

For KCC Use: 8-19-00
Effective Date: _____
District #: 4
SGA? Yes No

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

JUL 14 2006

Form must be Typed
Form must be Signed
All blanks must be Filled

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

LEGAL SECTION

Expected Spud Date August 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

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

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: 1036'
Bottom Hole Location: 2280' FSL 2200' FWL
KCC DKT #: 07-cons-007-CHOR

Spot East West
SE SW SW Sec. 24 Twp. 7 S. R. 39
125 feet from S (circle one) Line of Section
850 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: Beachner Bros Well #: 14-24H
Field Name: Goodland
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Niobrara
Nearest Lease or unit boundary: 344'
Ground Surface Elevation: 3585 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: 300
Depth to bottom of usable water: 300
Surface Pipe by Alternate: xxx 1 2
Length of Surface Pipe Planned to be set: 350 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: July 5, 2006 Signature of Operator or Agent: Tina Morrison Title: Land Administrator

For KCC Use ONLY
API # 15 - 181-20459-01-00
Conductor pipe required None feet
Minimum surface pipe required 350 feet per Alt. 1 **OK**
Approved by: R148-1406
This authorization expires: 2-14-07
(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.

24
7
MBW

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

JUL 14 2006

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

LEGAL SECTION

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 - 181-20459-01-00

Operator: Rosewood Resources, Inc.

Lease: Beachner Bros

Well Number: 14-24H

Field: Goodland

Number of Acres attributable to well: 160

QTR / QTR / QTR of acreage: SE - SW - SW

Location of Well: County: Sherman

125 feet from S / N (circle one) Line of Section

850 feet from E W (circle one) Line of Section

Sec. 24 Twp. 7 S. R. 39 East West

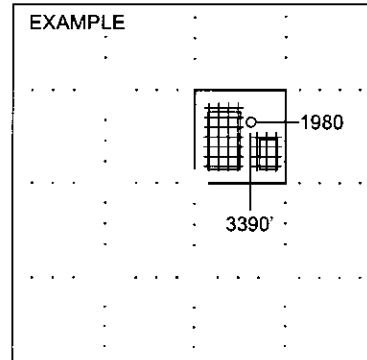
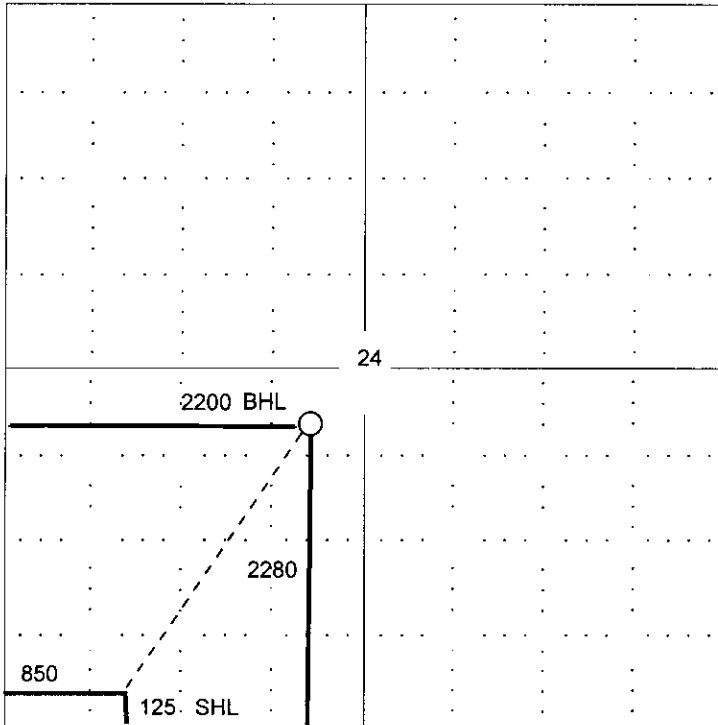
Is Section Regular or Irregular

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.)



SEWARD CO.

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).

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

JUL 14 2006

Form CDP-1
April 2004
Form must be Typed

LEGAL SECTION

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.: Beachner Bros 14-24H | | Pit Location (QQQQ): SE SW SW |
| 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. 24 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 850 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 N/A ^{510'} feet Depth of water well N/A ³²⁵ feet | | Depth to shallowest fresh water N/A ¹⁵⁷ feet. ^① Source of information: KHK63 _____ 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. July 5, 2006 <u>Tina Morrison</u> Date Signature of Applicant or Agent | | |

15-181-20459-01-00

| KCC OFFICE USE ONLY | | | |
|-------------------------------|----------------------|-----------------------------|---|
| Date Received: <u>7/14/06</u> | Permit Number: _____ | Permit Date: <u>7/14/06</u> | Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |