



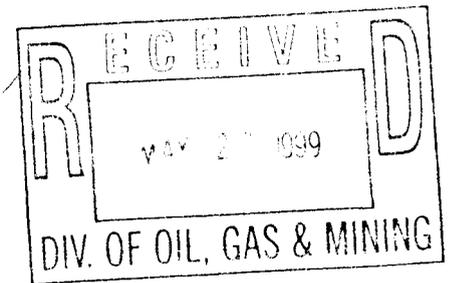
Office (435) 789-0968
Cellular (435) 828-0968

350 S. 800 E.
Vernal, UT 84078

May 21, 1999

Re: Well DWR 15-16
SW/SE, Sec. 16, T12S, R23E
Lease Fee

Utah Division of Oil Gas and Mining
1594 West North Temple
Suite 1210
P.O. Box 145801
Salt Lake City UT, 84114-5801



Dear Sirs:

Ranken Energy Corporation respectfully requests a spacing exception for the subject well. The well has been moved from the center of the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$.

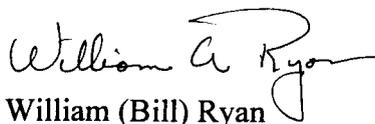
The well is located 574' FSL, 1,029' FEL in Sec. 22, T12S, R23E.

The location was moved due to topographic considerations, major drainage and access conditions. Please see the attached maps.

A 460' radius around the proposed location is within the Fee lease . Please see the attached map.

If you have additional questions please contact me.

Sincerely


William (Bill) Ryan
Agent

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

5. LEASE DESIGNATION AND SERIAL NO.

Fee

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a TYPE OF WORK

DRILL DEEPEN PLUG BACK

7. UNIT AGREEMENT NAME

8 TYPE OF WELL

Oil Well Gas Well OTHER Single Zone Multiple Zone

8. FARM OR LEASE NAME

2. Name of Operator

Ranken Energy Corp

9. WELL NO.

Ranken Energy DWR 15-16

3. Address of Operator

417 West 18th Street, Suite 101, Edmond OK, 73013-3663 405-340-2360

10. FIELD OR LEASE NAME

4. Location of Well (Report location clearly and in accordance with any State requirement)

At surface **895' FSL, 2,073' FEL SW/SE**

11. Sec., T., R., M., OR BLK

AND SURVEY OR AREA

Sec. 16, T12S, R23E

At proposed prod. Zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

12. COUNTY OR PARISH 13. STATE

Uintah Utah

15. Distance from proposed location to nearest Property or lease line ft.

755'

18. NO. OF ACRES IN LEASE

10,903

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

(Also to nearest drlg. Unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING COMPLETED.

19. PROPOSED DEPTH

6,200'

20. ROTARY OR CABLE TOOLS

Rotary

OR APPLIED FOR, ON THIS LEASE, FT.

4,600'

21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.)

5,955'

22. APPROX. DATE WORK WILL START

7/1/99

23

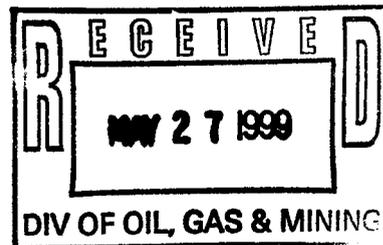
PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36	300	To Surface
7 7/8	5 1/2	15.5	T.D.	Cement top to cover the oil shale

**Operator requests permission to drill the subject well.
Please see the attached 10 Point and Project Plane.**

If you require additional information please contact:

**William Ryan
350 S., 800 E.
Vernal, Utah
435-789-0968**



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed in to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24

SIGNATURE

William Ryan
William Ryan

TITLE

Agent

DATE

May 15, 1999

(This space for Federal or State Office Use)

PERMIT NO.

43042-33346

**BRADLEY G. HILL
RECLAMATION SPECIALIST III**

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

7/12/99

***See Instructions on Reverse Side**

Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SELF-CERTIFICATION STATEMENT

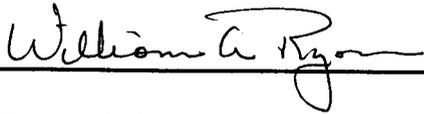
Please be advised that Ranken Energy Corp. are considered to be the operator of the following well.

**Ranken Energy DWR 15-16
SW 1/4, SE 1/4, Section 16, T12S, R23E
Lease Fee
Uintah County, Utah**

Ranken Energy Corp. is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond N 6258 provides state wide bond coverage on all-~~Fee~~ and State Lands.

135671 (80,000) Frontier Ins. Co. "Fee" minerals.



**William A. Ryan
Agent
Rocky Mountain Consulting
350 S. 800 E.
Vernal UT 84078
435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax**

Ten Point Plan

Ranken Energy Corp

Ranken Energy DWR 15-16

Surface Location SW ¼, SE ¼, Section 16, T12S, R23E

1. Surface Formation:

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+5,955' G.L.
Oil Shale	700	+5,255
Wasatch	2,380	+3,575
Mesaverda formation	3,880	+2,075
T.D.	6,200	- 245

3. Producing Formation Depth:

Formation objective includes both the Wasatch and Mesaverda and their sub-members.

Off Set Well Information:

Off set well: None

4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Grade Size</u>	<u>Weight/Ft.</u>	<u>Setting & Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
12 1/4	9 5/8	36	J-55/STC	300	New
7 7/8	5 1/2	15.5	J-55/LTC	T.D.	New

Cement Program:

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
9 5/8	Premium Plus 2% Calcium Chloride .25 lb/sk. Cello Flake	175 sks. +/-	1.19 cu. ft./sk.	15.6 lbs./gal.

5 1/2 Lead.

HLC Lead 1% ECONOLITE .25 lb/sk Flocele 6% Halliburton Gel 2% MicroBond 3% Salt	320 sks. +/-	1.96 cu. ft./sk.	12.55 lbs./gal.
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Tail

Premium Plus .3% CFR-3 .25 lb/sk Flocele .5% HALAD-9 2% Halliburton Gel 2% MicroBond .2% Super CBL	470 sks. +/-	1.44 cu. ft./sk.	14.50 lbs./gal.
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5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to the minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./Qt.</u>	<u>Fluid Loss MI/30 Mins.</u>	<u>Mud Type</u>
0-300	Air/Clear Water	----	No Control	Water/Gel
300-1,800	Clear Water	----	No Control	Water/Gel
1,800-T.D.	8.4-8.6	30	8-10	Water/Gel

7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 1,800' to T.D.
- d) Logging:

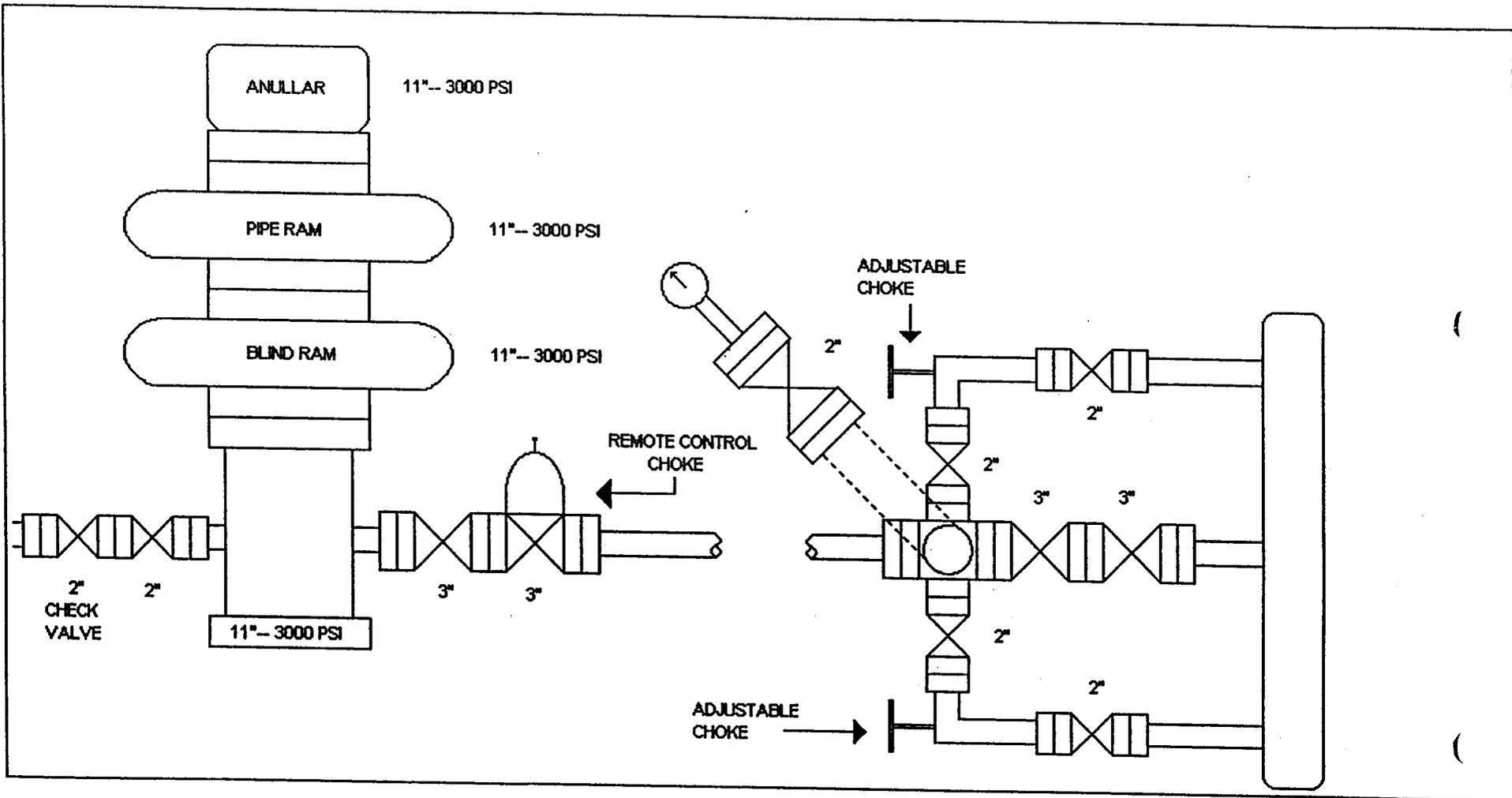
Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch and Mesaverda Formation. Other wells drilled in the area have not encountered over pressured zones or H2S.

10. Drilling Schedule:

The anticipated starting date is July 1, 1999. Duration of operations expected to be 30 days.



RANKEN ENERGY CORP.
13 POINT SURFACE USE PLAN
FOR WELL
RANKEN ENERGY DWR 15-16
LOCATED IN
SW 1/4, SE 1/4
SECTION 16, T. 12 S., R. 23 E., U.S.B.&M.
UINTAH COUNTY, UTAH
LEASE NUMBER: FEE
SURFACE OWNERSHIP:
STATE OF UTAH
DIVISION OF WILDLIFE RESOURCES

1. Existing Roads

To reach the **Ranken Energy Corp well DWR 15-16, in Section 16, T12S, R23E**, from Bonanza, Utah:

Starting in Bonanza, Utah proceed south on the paved road for 4 miles. Turn south (left) on the Book Cliffs road (dirt road). Proceed south 3.9 miles to the Greeks Corrals. Turn west (right) at the fork in the road. Proceed 8.3 miles to the Asphalt Wash sign. Stay to the south (left) of the sign. Proceed .7 miles to the Rainbow sign. Stay to the west (right) of the sign. This is also called the Kings Wells road. Proceed 7.8 miles to the fork in the road. Turn south (left). Proceed 1.7 miles. Turn west (right). Proceed 1.6 miles. The proposed access road will start at this point.

All existing roads to the proposed location are State or County Class D roads.

Please see the attached map for additional details.

2. Planned access road

The proposed location will require approximately **4,750 feet of new road** construction.

The road will be built to the following standards:

- A) Approximate length **4,752 Ft.**
- B) Right of Way width **30 Ft.**
- C) Running surface **18 Ft.**

- D) Surfacing material Native soil
- E) Maximum grade 5%
- F) Fence crossing None
- G) Culvert None
- H) Turnouts None
- I) Major cuts and fills None
- J) Road flagged Yes
- K) Access road surface ownership

700'..... **State of Utah, Division of Wildlife Resources**

3,650'..... **State of Utah, School and Institutional Trust Lands Administration**

400'..... **BLM**

- L) All new construction on lease No
- M) Pipe line crossing None

Please see the attached location plat for additional details.

Right of way's will be required for the access road. A right-of-way application for both the location and road has been made to the Division of Wildlife Resources. Applications have also been made with the BLM and SITLA

3. Location of existing wells

The following wells are located within a one mile radius of the location site.

- A) Producing well HR 15-5
Sec.15, T12S, R23E
- B) Water well None
- C) Abandoned well None

D) Temp. abandoned well	None
E) Disposal well	None
F) Drilling/Permitted well	None
G) Shut in wells	None
H) Injection well	None
I) Monitoring or observation well	None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities, and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Juniper Green** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is **Juniper Green**.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

If the well is capable of economic production a surface gas line will be required.

A proposed line will be constructed from the subject well to the existing line in Sec. 15, T12S, R23E

Approximately 5,200' of 2" or 4" gathering line would be constructed on DWR, SITLA and BLM lands.

Please see the attached location diagrams and map for pipeline location. The Operator proposes to place the line on the surface. The Operator has considered installing the line on DWR lands only. The route would be approximately the same length but would require traversing much steeper slopes and require significantly more surface disturbance. The operator considered burying the pipeline. A buried pipeline would increase the area of surface disturbance and the visual impacts.

The gas meter run will be located within 500' of the well head. The gas line will be buried or anchored down from the well head to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing the subject well will be trucked from Bitter Creek in Sec. 28, T12S, R23E. Permit # T72132. A second location may be used. It would be Evacuation Creek permit # 49-1595. The Evacuation Creek distribution point is in Section 7, T11S, R25E. Water for completion will come from the same supply or Vernal City.

Water may be used from two existing test wells next to Bitter Creek. The wells are adjacent to the water take out point. Water quality tests will have to be performed before the water can be used.

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. Produced water will be trucked to a State of Utah approved disposal pit or well.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravels or pit lining material will be obtained from private sources.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized land fill location.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately 10 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

D) Sewage:

A portable chemical toilet will be supplied for human waste. The human waste facilities will be permitted through Uintah Counts Health Department and disposal of human waste will conform with the counts permit.

The reserve pit will be lined.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

The reserve pit will not be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

B) Produced fluids:

9. Well-site layout and location.

The proposed location has been staked at 2,073' FSL, 895' FWL. The location has been moved out side the normal drilling window spacing due to

the operators attempt to remain off steep slopes.

Well-site layout

Location dimensions are as follow:

A) Pad length	325 ft.
B) Pad width	155 ft.
C) Pit depth	10 ft.
D) Pit length	180 ft.
E) Pit width	30 ft.
F) Max cut	5.8 ft.
G) Max fill	17.1 ft.
H) Total cut yds.	6,230 cu. yds.
I) Pit location	east side
J) Top soil location	north end
K) Access road location	north end
L) Flare pit	corner B

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of 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.
- B) 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 of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) 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 ft.

- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,000 cubic yards of material. **Topsoil will be stockpiled in one distinct pile.**

Placement of the topsoil is noted on the attached location plat. **The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread.** The unused portion of the location (the area outside the dead men) will be recontoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be recontoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the

reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when the top soil is stock piled and when reclamation work is performed.

The seed mix and quantity required will be provided by the Division of Wildlife Resources.

B) Seed Mix

At such time as the well is plugged and abandoned the operator will submit a surface reclamation plan to the surface management agency for prescribed seed mixture and reseeding requirements.

11. Surface ownership:

Access road **DWR, BLM and SITLA.**

Location **State of Utah
Division of Wildlife
Resources**

Pipeline **DWR, BLM and
SITLA.**

12. Other information

A) Vegetation:

The vegetation coverage is slight. The majority of the existing vegetation consists of sage brush. Rabbit brush, bitter brush and Indian rice grass are also found on the location.

B) Dwellings:

There are no dwellings or other facilities within a one mile radius of the location.

C) Archeology and Paleontology :

The location has not been surveyed. The surveys have been scheduled and copy of the surveys will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations which would effect such sites will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is the Bitter Creek 1 mile west of the location.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without the Division of Wildlife Resources approval.

Division of Oil, Gas, and Mining.
801-538-5340 or 435-722-3417

F) Notification:

The Division of Wildlife Resources and the Division of Oil, Gas and Mining will be notified as follows.

- a) **Location construction**
At least forty eight (48) hours prior to construction of location and access roads
- b) **Location completion**
Prior to moving on the drilling rig.
- c) **Spud notice**
At least twenty-four (24) hours prior to spudding the well.
- d) **Casing string and cementing**
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) **BOP and related equipment tests**
At least twenty-four (24) hours prior to initial pressure tests.
- f) **First production notice**
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than ninety 90 days.
- g) **Completion and work over**
At least twenty-four (24) hours prior to moving on location.

Division of Wildlife
Resource 434-789-
3103

H) Flare pit:

The flare pit will be located in corner B of the reserve pit out side the pit fence and 100 feet from the bore hole on the **east side of the location**. All fluids will be removed from the pit within 48 hours of occurrence.

3. Lessees or Operator's representative and certification

A) Representative

William A. Ryan

Rocky Mountain Consulting
350 South 800 East
Vernal, Utah 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

All lease operations will be conducted in such a manner that full compliance is made with all applicable laws and regulations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification

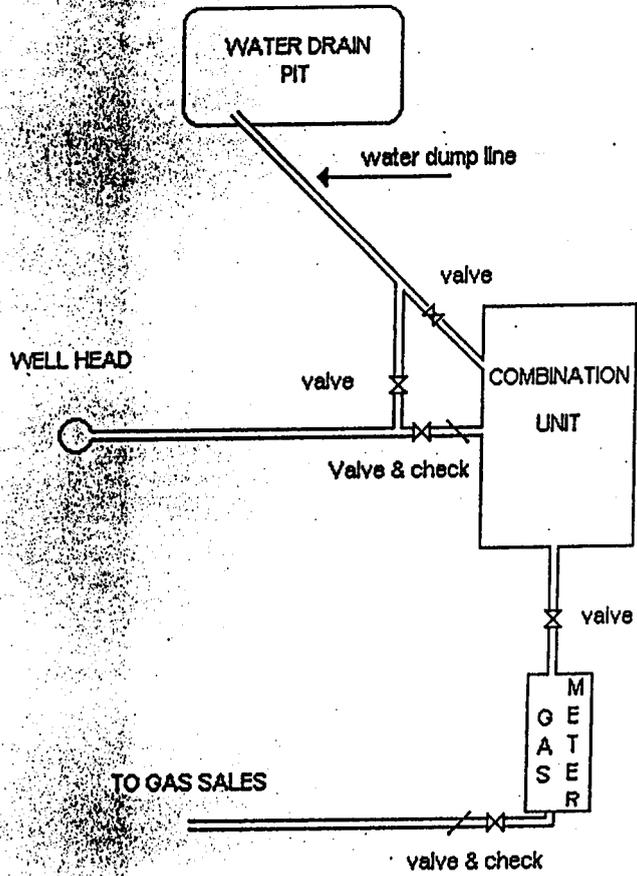
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by **Ranken Energy Corp.** and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date May 21, 1999


William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Date:

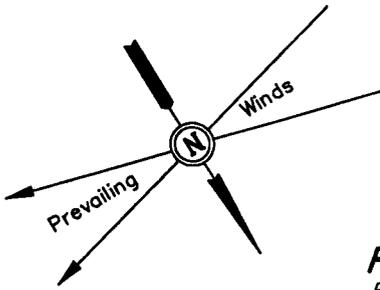
Ranken Energy
Typical
Gas Well



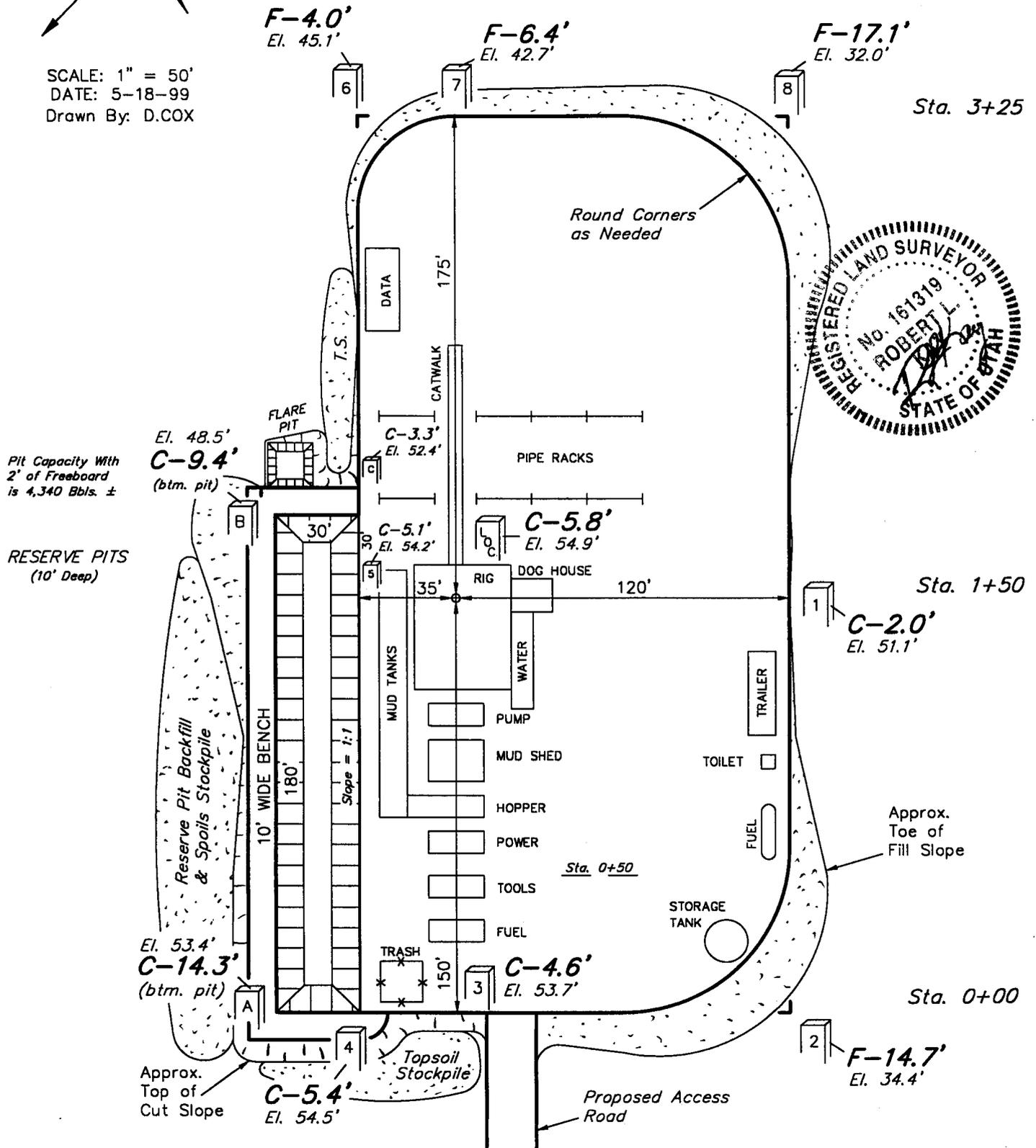
RANKEN ENERGY CORP.

