

For KCC Use:
Effective Date: 7-22-06
District #: 4
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED

MAY 30 2006

Form C-1
September 1999
Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing

CONSERVATION DIVISION
WICHITA, KS

Expected Spud Date June 15 2006
month day year

OPERATOR: License# 33019
Name: Rosewood Resources, Inc.
Address: 2711 N. Haskell Ave. - Suite 2800, LB #22
City/State/Zip: Dallas, Texas 75204
Contact Person: Tina Morrison
Phone: 214-756-6626

CONTRACTOR: License# 33532
Name: Advanced Drilling Technologies LLC

Spot East
NE - NE - NW Sec. 11 Twp. 7 S. R. 39 West
125 feet from S (N) (circle one) Line of Section
2050 feet from E (W) (circle one) Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Sherman
Lease Name: Yarger Well #: 21-11H
Field Name: Goodland

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Niobrara

Nearest Lease or unit boundary: 330'
Ground Surface Elevation: 3487 feet MSL
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No
Depth to bottom of fresh water: 195'
Depth to bottom of usable water: 195'
Surface Pipe by Alternate: xxx 1 2

Length of Surface Pipe Planned to be set: 250 Minimum
Length of Conductor Pipe required: None
Projected Total Depth: 1500'
Formation at Total Depth: Niobrara

Water Source for Drilling Operations:
Well Farm Pond Other xxx

DWR Permit #: _____
(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
If Yes, proposed zone: _____

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.
It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 days** of spud date. **In all cases, NOTIFY district office** prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: May 16, 2006 Signature of Operator or Agent: Tina Morrison Title: Land Administrator

For KCC Use ONLY

API # 15 - 181-20452-01-00
Conductor pipe required None feet
Minimum surface pipe required 250 feet per Alt. (1)
Approved by: RH 7-17-00
This authorization expires: 1-17-07
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

Remember to:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

11
7
39W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - 181-20452-01-00
 Operator: Rosewood Resources, Inc.
 Lease: Yarger
 Well Number: 21-11H
 Field: Goodland
 Number of Acres attributable to well: 160
 QTR / QTR / QTR of acreage: NE - NE - NW

Location of Well: County: Sherman
125 feet from S (N) (circle one) Line of Section
2050 feet from E (W) (circle one) Line of Section
 Sec. 11 Twp. 7 S. R. 39 East West

Is Section Regular or Irregular

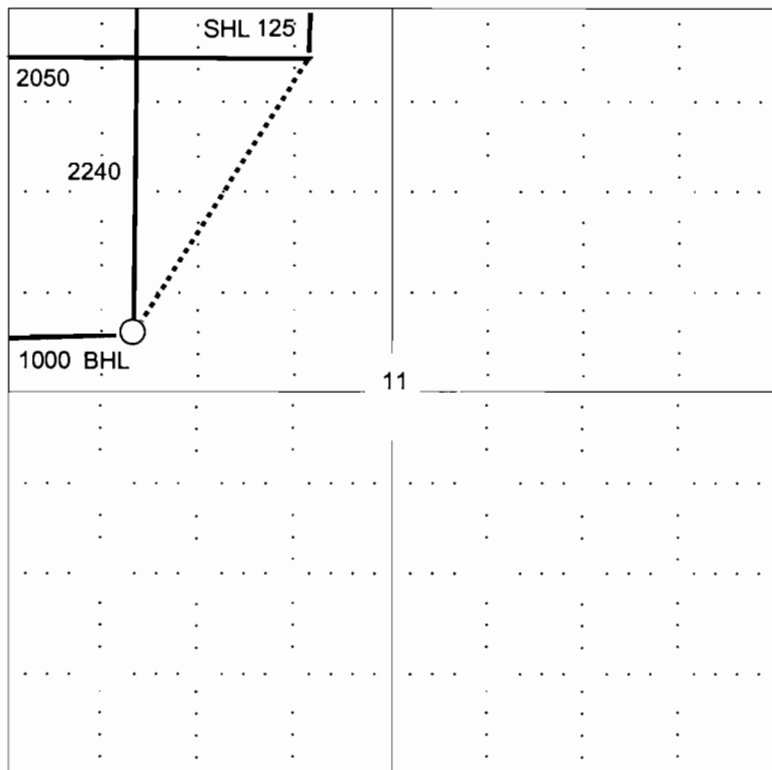
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

