HEITZMAN DRILL-SITE SERVICES

DALE HEITZMAN (1925-2002)

ROBERT M. ANDERSON

April 29, 2004

STATE OF UTAH
Department of Natural Resources
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Request for Location Exception

Bonanza #2D-27
1064' FNL, 1824' FEL (NW¼NE¼)
Section 27, T9S, R24E, S.L.B.&M.
Uintah County, Utah
Federal Lease #UTU-80571

Gentlemen;

Pursuant to Rule R649-3-3 (Exception to Location and Siting of Wells) of the Utah Administrative Code (UAC), The Houston Exploration Company (THEC) hereby requests administrative approval for a location exception for the Bonanza #2D-27 well location. As indicated above, THEC proposes to drill the Bonanza #2D-27 from a surface hole location of 1064' FNL and 1824' FEL of Section 27 in Township 9 South, Range 24 East in Uintah County, Utah in order to test the productive potential of the Castlegate Formation at a total depth of 9070'.

Due to a combination of subsurface geologic considerations and surface topographic constraints, the proposed Bonanza #2D-27 could not be staked within 200 feet of the center of the selected forty-acre tract as required under UAC R649-3-2. THEC owns or controls all of the mineral acreage within a 460 foot radius of the proposed Bonanza #2D-27 and there are no producing wells within a 920 foot radius thereof.

Should you have any questions or require any additional information in this regard, please do not hesitate to give me a call at (307) 473-1268.

Sincerely,

Robert M. Anderson
Authorized Agent

RMA/ibm
Attachment

cc: Mr. Lloyd Bruce
The Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, Texas 77002

RECEIVED
MAY 03 2004
DIV. OF OIL, GAS & MINING

001

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

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO: UTU-80571
6. SURFACE: USA

1A. TYPE OF WORK: DRILL [X] REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME: Not Applicable

B. TYPE OF WELL: OIL ☐ GAS [X] OTHER _____ SINGLE ZONE [X] MULTIPLE ZONE ☐

8. UNIT or CA AGREEMENT NAME: Not Applicable

2. NAME OF OPERATOR: THE HOUSTON EXPLORATION COMPANY 1100 Louisiana, Suite 2000

9. WELL NAME and NUMBER: Bonanza #2D-27

3. ADDRESS OF OPERATOR: CITY Houston STATE TX ZIP 77002
PHONE NUMBER: 713-830-6973

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: ~~1604'~~ 1064' FNL, 1824' FEL (SE¼NW¼NE¼) of Section 27
653927X 40.01125
AT PROPOSED PRODUCING ZONE: Same as above 4430354Y -109.19653

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW¼NE¼ of Section 27 T9S, R24E, S.L.B.&M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 19 miles southwest of Dinosaur, Colorado

12. COUNTY: Uintah
13. STATE: UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 1604'
16. NUMBER OF ACRES IN LEASE: 754.20
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 acres

18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)
19. PROPOSED DEPTH: 9070'
20. BOND DESCRIPTION: BLM Bond UTB-000062

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5549' GR
22. APPROXIMATE DATE WORK WILL START: June 15, 2004
23. ESTIMATED DURATION: 30 days

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12.250"	9.625" 36.0# J-55	0- 450'	Circulated to Surface
7.875"	4.500" 11.6# N-80	0-9070'	740 sx cement

RECEIVED
MAY 03 2004
DIV. OF OIL, GAS & MINING

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

[X] WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
[X] EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
[X] COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Robert M. Anderson TITLE Authorized Agent

SIGNATURE [signature] DATE April 29, 2004

(This space for State use only)

API NUMBER ASSIGNED: 43-047-35693

APPROVAL:

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 05-10-04
By: [signature]

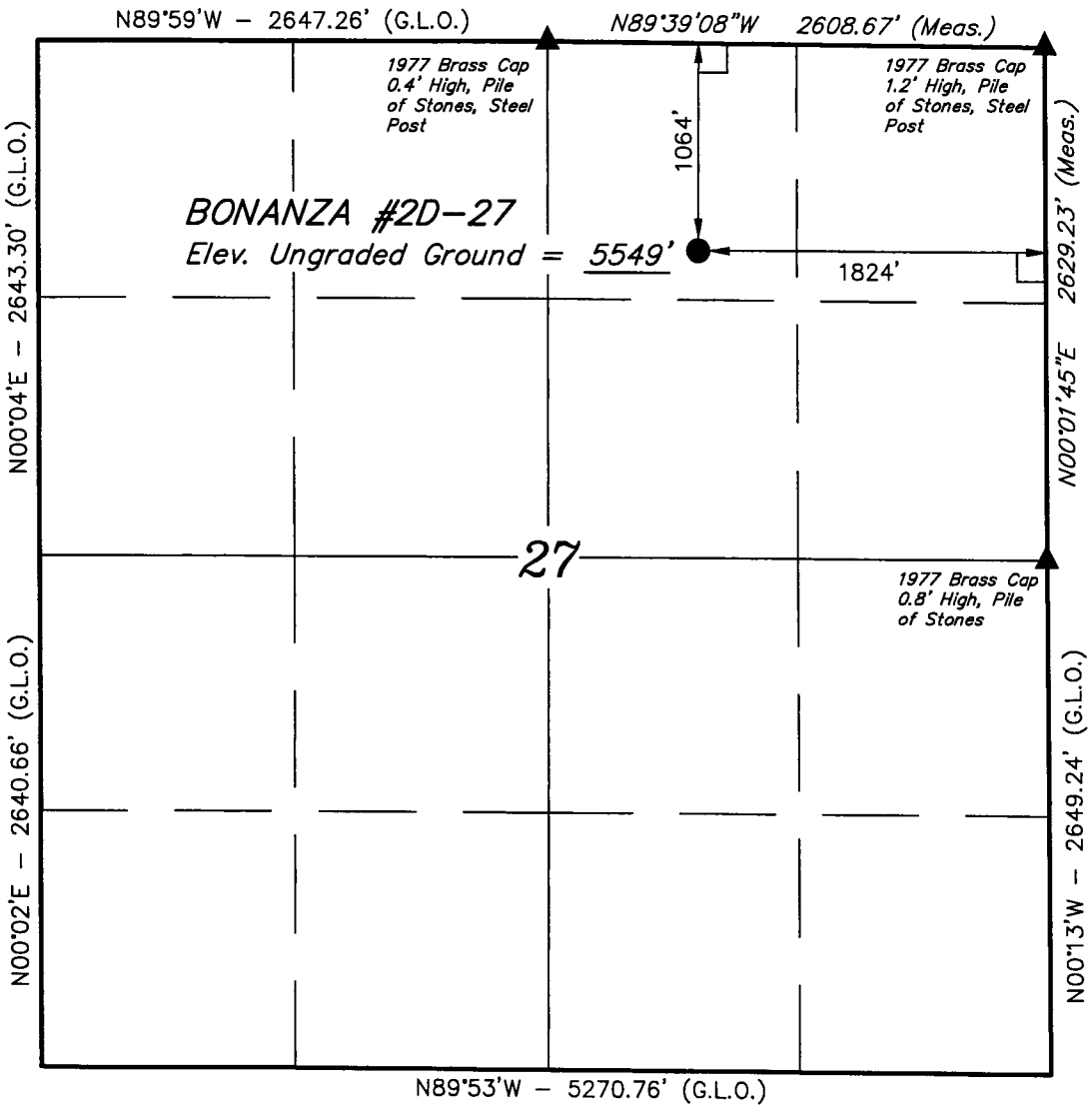
(11/2001)

(See Instructions on Reverse Side)

THE HOUSTON EXPLORATION COMPANY

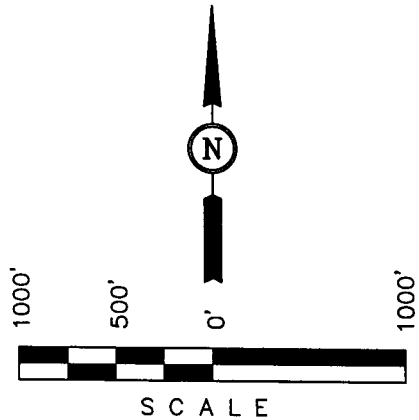
Well location, BONANZA #2D-27, located as shown in the NW 1/4 NE 1/4 of Section 27, T9S, R24E, S.L.B.&M. Uintah County, Utah.

T9S, R24E, S.L.B.&M.



BASIS OF ELEVATION

BENCH MARK (47EAM) LOCATED IN THE NW 1/4 OF SECTION 27, T9S, R24E, S.L.B.&M. TAKEN FROM THE BONANZA QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5534 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

LATITUDE = 40°00'40.28" (40.011189)

LONGITUDE = 109°11'50.49" (109.197358)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 11-04-03	DATE DRAWN: 11-06-03
PARTY K.K. B.J. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE THE HOUSTON EXPLORATION COMPANY	

THE HOUSTON EXPLORATION COMPANY
Lease #UTU-80571, Bonanza #2D-27
SE¼NW¼NE¼, Section 27, T9S, R24E
Uintah County, Utah

DRILLING PROGNOSIS

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

Uintah	Surface	Buck Tongue	8707'
Green River	1592'	Castlegate	8772'
Uteland Buttes	4364'	Mancos Shale	9016'
Wasatch	4536'	Total Depth	9070'
Mesaverde	6862'		

2. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERAL FORMATIONS

Wasatch	4536'	Oil/Gas - Possible
Mesaverde	6862'	Oil/Gas - Possible
Castlegate	8772'	Oil/Gas - Primary Objective

Any usable water zones encountered will be adequately protected and reported. All usable water zones, potential hydrocarbon zones, and valuable mineral zones will be isolated.

3. PRESSURE CONTROL EQUIPMENT - Schematic Attached

A. Type: Eleven (11) Inch Double Gate Hydraulic BOP with Eleven (11) Inch Annular Preventer. The Blow-Out Preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Drilling spool with two (2) side outlets (choke side 3-inch minimum, kill side 2-inch minimum).
4. Kill line (2-inch minimum).
5. Two (2) kill line valves, one of which will be a check valve (2-inch minimum).
6. One 3-inch (minimum) choke line.
7. Two (2) choke line valves (3-inch minimum).
8. Two (2) adjustable chokes.
9. Pressure gauge on choke manifold.
10. Upper kelly cock valve with handle available.
11. Safety valve & subs to fit all drill strings in use.
12. Fill-up line above the uppermost preventer.

B. Pressure Rating: 3,000 psi

Annular Preventer

At a minimum, the Annular Preventer will be pressure tested to 50% of the rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

3. PRESSURE CONTROL EQUIPMENT

C. Testing Procedure: Continued

Annular Preventer

At a minimum, the above pressure test will be performed:

1. When the annular preventer is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition, the annular preventer will be functionally operated at least weekly.

Blow-Out Preventer

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer. At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition, the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

D. Choke Manifold Equipment:

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

E. Accumulator:

The accumulator will have sufficient capacity to open the hydraulically-controlled choke line valve (if so equipped), close all rams plus the annular preventer, and retain a minimum of 200 psi above precharge on the closing manifold without the use of the closing unit pumps. The fluid reservoir capacity will be double the usable fluid volume of the accumulator system capacity and the fluid level of the reservoir will be maintained at the manufacturer's recommendations.