LOCATION LAYOUT FOR

DWR #15-16
SECTION 16, T12S, R23E, S.L.B.&M.
895' FSL 2073' FEL



SCALE: 1" = 50'
DATE: 5-18-99
Drawn By: D.COX



Elev. Ungraded Ground at Location Stake = 5954.9'
Elev. Graded Ground at Location Stake = 5949.1'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

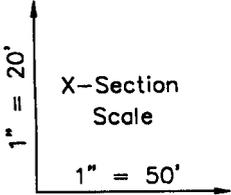
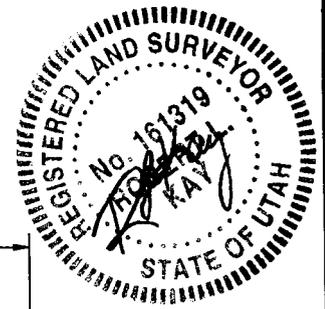
RANKEN ENERGY CORP.

TYPICAL CROSS SECTIONS FOR

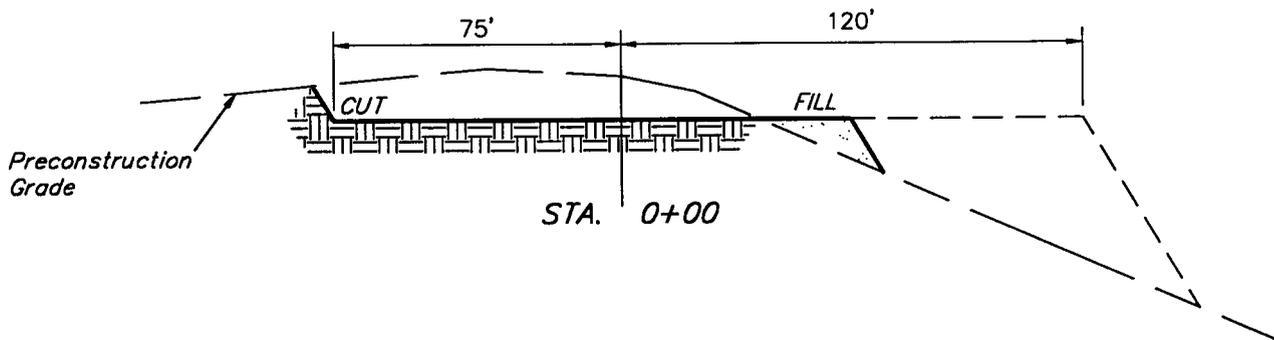
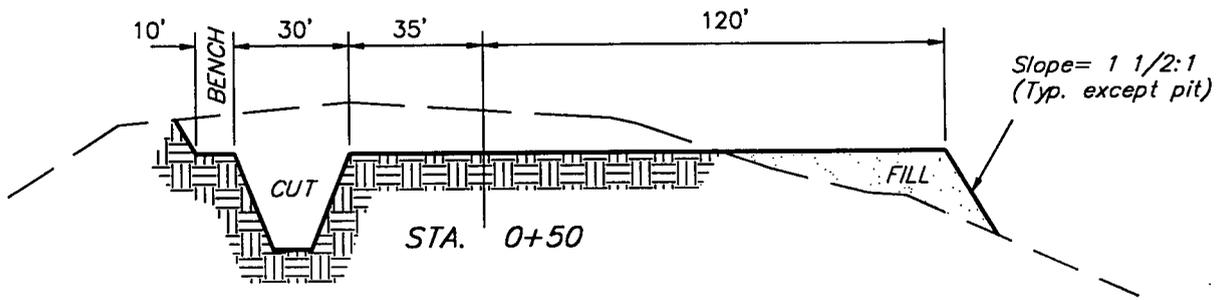
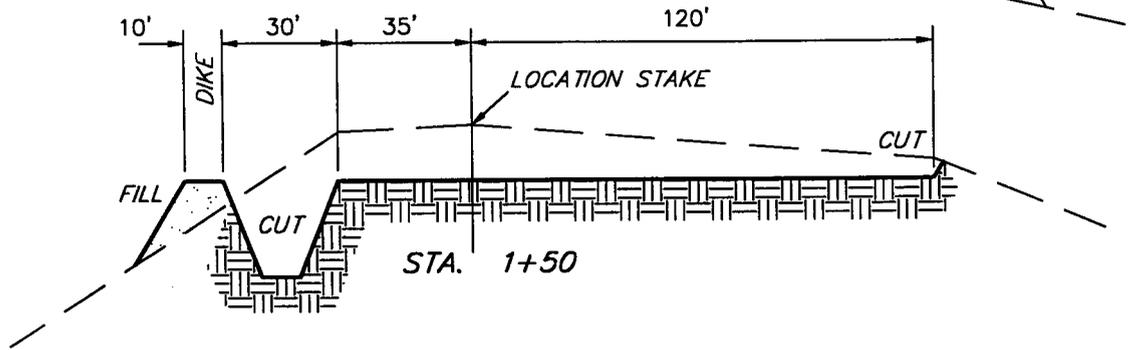
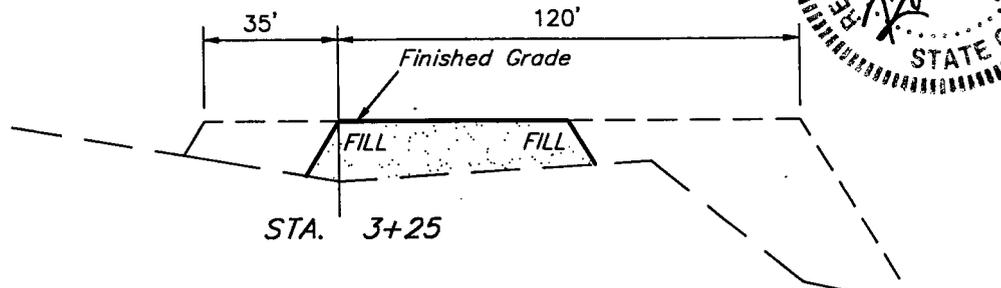
DWR #15-16

SECTION 16, T12S, R23E, S.L.B.&M.

895' FSL 2073' FEL



DATE: 5-18-99
Drawn By: D.COX

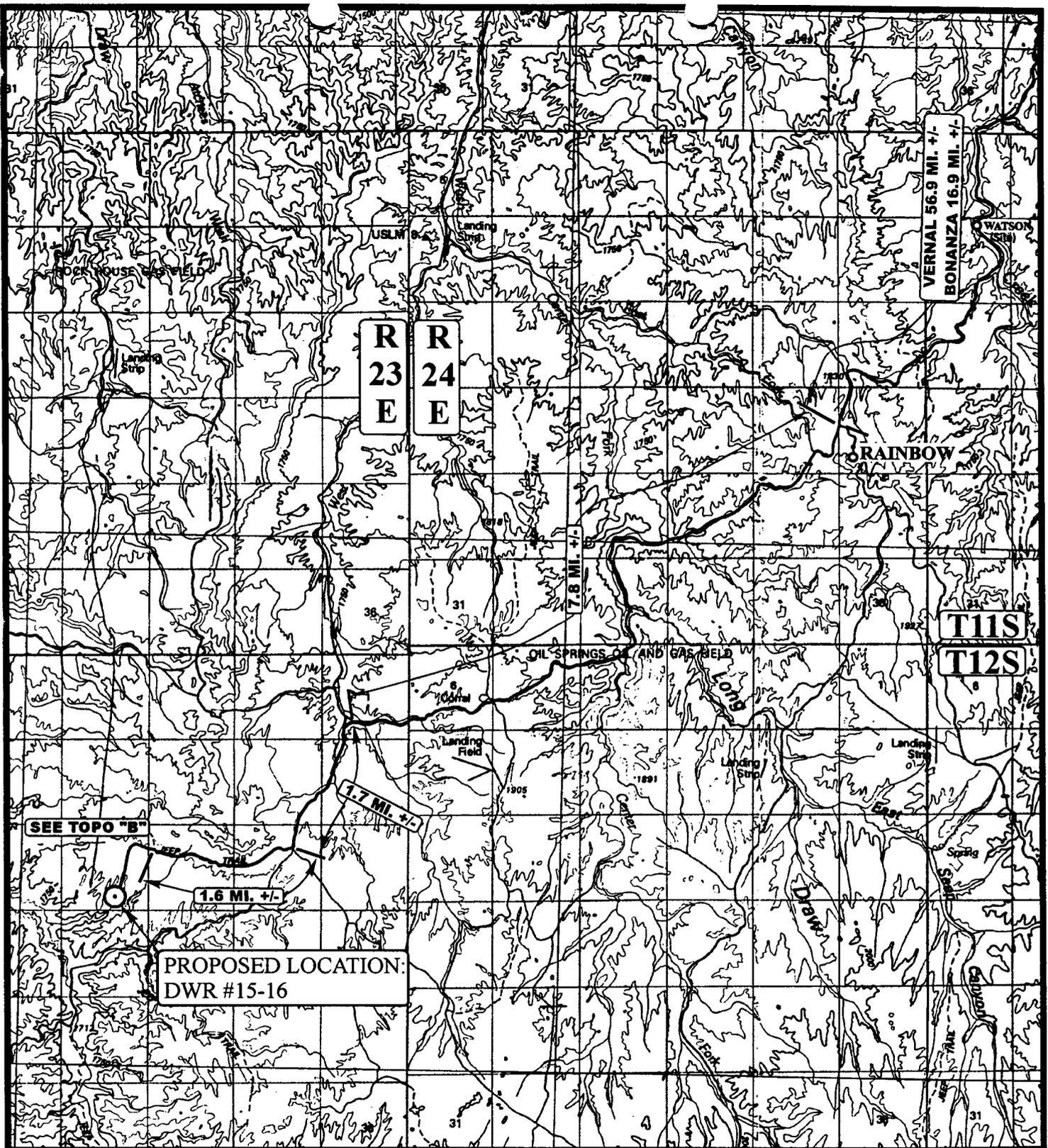


APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,030 Cu. Yds.
Remaining Location	= 5,200 Cu. Yds.
TOTAL CUT	= 6,230 CU.YDS.
FILL	= 4,330 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 1,670 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,670 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017



PROPOSED LOCATION:
DWR #15-16

LEGEND:

⊙ PROPOSED LOCATION

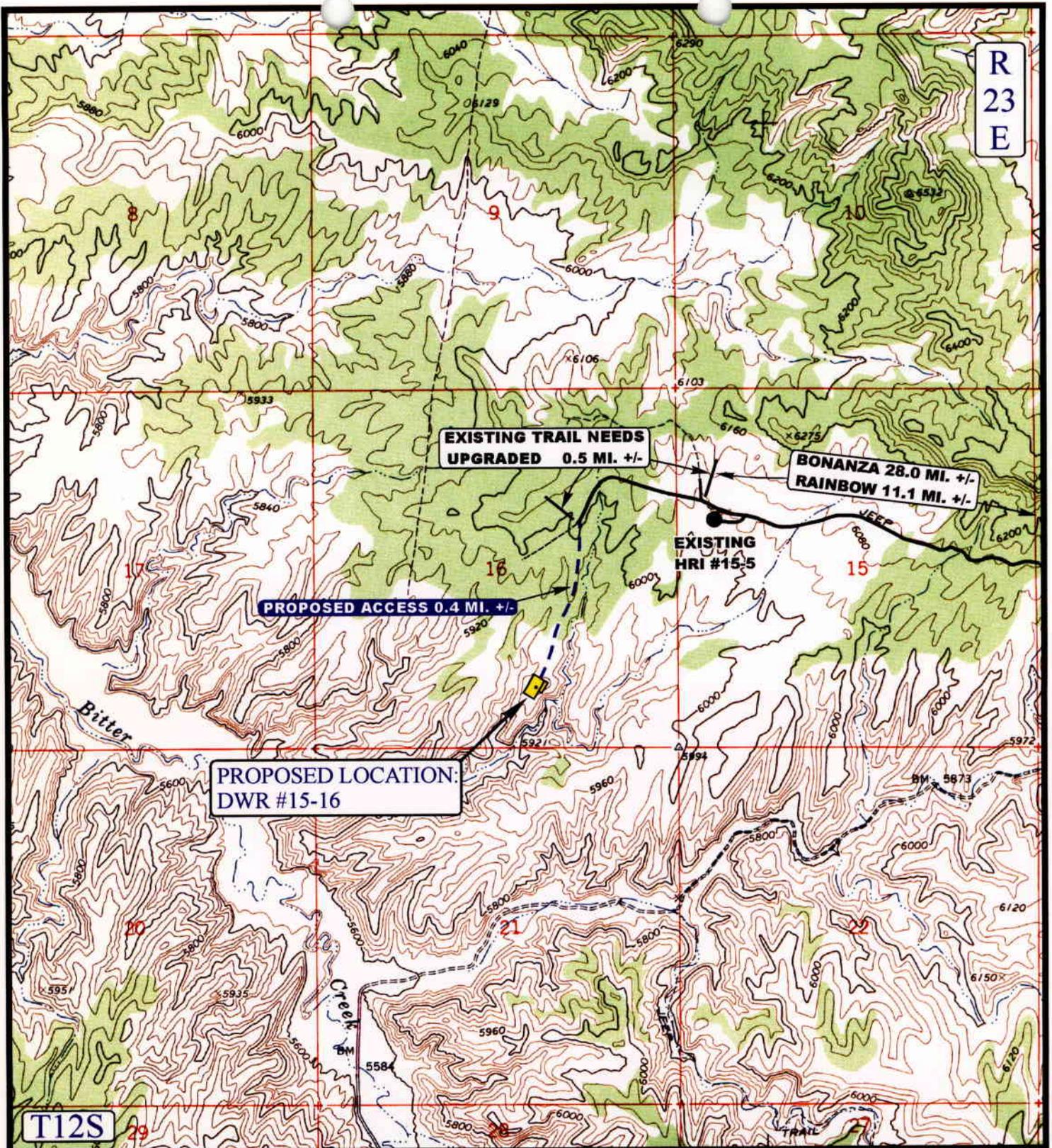


RANKEN ENERGY CORP.

DWR #15-16
SECTION 16, T12S, R23E, S.L.B.&M.
895' FSL 2073' FEL

U&L S Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC **5** **18** **1999**
MAP **MONTH** **DAY** **YEAR**
SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00 **A**
TOPO



T12S

LEGEND:

- - - - - PROPOSED ACCESS ROAD
- EXISTING ROAD

RANKEN ENERGY CORP.

DWR #15-16
SECTION 16, T12S, R23E, S.L.B.&M.
895' FSL 2073' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

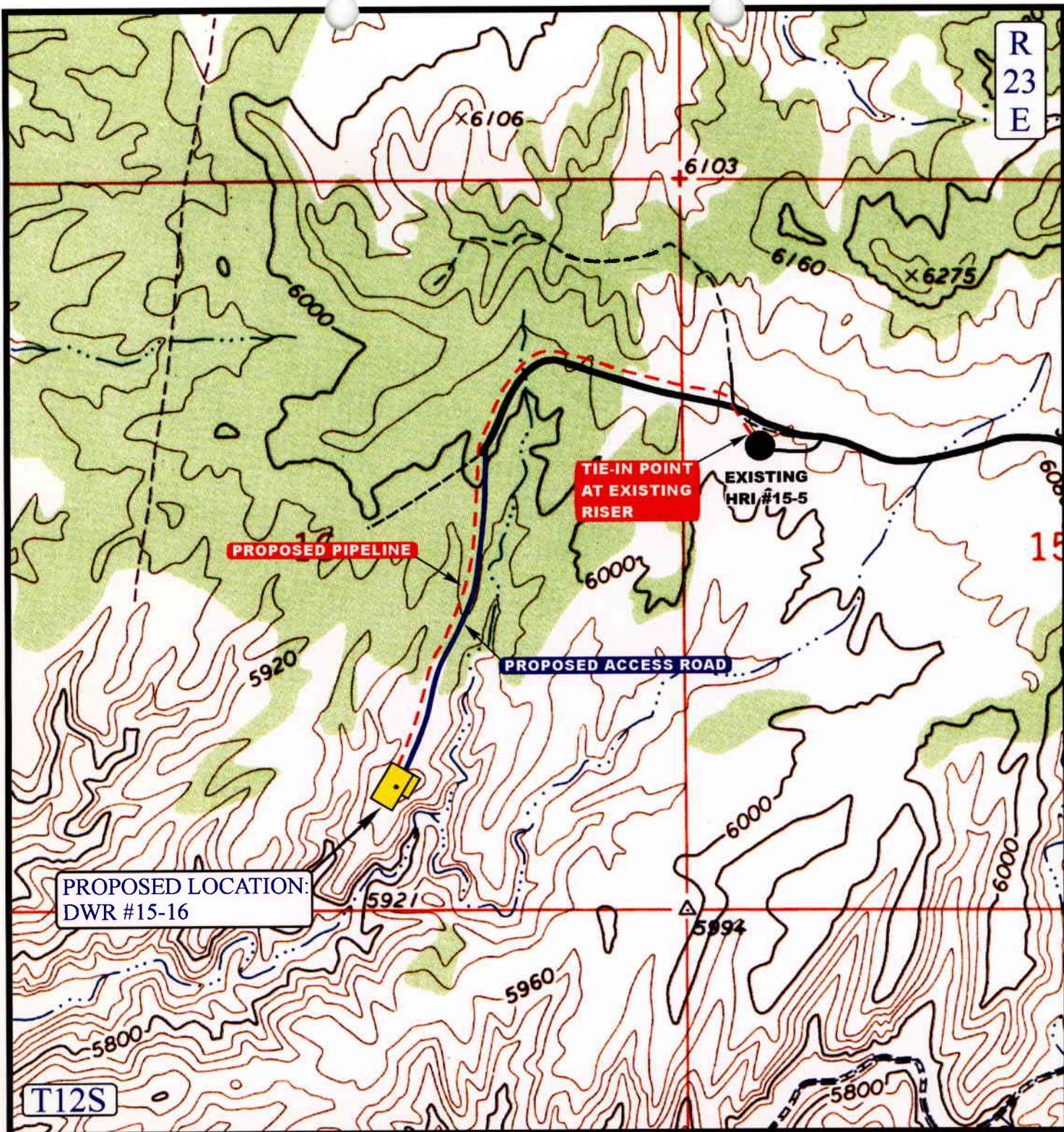


TOPOGRAPHIC
MAP

5	18	99
MONTH	DAY	YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 5200' +/-

LEGEND:

- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED ACCESS

RANKEN ENERGY CORP.

DWR #15-16
SECTION 16, T12S, R23E, S.L.B.&M.
895' FSL 2073' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC 5 18 99
MAP MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: J.L.G. REVISED: 00-00-00



UTAH DEPARTMENT OF NATURAL RESOURCES

Utah Division of Wildlife Resources

1596 West North Temple, Salt Lake City, Utah 84116

(801) 538-4700

Application for Right-Of-Way/Lease/Special Use Permit

APPLICANT'S NAME (Company name) AND ADDRESS:

Ranken Energy Corp.

417 West 18th Street, Suite 101, Edmond OK, 73013-3663

Agent's Address

350 S 800 E, Vernal Utah 84078

CONTACT PERSON:

William (Bill) Ryan

Agent, Rocky Mt. Consulting

DAYTIME PHONE NUMBER:

435-789-0968

435-828-0968

Application is hereby made for:

RIGHT-OF-WAY LEASE

SPECIAL USE PERMIT

on the following described Division land(s) for a term of

30 years

#1 LEGAL DESCRIPTION

County: Uintah

Subdivision	Section	Township	Range	Total acre/ Total distance
Location	16	12S	23E	2.5 Acres
Pipeline	16	12S	23E	700'.48 Acres
Road	16	12S	23E	700'.48 Acres

attach centerline description with width and platted survey if applicable

#2. PROPOSED ACTION (Describe project):

Ranken Energy Corp has the Fee Oil and Gas lease under the surface managed by the Division Ranken Energy proposes drilling a 6,200' deep gas well and installing a surface gas line to to transport the produced gas from the subject well to an existing gas transmission line.

The subject well is named the Ranken Energy DWR 15-16

#3. MAP--Attach a map of the area.

Attached

#4 PROJECT PLAN--Attach the project plan [see R657-28-3(1)(d)(ii)] **Attached**

I acknowledge that the issuance of a right-of-way/lease/special use permit will be issued in accordance with R657-28

I understand that upon completing this application and providing the required documentation that the Division shall have 30 days to review and to either deny or grant a conditional approval.

I acknowledge that if I receive conditional approval additional documentation may be required by the Division [R657-28-3(4)(a-e)]

I acknowledge that the Division has 60 days from the receiving the additional information requested under R657-28-3(4)(a-e) to review and make a final determination on whether or not the right-of-way/lease/special use permit should be granted or denied.

In the event the right-of-way/lease/special use permit is granted, the Division will issue the right-of-way/lease/special use permit upon payment of the fee set forth in R657-28-6.

I hereby certify that the information for purposed of this application is true and correct to the best of my knowledge and that I am an authorized representative of the above-named applicant.

APPLICANT'S SIGNATURE Agent
TITLE

STATE OF UTAH)
)ss.
COUNTY OF)

On the ____ day of _____, 1999, personally appeared before me _____ and who by me being duly sworn did acknowledge that he is an authorized representative of the above-named applicant, and as such, is authorized to make application and hereby bind said applicant to the terms and conditions there to.