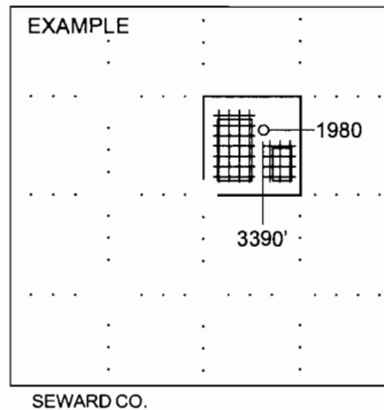
PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



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WICHITA, KS



NOTE: In all cases locate the spot of the proposed drilling locaton.

In plotting the proposed location of the well, you must show:

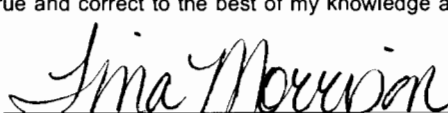
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).

MAY 30 2006

APPLICATION FOR SURFACE PIT

CONSERVATION DIVISION
 WICHITA, KS

Submit in Duplicate

Operator Name: Rosewood Resources, Inc.		License Number: 33019
Operator Address: 2711 N. Haskell Ave., Suite 2800, LB #22, Dallas, TX 75204		
Contact Person: Tina Morrison		Phone Number: (214) 756 - 6626
Lease Name & Well No.: Yarger 21-11H		Pit Location (QQQQ): NE NE NW
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	Sec. 11 Twp. 7S R. 39 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 125 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2050 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Sherman County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Drilling Mud
Pit dimensions (all but working pits): 50 Length (feet) 50 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 3 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit 5030 feet Depth of water well 195 feet		Depth to shallowest fresh water 160 feet. ^① Source of information: _____ measured _____ well owner _____ electric log <input checked="" type="checkbox"/> KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Bentonite Number of working pits to be utilized: None Abandonment procedure: Evaporation & Backfill _____ Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
_____ May 16, 2006 Date		 _____ Signature of Applicant or Agent

15-181-20452-01-00

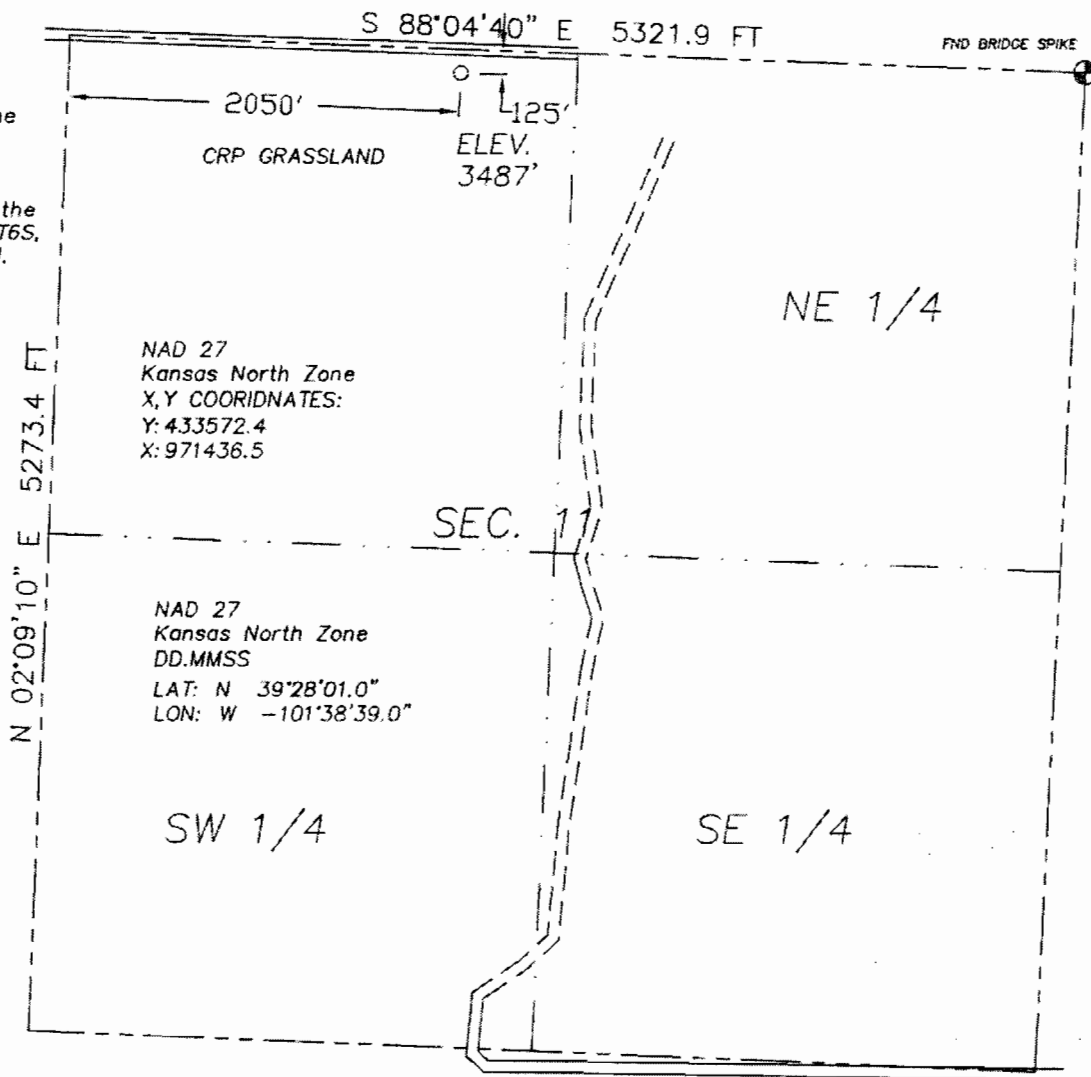
KCC OFFICE USE ONLY

Date Received: 5/30/06 Permit Number: _____ Permit Date: 5/31/06 Lease Inspection: Yes No

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

The accompanying plat is an accurate representation showing the location of a proposed well. This location may be described as a point 125 feet South of the North line, and 2050 feet East of the West line of Section 11, Township 7 South, Range 39 West of the 6th P.M., Sherman County, Kansas. The surface elevation at this point is 3487 feet m.s.l.
 Note: This is not a land survey plat.

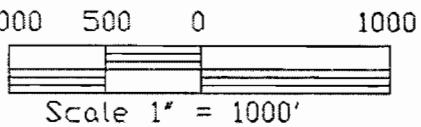
NOTE:
 Wells staked using the Kansas State Plane Coordinate system. North Zone NAD 27 Used Gaspers BM in the SW 1/4 of Sec. 19, T6S, R39W of the 6th P.M. Cheyenne County, KS
 X=949644.534
 Y=452887.993




NAD 27
 Kansas North Zone
 X,Y COORIDNATES:
 Y: 433572.4
 X: 971436.5

NAD 27
 Kansas North Zone
 DD.MMSS
 LAT: N 39°28'01.0"
 LON: W -101°38'39.0"

- Dual Producer
- Oil well
- Gas Well
- Dry Hole
- Location
- Cancelled Loc.
- Fence Line
- Section Line
- Road
- Trail
- Half-Sec. Line
- Survey Monument



 <p style="font-size: 24pt; font-weight: bold; margin: 0;">GREAT PLAINS SURVEYING, INC.</p>	YARGER 21-11
	NE 1/4 NW 1/4 SEC. 11, T7S, R39W
	ROSEWOOD RESOURCES, INC.
	SHERMAN COUNTY, KANSAS 14 FEBRUARY 2006
P.O. Box 296 Holyoke, CO 80734	Phone 970-774-3602 Fax 970-774-3601

W117S39KGPS

1402-446