The BOP system will have two (2) independent power sources to close the preventers. Nitrogen bottles (3 minimum) will be one (1) of these independent power sources and will maintain a charge equal to the manufacturer's specifications.

3. PRESSURE CONTROL EQUIPMENT

E. Accumulator: Continued

The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six (6) months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits specified in *Onshore Oil & Gas Order Number 2.*

A manual locking device (i.e., hand wheels) or automatic locking device will be installed on all systems of 2M or greater. A valve will be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve will be maintained in the open position and will be closed only when the power source for the accumulator system is inoperative.

Remote controls shall be readily accessible to the driller. Remote controls for all 3M or greater systems will be capable of closing all preventers. Remote controls for 5M or greater systems will be capable of both opening and closing all preventers. Master controls will be at the accumulator and will be capable of opening and closing all preventers and the choke line valve (if so equipped).

F. Miscellaneous Information:

The Blow-Out Preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2.* The choke manifold and BOP extension rods with hand wheels will be located outside the rig sub-structure. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the well head but readily accessible to the driller. Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill this hole.

A flare line will be installed after the choke manifold, extending 125 feet (minimum) from the center of the drill hole to a separate flare pit.

4. THE PROPOSED CASING AND CEMENTING PROGRAM

A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set
12.250"	9.625"	36.0#	J-55	ST&C	0 - 450'
7.875"	4.500"	11.6#	N-80	LT&C	0 - 9070'

The surface casing will have three (3) centralizers at the shoe and one (1) centralizer every fourth (4*th*) joint thereafter.

4. THE PROPOSED CASING AND CEMENTING PROGRAM

A. Casing Program: Continued

Casing string(s) will be pressure tested to 0.22 psi/foot of casing string length or 1500 psi, whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under the casing shoe.

B. Cementing Program:

Surface Casing - Set with approximately 225 sx Premium Plus cement + additives mixed at 15.6 ppg (yield = 1.20 ft^3/sx). Cement will be circulated back to surface with 100% excess

Production Casing - *Lead* with approximately 660 sx 50/50 Pozmix Premium cement + additives mixed at 14.3 ppg (yield = 1.47 ft^3/sx), foamed to 11.0 ppg.

Tail with approximately 80 sx 50/50 Pozmix Premium cement + additives mixed at 14.3 ppg (yield = 1.47 ft^3/sx).

The above cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole gauge and will be determined by running a caliper log on the drilled hole.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. MUD PROGRAM - Visual Monitoring

Interval	Mud Type	Weight	Viscosity	Fluid Loss
0 - 2000'	Fresh Water	--------	------	----------
2000 - 9070'	LSND	8.5 - 9.3	28 - 32	< 12 cc's

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

6. EVALUATION PROGRAM

Logs : DIL-FDC-BHC - from 9070' to 450'
CNL-SP-CAL-GR * - from 9070' to 450'

* Pull Gamma Ray Log Back to Surface

6. EVALUATION PROGRAM - Continued

DST's : DST's will be run as warranted by logs and/or shows - none are scheduled at this time.

Cores : None anticipated.

The evaluation program may change at the discretion of the well site geologist, with prior approval from the Authorized Officer, Bureau of Land Management.

Stimulation : No stimulation or frac treatment has been formulated for this test at this time. The drill site, as approved, will be of sufficient size to accommodate all completion activities.

Whether the well is completed as a dry hole or as a producer, *Well Completion and Recompletion Report and Log* (form #3160-4) will be submitted to the Vernal Field Office not later than thirty (30) days after the completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164.

Two (2) copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form #3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer, Vernal Field Office, Bureau of Land Management, 170 South 500 East, Vernal, Utah 84078, Telephone: 435-781-4400.

7. ABNORMAL CONDITIONS

No abnormal temperatures or pressures are anticipated. No H_2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 4,535 psi (calculated at 0.50 psi/foot) and maximum anticipated surface pressure equals approximately 2,540 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. ANTICIPATED STARTING DATES AND NOTIFICATION OF OPERATIONS

A. Anticipated Starting Dates:

Anticipated Commencement Date	:	July 1, 2004
Drilling Days	:	Approximately 30 Days
Completion Days	:	Approximately 15 Days

B. Notification of Operations:

Vernal Field Office, Bureau of Land Management

Address	:	170 South 500 East; Vernal, Utah 84078
Phone	:	435-781-4400
Fax	:	435-781-4410

8. ANTICIPATED STARTING DATES AND NOTIFICATION OF OPERATIONS

B. Notification of Operations: Continued

Contact Title	Contact Name	Telephone
Petroleum Engineer	Ed Forsman *	Home : 435-789-7077
Petroleum Engineer	Jerry Kenczka *	Home : 435-781-1190

* Primary Contacts

C. General Conditions of Approval:

1. All lease and/or unit operations are to be conducted in such a manner to ensure full compliance with the applicable laws, regulations (43 CFR, Part 3160), Onshore Orders, Notices to Lessees, and the approved plan of operations.

2. The spud date will be reported orally to the Vernal Field Office ***24 HOURS PRIOR TO SPUDDING***, unless otherwise required in the site specific conditions of approval.

3. All wells, whether drilling, producing, suspended or abandoned shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, the lease serial number, the well number and the surveyed description of the well.

4. In accordance with *Onshore Oil & Gas Order Number 1*, this well will be reported on MMS form #3160-6, *Monthly Report of Operations and Production*, starting with the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with the Royalty Management Program, Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217.

5. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL-3A will be reported to the Vernal Field Office. Major events will be reported verbally within twenty-four (24) hours and will be followed with a written report within fifteen (15) days. Other than major events will be reported in writing within fifteen (15) days. Minor events will be reported on the *Monthly Report of Operations and Production* (form #3160-6)

6. No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Field Office Petroleum Engineer. A *Notice of Intention to Abandon* (form #3160-5) will be filed with the Authorized Officer within fifteen (15) days following the granting of oral approval to plug and abandon.

8. ANTICIPATED STARTING DATES AND NOTIFICATION OF OPERATIONS

C. General Conditions of Approval: Continued

7. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6 The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch: Company Name, Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and the Federal Lease Number.

8. A *Subsequent Report of Abandonment* (form #3160-5) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow-up report on form 3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection.

9. Pursuant to NTL-4A, lessees and operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of fifty (50) MMCF of gas, whichever occurs first. An application must be filed with the Authorized Officer, and approval received, for any venting/flaring of gas beyond the initial 30 day or otherwise authorized test period.

10. Not later than the *5th* business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than ninety (90) days, the operator shall notify the Authorized Officer by letter or sundry notice of the date on which such production has begun or resumed. The notification shall provide at a minimum, the following informational items:

    a. Operator name, address, and telephone number
    b. Well name and number
    c. Well location "¼, ¼, Section, Township, Range, P.M."
    d. Date well was placed in a producing status
    e. The nature of the wells production (i.e.: crude oil casing gas, or natural gas and entrained liquid hydrocarbons).
    f. The OCS, Federal or Indian lease prefix and number on which the well is located. Otherwise, the non-federal or non-Indian land category (i.e.: state or private).
    g. As appropriate, the communitization agreement number, the unit agreement name, number and participating area name.

11. Within sixty (60) days following construction of a new tank battery, a site facility diagram of the battery showing actual conditions and piping must be submitted to the Authorized Officer. Facility diagrams shall be filed within sixty (60) days after existing facilities are modified. For complete information as to what is required on these diagrams, please refer to 43 CFR 3162.7-4(d).

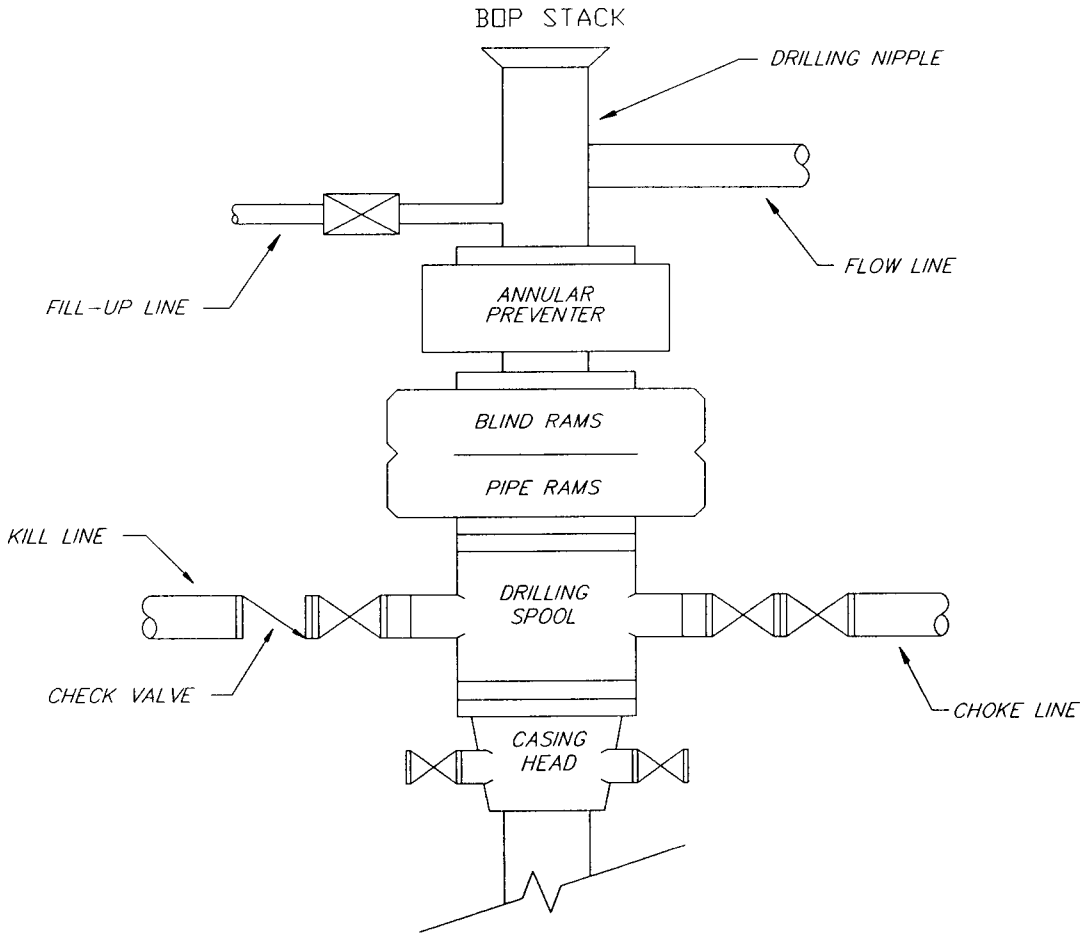
8. ANTICIPATED STARTING DATES AND NOTIFICATION OF OPERATIONS

C. General Conditions of Approval: Continued

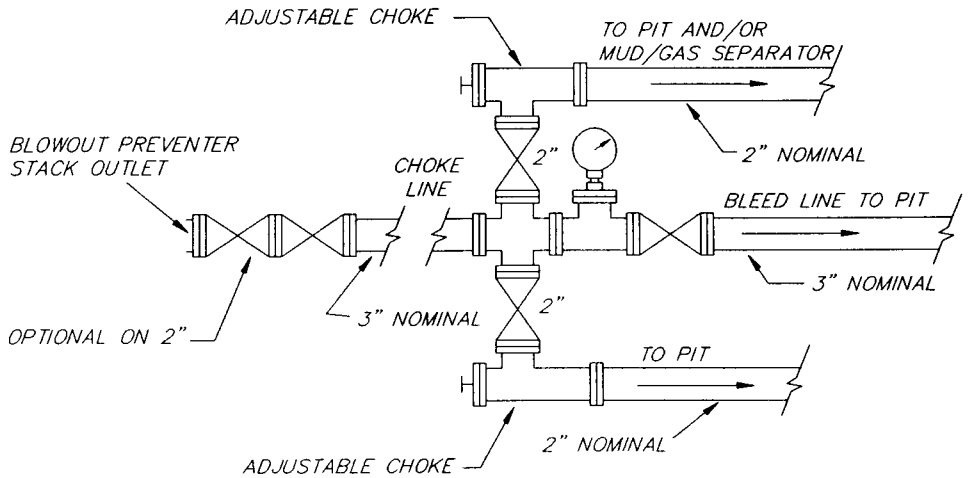
12. Pursuant *to Onshore Oil & Gas Order Number 1*, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such a manner which conforms with applicable federal laws and regulations and with state and local laws and regulations to the extent that such state and local laws are applicable to operations on federal and Indian lands.