NOTARY PUBLIC _____

Residing at:

My commission expires:

**APPLICATION FOR TRANSPORTATION AND
UTILITY SYSTEMS AND FACILITIES
ON FEDERAL LANDS**

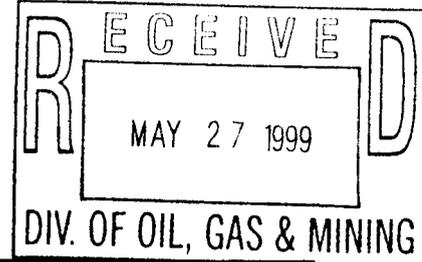
FORM APPROVED
OMB NO 1004-0080
Expires: June 30, 1995

Note: Before completing and filing the application, the applicant should completely review this package and schedule a Preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

FOR AGENCY USE ONLY
Application number
Date filed

1 Name and address of applicant (include zip code) Ranken Energy Corp. 417 West 18th Street, Suite 101 Edmond OK, 73013-3663	2 Name, title, and address of authorized agent if different from item 1. (include zip code) William Ryan 350 S. 800 E. Vernal UT, 84078	3 TELEPHONE (area code) Applicant 405-340-2360 Authorized Agent 435-789-0968
---	--	---

4 As applicant you are? (check one) a. <input type="checkbox"/> Individual b. <input checked="" type="checkbox"/> Corporation* c. <input type="checkbox"/> Partnership/Association* d. <input type="checkbox"/> State Government/State Agency e. <input type="checkbox"/> Local Government f. <input type="checkbox"/> Federal Agency * if checked complete supplemental page	5 Specify what application is for: (check one) a. <input checked="" type="checkbox"/> New authorization b. <input type="checkbox"/> Renewing existing authorization No. c. <input type="checkbox"/> Amend existing authorization No. d. <input type="checkbox"/> Assign existing authorization No. e. <input type="checkbox"/> Existing use for which no authorization has been received* f. <input type="checkbox"/> Other* *If checked, Provide details under item 7
---	--



6 If an individual, or partnership are you a citizen(s) of the United States? Yes No

7 Project description (describe in detail): (a) Type of system or facility, (e.g., canal, pipeline, road); (b) related structures and facilities; (c) physical specifications (length, width, grading, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction (Attach additional sheets, if additional space is needed.)

a Application for a 4" surface gas gathering line and access road.
b No related structures or facilities will be required on Federal lands
c Specifications, Pipe line length 650 feet, width 15 feet. Access road 1.6 miles, width 30 feet.
d Term of years. 20 years or the production life of the well.
e Time of operations; year round
f Volume or amount of production to be transported. Approximately 2,000 mcf/day of dry gas.
g Duration and time of construction; seven to ten days
h None for the pipeline. The access road will be used to string the pipe line.
The Operator will upgrade 400' of existing road. The remaining access road is new oil field access road

8 Attach a map covering area and show location of project proposal **Please see the attached maps**

9 State or Loc. government approval: Attached Applied for Not required

10 Non-returnable application fee: Attached Not required

11 Does Project cross international boundary or affect international waterways? Yes No (if "yes," indicate on map)

12 Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

Ranken Energy has conducted operations on State, Fee and Federal lands for more than 10 years. Ranken Energy Corporation has designed and constructed numerous gathering pipelines and access roads on Federal lands. Ranken Energy Corporation has the financial capability to construct, operate maintain and terminate the proposed gathering system and access road.

13 a. Describe other reasonable alternative routes and modes considered.

Due to topographic consideration the proposed route was the only route looked at. An alternate mode of construction would be to bury the pipeline.

b. Why were these alternative not selected?

The buried pipe line option was not chosen by the applicant, due to cost considerations and erosional consideration.

c. Give explanation as to why it is necessary to cross Federal Lands.

Gas from the proposed well on State of Utah Division of Wildlife Resources will have to be transported to a transmission system. The proposed well (DWR 15-16) will require an access road.

14 List authorization and pending applications filed for similar projects which may provide information to the authorized agency. (Specify number, date, code, or name)

An Application for Permission to Drill has been filed with the State of Utah Division of Oil, Gas, and Mining.

15 Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and expected public benefits

- a) **The cost estimate for pipeline construction, \$3/ft of installed surface gas gathering line**
- b) **The cost estimate for the alternative would be \$5/ft of installed buried gas gathering line.**
- a) **The cost estimate for access road construction, \$1,500/mile of new road.**

16 Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

There will be no significant impacts on the areas population, social or economic aspects or the rural life style from the proposed project.

17 Describe likely environmental effects that the proposed will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, and soil stability

- a) **There will be minimal impacts to the air quality of the area from the proposed project.**
- b) **There will be minimal impacts to the visual resource of the area from the proposed project**
- c) **There will be minimal impacts to the surface and ground water quality and quantity**
- d) **There will be no change in the noise levels from the gathering system**
- e) **There will be slight disturbance to the surface of the land adjacent to the road and under the pipe line when the pipe line is boomed off the road.**

The proposed access road will require typical disturbance associated with road construction.

18 Describe the probable effects that the proposed project will have on (a) populations of fish, plantlife, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

- a) **There will be little or no impacts on fish, plantlife, wildlife, and including threatened and endangered species**
- b) **NA**

19 State whether any hazardous material, as defined in this paragraph, will be used, produced, transported or stored on or within the right-of-way or any of the tight-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous material" means any substance Pollutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substance under CERCLA include any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, 42 U.S.C. 9601 et seq., and its regulations. The term hazardous materials also includes any nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or designated as a hazardous substance under CERCLA Section 101(14), 42 U.S.C. 9601 (14), nor does the term include natural gas.

Less than 1 gallon per day of methinal could be used to minimize line freezing in the winter months.

20 Name all the Department(s)/Agency(ies) where this application is being filed.

Bureau of Land Management, Vernal District Office, Vernal, Utah

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of applicant

William A. Ryan Agent

Date

May 21, 1999

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statement or representations as to any matter within its jurisdiction.

SUPPLEMENTAL

NOTE: The responsible agency(ies) will provide additional instructions

CHECK APPROPRIATE

I- PRIVATE CORPORATIONS

ATTACHED FILED*

a. Articles of incorporation	<input type="checkbox"/>	<input type="checkbox"/>
b. Corporation Bylaws	<input type="checkbox"/>	<input type="checkbox"/>
c. A certification from the State showing the corporation is in good standing and is entitled to operate within the State.	<input type="checkbox"/>	<input type="checkbox"/>
d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input type="checkbox"/>
e. The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owns, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.	<input type="checkbox"/>	<input type="checkbox"/>
f. If application is for an oil or gas pipeline, describe any related right-of-way or temporary use permit applications, and identify previous applications.	<input type="checkbox"/>	<input type="checkbox"/>
g. If application is for an oil and gas pipeline, identify all Federal lands by agency impacted by proposal.	<input type="checkbox"/>	<input type="checkbox"/>

II-PUBLIC CORPORATIONS

a. Copy of laws forming corporation	<input type="checkbox"/>	<input type="checkbox"/>
b. Proof of organization	<input type="checkbox"/>	<input type="checkbox"/>
c. Copy of Bylaws	<input type="checkbox"/>	<input type="checkbox"/>
d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input type="checkbox"/>
e. If application is for an oil or gas pipeline, provide information required by item "I-f" and "I-g" above	<input type="checkbox"/>	<input type="checkbox"/>

III-PARTNERSHIP OR OTHER UNINCORPORATED ENTITY

a. Articles of associate, if any	<input type="checkbox"/>	<input type="checkbox"/>
b. If one partner is authorized to sign, resolution authorizing action is	<input type="checkbox"/>	<input type="checkbox"/>
c. Name and address of each participant, partner, association, or other	<input type="checkbox"/>	<input type="checkbox"/>
d. If application is for an oil and gas pipeline, provide information required by item "I-f" and "I-g" above	<input type="checkbox"/>	<input type="checkbox"/>

* If the required information is already filed with the agency processing this application and is current, check block entitled "Filed." Provide the file identification information (e.g., number, date, code, name). If not on file or current, attach the requested information.

NOTICE

The Privacy Act of 1974 provides that you be furnished the following information in connection with information required by this application for an authorization.

AUTHORITY: 16 U.S.C. 310; 5 U.S.C. 301.

PRINCIPAL PURPOSE: The information is to be used to process the application.

ROUTINE USES: (1) The processing of the applicant's request for an authorization. (2) Documentation for public information. (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. If all the information is not provided, the application may be rejected.

DATA COLLECTION STATEMENT

The Federal agencies collect this information from applicants requesting right-of way, permit, license, lease, or certification for the use of Federal lands.

The federal agencies use this information to evaluate the applicant's proposal

The Public is obligated to submit this form if they wish to Obtain permission to use Federal lands.

A reproducible copy of this form may be obtained from the Bureau of Land Management, Division of Lands, 1620 L Street, Rm. 204, Washington, D.C.

**THE STATE OF UTAH
SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION**

EASEMENT APPLICATION

EASEMENT NO. _____

Date: 11/23/1998

<p align="center">Name and Mailing Address</p> <p>Ranken Energy Corporation 417 West 18th Street, Suite 101. Edmond OK, 73013-3663 405-340-2363 William (Bill) Ryan Agent 435-789-0968</p>
--

Fund: _____

I (we) hereby make application, pursuant to Title 53C, as amended, and Trust Lands Administration rule, for an Easement on the following described State land situated in Uintah County, for a term of 20 years

SUBDIVISION*		SEC.	TWP.	RGE.	ACRES	
DWR 15-16	Pipeline	16	12S	23E	1.32	
	Road	16	12S	23E	2.51	
*Attach a centerline description and platted survey if applicable					TOTAL ACRES	3.83

I understand that the issuance of an easement will be based on the payment of at least fair market value as determined by the Trust Lands Administration, and that the application must be received with a non-refundable application fee.

SOCIAL SECURITY NUMBER (if applicant is an individual):

_____/_____/_____

or TAX I.D. NUMBER (if applicant is a corporation):

_____/_____

William A Ryan
 William A Ryan

 APPLICANT'S SIGNATURE

 Agent
 TITLE

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/27/1999

API NO. ASSIGNED: 43-047-33346

WELL NAME: DWR 15-16
 OPERATOR: RANKEN ENERGY CORP (N6250)
 CONTACT: Bill Ryan (435) 789-0968

PROPOSED LOCATION:
 SWSE 16 - T12S - R23E
 SURFACE: 0895-FSL-2073-FEL
 BOTTOM: 0895-FSL-2073-FEL
 UINTAH COUNTY
 UNDESIGNATED FIELD (002)

INSPECT LOCATN BY: / /		
TECH REVIEW	Initials	Date
Engineering	<i>RSK</i>	6/23/99
Geology		
Surface		

LEASE TYPE: FEE
 LEASE NUMBER:
 SURFACE OWNER: Dir. of Wildlife Resources

PROPOSED FORMATION: MVRD

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 135671)
- Potash (Y/N)
- Oil Shale (Y/N) *190-5(B)
- Water Permit
(No. T72132)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

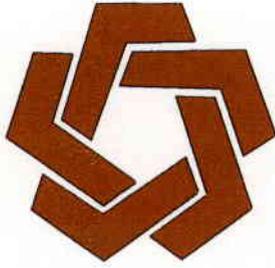
LOCATION AND SITING: **Uncommitted Tract*

- R649-2-3. Unit Hanging Rock
- R649-3-2. General
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Date: _____
- R649-3-11. Directional Drill

COMMENTS: Application for Row/Lease/Special Use Permit filed w/ DWR.
Need add'l info. "Except. Loc." (Rec'd 6-19-99)
Need Presite. (Conducted 6-16-99)

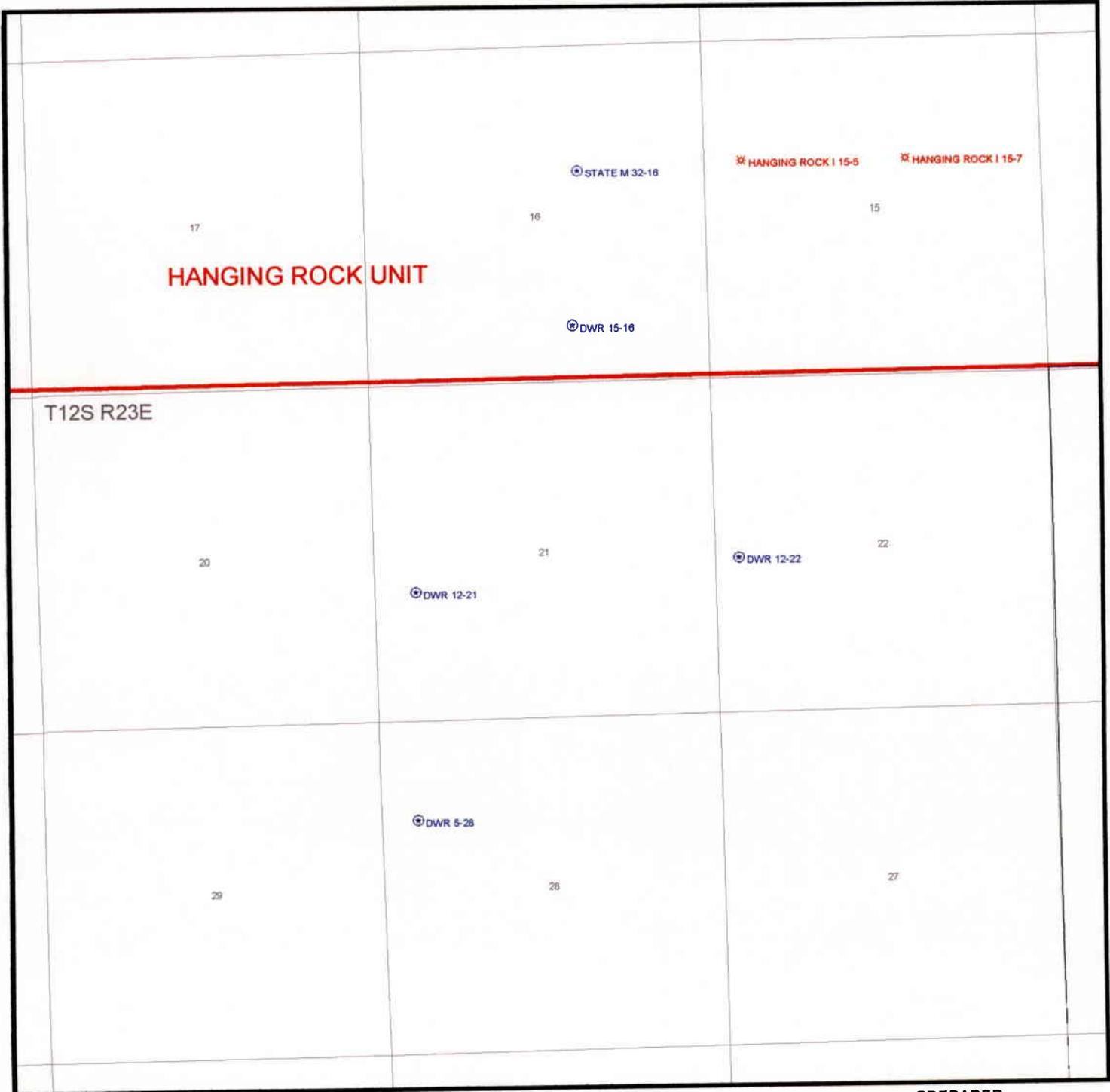
STIPULATIONS: ① Surface casing shall be cemented to surface.
 ② STATEMENT OF BASIS

* GRANT EXCEPTION LOCATION



Division of Oil, Gas & Mining

OPERATOR: RANKIN ENERGY CORP. (N6250)
FIELD: UNDESIGNATED (002)
SEC. 16,21,22,28, TWP 12S, RNG 23E
COUNTY: UINTAH UNIT: HANGING ROCK UNIT



PREPARED
DATE: -JUNE-1999

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: RANKEN ENERGY CORP.

WELL NAME & NUMBER: DWR 15-16

API NUMBER: 43-047-33346

LEASE: Fee **FIELD/UNIT:**

LOCATION: 1/4,1/4 SW/SE SEC:16 TWP:12S RNG: 23E
895' F S L 2073' F E L

LEGAL WELL SITING: Statewide 400 foot window in center of 40
acre tract and no closer than 920 feet from
another well; or Board Spaced area requiring
460' Setback and 920' From another well.

GPS COORD (UTM): 12641708E 4403187N

SURFACE OWNER: DIVISION OF WILDLIFE RESOURCES

PARTICIPANTS:

BILL RYAN (RANKEN), JACK LYTLE (DWR), DAVID HACKFORD (DOGM).

REGIONAL/LOCAL SETTING & TOPOGRAPHY:

SITE IS ON THE POINT OF A RIDGE WITH STEEP DRAWS TO THE EAST,
SOUTH, AND WEST. DRAWS COME TOGETHER AND RUN SOUTHWEST TO BITTER
CREEK 0.75 MILES AWAY.

SURFACE USE PLAN:

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING.
HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WOULD BE 325' BY 185'
AND ACCESS ROAD WOULD BE 0.4 MILES AND 0.5 MILES OF EXISTING
TRAIL WHICH WILL BE UPGRADED.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE
ATTACHED MAP FROM GIS DATABASE

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: _____
ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED
AFTER DRILLING WELL. PIPELINE WILL FOLLOW ACCESS ROAD AND
TIE INTO EXISTING PIPELINE AT HRI #15-5, AN EXISTING WELL,
0.9 MILES TO THE NORTHEAST.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL
WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS
FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL
BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE
AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH
WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED
LAND FILL.

ENVIRONMENTAL PARAMETERS:

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: NATIVE GRASSES, GREASEWOOD, PRICKLY PEAR, CHEAT
GRASS, SAAGE, FOXTAIL, JUNIPER IN AREA BUT NOT ON SITE. SONG
BIRDS, RAPTORIAL BIRDS, RODENTS, COYOTES, DEER, ELK,
PRONGHORN, COUGAR, BOBCATS.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY LOAM
WITH MULTI-COLORED FLAT SHALE ROCKS.

SURFACE FORMATION: GREEN RIVER FORMATION

EROSION/SEDIMENTATION/STABILITY: MINOR NATURAL EROSION ON
STEEP SLOPE TO THE SOUTH. SEDIMENTATION AND STABILITY ARE
NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE ANY
INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE SITED. SUE ANN BILBY FROM
THE VERNAL MUSEUM OF NATURAL HISTORY PERFORMED A PALEO STUDY
FOR RANKEN AT DWR REQUEST.

RESERVE PIT:

CHARACTERISTICS: 180' BY 30' AND 10'DEEP.
LINER REQUIREMENTS (Site Ranking Form attached): _____
A 12 MIL LINER WILL BE REQUIRED.

SURFACE RESTORATION/RECLAMATION PLAN:

AS PER LANDOWNER AGREEMENT OR AS DIRECTED BY DIVISION.

SURFACE AGREEMENT: A SURFACE AGREEMENT HAS NOT BEEN SIGNED AT THIS TIME.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY SAGEBRUSH CONSULTING. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

OTHER OBSERVATIONS/COMMENTS:

THE PRE-DRILL INVESTIGATION TOOK PLACE ON A WARM SUNNY DAY.

ATTACHMENTS:

PHOTOS OF SITE WILL BE PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

6/16/99 11:00AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and On-site Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>10</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
Final Score		<u>25</u>













350 S. 800 E.
Vernal, UT 84078

FAX TRANSMISSION

TO Lisha Cordova
801-359-3940

FROM: ROCKY MOUNTAIN CONSULTING

OFFICE 435-789-0968

FAX 435-789-0970

DATE _____

PAGES TRANSMITTED _____



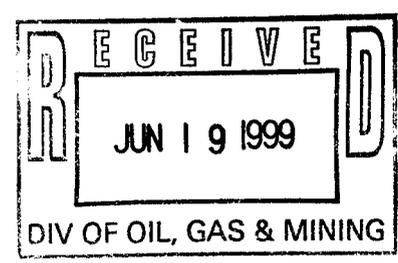
350 S. 800 E.
Vernal, UT 84078

Office (435) 789-0968
Cellular (435) 828-0968

May 21, 1999

Re: Well DWR 15-16
SW/SE, Sec. 16, T12S, R23E
Lease Fee

Utah Division of Oil Gas and Mining
1594 West North Temple
Suite 1210
P.O. Box 145801
Salt Lake City UT, 84114-5801



Dear Sirs:

Ranken Energy Corporation respectfully requests a spacing exception for the subject well. The well has been moved from the center of the SW ¼ of the SE ¼.

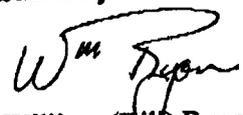
The well is located 895' FSL, 2,073' FEL in Sec. 22, T12S, R23E.

The location was moved due to topographic considerations, major drainage and access conditions. Please see the attached maps.

A 460' radius around the proposed location is within the Fee lease. Please see the attached map.

If you have additional questions please contact me.

Sincerely


 William (Bill) Ryan
 Agent

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

Operator Name: RANKEN ENERGY CORP.

Well Name & Number: DWR #15-16

API Number: 43-047-33346

Location: 1/4,1/4 SW/SE Sec. 16 T. 12S R. 23E

Geology/Ground Water:

There are no water wells in the area according to the Division of Water Rights. All water rights filed in the area are either from the White River or Bitter Creek. The base of the moderately saline water is estimated to be at approximately 3300'. Rankin has proposed cementing the production casing to cover the oil shale which they estimate at a depth of 300'. The proposed casing program should adequately protect any useable water encountered.

Reviewer: Brad Hill

Date: 6/29/99

Surface:

The pre-drill investigation of the surface was performed on 6/16/99. Because of steep draws to the east, south and west and the nature of the soil, a liner will be necessary for the reserve pit. The Division of Wildlife Resources is the surface owner, and they were represented by Jack Lytle. Mr. Lytle stated that the DWR would request a five month window where drilling would not be allowed, but he didn't know exactly when this window would be. He stated there would probably be other stipulations, but he didn't know exactly what they would be. Exception spacing requested for this site. The window allowed by general state spacing would place location in the bottom of the sharp draw to the east, and an access road would be nearly impossible to construct. (Jack Lytle stated in a conversation on 6/28/99 that DWR's right of way permit would be finished within a few days. He also asked for a no-drill window from Nov. 15 - April 15. B Hill 6/29/99)

Reviewer: David W. Hackford

Date: 6/21/99

Conditions of Approval/Application for Permit to Drill:

1. A 12 mil liner will be required for reserve pit.
2. A Right of Way Easement Agreement shall be obtained from D.W.R. prior to any surface disturbance.

