

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION

Form C-1

September 1999

MAY 30 2006

Form must be Typed

Form must be Signed

All blanks must be Filled

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

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
SW - SE - SW Sec. 02 Twp. 7 S. R. 39 West
125 feet from (S) N (circle one) Line of Section
1380 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 #: 24-02H
Field Name: Goodland

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

Nearest Lease or unit boundary: 330'
Ground Surface Elevation: 3489 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: N/A 200

Depth to bottom of usable water: N/A 200

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: _____

Well Drilled For: Well Class: Type Equipment:
 Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 OWWO Disposal Wildcat Cable
 Seismic; # of Holes Other
 Other

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: 955'

Bottom Hole Location: 2,270 FSL AND 2,120 FWL

KCC DKT #: 06-CONS-208-C HOR

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 - 181-20454-01-00
Conductor pipe required None feet
Minimum surface pipe required 250 feet per Alt. 1
Approved by: RCH 7-17-06
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.

2
7
39W

MAY 30 2006

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

CONSERVATION DIVISION
WICHITA, KS

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 - 181-20454-01-00
Operator: Rosewood Resources, Inc.
Lease: Yarger
Well Number: 24-02H
Field: Goodland
Number of Acres attributable to well: 160
QTR / QTR / QTR of acreage: SW - SE - SW

Location of Well: County: Sherman
125 feet from S / N (circle one) Line of Section
1380 feet from E W (circle one) Line of Section
Sec. 02 Twp. 7 S. R. 39 East West

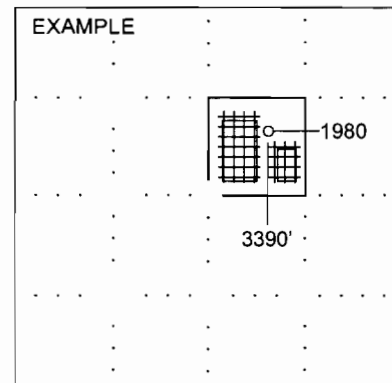
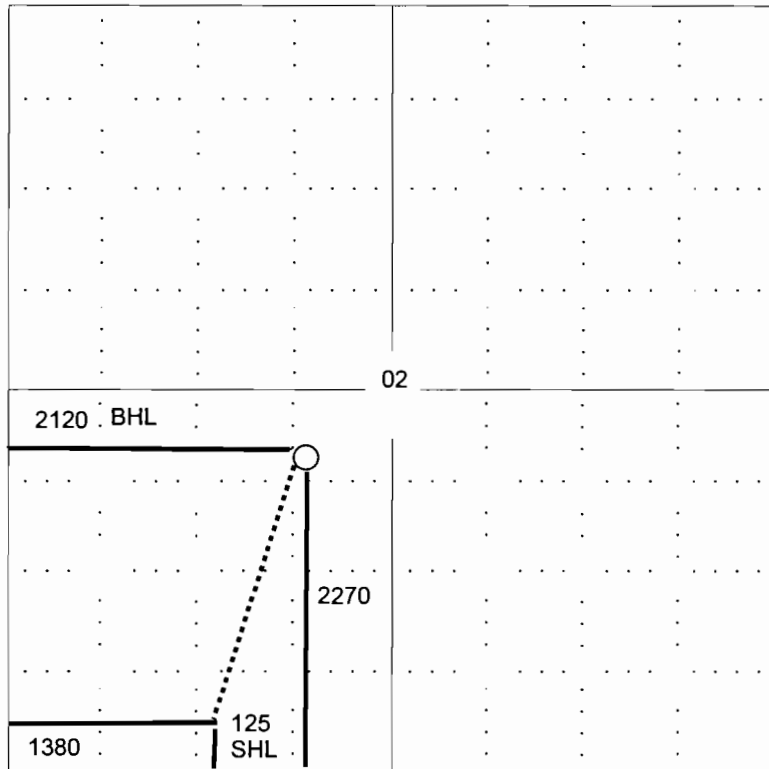
Is Section Regular or Irregular

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.)



NOTE: in all cases locate the spot of the proposed drilling location.

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

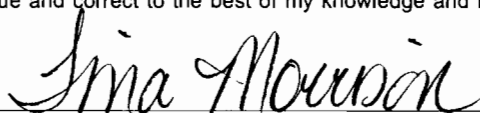
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

RECEIVED
KANSAS CORPORATION COMMISSION
MAY 30 2006
Form CDP-1
April 2004
Form must be Typed

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 24-02H		Pit Location (QQQQ): SW - SE - SW - Sec. 02 Twp. 7S R. 39 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 125 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1380 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Sherman County
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 <i>(If WP Supply API No. or Year Drilled)</i>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>
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 N/A feet Depth of water well N/A feet	Depth to shallowest fresh water N/A feet. 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	