THE HOUSTON EXPLORATION COMPANY

TYPICAL 3,000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i.
CHOKE MANIFOLD SCHEMATIC



THE HOUSTON EXPLORATION COMPANY
Lease #UTU-80571, Bonanza #2D-27
SE¼NW¼NE¼, Section 27, T9S, R24E
Uintah County, Utah

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. **EXISTING ROADS** - Refer to Maps "A" and "B"

   A. The proposed well site is staked and four (4) 200-foot reference stakes are present.
   B. To reach the location from the city of Vernal, Utah; proceed generally southwest approximately 14.0 miles on U.S. Highway 40 (a paved U.S. highway); thence generally south approximately 17.0 miles on Utah State Highway 88 (a paved state highway) to the community of Ouray; thence continuing generally south on the Seep Ridge Road; thence generally east approximately 12.3 miles on an existing, upgraded BLM (oilfield) road (crowned & ditched with a native soil running surface); thence generally south approximately 1.7 miles on an existing, upgraded BLM (oilfield) road (crowned & ditched with a native soil running surface); thence generally east approximately 1.9 miles on an existing, upgraded BLM (oilfield) road (crowned & ditched with a native soil running surface); thence generally southeast approximately 0.5 miles on an existing, upgraded BLM (oilfield) road (crowned & ditched with a native soil running surface); thence generally east approximately 14.0 miles on an existing, upgraded BLM (oilfield) road (crowned & ditched with a native soil running surface); thence generally south/southeast approximately 150' on an existing, upgraded BLM (oilfield) road (crowned & ditched with a native soil running surface); thence generally southwest approximately 150' to the proposed Bonanza #2D-27 well location.
   C. Access roads - refer to Maps "A" and "B".
   D. Access roads within a one (1) mile radius - refer to Map "B".
   E. The existing roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the Bonanza #2D-27 well location.

2. **PLANNED ACCESS ROADS** - Refer to Map "B"

   Approximately 150 feet of new road construction will be required for access to the proposed Bonanza #2D-27 well location.

   A. Width - fourteen (14) foot running surface with a sixteen (16) foot subgrade, crowned and ditched for drilling and completion operations.
   B. Construction standard - the access road will be constructed in accordance with roading guidelines established for oil & gas exploration and development activities as referenced in the joint BLM/USFS publication: *Surface Operating Standards for Oil and Gas Exploration and Development*, Third Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.

      The access road will be designed and constructed to meet the standards of the anticipated traffic flow and all-weather requirements. Construction will include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed and safe roadway.

2. PLANNED ACCESS ROADS - Continued

B. Construction standard - approximately six (6) inches of topsoil will be stripped from the proposed access road route prior to performing any further construction activities thereon.

If soils along the access road route are dry during road construction, water will be applied to the road surface to facilitate soil compaction and minimize soil loss as a result of wind erosion.

C. Maximum grade - three (3) percent or less.

D. Turnouts - turnouts will be constructed along the access road route as necessary or required to allow for the safe passage of traffic. These turnouts will be constructed in accordance with roading guidelines established for oil & gas exploration and development activities as referenced in the joint BLM/USFS publication: *Surface Operating Standards for Oil and Gas Exploration and Development*, Third Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.

A typical road design is presented in Attachment "A" that provides information concerning the minimum standards for road construction activities associated with projects subject to federal jurisdiction.

E. Drainage design - the access road will be upgraded and maintained as necessary to prevent soil erosion and accommodate all-weather traffic. Road will be crowned and ditched with water turnouts installed as necessary to provide for proper drainage along the access road route.

F. Culverts, cuts and fills - culverts will be installed on/along the access road route as necessary or required by the Authorized Officer, Bureau of Land Management in accordance with roading guidelines contained in the joint BLM/USFS publication: *Surface Operating Standards for Oil and Gas Exploration and Development*, Third Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. Attachment "B" presents a typical design for culvert installation on roads constructed across public domain lands.

We do not anticipate any major cuts and/or fills on/along the proposed access road route.

G. Surfacing material - none required for drilling and/or completion operations.

In the event that commercial production is established from the Bonanza #2D-27, the access road will be surfaced to an average minimum depth (after compaction) of four (4) inches with two (2) inch minus pit run gravel or crushed rock purchased from a local contractor having a permitted source of materials within the general area, if and/or as required by the Authorized Officer, Bureau of Land Management.

H. Gates, cattleguards or fence cuts - no gates, cattleguards or fence cuts will be required on/along the proposed access road route.

2. PLANNED ACCESS ROADS - Continued

I. Road maintenance - during both the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in accordance with the original construction standards.

The access road right-of-way will be kept free of trash during all operations.

J. The proposed access road route has been centerline staked.

3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS

A. Water wells - none known.
B. Abandoned wells - none known.
C. Temporarily abandoned wells - none known.
D. Disposal wells - none known.
E. Drilling wells - none known.
F. Producing wells - none known.
G. Shut-in wells - none known.
H. Injection wells - none known.
I. Monitoring wells - none known.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES OWNED BY THE HOUSTON EXPLORATION COMPANY WITHIN A ONE MILE RADIUS

A. Existing Facilities

1. Tank batteries - none.
2. Production facilities - none.
3. Oil gathering lines - none.
4. Gas gathering lines - none.

B. New Facilities Contemplated

1. All production facilities will be located on the disturbed portion of the well pad and at a minimum of fifteen (15) feet from the toe of the back slope.
2. Production facilities will require a working area approximately 225' X 125' in size. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via *Sundry Notice* (form #3160-5) for approval ***prior*** to commencement of installation operations.
3. Production facilities will be accommodated on the disturbed portion of the well pad. Construction materials needed for installation of the production facilities will be obtained from the site; any additional materials needed will be purchased from a local supplier having a permitted source of materials in the area.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES OWNED BY THE HOUSTON EXPLORATION COMPANY WITHIN A ONE MILE RADIUS

B. New Facilities Contemplated - Continued

3. A dike will be constructed completely around those production facilities designed to hold fluids (i.e., production tanks, produced water tanks and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 110% of the capacity of the largest tank, and be independent of the back cut.
4. All permanent [on-site for six (6) months or longer] above-the-ground structures constructed or installed on the well location (including pumping units, tank batteries, etc.) will be painted ***Carlsbad Canyon*** (Munsell standard color #2.5Y 6/2). The exception being that Occupational Safety and Health Act Rules and Regulations will be complied with where special safety colors are required.

C. In the event a production (emergency) pit is required on location, it will be fenced "sheep-tight" with woven wire mesh having two (2) top strands of barbed wire held in place by metal side posts and wooden corner "H" braces in order to protect both livestock and wildlife. Please refer to Item #9F (page #7) for additional information concerning these fencing specifications.

D. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road and any additional areas that may be specified in the approved Application for Permit to Drill.

E. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding in accordance with recommendations from the Authorized Officer, Bureau of Land Management.

5. LOCATION AND TYPE OF WATER SUPPLY

A. Fresh water for use in drilling operations will be furnished by Dalbo, Inc. of Vernal, Utah under existing Water Right Number 49-2154, Temporary Application Number T74792, which has been amended to include an appropriation for use in drilling operations in Section 11, T9S, R23E. Drilling water will be diverted from Evacuation Wash and the White River at a point located approximately in the SE¼ of Section 2, T10S, R23E as approved in the subject *Application to Appropriate Water*.

B. Water will be transported over existing roads via tank truck from the point of diversion to the proposed Bonanza #2D-27 well location. No new road construction will be required on/along the proposed water haul route.

Access across those off-lease federal lands to be crossed on/along the proposed water haul route will be secured under a separate right-of-way grant to be issued by the Authorized Officer, Vernal Field Office, Bureau of Land Management.

C. The Houston Exploration Company has no plans to drill a water well on the Bonanza #2D-27 well location at this time.

6. SOURCE OF CONSTRUCTION MATERIALS

A. Any construction materials (gravel) that may be required for surfacing of the drill pad will be obtained from a private contractor having a previously approved source of materials within the general area. Please refer to Item #2G (page #2) for information regarding those construction materials which may be required for surfacing of the permanent access road.
B. No construction materials will be taken from federal or Indian lands without prior approval from the appropriate Surface Management Agency.
C. If production is established, any construction materials that may be required for surfacing of the access road and/or installation of production facilities will be purchased from a local supplier having a permitted source of materials within the general area.
D. No new access roads for transportation of these construction materials will be required.

7. METHODS OF HANDLING WASTE MATERIALS

A. Cuttings - the drilled cuttings will be deposited in the reserve pit.
B. Drilling fluids - including any salts and/or chemicals utilized in the mud system will be contained in the reserve pit. The reserve pit will be designed to prevent the collection of surface runoff and will be constructed with a minimum of one-half (1/2) of the total depth of the reserve pit in cut.
C. Produced fluids - liquid hydrocarbons produced during completion operations will be placed in test tanks on the location. Produced water will be placed in the reserve pit for a period not to exceed ninety (90) days after initial production. An application for approval of a permanent disposal method and location, along with the required water analysis, shall be submitted to the Authorized Officer for review and approval during this ninety (90) day period in accordance with *Onshore Oil & Gas Order Number 7.*

   Any spills of oil, gas, salt water, or any other potentially hazardous substance will be cleaned up and immediately removed to an approved disposal site.

D. Sewage - portable, self-contained chemical toilets will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents thereof disposed of in a sewage disposal facility approved by the State of Utah.
E. Garbage and other waste material - all garbage and non-flammable solid waste materials will be contained in a self contained, portable dumpster or trash cage. Upon completion of operations, or as needed, the accumulated trash will be hauled off-site to an approved sanitary landfill. No trash will be placed in the reserve pit.