Well name:	699 Ranken DWR 15-16	
Operator:	Ranken Energy Corp.	Project ID:
String type:	Surface	43-047-33346
Location:	Uintah County	

Design parameters:

Collapse
Mud weight: 8.600 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:
Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 79 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 300 ft

Burst:
Design factor 1.00

Cement top: 31 ft

Burst

Max anticipated surface pressure: -14 psi
Internal gradient: 0.494 psi/ft
Calculated BHP 134 psi

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

No backup mud specified.

Tension is based on buoyed weight.
Neutral point: 262 ft

Re subsequent strings:

Next setting depth: 7,500 ft
Next mud weight: 8,600 ppg
Next setting BHP: 3,351 psi
Fracture mud wt: 19,250 ppg
Fracture depth: 7,500 ft
Injection pressure 7,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	300	9.625	36.00	J-55	ST&C	300	300	8.796	21.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	134	2020	15.08	134	3520	26.28	9	394	41.83 J

Prepared RJK
by: Utah Dept. of Natural Resources

Phone: (801) 538-5274
FAX:

Date: June 23, 1999
Salt Lake City, Utah

ENGINEERING STIPULATIONS: Surface casing shall be cemented to surface.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 300 ft, a mud weight of 8.6 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	699 Ranken DWR 15-16		Project ID:
Operator:	Ranken Energy Corp.		43-047-33346
String type:	Production		
Location:	Uintah County		

Design parameters:

Collapse

Mud weight: 8.600 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 162 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: 2,613 ft

Burst

Max anticipated surface pressure: 2,026 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 2,770 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
 Neutral point: 5,393 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	6200	5.5	15.50	J-55	LT&C	6200	6200	4.825	194.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2770	4040	1.46	2770	4810	1.74	84	217	2.60 J

Prepared by: RJK
 Utah Dept. of Natural Resources

Phone: (801) 538-5274
 FAX:

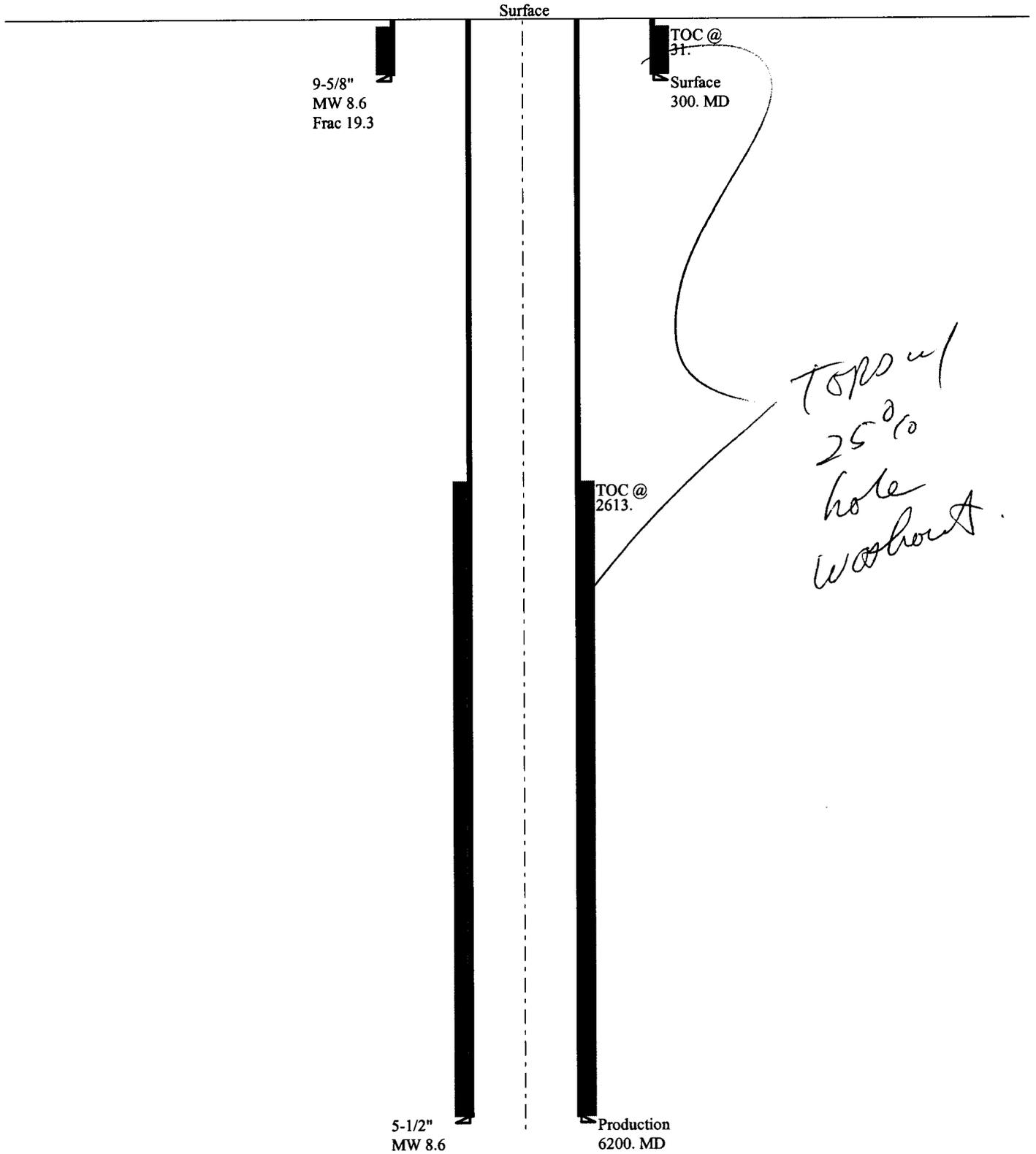
Date: June 23, 1999
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: Surface casing shall be cemented to surface.
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 6200 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

699 Ranken DWR 15-16

Casing Schematic





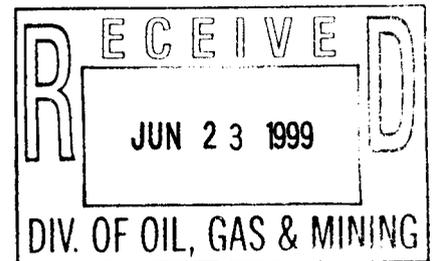
Office (435) 789-0968
Cellular (435) 828-0968

350 S. 800 E.
Vernal, UT 84078

May 21, 1999

Re: Well DWR 15-16
SW/SE, Sec. 16, T12S, R23E
Lease Fee

Utah Division of Oil Gas and Mining
1594 West North Temple
Suite 1210
P.O. Box 145801
Salt Lake City UT, 84114-5801



Dear Sirs:

Ranken Energy Corporation respectfully requests a spacing exception for the subject well. The well has been moved from the center of the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$.

The well is located **895' FSL, 2,073' FEL in Sec. 22, T12S, R23E.**

The location was moved due to topographic considerations, major drainage and access conditions. Please see the attached maps.

A 460' radius around the proposed location is within the Fee lease. Please see the attached map.

If you have additional questions please contact me.

Sincerely

A handwritten signature in cursive script that reads "William Ryan".

William (Bill) Ryan
Agent

From: "Michael Coulthard" <mcoultha@ut.blm.gov>
To: "Lisha Cordova" <nrogm.lcordova@state.ut.us>
Date: Thu, Jun 24, 1999 1:09 PM
Subject: Re: New APD-Ranken Energy Corp-Hanging Rock Unit

Lisha

The following well location:

43-047-33346 DWR 15-16 0895-FSL 2073-FEL 16 12S 23E

is on Unit Tract 11 of the Hanging Rock Unit which is not!!!!
committed to the Unit.

If you need additional info please advise.

Mick

----- Original Message -----

From: Lisha Cordova <nrogm.lcordova@state.ut.us>
To: <Michael_Coulthard/UTSO/UT/BLM/DOI>
Sent: Thursday, June 24, 1999 9:14 AM
Subject: New APD-Ranken Energy Corp-Hanging Rock Unit

>
>
> Hi Mick,
>
> How's it going? Didn't get a chance to talk with you at the hearing
> yesterday.
>
> Ranken is purposing to drill the attached well within the Hanging Rock
> Unit, TD 6200' (mvrd) formation. The lease type is fee/private and the
> surface owner is DWR. Bill Ryan, agent for Ranken stated (via telephone)
> that the location was not committed to the unit. Can you confirm that for
> me?
>
> Thank you,
>
> Lisha
>
> - Newapd.dbf



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

July 12, 1999

Ranken Energy Corporation
417 West 18th Street, Suite 101
Edmond, Oklahoma 73013-3663

Re: DWR 15-16 Well, 895' FSL, 2073' FEL, SW SE, Sec. 16, T. 12 S., R. 23 E., Uintah
County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM by the operator and administrative approval of the requested exception location is hereby granted.

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. The API identification number assigned to this well is 43-047-33346.

Sincerely,

A handwritten signature in black ink that reads "John R. Baza".

John R. Baza
Associate Director

lwp

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Ranken Energy Corporation
Well Name & Number: Ranken Energy DWR 15-16
API Number: 43-047-33346
Lease: Fee **Surface Owner:** Division of Wildlife Resources
Location: SW SE **Sec.** 16 **T.** 12 S. **R.** 23 E.

Conditions of Approval

1. 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.

2. Notification Requirements

Notify the Division of the following actions during drilling of this well:

- . 24 hours prior to cementing or testing casing
- . 24 hours prior to testing blowout prevention equipment
- . 24 hours prior to spudding the well
- . within 24 hours of any emergency changes made to the approved drilling program
- . prior to commencing operations to plug and abandon the well

Division contacts (please leave a voice mail message if person is not available to take the call):

- . Dan Jarvis at (801) 538-5338
- . Robert Krueger at (801) 538-5274 (plugging)
- . Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Surface casing shall be cemented to surface.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
ENTITY ACTION FORM - FORM 6

OPERATOR RANKEN ENERGY CORPORATION
ADDRESS 417 W. 18th St., Ste. 101
Edmond, OK 73013-3663

OPERATOR ACCT. NO. N 6250

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION				COUNTY	SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG			
A	9	12605	43-047-33343	DWR 5-28	SW/NW	28	12S	23E	Uintah	8/8/99	8/8/99
WELL 1 COMMENTS: <i>991130 entity added. KDR</i>											
CONFIDENTIAL											
A	9	12606	43-047-33344	DWR 12-21	NW/SW	21	12S	23E	Uintah	9/2/99	9/2/99
WELL 2 COMMENTS: <i>991130 entity added. KDR</i>											
A	9	12640	43-047-33345	DWR 12-22	NW/SW	22	12S	23E	Uintah	8/21/99	8/21/99
WELL 3 COMMENTS: <i>991130 entity added. KDR</i>											
A	9	12641	43-047-33346	DWR 15-16	SW/SE	16	12S	23E	Uintah	9/12/99	9/12/99
WELL 4 COMMENTS: <i>991130 entity added. KDR</i>											
CONFIDENTIAL											
WELL 5 COMMENTS:											

- ACTION CODES (See instructions on back of form)
- A - Establish new entity for new well (single well only)
 - B - Add new well to existing entity (group or unit well)
 - C - Re-assign well from one existing entity to another existing entity
 - D - Re-assign well from one existing entity to a new entity
 - E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

[Signature]
Signature
President 11/10/99
Title Date
Phone No. (405) 340-2363

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

5. Lease Designation and Serial Number:

Free

6. If Indian, Allottee or Tribe Name:

N/A

7. Unit Agreement Name:

N/A

8. Well Name and Number:

DWR 15-16

9. API Well Number:

43-047-33346

10. Field and Pool, or Wildcat:

Wildcat

1. Type of Well: OIL GAS OTHER:

2. Name of Operator:

RANKEN ENERGY CORPORATION

3. Address and Telephone Number:

417 W. 18th St., Ste. 101, Edmond, OK 73013-3663 405/340-2363

4. Location of Well

Footages: 895' FSL & 2073' FEL (SW/SE)

OO, Sec., T., R., M.: Section 16-12S-23E

County: Uintah

State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other _____
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

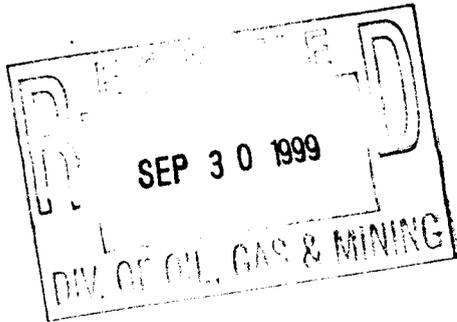
- Abandon *
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other Deepen 290' below permitted depth of 6200'
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion (6490')

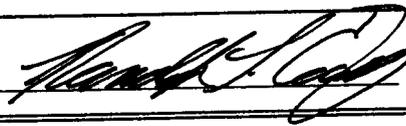
Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

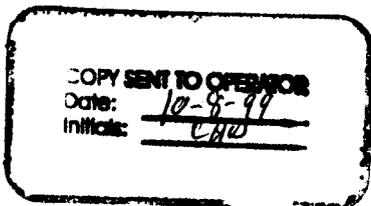
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)



13.

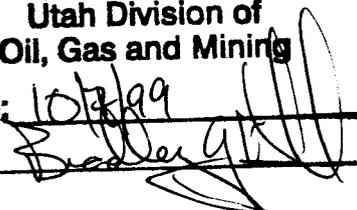
Name & Signature: Randolph L. Coy  Title: President Date: 9/28/99

(This space for State use only)



(See Instructions on Reverse Side)

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 10/8/99
By: 

CONFIDENTIAL

CONFIDENTIAL

FORM 8

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL: OIL WELL GAS WELL DRY Other

2. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESTR. Other

3. NAME OF OPERATOR: RANKEN ENERGY CORPORATION

4. ADDRESS OF OPERATOR: 417 W. 18th St., Ste. 101 Edmond, OK 73013-3663

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements):
At surface 895' FSL, 2073' FEL SW/4 SE/4
At top prod. interval reported below
At total depth

6. LEASE DESIGNATION AND SERIAL NO.: 15-16

7. UNIT AGREEMENT NAME: DWR

8. FARM OR LEASE NAME: Wildcat

9. SEC. T. R. M. OR BLOCK AND SURVEY OR AREA: 15-T12S-R23E

10. DATE ISSUED: 7/12/99

11. COUNTY: Uintah

12. STATE: UT

13. DATE SPUNDED: 9/12/99

14. DATE T.D. REACHED: 9/20/99

15. DATE COMPL. (Ready to prod.): 11/9/99 (Plug & Abl.)

16. ELEVATIONS (OF. RES. AT, CR. ETC.): 5973' KB

17. TOTAL DEPTH, MD & TVD: 6490'

18. PLUG BACK T.D., MD & TVD: 3208'

19. IF MULTIPLE COMPL. HOW MANY: N/A

20. INTERVALS DRILLED BY: →

21. ROTARY TOOLS: 0'-6490'

22. CABLE TOOLS: -

23. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD): Wasatch 2803'-13'

24. WAS DIRECTIONAL SURVEY MADE: No

25. TYPE ELECTRIC AND OTHER LOGS RUN: Spectral Density Dual²⁷, Spaced Neutron, High Resolution Induction, Microlog (12-6-99)

26. WAS WELL CORED YES NO (Submit analysis)

27. DRILL STEM TEST YES NO (See reverse side)

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9 5/8"	36 (new)	317'	12 1/4"	175 sx Hallib. Prem.	None
5 1/2"	15.5 (new)	6488'	7 7/8"	690 sx Hallib. Prem.	None
				310 sx Hallib. Prem.	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)
N/A			DV Tool	

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	2790'	2717'

31. PERFORATION RECORD (Interval, size and number)

4566'-80', 4 SPF
2803' - 13', 4 SPF

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4566'-80'	1000 gal. 15 % acid
2803'-13'	Natural

33. PRODUCTION

DATE FIRST PRODUCTION: 11/9/99

PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump): Flowing

WELL STATUS (Producing or shut-in): Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BSL	GAS—MCF.	WATER—BSL	GAS-OIL RATIO
11/13/99	24	19/64"	→	1/2 BO	1023	-0-	20,460

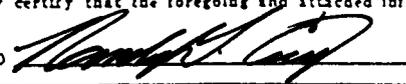
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BSL	GAS—MCF.	WATER—BSL	OIL GRAVITY-API (CORR.)
425	-0-	→	1/2 BO	1023	-0-	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): Sold

TEST WITNESSED BY: Gene Duncan

35. LIST OF ATTACHMENTS:

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED:  TITLE: President DATE: 11-30-99

See Spaces for Additional Data on Reverse Side

CONFIDENTIAL

INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

ITEMS 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22 and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

ITEM 29: "Sacks-Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

38. GEOLOGIC MARKERS

Formation	Top		Bottom	Description, contents, etc.	Name	Top	
	6386	5556				Meas. Depth	True Vert. Depth
Mesaverde	6386	5556	6420	SS, FGRN, WCMT, WSRT	Wasatch	2638	
Mesaverde			5562	SS, WSRT, FGRN, SLI, CALC. MOD CEM, FRI, SANG.			
Mesaverde		4566	4580	SS, WHT QTZ, VWSRTD, SRND	Mesaverde	4210	
Wasatch		2802	2825	SS: CLR WH MEDGRN WSRT UNCON. SBANG - GOOD POROSITY			

37. SUMMARY OF POROUS ZONES:

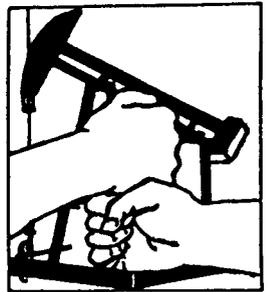
Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.

CONFIDENTIAL

December 1, 1999

**RANKEN
ENERGY
CORPORATION**

417 W. 18th Street, Suite 101
Edmond, Oklahoma 73013-3663
(405) 340-2363 • Fax (405) 340-2365



State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
P O Box 145801
Salt Lake City, UT 84114-5801

*TIAS RAZE S-16
43-047-33346*

RE: DWR 15-16 Completion Report -
Form 8 & Application for Severance
Tax Exemption

Dear Sir(s):

Enclosed please find our completed Form 8, set of logs marked "Confidential", plat map showing subject well and wells in the vicinity and a cross-section with index map depicting the location of subject well relative to the nearest producing wells. A 24 hour production/flow test has been performed on this well and is indicated on Form 8.

This letter shall also serve as our application for a severance tax exemption under Section 59-5-102(2)(d) of the Utah Oil and Gas Conservation General Rules. The enclosed plat map shows there are no currently producing wells within one mile of the subject well. Our DWR 15-16 well is currently producing from uppermost Wasatch sands. As shown on the enclosed cross-section, these sands are not developed in the Hanging Rock unit to the north-northeast. To our knowledge the well is not located on a KGS (known geologic structure). The bottomhole pressures are estimated to be 1120 psi based upon SITP's and hydrostatic weight of fluid columns in the hole.

Please advise if I can provide any further data that might be necessary to help support the request being made herein.

Sincerely,

A handwritten signature in black ink, appearing to read "Randolph L. Coy". The signature is stylized and cursive.

Randolph L. Coy
President

RLC:jr
enc.

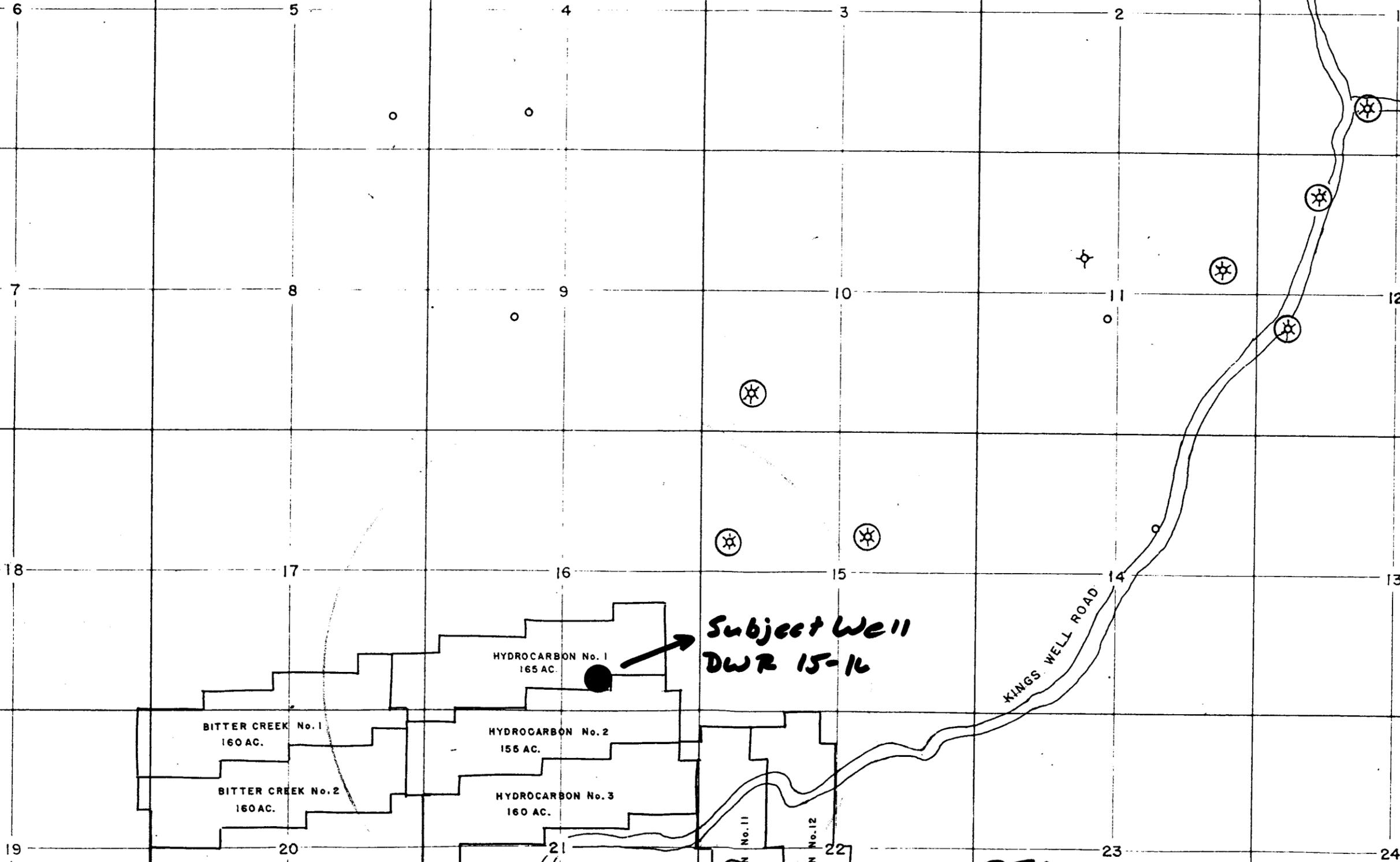
(utast3rc)

RECEIVED

DEC - 6 1999

DIVISION OF OIL, GAS & MINING

R-23-E

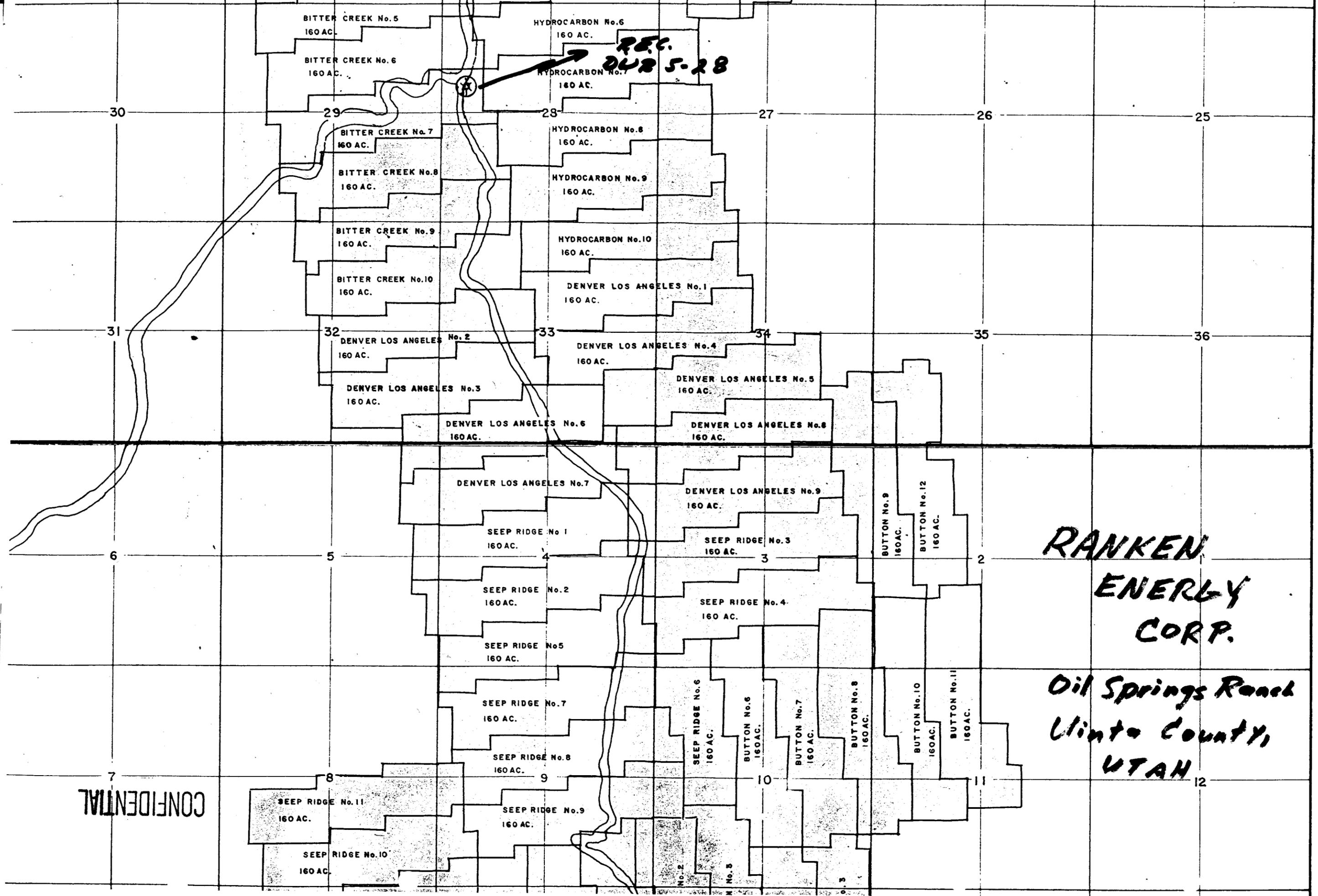


Subject Well
DWR 15-16

R.E.C.
DWR 12-21

R.E.C.
DWR 12-22

T
12
S



P.E.C.
2485-28

**RANKEN
ENERGY
CORP.**

**Oil Springs Ranch
Uinta County,
UTAH**

CONFIDENTIAL

59-5-102. Severance tax -- Rate -- Computation -- Annual exemption -- Study by Tax Review Commission.

- (1) (a) Each person owning an interest, working interest, royalty interest, payments out of production, or any other interest, in oil or gas produced from a well in the state, or in the proceeds of the production, shall pay to the state a severance tax equal to 4% of the value, at the well, of the oil or gas produced, saved, and sold or transported from the field where the substance was produced.
- (b) Beginning January 1, 1992, the severance tax rate for oil is as follows:
- (i) 3% of the value up to and including the first \$13 per barrel for oil; and
 - (ii) 5% of the value from \$13.01 and above per barrel for oil.
- (c) Beginning January 1, 1992, the severance tax rate for natural gas is as follows:
- (i) 3% of the value up to and including the first \$1.50 per MCF for gas; and
 - (ii) 5% of the value from \$1.51 and above per MCF for gas.
- (d) Beginning January 1, 1992, the severance tax rate for natural gas liquids is 4% of the taxable value for natural gas liquids.
- (e) If the oil or gas is shipped outside the state, this constitutes a sale, and the oil or gas is subject to the severance tax.
- (f) If the oil or gas is stockpiled, the tax is not applicable until it is sold, transported, or delivered. However, oil or gas that is stockpiled for more than two years is subject to the severance tax.
- (2) No tax is imposed upon:
- (a) the first \$50,000 annually in gross value of each well or wells as defined in this part, to be prorated among the owners in proportion to their respective interests in the production or in the proceeds of the production;
 - (b) stripper wells, unless the exemption prevents the severance tax from being treated as a deduction for federal tax purposes;
 - (c) the first six months of production for wells started after January 1, 1984, but before January 1, 1990;
 - (d) the first 12 months of production for wildcat wells started after January 1, 1990; or
 - (e) the first six months of production for development wells started after January 1, 1990.
- (3) (a) Through December 31, 2004, a working interest owner who pays for all or part of the expenses of a recompletion or workover is entitled to a tax credit equal to 20% of the amount paid.
- (b) The tax credit for each recompletion or workover may not exceed \$30,000 per well during each calendar year. The tax credit shall apply to the taxable year in which the recompletion or workover is completed and shall be claimed quarterly beginning on the third quarter after recompletion or workover is completed under rules made by the commission.
- (4) A 50% reduction in the tax rate is imposed upon the incremental production achieved from an enhanced recovery project.
- (5) These taxes are in addition to all other taxes provided by law and are delinquent, unless otherwise deferred, on June 1 next succeeding the calendar year when the oil or gas is produced, saved, and sold or transported from the premises.
- (6) With respect to the tax imposed by this chapter on each owner of oil or gas or in the proceeds of the production of those substances produced in the state, each owner is liable for the tax in proportion to the owner's interest in the production or in the proceeds of the production.
- (7) The tax shall be reported and paid by each producer who takes oil or gas in kind pursuant to agreement on behalf of the producer and on behalf of each owner entitled to participate in the oil or gas sold by the producer or transported by the producer from the field where the oil or gas is produced.
- (8) Each producer shall deduct the tax from the amounts due to other owners for the production or the proceeds of the production.
- (9) (a) The Tax Review Commission shall review the tax provided for in this part on or before the October 2002 interim meeting.
- (b) The Tax Review Commission shall address in its review the following statutory provisions:
- (i) the severance tax rate structure provided for in this section;
 - (ii) the exemptions provided for in Subsection (2);
 - (iii) the credit provided for in Subsection (3), including:
 - (A) the cost of the credit;
 - (B) the purpose and effectiveness of the credit; and
 - (C) whether the credit benefits the state;
 - (iv) the tax rate reduction provided for in Subsection (4);

- (v) other statutory provisions or issues as determined by the Tax Review Commission; and
(vi) whether the statutory provisions the Tax Review Commission reviews under this Subsection (9) should be:
- (A) continued;
 - (B) modified; or
 - (C) repealed.
- (c) The Tax Review Commission shall report its findings and recommendations regarding the tax provided for in this part to the Revenue and Taxation Interim Committee on or before the November 2002 interim meeting.

Amended by Chapter 414, 1998 General Session
Download Code Section Zipped WP 6.1 59_05003.ZIP 4,017 Bytes

[\[Back to the Chapter Level\]](#)[\[Back to the Title Level\]](#)[\[Back to Utah Code\]](#)[\[Back to the Legislative Home Page\]](#)

Last revised: Tuesday, August 17, 1999

43-047-33346
T125 R23E 16



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

February 20, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 4958

Karen Kuntz
Ranken Energy Corp.
417 West 18th Street
Suite 101
Edmond, Oklahoma 73013-3663

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases.

Dear Ms. Kuntz:

Ranken Energy Corp., as of February 2004, has nine (9) Fee Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Page 2
February 20, 2004
Karen Kuntz

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

jc
cc: John Baza
Well File

	Well Name	API	Lease Type	Years Inactive
1	DWR 15-16	43-047-33346	Fee	2 Years 8 Months
2	DWR 12-22	43-047-33345	Fee	3 Years 0 Months
3	DWR 12-28	43-047-33481	Fee	3 Years 2 Months
4	DWR 14-28	43-047-33483	Fee	3 Years 3 Months
5	DWR 16-16	43-047-33489	Fee	3 Years 3 Months
6	DWR 8-29	43-047-33487	Fee	3 Years 5 Months
7	DWR 1-21	43-047-33480	Fee	3 Years 7 Months
8	DWR 14-16	43-047-33482	Fee	3 Years 7 Months
9	DWR 12-21	43-047-33344	Fee	4 Years 1 Month

Attachment A



State of Utah

May 10, 2004

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

CERTIFIED MAIL NO. 7002 0510 0003 8602 5412

Mr. Randolph L. Coy
Ranken Energy Corporation
417 W. 18th Street Suite 101
Edmond, Oklahoma 73013-3663

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated February 20, 2004.

Dear Mr. Coy,

The Division of Oil, Gas and Mining (DOGM) is in receipt of your letter dated March 3, 2004 in regards to the nine (9) shut-in wells operated by Ranken Energy Corporation (Ranken). It is our understanding Ranken is actively seeking a partner or investor for these properties to share the financial burden necessary to make these wells productive.

Based upon the proposed plan to complete this project and put these properties into production this year and other information provided at this time, DOGM approves the nine (9) wells for extended shut-in until January 1, 2005. However, in the future it will be necessary to address all requirements described in the DOGM February 20, 2004 correspondence before these properties will be considered for any additional extended SI/TA status.

For reference, Attachment A lists the wells subject to this request. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

cc Well File

Sincerely,

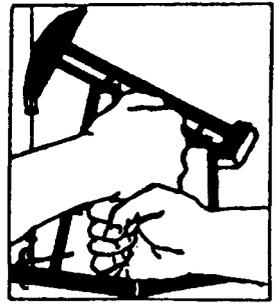
Dustin Doucet
Petroleum Engineer

	Well Name	API	Lease Type	Years Inactive
1	DWR 15-16	43-047-33346	Fee	2 Years 8 Months
2	DWR 12-22	43-047-33345	Fee	3 Years 0 Months
3	DWR 12-28	43-047-33481	Fee	3 Years 2 Months
4	DWR 14-28	43-047-33483	Fee	3 Years 3 Months
5	DWR 16-16	43-047-33489	Fee	3 Years 3 Months
6	DWR 8-29	43-047-33487	Fee	3 Years 5 Months
7	DWR 1-21	43-047-33480	Fee	3 Years 7 Months
8	DWR 14-16	43-047-33482	Fee	3 Years 7 Months
9	DWR 12-21	43-047-33344	Fee	4 Years 1 Month

Attachment A

RANKEN ENERGY CORPORATION

417 W. 18th Street, Suite 101
Edmond, Oklahoma 73013-3663
(405) 340-2363 • Fax (405) 340-2365



March 3, 2004

RE: Well Status of Ranken Energy Corporation Wells
Uintah County, Utah
Oil Springs Ranch Project

Mr. Dustin K. Doucet, Petroleum Engineer
State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

RECEIVED

APR 05 2004

DIV. OF OIL, GAS & MINING

Dear Mr. Doucet:

Per our telephone discussion on this date concerning the reason why some of our wells are currently shut in on our fee leasehold and the death of my partner, please let me reiterate further. Approximately 2 years ago Ranken's largest investor/partner suddenly passed away due to an accident. He controlled 62.5% of the working interest in our project and unfortunately he had no children. His heirs are his brothers and sisters who are exceedingly older and know nothing about the oil and gas industry. His estate is currently being liquidated. Needless to say, when he passed away, no further expenditures took place in our project. Our project essentially ceased at the time of his death. Some of our wells haven't even been completed as yet. Additional zones of interest behind pipe exist in many of the wells.

We have been trying to replace this interest w/ other companies/investors for quite some time. Only in recent months, since the gas prices in the Rocky's have gained some momentum, have we been able to attract some serious consideration. We currently have some on-going dialog with seven different companies at this time. We are cautiously optimistic that a deal will be done this year, perhaps even quicker, and our project will move forward once again.

Per your request, listed below is a status report on the wells that you listed in your letter to Ranken Energy Corporation dated February 20, 2004:

1. **DWR 15-16:** This well was completed in the Wasatch in July 1999. New 15.5 #/ft. casing was run in the hole. A DV tool was set at 2790' and packer was set at 2717'. Top perms are at 2803' - 13'. A plunger lift system was installed on 5-9-2000. The estimated top of cement is 700'. Current SITP is 680 PSI and SICP is 760 PSI. We

2. are planning on putting this well back on production pending the results of a short period flow test currently underway.
3. DWR 12-21: This well was completed in the Wasatch and Mesa Verde in December 1999. New 15.5 #/ft 5 1/2" casing was run in the hole. A DV tool was set at 3672'.
4. The top perms are at 2685' – 95'. The estimated top of cement is at 722'. Current SICP is 180 PSI and the SITP is 320 PSI. This well would be part of a localized compression system that may be installed.
5. DWR 12-22: This well was completed in the Mesa Verde in December 1999. New 15.5 #/ft 5 1/2" casing was run in the hole with DV tool at 2994'. The well was later drilled out horizontally in the Mesa Verde and a subsequent completion report was filed in October 2001. The well currently has a SICP of 440 PSI and a SITP of 360 PSI. This well is also part of our compression plan. In addition, this well produces about 30-40 BWPD. A disposal well is being considered in the area to not only handle this water but also produced water from other wells on our fee block.
6. DWR 12-28: This well was completed in the Wasatch in July 2000. New 4 1/2" 10.5 #/ft casing was run in the hole. The well currently has a SICP of 320 PSI and a SITP of zero. This well has a down hole positive displacement pump installed with a 6 cylinder gas engine to turn the rod string. This well will make 200-300 BWPD and 150-250 MCFGPD. However, the cost to haul water is too great to justify. The possible SWDW mentioned above would also service this well.
7. DWR 14-28: This well was completed in the Wasatch in November 2000. New 4 1/2" 11.6 #/ft casing was run in the hole. The well currently has a SICP of 10 PSI and SITP of 10 PSI. Cement was circulated to surface after pumping a total of 975 sacks of cement. The original zones that were perforated were not commercially productive. However, there are additional zones behind pipe that remain prospective and need to be tested prior to abandonment of the wells.
8. DWR 14-16: This well was completed in the Green River formation in June 2000. New 4 1/2" 10.5 #/ft casing was run in the hole and was cemented with 725 sacks of cement. Cement was circulated to surface. The well currently has a SICP of zero and a SITP of 5 PSI. Additional potential exists in the shallower formations in this well and should be tested prior to abandonment.
9. DWR 16-16: This well was drilled and completed in the Wasatch in January 2000. New 4 1/2" 10.5 #/ft casing was run in the hole and was cemented with 755 sacks of cement. Cement was circulated to surface. The well currently has 80 PSI SICP and 80 PSI SITP. Additional potential exists in the shallower formations in this well and should be tested prior to abandonment. Both this well and the DWR 14-14 could be tied into the compression facility mentioned earlier.
10. DWR 8-29: This well was drilled and completed in the Mesa Verde and Wasatch in August 2000. New 4 1/2" 10.5 #/ft casing was run in the hole and cemented with 510 sacks cement. Cement was circulated to surface. The current SICP is zero and the current SITP is also zero. The original zones that were perforated were not

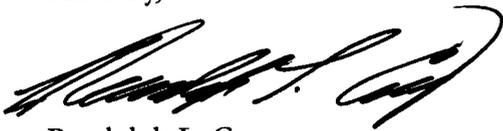
commercially productive without compression. Additional zones of interest are present behind pipe and should be tested prior to abandonment.

11. DWR 1-21: This well was drilled and completed in the Green River and Wasatch in June 2000. New 4 1/2" 10.5 #/ft casing was run in the hole and cemented with 605 sacks of cement. Cement was circulated to surface. The current SICP is 160 PSI and the current SITP is 140. This well cannot produce without the aid of compression.

As you can now see, 5 of the 9 wells listed on your report have cement to surface. The remaining 4 wells all have "produceable" pressures that either need compression help or a water disposal well. We are making progress with potential new partners and if successful, new completion work on existing wells will take place.

In summary, we respectfully request that shut in status be granted for these wells. Should you have any questions please do not hesitate to call or write. Thank you for your consideration and cooperation.

Sincerely,



Randolph L. Coy
President

RLC/adb

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
SEE ATTACHED

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
SEE ATTACH

7. UNIT or CA AGREEMENT NAME:
OIL SPRINGS

8. WELL NAME and NUMBER:
SEE ATTACHED

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
MAK-J ENERGY PARTNERS, LTD

3. ADDRESS OF OPERATOR:
370 17TH ST STE 2710 CITY **DENVER** STATE **CO** ZIP **80202** PHONE NUMBER: **(303) 339-5871**

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **SEE ATTACHED LIST** COUNTY: **UINTAH**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EFFECTIVE DATE: August 23, 2004

OLD OPERATOR:

RANKEN ENERGY CORP. *N 6250*
417 W. 18TH STREET SUITE
EDMOND, OKLAHOMA 73013-3663
405-340-2363

NEW OPERATOR:

MAK-J ENERGY PARTNERS, LTD *N 2670*
370 17TH STREET, SUITE 2710
DENVER, CO 80202
303-468-0090

PLEASE SEE ATTACHED WELL LIST.

State Fee Bond # SLCPPDX02546

[Signature]
RANDOLPH COY
PRESIDENT
RANKEN ENERGY CORP.

NAME (PLEASE PRINT) STEVE VAN HOOK
[Signature]
SIGNATURE

TITLE VICE PRESIDENT
DATE 8/23/2004

(This space for State use only)

RECEIVED
AUG 25 2004

MAKJ ENERGY

370 17th Street, Suite 2710
Denver, Colorado, 80202

303-468-0090 VOICE
303-468-0092 FAX

STATE OF UTAH
EARLENE

MAK-J ENERGY PARTNERS LEFT OFF OR FORM 9 OPERATOR CHANGE TWO WELLS THAT
THE LOCATION WAS BUILT.

PLEASE ADD TO YOUR LIST.

DWR #2-21 - 43-047-33484
DWR #3-21 - 43-047-33485

PLEASE LET ME KNOW IF YOU NEED ME TO FILL OUT ANOTHER SUNDRY.



CINDY BUSH
OPERATIONS COORDINATOR

APPROVED 9114104

ER

Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

RECEIVED

SEP 02 2004

DIV. OF OIL, GAS & MINING

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW
3. FILE

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

8/23/2004

FROM: (Old Operator):
 N6250-Ranken Energy Corp
 417 W 18th St, Suite 101
 Edmond, OK 73013-3663
 Phone: 1-(405) 340-2363

TO: (New Operator):
 N2670-MAK-J Energy Partners, LTD
 370 17th St, Suite 2710
 Denver, CO 80202
 Phone: 1-(303) 468-0090

CA No.

Unit:

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
DWR 5-28	28	120S	230E	4304733343	12605	Fee	GW	P
DWR 12-21	21	120S	230E	4304733344	12606	Fee	GW	S
DWR 12-22	22	120S	230E	4304733345	12640	Fee	GW	S
DWR 15-16	16	120S	230E	4304733346	12641	Fee	GW	S
DWR 1-21	21	120S	230E	4304733480	12811	Fee	GW	S
DWR 12-28	28	120S	230E	4304733481	12810	Fee	GW	S
DWR 14-16	16	120S	230E	4304733482	12812	Fee	GW	S
DWR 14-28	28	120S	230E	4304733483	12813	Fee	GW	S
DWR 8-29	29	120S	230E	4304733487	12815	Fee	GW	S
DWR 16-16	16	120S	230E	4304733489	12814	Fee	GW	S
DWR 2-21	21	120S	230E	4304733484		Fee	GW	LA TA
DWR 3-21	21	120S	230E	4304733485		Fee	GW	LA

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/25/2004
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/25/2004 & 9/2/2004
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/30/2004
- Is the new operator registered in the State of Utah: YES Business Number: 5690747-0181
- If **NO**, the operator was contacted on: _____
- (R649-9-2) Waste Management Plan has been received on: To Follow
- Inspections of LA PA state/fee well sites complete on: 8/31/2004

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 8/31/2004 & 9/14/2004
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 8/31/2004 & 9/14/2004
3. Bond information entered in RBDMS on: 8/31/2004 & 9/14/2004
4. Fee/State wells attached to bond in RBDMS on: 8/31/2004 & 9/14/2004
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: n/a

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE AND STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number SLCPPDX02546
2. The **FORMER** operator has requested a release of liability from their bond on: 8/24/2004
The Division sent response by letter on: 9/1/2004

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 8/31/2004 & 9/14/2004

COMMENTS:

Two LA wells had locations built by Ranken; the DWR 2-21 had surface casing set.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: DWR #15-16
2. NAME OF OPERATOR: MAK-J ENERGY OPERATING COMPANY, LLC		9. API NUMBER: 4304733346
3. ADDRESS OF OPERATOR: 370 17TH STREET, STE 271 CITY DENVER STATE CO ZIP 80202		PHONE NUMBER: (303) 339-5871
4. LOCATION OF WELL FOOTAGES AT SURFACE: 895' FSL & 2073' FEL		10. FIELD AND POOL, OR WILDCAT: WILDCAT
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 12S 23E		COUNTY: UINTAH
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: EXTEND SI PERIOD
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MAK-J ENERGY RESPECTFULLY REQUEST EXTENDED SHUT IN FOR THE ABOVE MENTIONED WELL UNTIL DECEMBER 31, 2005.

COPY SENT TO OPERATOR
DATE: 4-18-05
BY: CHO

NAME (PLEASE PRINT) <u>GINDY BUSH</u>	TITLE <u>OPERATIONS COORDINATOR</u>
SIGNATURE <u><i>Gindy Bush</i></u>	DATE <u>12-14-04</u>

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 4/13/05
BY: [Signature] (See Instructions on Reverse Side)

* See attached letter dated April 13, 2005

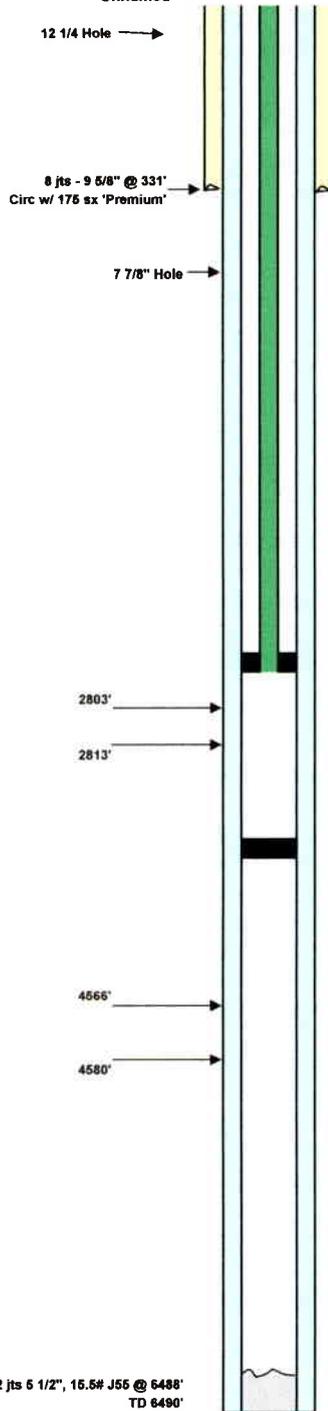
RECEIVED
DEC 16 2004

DIV. OF OIL, GAS & MINING

WELL NAME: DWR 15-16
 895' FSL & 2073' FEL
 LOCATION: Sec 16-12S-23E
 FIELD: Unnamed

GL: 5955'
 KB: 5970'
 API NO: 430-4733-346
 Fed Lse No:
 PBDT: 3220'
 TD: 6490'

Surveys:	
Degrees	Depth Ft
1/2	366'
1	879'
1	1410'
1	1935'
1	2467'
2 1/2	2920'
3	3459'
3 3/4	4000'
2	4526'
3	4835'
2 1/2	5330'
3 3/4	5600'
2 1/2	6109'



WELL HISTORY

Spudded 12 1/4" hole 8/21/99. Drilled to 335'. Ran 8 jts 9 5/8", 36# casing and landed at 331'. Cemented with 176 sxs Premium Cement containing 2% CaCl & 1/4 #/sk Celloflake. Drilled 7 7/8" hole to 1400' where circulation was lost (approximately 1000 bbls). Mudded up and regained circulation. Drilled to total depth of 6490'.

Mud log shows: 1992' - 2000': 8 units - 162 units, 2008' - 2033': 64 units - 386 units, 2539' - 2543': 27 units - 213 units, 2810' - 2819': 10 units - 1090 units, 2645' - 2657': 86 units - 273 units, 2811' - 2839': 700 units - 4087 units, 2873' - 2850': 263 units - 366 units, 2854' - 2892': 26 units - 284 units, 2882' - 2904': 48 units - 106 units. Bit trip at 4062' had 6692 units of trip gas. 4567' - 4582': 28 units - 977 units, 4661' - 4667': 97 units - 301 units, 4667' - 4672': 84 units - 213 units, 4672' - 4677': 76 units - 210 units, 4694' - 4699': 36 units - 166 units, 4699' - 4706': 95 units - 313 units, 4722' - 4727': 22 units - 120 units, 4843' - 4945': 45 units - 403 units, 5558' - 5592': 38 units - 1056 units, 5912' - 5931': 21 units - 1816 units, 5931' - 5939': 206 units - 978 units, 5954' - 5966': 104 units - 1680 units, 6389' - 6406': 222 units - 1046 units, 6406' - 6433': 277 units - 504 units, 6433' - 6447': 166 units - 372 units.

Ran 152 joints 5 1/2", 15.5#/ft J55 casing (DV tool at 3115'). Landed at 6488'. Cemented in two stages. The 1st w/ 690 sxs Premium 300 cement w/ 1/4#/sxs Flocele, 3/10 of 1% CFR-2, 5/10 of 1% Halad 9, 2% gel, 2% microbond & 2/10 of 1% Super CBL mixed at 14.5#/gal. Circulated 9 bbls of cement between stages. Cemented 2nd stage w/ 310 sxs Premium V w/ 1% EX-1, 1/4 #/sxs flocele, 6% gel, 2% microbond, & 3% salt mixed at 12.5 #/gal followed by 225 sxs Premium 300 w/ 3/10ths of a % CFR-2, 1/4 #/sxs flocele, 5/10ths of a percent Halad 9 2% gel, 2% microbond, and 2% Super CBL mixed at 14.5 #/gal. Circulated 21 bbls of cement to surface.

Perforated Mesaverde interval from 4566' - 4580', 4 JSPF. Acidized w/ 1000 gallons 15% acid. Swabbed 12 bbls over load. Set CIBP at 3220'. Perforate Wasatch from 2803' - 2813' w/ 4 JSPF. Swabbed. Well kicked off and flowed. Maximum shut in tubing pressure while building tank battery was 1120 psi (0.4 psi/ft). The well had an approximate IP from this interval of 980 mcfpd w/ no fluid. Over a period of approximately 2 months production fell to zero - fairly abruptly. The well had been making about 15 barrels of water per day. Soap sticks were dropped on a daily basis. Re-acidized with 750 gallons 7 1/2% acid. The well is currently shut in w/ a packer set at 2717' w/ 12K in compression.

Prepared by:

TSM

Date:

12/7/2004

December 7, 2004

Dustin K. Doucet
State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining

Re: Request for Extended Shut-in

RECEIVED
DEC 16 2004
DIV. OF OIL, GAS & MINING

Dear Mr. Doucet,

Mak-J Energy Operating Company, LLC recently purchased certain oil and gas assets from Ranken Energy Corp., Edmond, Oklahoma. These assets include 10 wells and associated equipment generally located in Sections 16 – 28, T12S-R22E, Uintah County. The wells are located on lands owned by the Division of Wildlife. One (1) of the ten wells is currently producing. Mak-J officially took over operations on August 1st, 2004.

This letter is in reference to your letter to Ranken Energy dated May 10, 2004 granting extended shut-in for nine wells until January 1, 2005. Enclosed are 9 Sundry Notices requesting continued shut-in status for these wells. Since July of this year Mak-J has amassed approximately 37,000 gross acres in and around these properties. We currently have four Applications for Permit to Drill pending with the Bureau of Land Management, Vernal. It is our intent to be extremely active in this area and hopefully build it into a core area for this company. We are currently working the regional geology and reviewing well histories in an attempt to learn these properties in greater detail. Based upon our current studies our plans for the property are as follows:

1. Convert the DWR #12-28 (API #43-047-33481) into a salt water disposal well
2. Re-complete, open new pay, and fracture stimulate the DWR #12-21 (API #43-047-33344)

In order to make the wells in this area economic to operate it is essential one finds a cheaper way to dispose of produced water. Currently, produced water is being trucked to Ace Disposal, approximately 10 miles west of Vernal at a cost of approximately \$2.00 per barrel. These wells cannot support this expense. Submittal of our application for an underground water disposal permit is approximately 2 weeks away. Because these lands are located in "Indian Country" the permitting process is administered by Region 8 of the Environmental Protection Agency. The filing process and paper work is long and tedious.

I am sure you are well aware activity in the basin is at an all time high. The recent Federal lease sale is proof of this. The heightened activity is due primarily to the success operators are experiencing drilling and completing Mesaverde wells. In the past most completion attempts have been in the shallower Wasatch Formation. The DWR #12-21 well is completed both in the Mesaverde and the Wasatch. However, coals in the Mesaverde interval were

perforated not the sands. It is Mak-J's intent to cement squeeze the existing perforated intervals in both the Mesaverde and Wasatch Formations and then perforate sands within the Mesaverde group and fracture stimulate. It is anticipated that 4 separate fracture treatments will be done on this well. Due to the remote nature of the well in addition to the competitive nature of securing services (pump trucks, pulling units, consultants) it is our intent to perform this operation as part of our larger drilling/completion program. According to the BLM we should be receiving approved APD's sometime around April of next year.

Because of the aforementioned Mak-J is requesting extended shut-in of the nine wells until December 31, 2005.

Enclosed are wellbore diagrams of the nine wells. In every instance new casing was run and cemented in the well. It is highly unlikely in just 5 years time that any of the casings has failed. Especially in light of the fact most primary cement work involved the pumping of two stages of cement using DV tools to assure high cement lift. In fact 7 of the 9 wells circulated cement to surface. To ensure casing integrity Mak-J proposes to monitor and record surface pressures, both tubing and casing, on a quarterly basis. The wells have been shut in long enough that any variations in surface pressures from quarter to quarter may indicate a potential problem. If that is the case Mak-J will expedite a rig to location and verify integrity or lack thereof. In the case of the latter and after approval is granted by the State, operations will be immediately undertaken to either cure the problem or abandon the well.

Again, Mak-J Operating Company, LLC respectfully requests continued shut-in status be granted to these wells until December 31, 2005. If you have any questions in regards to the above matters please do not hesitate and contact me at (303) 339-5873.

Sincerely,



Todd S. McDonald
Vice President

RECEIVED
JAN 24 2005
DIV. OF OIL, GAS & MINING

January 17, 2005

Clinton Dworshak
State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Re: Request for Extended Shut-in

Dear Mr. Dworshak,

This is a follow up letter to our late December phone discussion regarding the requested extended shut-in on our recently purchased Ranken Energy wells in Uintah County, Utah. Since our talk Mak-J Energy has collected tubing and casing pressures on all of the wells, has performed a casing integrity test on the DWR #12-28, and took the preliminary steps to convert the DWR #12-28 well into a produced water disposal well. Pressures were recorded on December 20th and the results are as follows:

	<u>Tubing</u>	<u>Casing</u>
DWR #14-28	285 psi	285 psi
DWR #12-21	165 psi	? (casing valve is half buried in frozen dirt, unable to free up)
DWR #12-22	280 psi	415 psi
DWR #14-16	0 psi	0 psi
DWR #15-16	760 psi	760 psi
DWR #16-16	80 psi	80 psi
DWR #1-21	150 psi	150 psi
DWR #5-28	producing	
DWR #12-28	integrity test performed	

As mentioned in my earlier letter, tubing and casing pressures will be monitored and recorded on a quarterly basis. Mak-J Energy believes quarterly monitoring of wellhead pressures is an effective tool to verify casing integrity. Most casing failures are due to corrosive waters coming into contact with un-cemented pipe. All of the wells in the field, during the cementing of each production string, circulated cement to surface. Indicating, in all likelihood, the protection of the pipe is good. If a casing leak did occur one would think the casing would fill with water and both the tubing and casing pressure would go to zero. Initial reservoir pressure of these wells is normal or slightly below normal pressures (< 0.433 psi/ft). Although the DWR #14-16 has no pressure on the tubing and/or casing, in this

instance, I do believe the well has casing integrity. This well is perforated near the surface (620' – 670') in the Green River Formation. This interval tested wet and after 4 days of being shut-in on initial completion, with a packer in the hole, the tubing registered 0 psi.

Mak-J Energy plans to re-complete the DWR #12-21 well. Mak-J Energy has filed for four (4) drilling permits in the immediate area. We also began staking an additional 16 on January 13th. It is anticipated that drilling will occur sometime in July with completion operations taking place in August. Mak-J proposes to re-complete the DWR #12-21 in the Mesaverde Formation in August / September of this year when services are in the immediate area.

Mak-J Energy performed the necessary pump in tests on the DWR #12-28 to convert it to a salt water disposal well. It is imperative that a cheaper way to dispose of water in this area be found. Unfortunately, this well proved to have to low of permeability in the interval chosen to dispose of water into. Pressures were exceedingly high at low injection rates and the conversion of this well has been canceled. Another candidate will have to be chosen. Again, this will take place this summer. A casing integrity test however was performed on this well. The casing was tested to 2,550 psi and held for 30 minutes with 6 psi of falloff (see enclosed job log).

Again, Mak-J Operating Company, LLC respectfully requests continued shut-in status be granted to these wells until December 31, 2005. If you have any questions in regards to the above matters please do not hesitate and contact me at (303) 339-5873.

Sincerely,



Todd S. McDonald
Vice President



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

4304733346
128 23 E Sec. 16

April 13, 2005

Mak-J Energy Operating Company, LLC
Attn: Todd S. McDonald
370 17th Street, Suite 271
Denver, CO 80202

Re: Approval for Extension of Shut-in or Temporarily Abandoned Status for Wells on Fee or State Leases

Dear Mr. McDonald,

The Division of Oil, Gas and Mining (the "Division") is in receipt of your letters dated December 7, 2004 (received by the Division on December 16, 2004) and January 17, 2005 (received by the Division on January 24, 2005) in regards to the ten (10) shut-in or operation suspended wells operated by Mak-J Energy Operating Company, LLC (Mak-J). The Division understands that Mak-J intends to recompleat 1 well immediately (Sundry Notice of Intent approved April 1, 2005 for the DWR # 12-21 well) and intends to evaluate the other 9 wells for future potential based on results of this recompleat and other wells that are scheduled to be drilled this summer.

Mak-J has provided explanations of integrity and will continue monitoring pressures on a quarterly basis to ensure continued integrity. All wells appear to have stable pressures and cement circulated to or near surface. If there is a change in pressures, Mak-J will do a casing integrity test and make any repairs necessary to restore integrity.

Based on the submitted information and plan of action, the Division approves your request for extended SI/TA for the 10 SI/TA wells on Fee leases (see attachment A) until January 1, 2006. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin Doucet
Petroleum Engineer

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	DWR 15-16	43-047-33346	Fee	3 Years 8 Months
2	DWR 12-22	43-047-33345	Fee	4 Years 0 Months
3	DWR 12-28	43-047-33481	Fee	4 Years 2 Months
4	DWR 14-28	43-047-33483	Fee	4 Years 3 Months
5	DWR 16-16	43-047-33489	Fee	4 Years 3 Months
6	DWR 8-29	43-047-33487	Fee	4 Years 5 Months
7	DWR 1-21	43-047-33480	Fee	4 Years 7 Months
8	DWR 14-16	43-047-33482	Fee	4 Years 7 Months
9	DWR 12-21	43-047-33344	Fee	5 Years 1 Month
10	DWR 2-21	43-047-33484	Fee	4 Years 10 Months

MAK-J ENERGY																		
Tubing & Casing Pressures of SI Wells																		
Well #	12-28		14-28		12-21		12-22		14-16		15-16		16-16		1-21		8-29	
Date	Tbg#	Csg#	Tbg#	Csg#	Tbg#	Csg#												
3/1/04	0	320	10	10	320	180	360	440	5	0	680	760	80	80	140	160	0	0
12/6/04	0	360	285	285	165	185	280	415	0	0	760	760	80	80	150	150	0	0
3/19/05	260	260	285	285	260	185	280	415	0	0	760	760	80	80	150	150	0	0

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
		7. UNIT or CA AGREEMENT NAME: NA
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: DWR #15-16	
2. NAME OF OPERATOR: MAK-J ENERGY OPERATING COMPANY, LLC		9. API NUMBER: 4304733346
3. ADDRESS OF OPERATOR: 370 17TH STREET, STE 271, CITY DENVER STATE CO ZIP 80202	PHONE NUMBER: (303) 339-5873	10. FIELD AND POOL, OR WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 895' FSL & 2073' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 12S 23E		COUNTY: UINTAH STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>pressure test casing</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

On May 18, 2005 Mak-J Energy mobilized a pulling unit to the subject location. Tubing was pulled from the well and a 5 1/2" R-3 packer was run in the hole and set at 2840'. A cast iron bridge plug which is set at 3220' was pressure tested to 2000 psi and held for 15 minutes, Test good. The packer was the released and re-set at 2724'. The casing from surface to 2724' was then pressure tested to 1000 psi and held for 15 minutes. Test good.

NAME (PLEASE PRINT) <u>TODD S. MCDONALD</u>	TITLE <u>VICE PRESIDENT</u>
SIGNATURE <u><i>Todd S. McDonald</i></u>	DATE <u>8/2/2005</u>

(This space for State use only)

RECEIVED
AUG 04 2005
DIV. OF OIL, GAS & MINING

DRILLING OPERATIONS

Well Name: <u>DWR 15-16</u>	API Number: <u>43-047-33346</u>
Qtr/Qtr: <u>SW/SE</u> Section: <u>16</u>	Township: <u>12 S</u> Range: <u>23 E</u>
Company Name: <u>RANKEN ENERGY</u>	
Lease: State _____ Fee <u>X</u>	Federal _____ Indian _____
Inspector: <u>David W. Hackford</u>	Date: <u>9/20/99</u>

Inspection made in accordance with Division Inspection Standards and Procedures for drilling operations, any exceptions noted in comments.

Depth at time of visit: 6490' Last BOPE test recorded: 9/12/99

Drilling Contractor: Chandler Drilling Co. Rig No. 1

COMMENTS: Survey at 6109' was 2 1/2 degrees. Nippled up with double gate,
annular and rotating head. 331' of 9 5/8" casing set and cemented.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: Enduring Resources, LLC		8. WELL NAME and NUMBER: DWR 15-16
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		9. API NUMBER: 4304733346
PHONE NUMBER: (303) 350-5719		10. FIELD AND POOL, OR WILDCAT: Oil Springs
4. LOCATION OF WELL FOOTAGES AT SURFACE: 895' FSL - 2073' FEL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 12S 23E S		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well Name/Number</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>Change.</u>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well Name Change From: DWR 15-16
Well Name Change To: DWR 12-23-34-16

Utah State Bond #RLB0008031
Operator No. N2750

NAME (PLEASE PRINT) <u>Evette Bissett</u>	TITLE <u>Regulatory Compliance Assisnat</u>
SIGNATURE <u><i>Evette Bissett</i></u>	DATE <u>8/30/2006</u>

(This space for State use only)

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SEP 05 2006

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **8/15/2006**

FROM: (Old Operator): N2670-Mak-J Energy Operating, LLC 370 17th St, Suite 2710 Denver, CO 80202 Phone: 1-(303) 339-5871	TO: (New Operator): N2750-Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, CO 80202 Phone: 1-(303) 350-5102
---	--

CA No. Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
DWR 12-23-12-28	28	120S	230E	4304733343	12605	Fee	GW	P
DWR 12-23-13-21	21	120S	230E	4304733344	12606	Fee	GW	P
DWR 12-23-13-22	22	120S	230E	4304733345	12640	Fee	GW	S
DWR 12-23-34-16	16	120S	230E	4304733346	12641	Fee	GW	S
DWR 12-23-41-21	21	120S	230E	4304733480	12811	Fee	GW	S
DWR 12-23-13-28	28	120S	230E	4304733481	12810	Fee	GW	S
DWR 12-23-24-16	16	120S	230E	4304733482	12812	Fee	GW	S
DWR 12-23-24-28	28	120S	230E	4304733483	12813	Fee	GW	S
DWR 12-23-31-21	21	120S	230E	4304733484	14411	Fee	GW	OPS
DWR 12-23-42-29	29	120S	230E	4304733487	12815	Fee	GW	S
DWR 12-23-44-16	16	120S	230E	4304733489	12814	Fee	GW	S

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 10/11/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 10/11/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/22/2005
- Is the new operator registered in the State of Utah: YES Business Number: 5771233-0161
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. Reports current for Production/Disposition & Sundries on: ok

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 10/11/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/11/2006
- Bond information entered in RBDMS on: 10/11/2006
- Fee/State wells attached to bond in RBDMS on: 10/11/2006
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0008031
- The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/11/2006

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

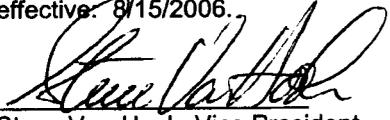
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: MAK-J ENERGY OPERATING COMPANY, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 370 17TH STREET CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 895 FSL, 2073 FEL		8. WELL NAME and NUMBER: DWR 15-16 12-23-34-16
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 12S 23E S		9. API NUMBER: 4304733346
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: OIL SPRINGS
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

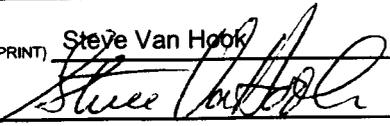
Mak-J Energy Operating, LLC has sold its interest in the above referenced well to Enduring Resources, LLC effective: 8/15/2006.


Steve Van Hook, Vice President
Mak-J Energy Operating, LLC (N2670)
370 17th Street, Suite 2710
Denver, CO 80202

8/15/06
Date


Alex B. Campbell, Vice President
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202

08/15/06
Date

NAME (PLEASE PRINT) <u>Steve Van Hook</u>	TITLE <u>Vice President</u>
SIGNATURE 	DATE <u>8/15/2006</u>

(This space for State use only)

APPROVED 10/11/06

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
OCT 11 2006

May 20, 2008

Sent via Certified Mail

Enduring Resources, LLC
Attn: Alex Campbell
475 17th Street, Suite 1500
Denver, CO 80202

The Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002-5215

Re: Notice of Lease Termination and Demand for Release
Oil and Gas Lease dated March 30, 1999, covering 8060.10 acres, more or less,
Township 12 South, Range 23 East and Township 13 South, Range 23 East,
Uintah County, Utah (copy enclosed)

Gentlemen:

Pursuant to my telephone conversation with Alex Campbell on May 13, 2008, we wish to inform you that the subject oil and gas lease ("Lease") has terminated for your failure to comply with provision 7 of said Lease. Specifically, your drilling rig was released on March 5, 2007, at 10:00 pm from your DWR 12-23-31-21 well location according to the information furnished by your office. As a result of your cessation of operations lasting more than one hundred eighty (180) consecutive days, said Lease terminated as to all lands and depths except those producing from the Proration Units (as defined in said Lease) for the DWR #5-28 well and the DWR #12-21 well, on or about September 2, 2007.

