excess of 250 mcf/D

I further agree to supply to the best of my ability any and all supporting documents deemed by Commission staff as necessary to corroborate this claim for exemption from testing.

Date: 2/2/2007

Signature: 

Title: Production Foreman

Instructions: If a gas well meets one of the eligibility criteria set out in KCC regulation K.A.R. 82-3-304, the operator may complete the statement provided above in order to claim exempt status for the gas well.

At some point during the current calendar year, wellhead shut-in pressure shall have been measured after a minimum of 24 hours shut-in/buildup time and shall be reported on the front side of this form under **OBSERVED SURFACE DATA**. Shut-in pressure shall thereafter be reported yearly in the same manner for so long as the gas well continues to meet the eligibility criterion or until the claim of eligibility for exemption **IS** denied.

The G-2 form conveying the newest shut-in pressure reading shall be filed with the Wichita office no later than December 31 of the year for which it's intended to acquire exempt status for the subject well. The form must be signed and dated on the front side as though it was a verified report of annual test results.

Monthly Gauge Sheet ✓

Well Name: Yaeger 24-02H

Pumper: TRS

Month 12/06

Day	Static	Diff	MCF	Wtr	TP	CP	SPM Cycle	Remarks
1								
2						64		12-2-06 First Gas
3	47		27			33		@ 1:30 PM 50 MCF
4	46		32			32		
5	43		31			30		
6	43		30			30		
7	41		29			28		
8	50		28			37		
9	43		28			30		
10	39		28			26		
11	39		27			26		
12	38		26			25		
13	38		27			25		BP
14	38		20			25		CD
15	38		27			25		
16	38		36			25		
17	39		26			26		
18	40		26			27		
19	39		25			26		BP
20	40		24			27		
21	40		24			27		
22	40		23			27		
23	42		23			29		
24	40		24			29		
25	40		24			29		
26	40		23			29		
27	37		24			24		
28	36		24			23		
29	36		24			23		
30	36		24			23		
31	36		24			23		
Totals								

Monthly Gauge Sheet ✓

Well Name: Yagu 24-02 H

Pumper: _____ Month 1/07

Day	Static	Diff	MCF	Wtr	TP	CP	SPM Cycle	Remarks
1	36		23			23		
2	36		23			23		
3	36		23			23		
4	34		23			21		BP
5	34		23			21		
6	36		20			23		CO4 hoses
7	34		23			21		
8	34		21			21		
9	34		23			21		
10	43		26			30		BP
11	34		25			21		
12	34		24			21		
13	34		26			21		
14	34		26			21		
15	33		26			20		
16	47		24			34		
17	33		28			20		
18	33		30			20		
19	33		28			20		
20	33		31			20		CO4
21	36		25			23		
22	33		30			20		
23	33		25			20		
24	36		29			23		
25	33		29			20		
26	32		28			19		BP
27	35		28			22		
28	32		28			19		
29	32		28			19		
30	33		30			20		
31	32		23			19		
Totals								