   Used motor oil (change oil) will be placed in closed containers and disposed of at an authorized disposal site. No trash will be placed in the reserve pit.

F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No potentially adverse materials or substances will be left on the location. Any open pits will be fenced during the drilling operation and said fencing will be maintained until such time as the pits have been backfilled.

7. METHODS OF HANDLING WASTE MATERIALS - Continued

G. Hazardous Materials - The Houston Exploration Company maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials which may be found at the site include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/stimulation activities, such as flammable or combustible substances and acids/gels (corrosives).

The opportunity for *Superfund Amendments and Reauthorization Act* (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and Extremely Hazardous Substances and commercial preparation will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

8. ANCILLARY FACILITIES

None anticipated.

9. WELLSITE LAYOUT

A. Figure #1 shows the drill site layout as staked. Cross-sections have been drafted to visualize the planned cuts and fills across the proposed well location (refer to Figure #2)

A minimum of six (6) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the well site. Please refer to Figure #1 for the location of the topsoil and subsoil stockpiles.

B. Figure #3 is a diagram showing a typical location layout. No permanent living facilities are planned on the Bonanza #2D-27 well location; however, there will be approximately three (3) trailers on location during drilling operations which will serve as both offices and housing for the mud logger, geologist and toolpusher.

C. All equipment and vehicles will be confined to those areas subsequently approved (designated) in conjunction with this Application for Permit to Drill (i.e., access road, well pad, spoil and topsoil storage areas).

D. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via *Sundry Notice* (form #3160-5) for approval ***prior*** to the commencement of installation operations. Please refer to Item #4B2 (page #3) for additional information in this regard.

E. If porous subsoil materials (i.e., gravel, scoria, sand, faulted rock structures, etc.) are encountered during reserve pit construction, an impervious (plastic/vinyl) liner will be installed in order to prevent drilling water loss through seepage. The reserve pit will be inspected by the Authorized Officer, Bureau of Land Management after construction and prior to filling with fluids to determine the need for a pit liner.

9. WELLSITE LAYOUT - Continued

E. If required, the liner will have a permeability less than or equal to 1 X 10^{-7} cm/sec, will be chemically compatible with all substances which may be put into the pit and will be installed so that it will not leak. Liners made of any man-made synthetic material will be of sufficient strength and thickness to withstand normal installation and pit use. The liner will be installed with sufficient bedding (either straw or dirt) to cover any rocks, will overlap the pit walls, extend under the mud tanks, and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc. that could puncture the liner will be disposed of in the reserve pit.

F. Prior to the commencement of drilling operations, the reserve pit will be fenced "sheep tight" on three (3) sides according to the following minimum standards:

1. 32-inch net wire shall be used with two (2) strands of barbed wire on top of (above) the net wire.
2. The net wire shall be no more than four (4) inches above the ground. The first strand of barbed wire shall be ≈ three (3) inches above the net wire. Total height of the fence shall be at least forty-two (42) inches.
3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
4. Standard steel, wood, or pipe posts shall be used between the corner braces. The maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The fourth (4*th*) side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is backfilled.

G. Any hydrocarbons on the pit will be removed as soon as possible after drilling operations are completed.

10. PLANS FOR RECLAMATION OF THE SURFACE

A. Rat and mouse holes will be backfilled and compacted from bottom to top immediately upon release of the completion rig from the location.

B. If any oil is on the pits and is not immediately removed after operations cease, the pit containing the oil or other adverse substance(s) will be flagged overhead or covered with wire mesh to protect migrating waterfowl.

C. Producing Operations:

1. Backfilling, leveling and re-contouring are planned as soon as possible after cessation of drilling and completion operations. Waste and spoil materials will be disposed of immediately upon cessation of drilling and completion activities.
2. For production, the fill slopes will be reduced from a 1.5:1 slope to a 4:1 slope and the cut slopes will be reduced from a 2:1 slope to a 4:1 slope by pushing the fill material back up into the cut.

10. PLANS FOR RECLAMATION OF THE SURFACE

C. Producing Operations: Continued

3. Upon completion of backfilling, leveling and recontouring, all disturbed surfaces (access road and well pad areas) will be scarified to a depth of one (1) foot and the stockpiled topsoil will be evenly redistributed to a depth of six (6) inches over the reclaimed area(s).
4. Prior to commencement of seeding operations, the seedbed will be prepared by disking on the contour to a depth of four (4) to six (6) inches. The entire disturbed area will be uniformly covered with depressions constructed perpendicular to the natural flow of water to facilitate the capture of moisture and subsequent promotion of revegetation success.
5. All disturbed surfaces (including the access road and well pad areas) will be reseeded using the following seed mixture (or a different mixture to be recommended by the Authorized Officer, Bureau of Land Management, as may be appropriate):

Species	Pounds PLS/Acre *
Galleta grass	3.0
Squirreltail bottlebrush	3.0
Black sagebrush	3.0
Shadscale	3.0

* Pounds of Pure Live Seed per Acre

6. Seed will be drilled on the contour with a seed drill equipped with a depth regulator in order to ensure even depths of planting. Seed will be planted between one-quarter (1/4) to one-half (1/2) inches deep.
7. Fall seeding will be completed after September 1*st* and prior to ground frost. If applicable, spring seeding will be completed after the frost has left the ground and prior to May 15*th*. The seeding will be repeated until a satisfactory stand, as determined by the Authorized Officer, is achieved. The first evaluation of growth will be made following the completion of the first growing season.
8. Re-seeding activities are considered best in the fall of 2005, unless otherwise requested by the Authorized Officer, Bureau of Land Management.

D. Abandoned Well Location:

1. Upon final abandonment of the well location, gravel will be removed from the access road surface and well location (as directed by the Authorized Officer), water diversion installed as needed, and both the access road and well location restored to approximately the original ground contour(s) by pushing the fill material back into the cut and up over the backslope.

10. PLANS FOR RECLAMATION OF THE SURFACE

D. Abandoned Well Location: Continued

2. Prior to commencement of seeding operations, the seedbed will be prepared by disking on the contour to a depth of four (4) to six (6) inches. All disturbed surfaces (including the access road and well pad areas) will be reclaimed and reseeded as recommended in Item #'s 10C3-6, above.

11. SURFACE OWNERSHIP

The well location and proposed access road route are situated on surface estate that is owned by the United States of America and administered in trust by:

Field Manager
Vernal Field Office
Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
Telephone: 435-781-4400

12. OTHER INFORMATION

A. General Description of the Project Area:

The project area is situated in the southeastern portion of the Uintah Basin and more specifically in an upland area located between the White River to the south and the Green River to the west. This area is classified as a *"High Plains Steppe"* (cold desert) and is characterized by moderately undulating uplands dissected by numerous dendritically patterned ephemeral tributaries of both the White River and Coyote Wash.

The proposed well location is situated in area that is south of Coyote Wash, southeast of Deadman Bench, east of the Chapita Wells Gas Field, north/northeast of the Southman Canyon Gas Field, south/southeast of Devils Playground, north of the White River, and west/southwest of the community of Bonanza.

Generally speaking, local flora consists primarily of native grasses such as salt grass, galleta grass, needle-and-thread grass and Indian ricegrass along with woody (shrub) species including shadscale, horsebrush, black sagebrush, fringe sagebrush, big sagebrush, rabbitbrush, and greasewood along the ephemeral drainages (washes) in the area. Local fauna consists primarily of mule deer, antelope, coyotes, rabbits, raptors, and various smaller vertebrate and invertebrate species.

There are no known threatened or endangered species that would be affected by implementation of operations on the Bonanza #2D-27 well location.

B. Surface Use Activities:

The primary surface use is for livestock grazing.

12. OTHER INFORMATION - Continued

C. Proximity of Water, Occupied Dwellings, Archaeological, Historical or Cultural Sites:

1. The closest source of permanent water is the White River, located approximately three (3) miles to the south/southwest of the proposed well location.
2. The closest occupied dwellings are located approximately two (2) miles to the east/northeast in the community of Bonanza, Utah.
3. The Houston Exploration Company will be responsible for informing all persons associated with this project that they will be subject to prosecution for damaging, altering, excavating or removing any archaeological, historical, or vertebrate fossil objects or site(s).

   If archaeological, historical or vertebrate fossil materials are discovered, The Houston Exploration Company will suspend all operations that further disturb such materials and immediately contact the Authorized Officer. Operations will not resume until written authorization to proceed is issued by the Authorized Officer.

   Within five (5) working days the Authorized Officer will evaluate the discovery and inform The Houston Exploration Company of actions that will be necessary to prevent loss of significant cultural or scientific values.

   The Houston Exploration Company will be responsible for the cost of any mitigation required by the Authorized Officer. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, The Houston Exploration Company will be allowed to resume operations.

D. Additional Requirements for Operations on Lands Administered by the Bureau of Land Management:

1. The Houston Exploration Company will be responsible for weed control on disturbed areas within the exterior limits of this permit and will consult with the Authorized Officer and/or local authorities for acceptable weed control measures.

   A *"Pesticide Use Proposal"* and pesticide label will be submitted by The Houston Exploration Company to the Authorized Officer no later than December 1*st* for use during the following spring/summer period.

13. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

Representative

Lloyd Bruce, Senior Operations Engineer
The Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, Texas 77002
Telephone: 713-830-6973

13. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

Representative - Continued

Robert M. Anderson *
Heitzman Drill-Site Services
P.O. Drawer 3579
Casper, Wyoming 82602
Telephone: 307-266-4840

* Contact for any additional information that may be required for approval of this Application for Permit to Drill.

Certification

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, *Onshore Oil & Gas Orders*, the approved plan of operations, and any applicable *Notice to Lessees*.

The Houston Exploration Company will be fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative(s) to ensure compliance. The dirt contractor will be provided with a copy of the Surface Use Plan from the approved Application for Permit to Drill.

This drilling permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

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 currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by The Houston Exploration Company, their contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

January 11, 2004
Date

[redacted]
Robert M. Anderson/Authorized Agent

THE HOUSTON EXPLORATION COMPANY

BONANZA #2D-27

LOCATED IN UINTAH COUNTY, UTAH
SECTION 27, T9S, R24E, S.L.B.&M.

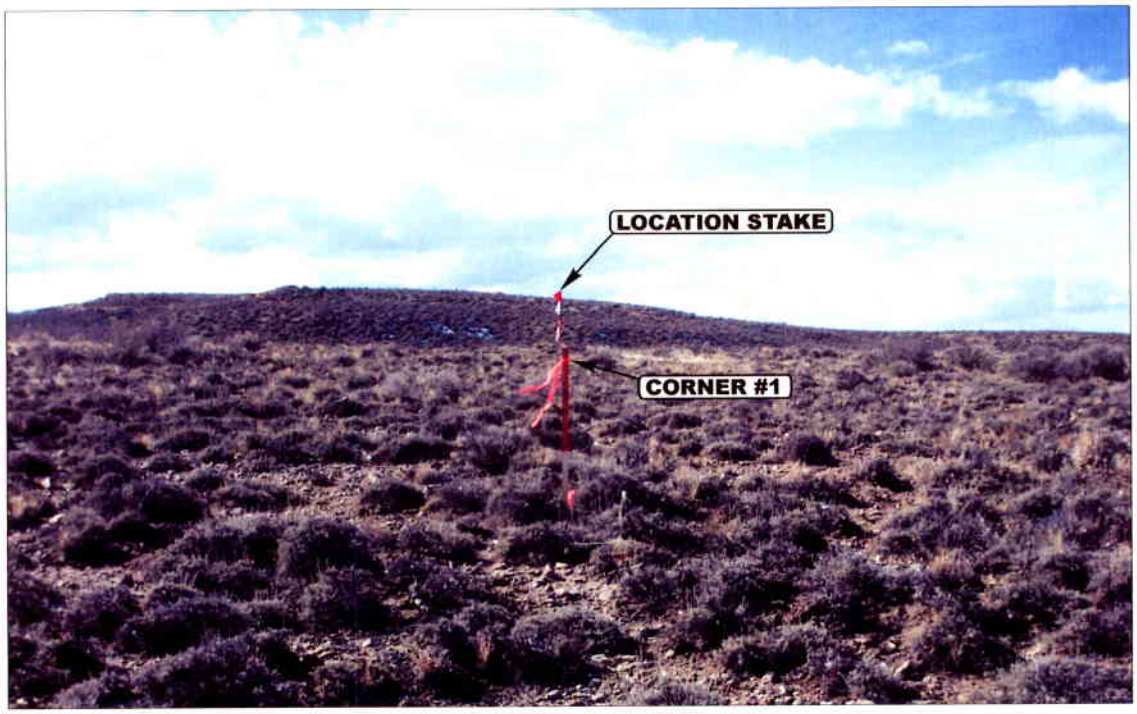


PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE **CAMERA ANGLE: SOUTHWESTERLY**

PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: SOUTHWESTERLY**

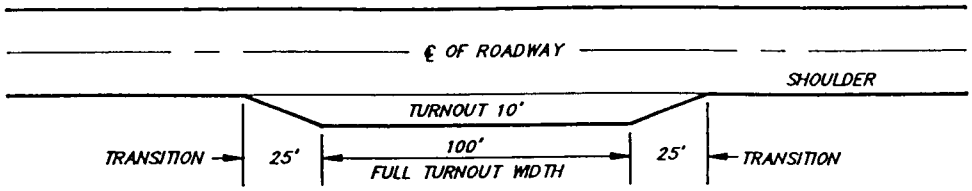
- Since 1964 -

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	11 MONTH	05 DAY	03 YEAR	PHOTO
TAKEN BY: K.K.	DRAWN BY: P.M.	REVISED: 00-00-00		

TYPICAL ROAD DESIGN

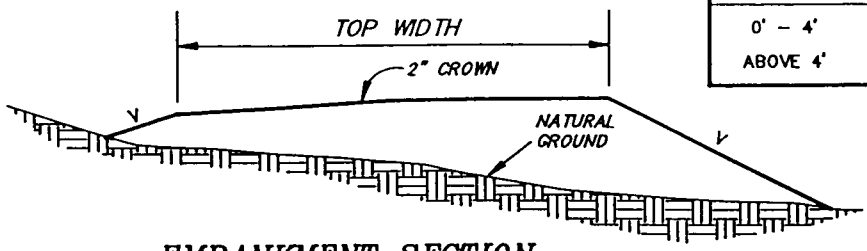
Attachment "A"



TYPICAL TURNOUT PLAN

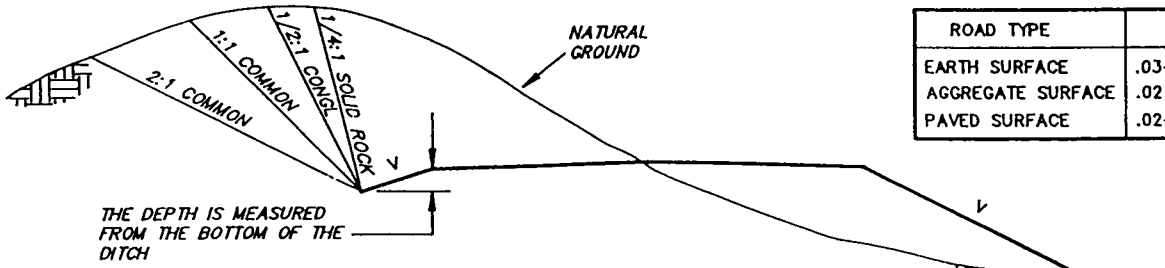
TURNOUTS SHALL BE CONSTRUCTED ON ALL SINGLE LANE ROADS AT ALL BLIND CURVES WITH ADDITIONAL TURNOUTS AS NEEDED TO KEEP SPACING BELOW 1000 FEET.

HEIGHT OF FILL AT SHOULDER	EMBANKMENT SLOPE
0' – 4'	3:1
ABOVE 4'	2:1

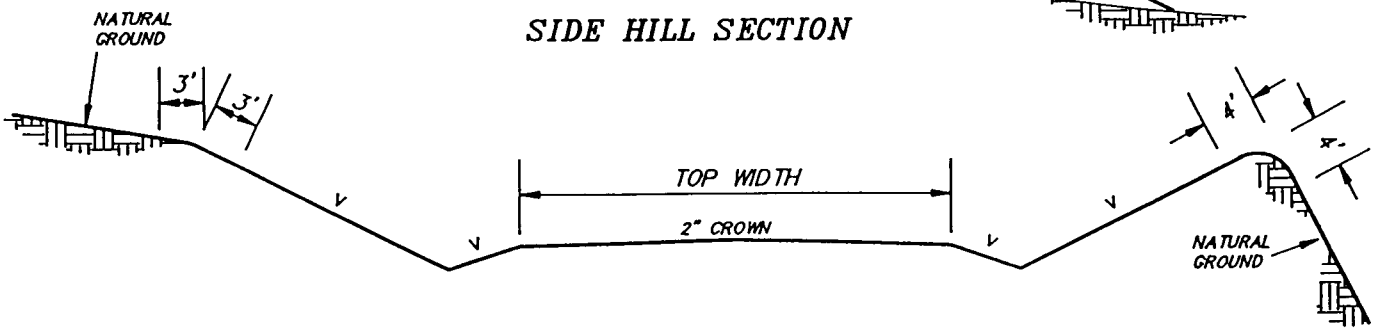


EMBANKMENT SECTION

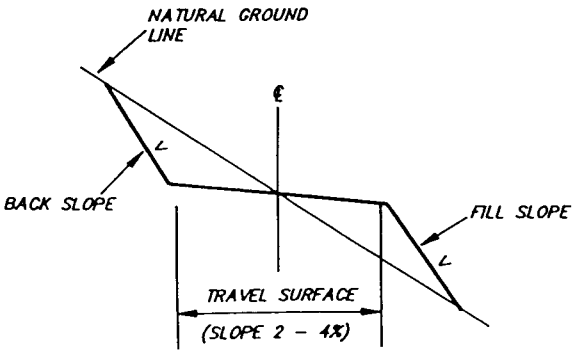
ROAD TYPE	CROWN
EARTH SURFACE	.03–.05 FT/FT
AGGREGATE SURFACE	.02 –.04 FT/FT
PAVED SURFACE	.02–.03 FT./FT.



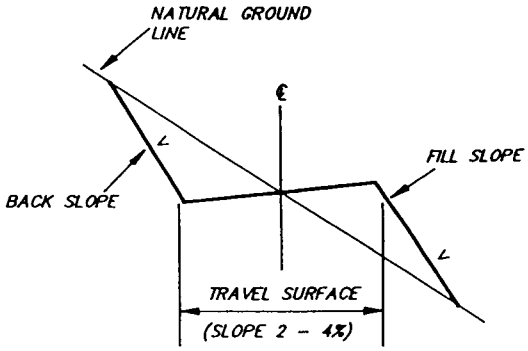
SIDE HILL SECTION



CUT SLOPE ROUNDING



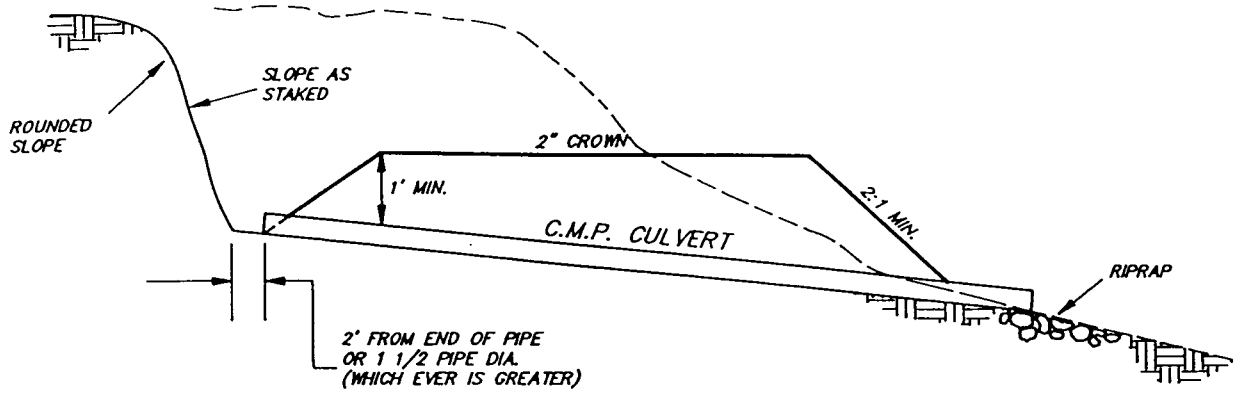
TYPICAL OUTSLOPED SECTION



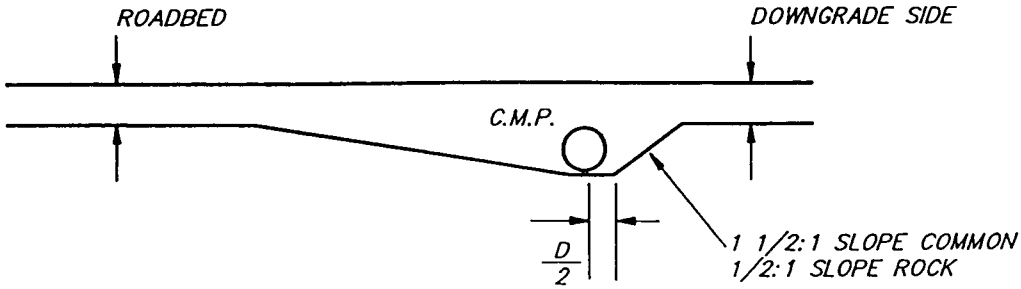
TYPICAL INSLOPE SECTION

TYPICAL CULVERT PLACEMENT

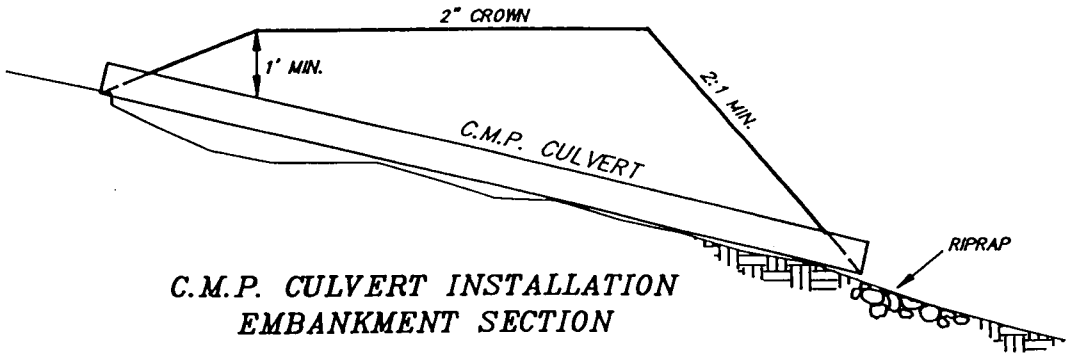
Attachment "B"



C.M.P. CULVERT INSTALLATION



DITCH CONSTRUCTION AT SIDE HILL
C.M.P. CULVERT INSTALLATION



C.M.P. CULVERT INSTALLATION
EMBANKMENT SECTION

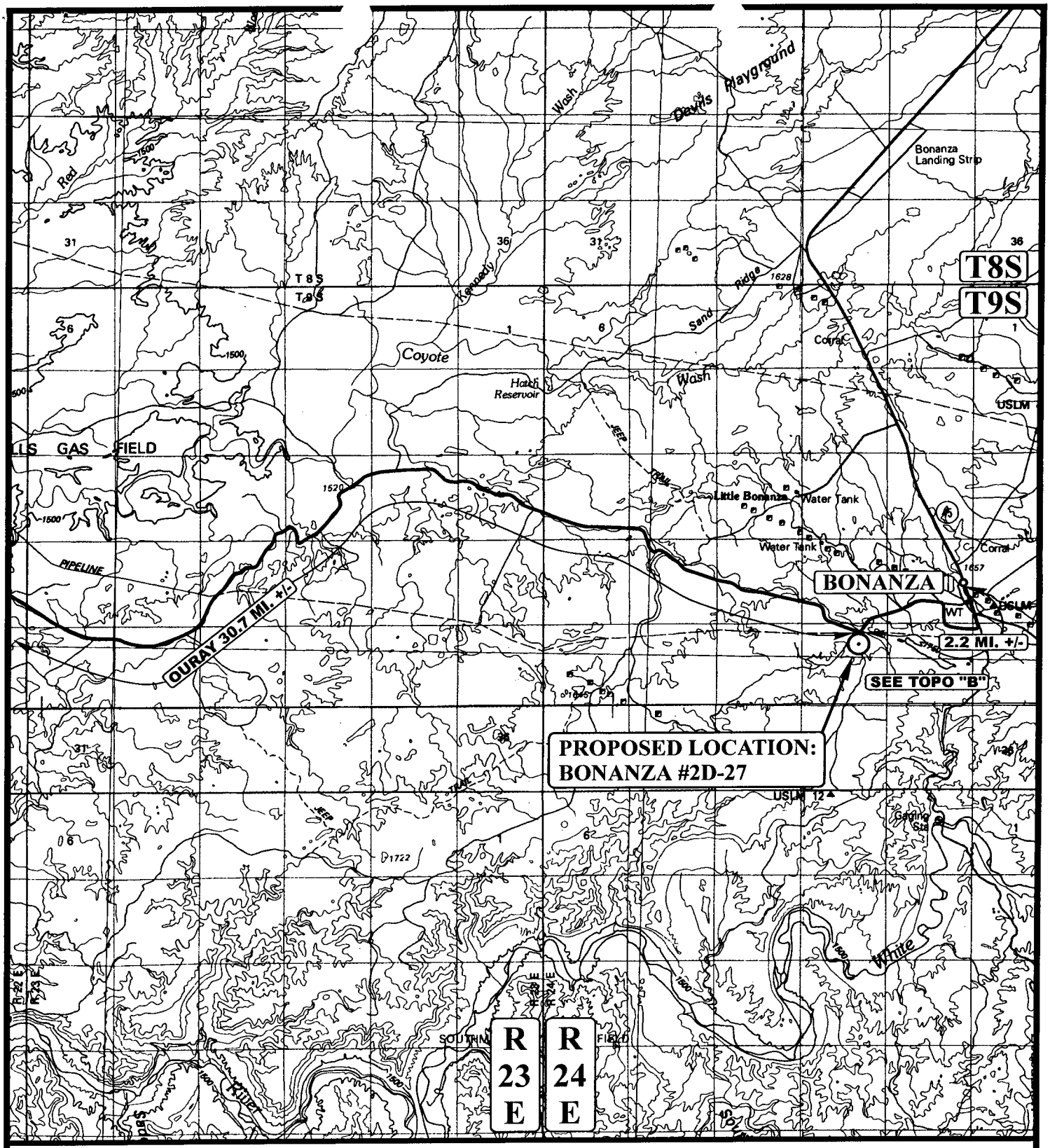
GENERAL NOTES:

1. IN BEDDING OF C.M.P. CULVERTS, IF THE FOUNDATION IS ROCK, EXCAVATE TO DEPTH OF 8" BELOW CULVERT GRADE AND REPLACE WITH EARTH CUSHION.

2. MINIMUM COVER OVER CULVERT IS 1'

3. MINIMUM CULVERT DIAMETER 18"

4. MINIMUM CULVERT SPACING:
(a) 1 – 2% GRADE – 1000' MINIMUM
(b) 2 – 4% GRADE – 800' MINIMUM
(c) 4 – 6% GRADE – 600' MINIMUM
(d) 6 – 8% GRADE – 400' MINIMUM
(e) 8 – 10% GRADE – 250' MINIMUM



LEGEND:

⊙ PROPOSED LOCATION

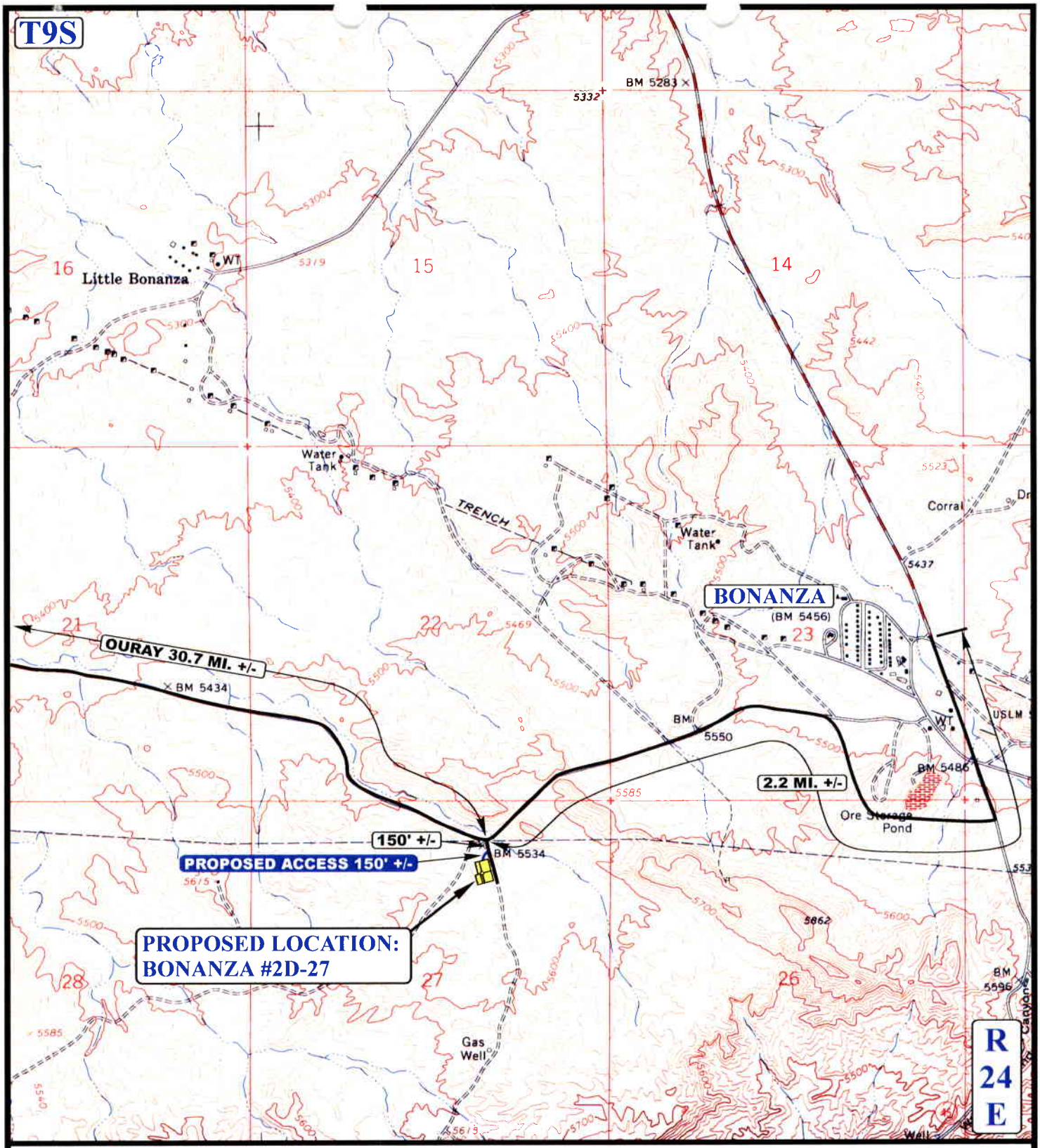
N

THE HOUSTON EXPLORATION COMPANY

BONANZA #2D-27
SECTION 27, T9S, R24E, S.L.B.&M.
1064' FNL 1824' FEL

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

TOPOGRAPHIC MAP	11 MONTH	05 DAY	03 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: P.M.	REVISED: 00-00-00		



LEGEND:

EXISTING ROAD

PROPOSED ACCESS ROAD

N

THE HOUSTON EXPLORATION COMPANY

BONANZA #2D-27
SECTION 27, T9S, R24E, S.L.B.&M.
1064' FNL 1824' FEL

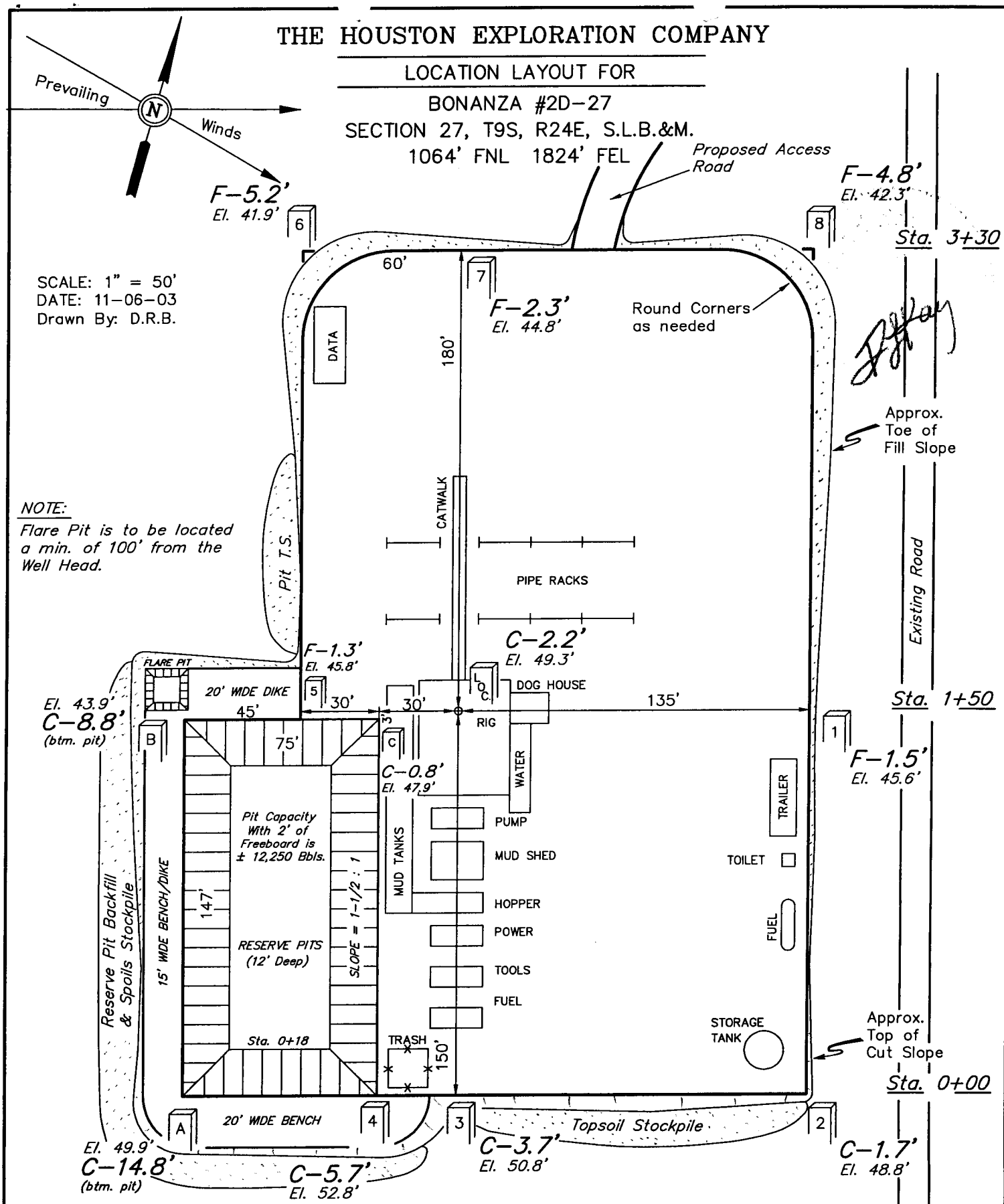
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	11 MONTH	05 DAY	03 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: P.M.	REVISED: 00-00-00		

THE HOUSTON EXPLORATION COMPANY

LOCATION LAYOUT FOR

BONANZA #2D-27
SECTION 27, T9S, R24E, S.L.B.&M.
1064' FNL 1824' FEL



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5549.3'

FINISHED GRADE ELEV. AT LOC. STAKE = 5547.1'

FIGURE #1

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

THE HOUSTON EXPLORATION COMPANY

TYPICAL CROSS SECTIONS FOR

BONANZA #2D-27
SECTION 27, T9S, R24E, S.L.B.&M.
1064' FNL 1824' FEL

1" = 20'
X-Section Scale
1" = 50'

DATE: 11-06-03
Drawn By: D.R.B.

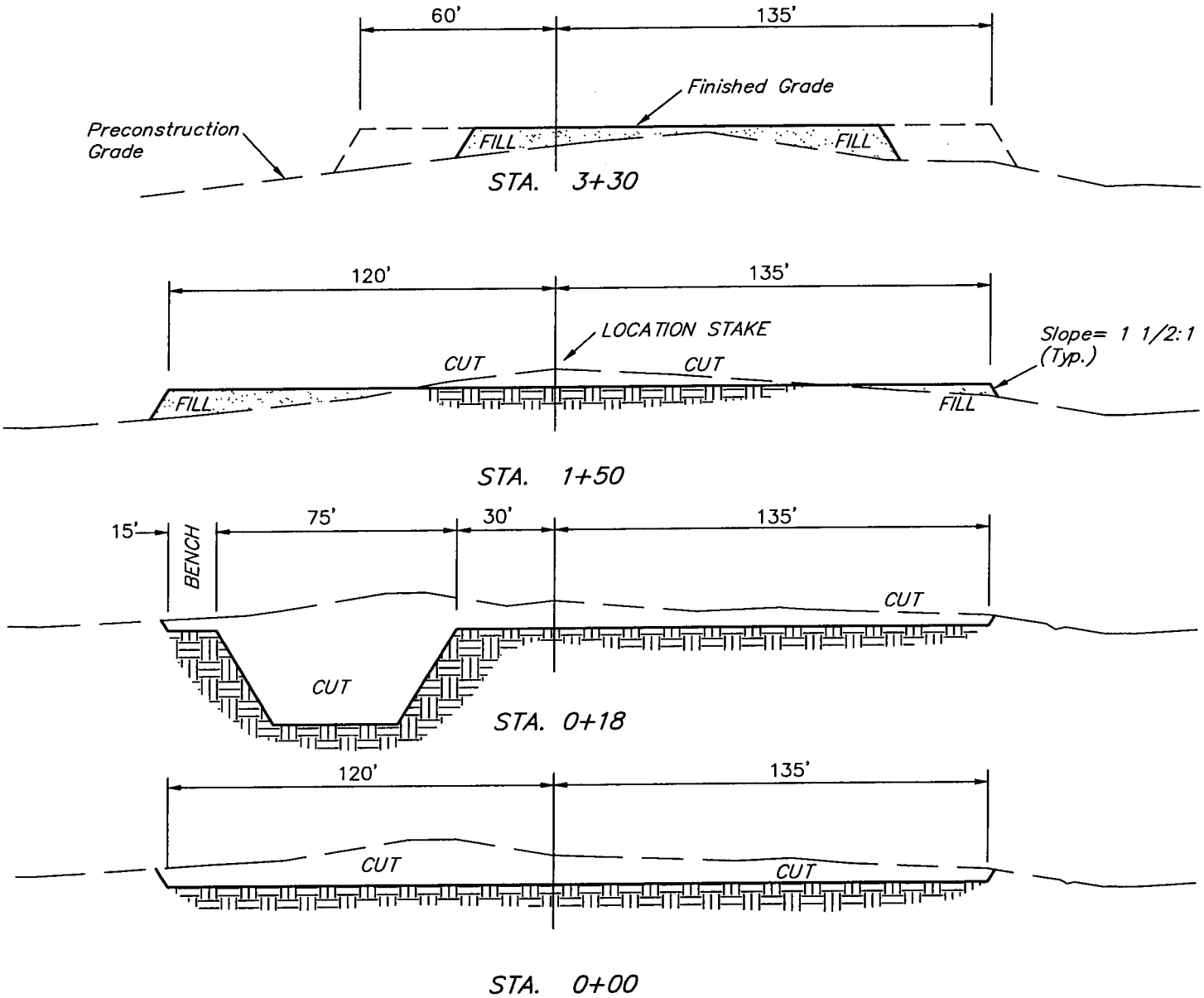


FIGURE #2

APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping	=	1,420 Cu. Yds.
Remaining Location	=	4,950 Cu. Yds.
TOTAL CUT	=	6,370 CU.YDS.
FILL	=	3,130 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	3,080 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,080 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

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

004

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/03/2004

API NO. ASSIGNED: 43-047-35693

WELL NAME: BONANZA 2D-27

OPERATOR: HOUSTON EXPLORATION CO, (N2525)

CONTACT: ROBERT ANDERSON

PHONE NUMBER: 713-830-6973

PROPOSED LOCATION:

NWNE 27 090S 240E

SURFACE: 1064 FNL 1824 FEL

BOTTOM: 1064 FNL 1824 FEL

UINTAH

WILDCAT (1)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-80571

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: CSLGT

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 40.01125

LONGITUDE: 109.19653

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB-000062)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 49-2154)

N RDCC Review (Y/N)
(Date:)

NA Fee Surf Agreement (Y/N)

LOCATION AND SITING:

____ R649-2-3.

Unit ____

____ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

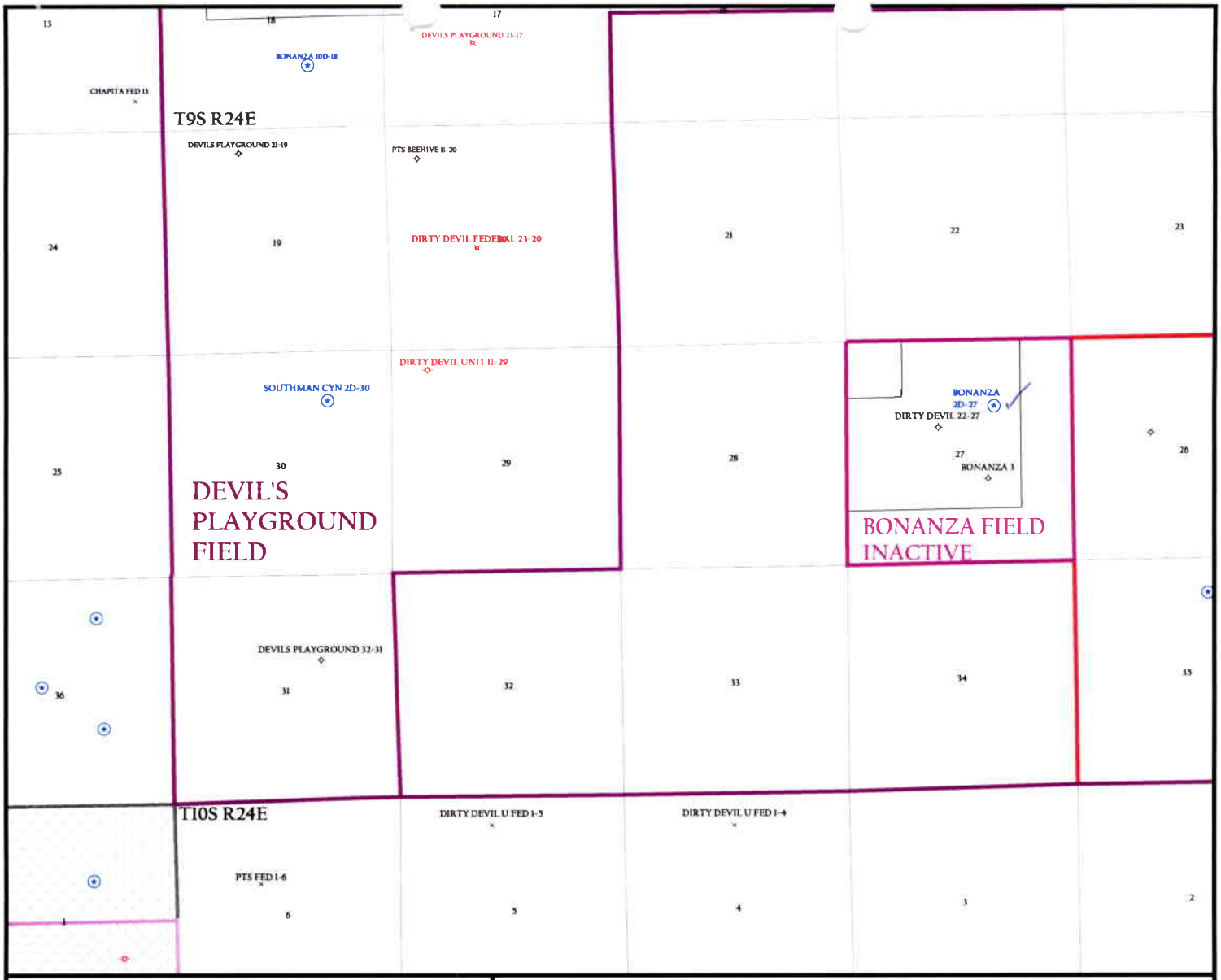
✓ R649-3-3. Exception

____ Drilling Unit
Board Cause No: ____
Eff Date: ____
Siting: ____

____ R649-3-11. Directional Drill

COMMENTS: ____

STIPULATIONS: 1- Federal Approval
2- Spacing Stip



OPERATOR: THE HOUSTON EXPL CO (N2525)