Also, our records show that we have not received any shut-in payments as provided for in provision 9 of said Lease. This provision clearly states, "...Should such shut-in royalty payments not be made in a timely manner as provided for above, then, in that event, it shall be considered for all purposes that there is no production of gas from any such well or wells and, unless this Lease is being maintained by any other preservative provision hereof, this Lease shall terminate automatically at midnight on the last day provided for the payment of such shut-in royalties, and Lessee shall thereupon furnish to Lessor a release of all of its interest in and to this Lease as provided in Section 17...." For your information, we enclose Exhibit "B" from the Assignment, Conveyance and Bill of Sale of said Lease unto Enduring Resources, LLC, et al, showing the "shut-in" status of numerous wells on the leased premises.

RECEIVED

MAY 23 2008

DIV. OF OIL, GAS & MINING

Enduring Resources, LLC
The Houston Exploration Company
May 20, 2008
Page Two

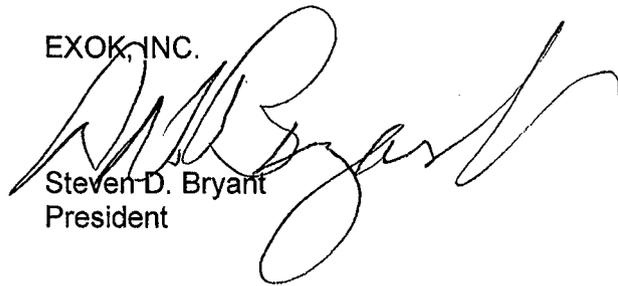
Further, since your acquisition of the lease in August of 2006, we have not received any of the data and information required in items A, B, C, and E of provision 15. Notifications Required of said Lease. Please furnish all required data and information immediately.

If within thirty (30) days from the date hereof we do not receive a fully executed, recordable release and plat showing the proration units designated by you in accordance with Section 17 of said Lease, we will pursue all remedies available to us in the appropriate court of law, including without limitation, all our costs and expenses (including attorneys fees and expenses) as set forth in provision 18. Indemnification of said Lease.

If you have any questions or comments, I can be reached at 405.627.6025.

Sincerely,

EXOK, INC.



Steven D. Bryant
President

SDB:mkb
Enclosures

cc: Utah Royalty Owners Association
Box 192
Roosevelt, UT 84066

✓ State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Exhibit "B"

Attached to and made a part of that certain Assignment, Conveyance and Bill of Sale dated August 15, 2006 by and between MAK-J Energy Partners, Ltd, as Assignor and Enduring Resources, LLC, etal, as Assignee.

<u>Well</u>	<u>API No.</u>	<u>Location</u>	<u>Status</u>
<u>Oil Springs Area</u>	DWR	12-23-34-16	
DWR 1-21	43-047-33480-00-00	NENE of Section 21-T12S-R23E	Shut in
DWR 2-21	43-047-33484-00-00	NWNE of Section 21-T12S-R23E	Surface pipe only-APD rescinded
DWR 3-21	43-047-33485-00-00	NENW of Section 21-T12S-R23E	Location built-APD rescinded
DWR 4-21	43-047-33486-00-00	NWNW of Section 21-T12S-R23E	Surveyed location only-APD rescinded
DWR 5-28	43-047-33343-00-00	SWNW of Section 28-T12S-R23E	<u>Producing</u>
DWR 8-29	43-047-33487-00-00	SENE of Section 29-T12S-R23E	Shut in
DWR 10-29	43-047-33488-00-00	NWSE of Section 29-T12S-R23E	Surveyed location only
DWR 12-21	43-047-33344-00-00	NWSW of Section 21-T12S-R23E	<u>Producing</u>
DWR 12-22	43-047033345-0-00	NWSW of Section 22-T12S-R23E	Shut in
DWR 12-28	43-047-33481-00-00	NWSW of Section 28-T12S-R23E	Shut in
DWR 14-16	43-047-33482-00-00	SESW of Section 16-T12S-R23E	Shut in (no surface equip)
DWR 14-28	43-047-33483-00-00	SESW of Section 28-T12S-R23E	Shut in (no surface equip)
DWR 15-16	43-047-33346-00-00	SWSE of Section 16-T12S-R23E	Shut in
DWR 16-16	43-047-33489-00-00	SESE of Section 16-T12S-R23E	Shut in
DWR 16-29	none	SESE of Section 29-T12S-R23E	Location only-APD not issued

End of Exhibit "B"

OIL AND GAS LEASE

This Agreement, made and entered into this 30th day of March, 1999 by and between Exok, Inc., an Oklahoma corporation whose address is 6410-B North Santa Fe, Oklahoma City, Oklahoma 73116, as Lessor, and Ranken Energy Corporation, whose address is 601 N. Kelly, Suite 103, Edmond, Oklahoma 73003-4855, as Lessee, Witnesseth:

1. That Lessor, in consideration of the cash bonus in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the sole and only purpose of exploring, drilling and operating for and producing oil and gas and of laying pipeline, storing oil and building tanks, roads, and structures thereon to produce, save, care for, treat and transport said substances produced from the land leased hereunder, the following described land (sometimes referred to in this lease as the "leased premises"), to wit:

Patented Placer Mining Claims, County of Uintah, State of Utah

Parcel I

Bitter Creek Nos. 2, 3, 4, 5, 6, 7, 8, 9 and 10.
Hydrocarbon Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12.
Denver-Los Angeles Nos. 1, 2, 3, 4, 5, 6, 7, 8, and 9.
Seep Ridge Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11.
Button Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12.
Button Hole Nos. 1, 2 and 3.
Gasoline Nos. 1, 2, 3, 4, 5, 6, 7, 8, 11 and 12.

Parcel II

Bitter Creek No. 1.
Gasoline No. 9.
Gasoline No. 10.

Insofar and only insofar as said Patented Placer Mining Claims cover the lands specifically located in the governmental sections set forth below:

Township 12 South, Range 23 East, S.L.M.

All or part of Sections 16,17,19,20,21,22,27,28,29,32,33,34 and 35;

Township 13 South, Range 23 East, S.L.M.

All or part of Sections 2,3,4,5,8,9,10 and 11

containing approximately 8060.10 acres, more or less.

Lessor expressly reserves and retains from this lease all of that portion of the Patented Placer Mining Claims described hereinabove insofar and only insofar as said mining claims cover lands located in governmental Sections 14,15,16,17,18,19,20,21,22 and 29, Township 13 South, Range 23 East, S.L.M. together with all rights of ingress and egress over and across the leased premises reasonably necessary to enable Lessor, its' successors or assigns, to develop, operate and produce wells on the lands reserved herefrom.

2. **Term.** Subject to the provisions hereinafter contained, this Lease shall be for a term of five (5) years from this date (hereinafter referred to as "primary term"), and so long thereafter as oil and gas, or either of them, is produced in paying quantities from the leased premises, or operations are conducted as hereinafter provided. Upon the termination or any partial termination of this Lease, Lessee shall prepare, execute and deliver to Lessor a recordable release of such acreage in accordance with Section 17 of this Lease.

At the expiration of the primary term, this Lease shall automatically terminate as to all lands except those included in a proration unit attributable to a well capable of producing oil and/or gas in paying quantities unless operations are then being conducted in accordance with the Continuous Development provisions of Section 6 below or the Additional Drilling or Reworking provisions of Section 7 below, in which case the terms of Sections 6 and 7 shall control.

If at the expiration of the primary term, this Lease is perpetuated by production of oil and/or gas in paying quantities, then, with respect to each proration unit on the leased premises, this Lease shall automatically terminate as to all rights granted by this Lease below 100 feet below the deepest depth from which oil and/or gas is then being produced. Provided, however, if at the expiration of the primary term, Lessor is engaged in drilling an additional well or wells pursuant to the provisions of Section 6 of this Lease, then this Lease shall not terminate with respect to the depths described in this paragraph so long as development continues in accordance with the terms of Section 6 of this Lease. Furthermore, if at the expiration of the primary term, Lessee is engaged in deepening an existing well, then for purposes of this paragraph only, the deepening of an existing well will be considered a continuous development operation under Section 6 of this Lease, and so long as Lessee continues developing the leased premises in accordance with the terms of Section 6, the rights to the depths described in this paragraph will not terminate.

If at any time after the expiration of the primary term, should the deepest producing formation attributable to any proration unit on this Lease cease to produce in paying quantities, then Lessee shall have one hundred eighty (180) days to begin either deepening that well or commencing the drilling of another well or wells on that proration unit in accordance with the provisions of Section 7 of this Lease, or this Lease, insofar as it covers such proration unit, shall automatically terminate with regard to all depths below 100 feet below the deepest depth from which oil and/or gas is then being produced.

To the extent that any part of this Lease remains in effect, Lessee shall retain such easements across the terminated portions of the Lease as shall be reasonably necessary for ingress and egress to enable Lessee to develop and operate the remaining portion of this Lease.

3. **Obligation Wells.** Lessee covenants and agrees to drill, or cause to be drilled, four (4) test wells (hereinafter referred to as "Obligation Wells") during the first year of the primary term hereof; locations for such Obligation Wells to be chosen by Lessee's geologists.

In order to qualify as an Obligation Well, each such well drilled hereunder shall be drilled to a minimum depth sufficient to test the Wasatch formation. Except as provided in Section 16 herein, failure by Lessee to cause or commence the actual drilling of all four (4) Obligation Wells on or before March 29, 2000 shall constitute and result in the automatic termination of this lease, except as to the proration unit for each such well previously drilled and capable of producing oil and/or gas in paying quantities and designated by Lessee in writing as hereafter provided. The only other penalty for Lessee's failure to timely commence all four (4) Obligation Wells shall be the loss of all additional rights earnable hereunder.

4. **Royalty.** Lessee covenants and agrees to pay Lessor the following royalties monthly, subject to the provisions of Section 5 hereof:

(a) 15.75% of 8/8ths of the gross proceeds of all oil and other liquid hydrocarbons recovered or separated on the leased premises, produced and saved from the leased premises and sold by Lessee in an arms' length transaction; and as to such oil and other liquid hydrocarbons not sold by Lessee in an arms' length transaction, royalties of that share or percentage calculated by using the highest price, plus premium, if any, paid or offered for oil and other liquid hydrocarbons of comparable quality in the general area where produced and when run; or after sixty (60) days written notice from Lessor, which notice may be given from time to time, Lessee shall deliver free of cost to Lessor at the well, or to the credit of Lessor into the pipeline to which the well is connected, such share or percentage of all oil and other liquid hydrocarbons produced and saved from the leased premises; and

(b) 15.75% of 8/8ths of the gross proceeds received by Lessee for all gas recovered or separated on the leased premises, produced from the leased premises and sold by Lessee in an arms' length transaction; and as to such gas not sold by Lessee in an arms' length transaction, royalties of that share or percentage calculated by using the highest price paid or offered for gas of comparable quality in the general area where produced and when run.

5. **Royalty.** (a) Lessee shall pay Lessor royalty on all oil and other liquid hydrocarbons, including condensate, and on all gas, including all substances contained in such gas, (all hereinafter collectively called "Products" and each individually called a "Product") produced from a well on the leased premises, whether or not such Products are produced to the credit of Lessee or sold under a contract executed by or binding on Lessee, and;

(b) In no event shall Lessor's royalty for a Product be based on a price less than the price paid Lessee for Lessee's share of that Product produced hereunder. For purposes of this lease, an arms' length transaction is a sale of a Product by Lessee to a buyer not affiliated with Lessee or with any subsidiary or other affiliate of Lessee under an agreement negotiated in good faith by all parties. Lessor shall not bear any production or post-production cost or expense, including without limitation, cost or expense for storing, separating, dehydrating, transporting, compressing, treating, gathering, or otherwise rendering marketable or marketing the Products, and Lessee shall make no deduction or reduction for any such cost or expense when computing any royalty due Lessor under this Lease.

6. **Continuous Development.** At the end of the primary term or upon the completion of any well then drilling on the leased premises as a well capable of producing in paying quantities or as a dryhole (completion being the release of the completion rig, or if the well is a dry hole, the release of the drilling rig), Lessee shall have the recurring right for one hundred eighty (180) days thereafter, to commence the drilling of another well or wells on the leased premises (commencement being the actual spudding of the succeeding well), with no more than one hundred eighty (180) days elapsing between the completion of one well as a producer or a dryhole and the commencement of the next succeeding well. Failure to commence such additional well or wells within the time herein provided, shall terminate this Lease ipso facto as to all lands except those included within the surface boundaries of any proration unit otherwise being maintained under the provisions of this Lease. Lessee shall also have the right to accelerate the drilling of additional wells and thereby accumulate and perpetuate this Lease for an additional one eighty (180) days for each additional well drilled in accordance herewith. Lessee's right to accumulate additional time hereunder is expressly limited to wells other than the four (4) Obligation Wells provided for in Section 3 above.

7. **Additional Drilling or Reworking.** If, at the expiration of the primary term, or the expiration of any extended term provided in Section 6 above, whichever is later, oil and/or gas are being produced in paying quantities, but production thereafter ceases from any cause this Lease shall not terminate as to the proration unit attributable to the well or wells affected thereby if Lessee commences reworking or additional actual drilling within one hundred eighty (180) days thereafter, and such reworking or additional drilling is diligently prosecuted with no cessation of more than one hundred eighty (180) consecutive days, and production in paying quantities thereafter resumes.

If, at the expiration of the primary term, or the expiration of any extended term provided in Section 6 above, whichever is later, oil and/or gas are not then being produced from any well or wells on the leased premises, but Lessee is then engaged in operations (as defined hereinafter) on any such well or wells, this Lease shall remain in force for so long as such operations are diligently prosecuted with no cessation of more than one hundred eighty (180) consecutive days between such cessation and the resumption of such operations. If such operations result in the production of oil or gas in paying quantities, this Lease shall not terminate as to the proration unit attributable to the well or wells then producing oil or gas in such quantities; but this Lease shall terminate as to all other acreage unless Lessee shall have commenced drilling a new well or wells in accordance with the Continuous Development provisions of Section 6 of this Lease.

Wherever used in this Lease the word "operations" shall mean operations for and any of the following: actual drilling, testing, completing, sidetracking, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil or gas in paying quantities.

8. **Right to Take Production in Kind.** Lessor shall always have the right, at any time and from time to time, upon reasonable written notice to Lessee, to take Lessor's share of oil, gas and processed liquids in kind. Lessor may elect to take Lessor's gas in kind at the well, or at the point of delivery where Lessee delivers Lessee's gas to any third party. If gas is processed, lessor may elect to take Lessor's share of the residue gas attributable to production from the leased premises, at the same point of delivery where Lessee received its share of residue gas or has its share of residue gas delivered to a third party. Lessor may elect to have its royalty share of processed liquids stored in tanks at the plant or delivered into pipelines on the same basis as Lessee's share of liquids is stored or delivered. Lessor shall reimburse Lessee for all reasonable costs incurred by Lessee in installing, operating or maintaining additional facilities necessary for Lessor's royalty gas and processed liquids to be separately metered, accounted for, and delivered to a third party, but Lessor shall not be charged for any expense in the production, gathering, dehydration, separation, compression, transportation, treatment, processing or storage of Lessor's share of gas and processed liquids along with Lessee's share of gas and processed liquids.

9. **Shut-in Payments.** While there is a well on the leased premises capable of producing gas in paying quantities but the production thereof is shut-in, shut-down or suspended for lack of a market, available pipeline, or because of government restrictions or, if it is economically inadvisable for Lessee to sell gas for a time, then, Lessee may pay as shut-in royalty on or before ninety (90) days after the date on which (1) production from any such well is shut-in, shut-down or suspended; or (2) this Lease is no longer maintained by compliance with one of the other preservation provisions hereof, whichever is the later date, and thereafter at annual intervals the sum of One Hundred Dollars (\$100.00) per well, for each and every shut-in, shut-down or suspended well. If such payment is made in accordance with the terms hereof, this Lease shall not terminate, but shall continue in force for a period of one (1) year from the date of making such shut-in payment (subject to the exceptions set out hereafter) and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of each pertinent provision of this Lease. Any shut-in royalty payment shall not be a credit against production nor credited with prior production royalty. In the event that production is begun or resumed during the year following the payment of a shut-in royalty payment and is subsequently shut-in, during such year the second annual shut-in payment shall be due and payable on the anniversary date of the first payment. If there is production on such first anniversary date and the well is subsequently shut-in, shut-down or suspended, then the second shut-in payment shall be made on or before ninety (90) days after such new shut-in date or the Lease shall terminate. Notwithstanding anything to the contrary set out above, should the shut-in period extend beyond the expiration of the primary term such shut-in provision will maintain the rights granted by this Lease only to the producing units and horizons of such gas well(s) as if they were producing gas in paying quantities pursuant to Section 2 above. Should such shut-in royalty payments not be made in a timely manner as provided for above, then, in that event, it shall be considered for all purposes that there is no production of gas from any such well or wells and, unless this Lease is being maintained by any other preservation provision hereof, this Lease shall

terminate automatically at midnight on the last day provided for the payment of such shut-in royalties, and Lessee shall thereupon furnish to Lessor a release of all of its interest in and to this Lease as provided in Section 17.

10. **Pooling.** Lessee does not have the right and power to pool or combine the acreage covered by this Lease or any portion thereof as to oil and gas, or either of them, with any other land or leases.

11. **Assignability.** The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto.

12. **Proration Unit.** The term "proration unit" where used in this Lease, shall mean *i*) forty (40) acres plus a tolerance of ten percent (10%) surrounding each well classified as an oil well by the appropriate governmental authority; and *ii*) one hundred sixty (160) acres plus a tolerance of ten percent (10%) surrounding each well classified as a gas well by the appropriate governmental authority.

13. **Water.** To the extent Lessor owns any water rights, Lessee shall have the free use of water from the leased premises, for all operations solely on the leased premises. Lessee shall comply with all applicable rules in disposition (by reinjection or otherwise) of salt water, brine or other fluids utilized in or resulting from operations, and shall not cause or permit any such substances to damage or pollute the surface of the leased premises or any fresh water sands lying thereunder.

14. **Limitation to Oil and Gas.** This Lease is intended to cover only oil and gas producible by conventional oil and gas industry accepted means (ie. the drilling and producing of vertical and/or horizontal wellbores.) Lessor expressly reserves and retains herefrom all gilsonite, trona, oil shale reserved by a prior owner and all other minerals (except oil and gas) which may underlie all or part of the leased premises. The term "oil shale" is defined as a mineable, kerogen-bearing, finely laminated brown or black sedimentary rock that will yield liquid or gaseous hydrocarbons on distillation.

15. **Notifications Required.** Lessee shall advise Lessor in writing of the location of each well to be drilled upon the leased premises after commencement of operations, and shall advise Lessor in writing the date of completion and/or abandonment of each well drilled on the leased premises (such notice shall include furnishing Lessor a copy of the applicable completion or plugging report filed with any governmental or regulatory agency) within thirty (30) days after completion or abandonment. As to any well drilled under the provisions of this Lease, Lessor, or Lessor's representatives, or any one or more of the same, shall have access to such well and upon request shall be furnished with copies of daily drilling reports. Such reports and information shall be furnished within seven (7) days after the same are obtained or compiled by Lessee. In addition, Lessee shall upon written request furnish Lessor within thirty (30) days from the date of the request or thirty (30) days from the date that the data is received by Lessee:

A. Plats or maps showing the location of the well on this Lease.

B. The details of any tests taken in said well, and the results of any core analysis or analyses which shall be run on any cores taken while drilling said well.

C. Upon commencement of any drilling or reworking operations on this Lease with copies of all reports filed with the appropriate governmental authority or other governmental agency having jurisdiction in connection with such operation.

D. Upon completion of any drilling or reworking operations on this Lease with copies of all logs run in such well and copies of core or other type of formation analysis subject to a confidentiality obligation on Lessor's part if filed as confidential with the appropriate governmental authority.

E. A summary report, to be made annually on the anniversary date of this Lease and commencing upon the expiration of the primary term of this Lease, to include (1) on the reporting date the number of producing wells and the number of wells not producing but not plugged; (2) the number of wells that were plugged during the previous twelve (12) months, and (3) a map denoting the location of each of these wells on the leased premises.

F. It is understood and agreed that all information provided Lessor herein is proprietary and is to be held in confidence.

16. **Force Majeure.** Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" shall mean: Any act of God including but not limited to storms, floods, washouts, landslides, and lightning; act of the public enemy; wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of Federal, State, Municipal or other governments or governmental officers or agents under the color of authority requiring, ordering or directing Lessee to cease drilling, reworking or producing operations; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. The term "force majeure" shall not include lack of markets for production or any other events affecting only the economic or financial aspects of drilling, development or production. For a period of sixty (60) days after termination of an event of force majeure, each and every provision of this Lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this Lease shall continue in full force, provided, however, that in no event will the primary term be extended unless Lessee has begun the actual drilling of a well prior to the date of the expiration of the primary term.

17. **Releases Required.** Within ninety (90) days after the partial termination of this Lease as provided under any of the terms and provisions of this Lease, Lessee shall deliver to Lessor a plat showing the proration units designated by Lessee, and a fully executed, recordable release properly describing the lands and depths to be retained by Lessee around each producing well. If the lease terminates in its entirety, then Lessee shall deliver a complete, fully executed, recordable release to Lessor within thirty (30) days. If such release complies with the requirements of this section, Lessor shall record such release.

18. **Indemnification.** Lessee, its successors and assigns, agrees to indemnify, defend and hold harmless the parties herein designated Lessor, and each of them, from and against any and all claims, losses, liabilities, fines, costs, expenses (including attorneys fees and expenses) resulting from or arising out of Lessee's ownership of this Lease or in connection with operations of or for Lessee, its agents, contractors, or subcontractors hereunder, regardless of the cause of such claims, losses, liabilities, fines, costs or expenses. This provisions and its indemnities shall survive the termination of this Lease and shall bind and inure to the successors, heirs and assigns of Lessor and Lessee.

19. **No Warranties of Title.** This Lease is made without warranties of any kind, either express or implied. Lessor agrees that Lessee, at its option, after having given Lessor sixty (60) days' written notice, may discharge any tax, mortgage or other lien upon Lessor's interest in said land, either in whole or in part, and in the event lessee does so, it shall be subrogated to such lien with right to enforce same, subject to any defenses of Lessor, and apply royalties accruing hereunder toward satisfying same.

20. **Proportionate Reduction for less than Entire Interest.** It is agreed that if Lessor's interest in the oil and gas minerals in and under any of the leased premises is less than the entire oil and gas mineral estate, then the royalties and all other benefits to accrue or to be paid to Lessor hereunder as to such lands shall be reduced to the proportion thereof which the oil and gas mineral estate of Lessor in such land bears to the entire oil and gas mineral estate. However, Lessor's royalties herein shall not be reduced with respect to the 3% of 8/8ths non-participating royalty interest presently burdening the leased premises.

21. **Compliance with Environmental Laws and Regulations.** Lessee, its successors and assigns, by its acceptance of this Lease, hereby agrees to comply with all applicable laws, rules and regulations and hereby assumes full responsibility for, and agrees to indemnify, defend and hold harmless, Lessor from and against any loss, liability, claim, fine, expense cost (including attorneys fees and expenses) and cause of action caused by or arising out of the violation (or defense of the alleged violation) of any federal, state or local laws, rules or regulations applicable to any waste material, drilling matter fluid or any hazardous substances released or caused to be released by Lessee or Lessee's agents, or independent contractors from the land leased hereunder into the atmosphere or into or upon the land or any water course or body of water, including ground water.

22. **Alteration/Modification.** The terms of this Lease cannot be altered or amended except by a written instrument clearly demonstrating such purpose and effect, and executed by both parties to this Lease. The written instrument shall describe the specific terms or provisions being altered and the proposed modification or change thereto.

23. **Ancillary Rights.** Lessee shall have the right for a period of one (1) year following the expiration of this Lease or the release of any lands covered by this Lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. If not, Lessor shall have the option to either claim the property, in whole or in part, as its own or having the said properties and fixtures removed, in whole or in part, at Lessee's expense. If the property is opted to be removed, additional expenses for surface damages and restoring the land shall be charged to Lessee, provided, however, lessee shall not be relieved of its liability to plug any well so abandoned.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR: EXOK, INC.

ATTEST:

By: *Steven D. Bryant*
Steven D. Bryant, President

David A. Mott

Address: 6410-B North Santa Fe
Oklahoma City, OK 73116

Tax ID #: 73-1058740

LESSEE: RANKEN ENERGY CORPORATION

ATTEST:

By: *Randolph L. Coy*
Title: President

Deborah L. Coffey

Address: 601 N. Kelly, Ste 103
Edmond, OK 73003

Tax ID #: 73-1278733

CORPORATE ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me on this 30th day of March, 1999, by Steven D. Bryant, to me known to be the identical person who subscribed his name as President of EXOK, INC., and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth. Given under my hand and seal the day and year last above written.

My Commission Expires: 5/9/2000

Marilyn L. Dohnell
Marilyn L. Dohnell, Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me on this 29th day of March, 1999, by Randolph L. Coy, to me known to be the identical person who subscribed his name as President of **RANKEN ENERGY CORPORATION** and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth. Given under my hand and seal the day and year last above written.

My Commission Expires: 7/12/02

Janet J. Reynolds
Notary Public, Janet J. Reynolds





State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 30, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 5834

Mr. Alvin Arlian
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202

43 0A7 33346
DWR 12-23-34-16
12S 23E 16

Re: Extended Shut-in and Temporarily Abandoned Requirements for Wells on Fee or State Leases

Dear Mr. Arlian:

Enduring Resources, LLC has eighteen (18) Fee Lease Wells and eleven (11) Mineral Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in and temporary abandonment (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This is a second notice of non-compliance for wells 1 through 14 listed on Attachment A. The Division notified the previous operators, TCC Royalty, Ranken Energy, Mak-J Energy and Houston Exploration, on several occasions by certified mail about these wells non-compliance issues. Several plans to produce or plug were submitted, but no action has been taken to date on these wells. It has also come to the Divisions attention that Enduring no longer holds a valid lease for the DWR wells (wells 1 through 9 on Attachment A). Immediate action is required on these wells. The Division feels that sufficient time has passed to make a decision on these wells. Please submit your plans to produce or plug these wells. If this is not addressed within 30 days, a Notice of Violation will be issued for these wells. A similar response is required for the other fifteen wells listed in Attachment A.



Page 2
Mr. Arlian
July 30, 2008

For extended SI/TA consideration the operator shall provide the Division with the following:

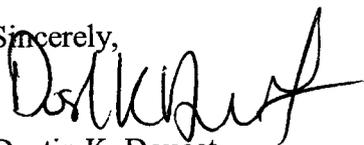
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3)

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

JP:js
Enclosure

cc: Compliance File
Well File
Jim Davis, SITLA

Attachment A

	Well Name	API	Lease Type	Years Inactive
1	DWR 12-23-13-22	4304733345	FEE	7 YEARS 6 MONTHS
2	DWR 12-23-34-16	4304733346	FEE	7 YEARS 3 MONTHS
3	DWR 12-23-41-21	4304733480	FEE	8 YEARS 1 MONTH
4	DWR 12-23-13-28	4304733481	FEE	7 YEARS 8 MONTHS
5	DWR 12-23-24-16	4304733482	FEE	8 YEARS 1 MONTH
6	DWR 12-23-24-28	4304733483	FEE	7 YEARS 8 MONTHS
7	DWR 12-23-31-21	4304733484	FEE	8 YEARS 2 MONTHS
8	DWR 12-23-42-29	4304733487	FEE	7 YEARS 11 MONTHS
9	DWR 12-23-44-16	4304733489	FEE	7 YEARS 8 MONTHS
10	QUEST 11-25-13-21	4304733935	FEE	4 YEARS 6 MONTHS
11	QUEST 11-25-24-10	4304734118	FEE	7 YEARS 0 MONTHS
12	QUEST 11-25-31-28	4304735310	FEE	4 YEARS 4 MONTHS
13	QUEST 11-25-34-21	4304735297	FEE	4 YEARS 4 MONTHS
14	QUEST 11-25-11-27	4304735298	FEE	4 YEARS 5 MONTHS
15	QUEST 11-25-14-22	4304735299	FEE	2 YEARS 9 MONTHS
16	HOSS 9-25-34-20	4304734756	ML-45558	2 YEARS 7 MONTHS
17	BONANZA 9-24-22-36	4304735860	ML-46527	2 YEARS 6 MONTHS
18	BONANZA 9-24-11-36	4304735861	ML-46527	1 YEAR 5 MONTHS
19	BONANZA 9-25-13-20	4304735929	ML-45558	2 YEARS 11 MONTHS
20	RAINBOW 11-24-31-16	4304736184	ML-47080	1 YEAR 1 MONTH
21	SOUTHAM CYN 10-25-21-32	4304736421	ML 47065	1 YEAR 10 MONTHS
22	AGENCY DRAW 12-21-31-36	4304736424	ML 47086	2 YEARS 1 MONTH
23	BONANZA 9-24-32-22	4304736753	FEE	2 YEARS 6 MONTHS
24	ARCHY BENCH 12-23-22-16	4304736800	ML-48957	2 YEARS 0 MONTHS
25	ARCHY BENCH 11-24-24-32	4304736819	ML-49762	1 YEAR 4 MONTHS
26	ASPHALT WASH 11-24-42-16	4304736875	ML47080	2 YEARS 2 MONTHS
27	SOUTHAM CYN 9-24-23-36	4304736880	FEE	1 YEARS 1 MONTH
28	SOUTHAM CYN 10-25-11-6	4304736933	FEE	1 YEAR 3 MONTHS
29	BUCK CYN 12-21-43-16	4304737091	ML-47085	2 YEARS 9 MONTHS

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 895' FSL - 2073' FEL COUNTY: Uintah		8. WELL NAME and NUMBER: DWR 12-23-34-16
PHONE NUMBER: (303) 350-5719		9. API NUMBER: 4304733346
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 12S 23E S STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Oil Springs

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well Status Report.</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well had 13 psig SITP and 4 psig SICP in August 2008.

Enduring is requesting a 30 day extension to finish up an evaluation. There appears to be a behind pipe Wasatch zone at 5554-73'.

COPY SENT TO OPERATOR

Date: 1.28.2009

Initials: KS

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE 	DATE <u>8/29/2008</u>

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 1/27/09
BY: [Signature] (See Instructions on Reverse Side)

RECEIVED

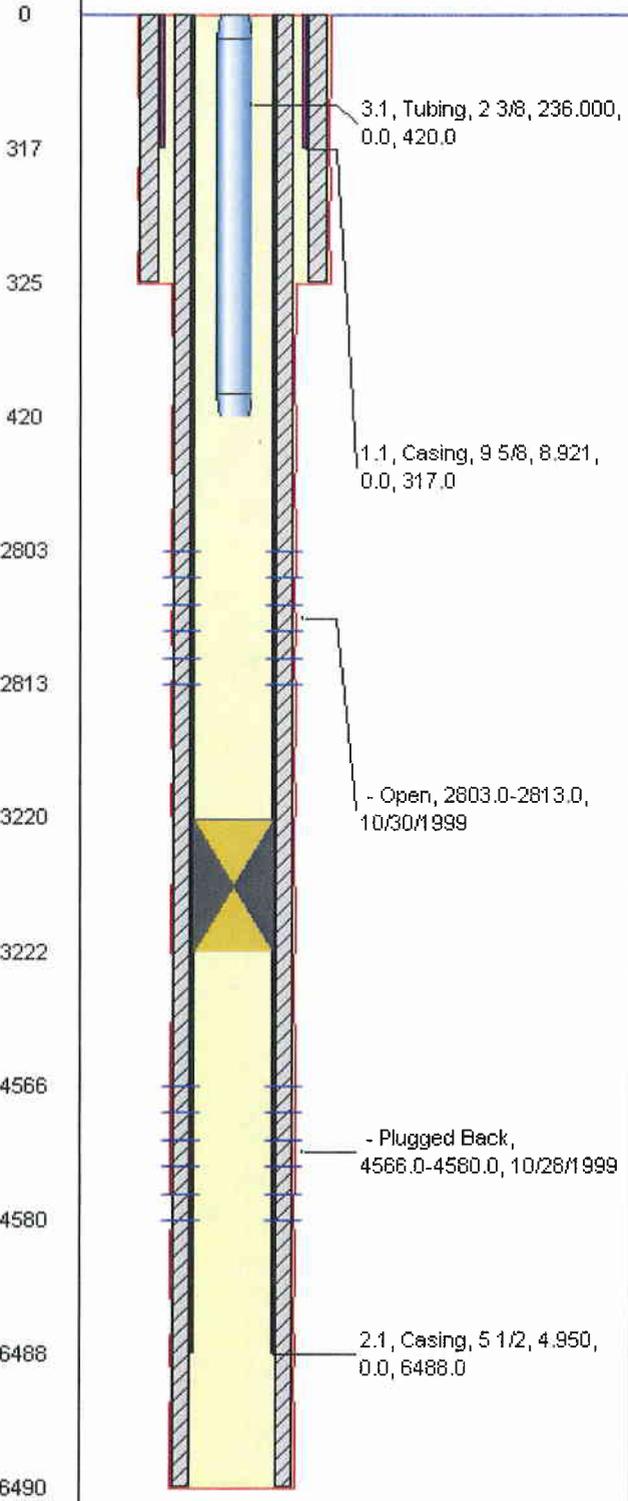
SEP 04 2008

DIV. OF OIL, GAS & MINING



DWR 12-23-34-16: 8/27/2008 (KB-Grd. 0.0ft)

f1KB (MD) Schematic - Actual



WellName										WellUserID	
DWR 12-23-34-16										UT0811.01	
APICode					County						
430473334600					UINTAH, UT						
Sec	Twn	Rge	Qtr1	Qtr2	Qtr3	XLoc	YLoc	Latitude	Longitude		
16	12S	23E	SW	SE							
Feet From			Line			Feet From			Line		
Engineer			Technician			Pumper					
SpudDate			Comp Date		KB Height	TD Drill Dept	TD Log Dept	TVD			
					0	0	0	0			

Casing									
Date In	Casing Type	Hole Dia	Size	Wt	Grade	Depth	Jts	Ft	
8/21/1999	3. Surface	12.250	9.625	36.00	J-55	317.00	0.00	0.00	
9/22/1999	. Production	7.875	5.500	15.50	J-55	6488.00	54.0	0.00	

Tubing									
Date In	Size	Wt	Grade	Cou OD	ID	Depth	Avg Jt	Intake	
10/30/1999	2.375	4.7	J-55	0	0.000	420	0	0	

Sucker Rods

Formations

Perforations								
Upper	Lower	Formation	Date	Status	Gun Sz	Shot/Ft	Phasg	
2803	2813		10/30/1999	Open		4		
4566	4580		10/28/1999	Plugged Ba		4		

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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		7. UNIT or CA AGREEMENT NAME: N/A
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2. NAME OF OPERATOR: Enduring Resources, LLC		9. API NUMBER: 4304733346
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		10. FIELD AND POOL, OR WILDCAT: Oil Springs
4. LOCATION OF WELL FOOTAGES AT SURFACE: 895' FSL - 2073' FEL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 12S 23E S		STATE: UTAH

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<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 12/2/2008	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
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	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

DUE TO DWR DEC. 1 WILDLIFE RESTRICTION WELL HAS BEEN SHUT-IN FOR WINTER.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>12/2/2008</u>

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DEC 08 2008
DIV. OF OIL, GAS & MINING

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

FORM 9

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<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/2/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Due to Division of Wildlife; Dec-1 to Apr-1, restriction, well is shut-in for winter.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>1/2/2009</u>

(This space for State use only)

RECEIVED
JAN 05 2009
DIV. OF OIL, GAS & MINING

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

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<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/30/2009	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
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NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>1/30/2009</u>

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

FORM 9

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	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 4/1/2009	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well Status Report.</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MONTHLY WELL STATUS REPORT:

This well shall continue to be shut-in for the month of April, 2009.

1. Enduring is preparing an "Action Plan" for this and other shut-in wells.
2. By May 1, 2009, the Action Plan is to be submitted for the approval of the DOG&M.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>3/30/2009</u>

(This space for State use only)

RECEIVED

APR 02 2009

DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: DWR 12-23-34-16
2. NAME OF OPERATOR: Enduring Resources, LLC	9. API NUMBER: 43047333460000
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202	PHONE NUMBER: 303 350-5114 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0895 FSL 2073 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 16 Township: 12.0S Range: 23.0E Meridian: S	9. FIELD and POOL or WILDCAT: OIL SPRINGS
	COUNTY: UINTAH
	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input checked="" type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: Monthly Status Report
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 5/29/2009			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 June 01, 2009

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A	DATE 5/29/2009	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
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2. NAME OF OPERATOR: Enduring Resources, LLC	9. API NUMBER: 43047333460000
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202	PHONE NUMBER: 303 350-5114 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0895 FSL 2073 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 16 Township: 12.0S Range: 23.0E Meridian: S	9. FIELD and POOL or WILDCAT: OIL SPRINGS
	COUNTY: UINTAH
	STATE: UTAH

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<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 6/30/2009			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			
	<input checked="" type="checkbox"/> OTHER		OTHER: Monthly Status Report

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

6-30-2009 Pursuant to an Action Plan submitted to and approved by the DOG&M in May-2009, this well shall continue to be shut-in while six other wells are being plugged commencing June-2009.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 June 30, 2009

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A		DATE 6/30/2009

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: DWR 12-23-34-16
2. NAME OF OPERATOR: Enduring Resources, LLC	9. API NUMBER: 4304733346000
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202	PHONE NUMBER: 303 350-5114 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0895 FSL 2073 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 16 Township: 12.0S Range: 23.0E Meridian: S	9. FIELD and POOL or WILDCAT: OIL SPRINGS COUNTY: UINTAH STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 7/29/2009	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
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	<input type="checkbox"/> WATER SHUTOFF	<input checked="" type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: Monthly Status Report

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

7-31-2009 Pursuant to an Action Plan submitted to and approved by the DOG&M in May-2009, this well shall continue to be shut-in until 2010. Pursuant to Action Plan six other shutin wells were plugged commencing June-2009.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 August 03, 2009

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A		DATE 7/29/2009

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
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1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: DWR 12-23-34-16
2. NAME OF OPERATOR: Enduring Resources, LLC	9. API NUMBER: 43047333460000
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202	PHONE NUMBER: 303 350-5114 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0895 FSL 2073 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 16 Township: 12.0S Range: 23.0E Meridian: S	9. FIELD and POOL or WILDCAT: OIL SPRINGS
	COUNTY: UINTAH
	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/2/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
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	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Attached is a proposed plugging procedure for this well. 1. Seeding and surface restoration are subject to a DWR right-a-way agreement, and 2. Surface access timing is also limited to the terms of a DWR right-a-way agreement.

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: October 21, 2010
By: *Dark K. Duff*

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A	DATE 10/13/2010	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43047333460000

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. Amend Plug #1: 12 sx (100' minimum) shall be placed on top of the CIBP @ 3220', not 10 sx as proposed.**
- 3. All balanced plugs shall be tagged to ensure that they are at the depth specified.**
- 4. All annuli shall be cemented from a minimum depth of 100' to the surface.**
- 5. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.**
- 6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.**
- 7. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.**
- 8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.**

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: October 21, 2010
By: Dustin Doucet

Wellbore Diagram

API Well No: 43-047-33346-00-00 Permit No:

Well Name/No: DWR 12-23-34-16

Company Name: ENDURING RESOURCES, LLC

Location: Sec: 16 T: 12S R: 23E Spot: SWSE

Coordinates: X: 641721 Y: 4403189

Field Name: OIL SPRINGS

County Name: UINTAH

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (f/cf)
HOL1	317	12.25			
SURF	317	9.625	36	317	
HOL2	6488	7.875			
PROD	6488	5.5	15.5	6488	7.483
TI	2790	2.375			
PKR	2717				



90' Cement from 317 ft. to surface
 Surface: 9.625 in. @ 317 ft.
 Hole: 12.25 in. @ 317 ft.

Plug # 4
 $90' / (1.15) (7.483) = 115x$

Plug # 3
 $205x = 172'$ to @ 178' OK.

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	6488	0	PM	1000
SURF	317	0	PM	175

2535' Cement from 6488 ft. to surface
 Packer: @ 2717 ft.
 CIRC @ 2750'
 Tubing: 2.375 in. @ 2790 ft.

Plug # 2
 Below $(205x) (1.15) (7.483) = 172'$
 Above $(255x) (1.15) (7.483) = 215'$
 TOC @ 2535' OK.

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
4566	4580			
2803	2813			

Approved by the Utah Division of Oil, Gas and Mining

Date: October 21, 2010

By: [Signature]

Plug # 1
 $(105x) (1.15) (7.483) = 86'$
 req. min 100'
 $100' / (1.15) (7.483) = 125x$
 reqd.

Formation Information

Formation	Depth
WSTC	2638
BMSW	3300
MVRD	4210

Production: 5.5 in. @ 6488 ft.
 Hole: 7.875 in. @ 6488 ft.
 Hole: Unknown

TD: 6490 TVD: PBDT: 3208

DWR #12-23-34-16 Proposed P&A Procedure

8 5/8" @ 317' TOC at Surface
5 1/2" 15.5# @ 6,490' TOC to surface
Note: DV tool at 3,115'

Open Perfs: 2,803'-2,813'

PBTD @ 3,220' - CIBP

Prior to MI check deadmen and blow down the well

MIRU, NDWH, NUBOP

POH and check tubing and packer

TIH to 3,220' (top of CIBP)

Spot 10 sacks on CIBP

POH

TIH with CICR to 2,750'

Squeeze 20 sacks below and 25 sacks on top

TOC should be above Wasatch/Green River
interface at 2,638'

Roll hole with produced water and corrosion inhibitor

Pressure test casing, if test fails call for orders

POH to 350' and spot 20 sacks (100' plug) across shoe

POH, leaving 3 joints of tubing in the hole

Circulate cement to surface, POH

Cut off wellhead

Top off cement in long string and annulus with 1" tubing if necessary on

Weld Plate

RDMO

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
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3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202	PHONE NUMBER: 303 350-5114 Ext
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<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/7/2010	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
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	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Plugging subsequent Report Attached. Location Restoration and seeding will be done as requested by the DOG&M and the UDWR.

**Accepted by the
 Utah Division of
 Oil, Gas and Mining
 FOR RECORD ONLY**

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A	DATE 12/10/2010	

DWR 12-23-34-16 Well

Plugging summary

12-2-2010

Install and test anchors with Benco. Pre job safety meeting. Well dead on both sides. ND WH. NU BOPE. POOH w/88 jts tbg, SN and notched collar. No packer as per diagram. PU 4-1/8" bit and TIH on 88 jts tbg our in derrick and 14 jts tbg off trailer and tag CIBP @3220. POOH SB 16 jts tbg above top perms. SWIF Weekend.

12-6-2010

Pre job safety meeting. RIH w/tbg out of derrick and confirm tag on plug @5220'. Mix and pump 15 sxs Class G cement on top of CIBP. POOH LD tbg to 2375. POOH SB tbg. PU 5.5" CICR and TIH to 2375'. Set retainer. Load hole w/40 BFW with packer fluid. Test csg to 700 psi. Mix and pump 45 sks Class G cement, 14 sks under CICR before squeezing off @1700 psi. Put 31 sks cement on top of CICR. POOH LD tbg to 350'. TIH open ended to 350'. Mix and pump 55 sks Class G cement to surface. POOH LD 11 jts tbg. SWIFN.

12-7-2010

Dug out and cut off wellhead. Top off both strings with 5 sacks Class G Cement. Weld on information plate on csg stub. Backfill hole. Rig down, release rig.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
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1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: DWR 12-23-34-16
2. NAME OF OPERATOR: Enduring Resources, LLC	9. API NUMBER: 43047333460000
3. ADDRESS OF OPERATOR: 511-16th Street, Suite 700 , Denver, CO, 80202	PHONE NUMBER: 303 350-5114 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0895 FSL 2073 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 16 Township: 12.0S Range: 23.0E Meridian: S	9. FIELD and POOL or WILDCAT: OIL SPRINGS COUNTY: UINTAH STATE: UTAH

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<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/17/2011	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
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	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 50px;" type="text"/>

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Reseed location as per DWR requirements with following seed mix: 20.3# Fourwing Saltbush, 18.7# Russian Wildrye, 12.4# Siberian Wheatgrass, 12.3# Crested Wheatgrass, 12.2# Western Wheatgrass, 6.2# Indian Ricegrass, 3.9# Wyoming Big Sagebrush, 1# Shadscale Saltbush. Final reclamation completed. Final report.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A		DATE 10/21/2011