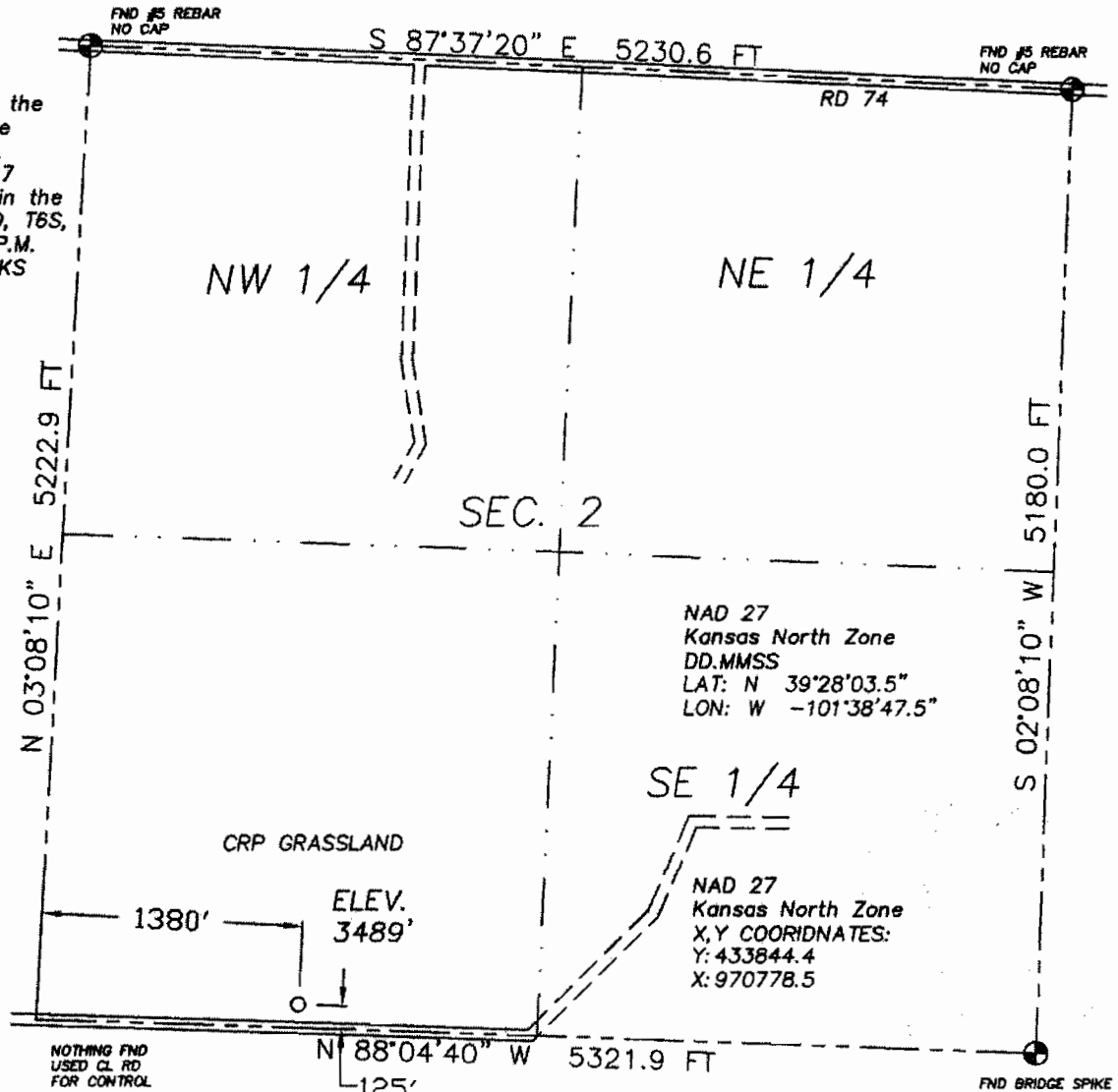
15-181-20454-01-00

KCC OFFICE USE ONLY			
Date Received: 5/30/06	Permit Number: _____	Permit Date: 5/31/06	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

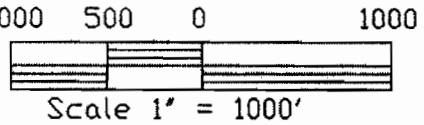
Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

The accompanying plat is an accurate representation showing the location of a proposed well. This location may be described as a point 125 feet North of the South line, and 1380 feet east of the West line of Section 2, Township 7 South, Range 39 West of the 6th P.M., Sherman County, Kansas. The surface elevation at this point is 3489 feet above 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



- ☀ Dual Producer ○ Location == Road
- Oil well ⊗ Cancelled Loc. === Trail
- ☀ Gas Well *** Fence Line - · - Half-Sec. Line
- Dry Hole - - - Section Line ⊕ Survey Monument



GREAT PLAINS
 SURVEYING, INC.

YARGER 24-2 ✓ O.K.
SE 1/4 SW 1/4 SEC. 2, T7S, R39W
ROSEWOOD RESOURCES, INC.
SHERMAN COUNTY, KANSAS 14 FEBRUARY 2006

P.O. Box 296 Phone 970-774-3602
 Holyoke, CO 80734 Fax 970-774-3601

W27S39KGPS

1402-445