SEC. 27 T.9S, R.24E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-3 / EXCEPTION LOCATION

Utah Oil Gas and Mining

Well Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERMAL
- PP OIL
- SECONDARY
- TERMINATED

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 5-MAY-2004

005

State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

May 10, 2004

Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002

Re: Bonanza 2D-27 Well, 1064' FNL, 1824' FEL, NW NE, Sec. 27, T. 9 South, R. 24 East, 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 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 43-047-35693.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7223 • *www.ogm.utah.gov*

Utah!
Where ideas connect

Operator: Houston Exploration Company
Well Name & Number Bonanza 2D-27
API Number: 43-047-35693
Lease: UTU-80571

Location: NW NE **Sec.** 27 **T.** 9 South **R.** 24 East

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 within 24 hours of spudding the well.
   - Contact Carol Daniels at (801) 538-5284.

   Notify the Division prior to commencing operations to plug and abandon the well.
   - Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements
   All required reports, forms and submittals will 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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

006

JAN 16 2004

Form 3160-3
(August 1999)

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU-80571

6. If Indian, Allottee or Tribe Name
Not Applicable

7. If Unit or CA Agreement, Name and No.
Not Applicable

8. Lease Name and Well No.
Bonanza #2D-27

9. API Well No.
43-047-35693

10. Field and Pool, or Exploratory
Wildcat

11. Sec., T., R., M., or Blk. and Survey or Area
Section 27, T9S, R24E

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
THE HOUSTON EXPLORATION CO. 1100 Louisiana, Suite 2000

3a. Address
Houston, Texas 77002

3b. Phone No. *(include area code)*
713-830-6973

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface 1604' FNL, 1824' FEL (SE¼NW¼NE¼) of Section 27
At proposed prod. zone Same as above

14. Distance in miles and direction from nearest town or post office*
Approximately 19 miles southwest of Dinosaur, Colorado

12. County or Parish
Uintah

13. State
Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1604'

16. No. of Acres in lease
754.20

17. Spacing Unit dedicated to this well
40 acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.

19. Proposed Depth
9070'

20. BLM/BIA Bond No. on file
UTB-000062

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5549' GR

22. Approximate date work will start*
March 15, 2004

23. Estimated duration
30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature
Lloyd Bruce

Name *(Printed/Typed)*
Lloyd Bruce

Date
01/11/2004

Title
Senior Operations Engineer

Approved by *(Signature)*
Thomas B. Heaney

Name *(Printed/Typed)*

Date
06/01/2004

Title
Assistant Field Manager
Mineral Resources

Office

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**(Instructions on reverse)*

NOTICE OF APPROVAL

I hereby certify that The Houston Exploration Company is authorized by the proper Lease Interest Owners to conduct lease operations associated with this Application for Permit to Drill the Bonanza #2D-27, Federal Lease #UTU-80571. Bond coverage pursuant to 43 CFR 3104 for lease activities will be provided by The Houston Exploration Company, Statewide Bond #UTB-000062, who will be responsible for compliance with all the terms and conditions of that portion of the lease associated with this Application.

RECEIVED

JUN - 7 2004

DIVISION OF OIL, GAS AND MINING

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: The Houston Exploration Co.

Well Name & Number: Southman Canyon 2D-27

API Number: 43-047-35693

Lease Number: U-80571

Location: NWNE Sec. 27 T. 9S R. 24E

Agreement: N/A

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to John Mayers of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

Chart recorders shall be used for all pressure tests. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

3. Casing Program and Auxiliary Equipment

As a minimum requirement, the cement behind the production casing must extend 200' above the
top of the Green River formation which has been identified at ±1110'.

4. Coring, Logging and Testing Program

A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing

Please submit to this office, in LAS format, an electronic copy of all logs run on this well. This submission will replace the requirement for submittal of paper logs to the BLM.

5. Notifications of Operations

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

6. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.
All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

THERE ARE NO ADDITIONAL CONDITIONS FOR THE SURFACE USE PROGRAM.

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spend solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids

007

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

FORM 6

ENTITY ACTION FORM

Operator: The Houston Exploration Company
Address: 1100 Louisiana, Suite 2000
city Houston
state TX zip 77002

Operator Account Number: N 2525

Phone Number: (713) 830-6800

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-047-35693	Bonanza #2D-27	NWNE	27	9S	24E	Uintah

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date
A	99999	14210	6/17/04	7/8/04

Comments: CSLGT

C K

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

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DIV. OF OIL, GAS & MINING

ACTION CODES:
- 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)

Theresa Overturf
Name (Please Print)

Theresa Overturf
Signature

Engineering Technician 7/6/04
Title Date

(5/2000)

FORM 9

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

008

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: UTU80571

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Bonanza 2D-27

2. NAME OF OPERATOR: The Houston Exploration Company

9. API NUMBER: 4304735693

3. ADDRESS OF OPERATOR: 1100 Louisiana, Suite 2000 CITY Houston STATE TX ZIP 77002

PHONE NUMBER: (713) 830-6938

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1064' FNL & 1824' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 27 9S 24E

STATE: UTAH

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

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

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

6/16/04 - 6/30/04 Spud and drld to 1325'.

NAME (PLEASE PRINT) Theresa Overturf TITLE Engineering Technician

SIGNATURE Theresa Overturf DATE 7/9/2004

RECEIVED JUL 12 2004 DIV. OF OIL, GAS & MINING

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(5/2000) (See Instructions on Reverse Side)

FORM 9

009

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80571

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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 _____

8. WELL NAME and NUMBER: Bonanza 2D-27

2. NAME OF OPERATOR: The Houston Exploration Company

9. API NUMBER: 4304735693

3. ADDRESS OF OPERATOR: 1100 Louisiana, Suite 2000 CITY Houston STATE TX ZIP 77002

PHONE NUMBER: (713) 830-6938

10. FIELD AND POOL, OR WILDCAT: None

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1064' FNL, 1824' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 27 9S 24E

STATE: UTAH

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

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	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: _____
_____	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	_____

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

7/1/04 - 7/31/04 Drld 1325'-1860'. Ran 9 5/8" csg, set @ 1833', Cmtd. Drld 1860'-6882'. Ran 4 1/2" csg, set @ 6876', cmtd. Log.

NAME (PLEASE PRINT) Theresa Overturf TITLE Engineering Technician

SIGNATURE Theresa Overturf DATE 8/5/2004

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AUG 09 2004
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

FORM 9

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

010

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80571

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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.

7. UNIT or CA AGREEMENT NAME: Bonanza

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Bonanza 12D-27

2. NAME OF OPERATOR: The Houston Exploration Company

9. API NUMBER: 4304735693

3. ADDRESS OF OPERATOR: 1100 Louisiana,Suite 2000 CITY Houston STATE TX ZIP 77002

PHONE NUMBER: (713) 830-6938

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1064' FNL, 1824' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 27 9S 24E

STATE: UTAH

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

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	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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

8/1/04 - 8/31/04 Ran CBL/CCL/GR. Perf 6694'-6715', 6744'-6753' & 6770'-6774' & frac. Set composite plug @ 6650'. Perf 6529'-6564' & frac. Perf 6378'-6365' & 6420'-6434' & frac. Flow back on 10/64"-20/64" ck, 200-900 psi, 1.4-2.2 MMCF. Ran 2 3/8" tbg & set @ 6522'. First saled 8/23/04.

RECEIVED
SEP 07 2004
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Theresa Overturf TITLE Engineering Technician

SIGNATURE Theresa Overturf DATE 9/2/2004

(This space for State use only)

011

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: UTU-80571
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME: Bonanza
8. WELL NAME and NUMBER: Bonanza 2D-27
9. API NUMBER: 4304735693
10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER _____

2. NAME OF OPERATOR: The Houston Exploration Company

3. ADDRESS OF OPERATOR: 1100 Louisiana,Suite 2000 CITY Houston STATE TX ZIP 77002 PHONE NUMBER: (713) 830-6938

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1064' FNL, 1824' FEL COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 27 9S 24E STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
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	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
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	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER: _____
_____	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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

8/1/04 - 8/31/04 Ran CBL/CCL/GR. Perf 6694'-6715', 6744'-6753' & 6770'-6774' & frac. Set composite plug @ 6650'. Perf 6529'-6564' & frac. Perf 6378'-6365' & 6420'-6434' & frac. Flow back on 10/64"-20/64" ck, 200-900 psi, 1.4-2.2 MMCF. Ran 2 3/8" tbg & set @ 6522'. First saled 8/23/04.

NAME (PLEASE PRINT) Theresa Overturf TITLE Engineering Technician

SIGNATURE _____ DATE 9/2/2004

(This space for State use only)

RECEIVED
OCT 0 6 2004
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

Form 3160-4
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

012

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. UTU80571

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry Other

b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr,.

Other

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

CONFIDENTIAL

2. Name of Operator: The Houston Exploration Company

8. Lease Name and Well No.: Bonanza 2D-27

3. Address: 1100 Louisiana, Ste 2000, Houston, TX 77002

3a. Phone No. (include area code): 713-830-6800

9. API Well No.: 43-047-35693

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface: Sec 27 T9S R24E NWNE 1064' FNL & 1824' FEL

At top prod. interval reported below

At total depth

RECEIVED NOV 18 2004

10. Field and Pool, or Exploratory: Wildcat

11. Sec., T., R., M., on Block and Survey or Area: Sec 27, T9S, R24E

12. County or Parish: Uintah

13. State: Utah

14. Date Spudded: 7/12/04

15. Date T.D. Reached: 7/17/04

16. Date Completed ☐ D & A ☒ Ready to Prod. 8/17/04

17. Elevations (DF, RKB, RT, GL)*: 5547' GL

18. Total Depth: MD / TVD 6882'

19. Plug Back T.D.: MD / TVD 6830'

20. Depth Bridge Plug Set: MD / TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

✓CN/LD/AI, CV/CAL, AI/TM/GR, MUD LOG

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20"	13 3/8"	48#	0'	42'		12sx readymix		Surface	
12 1/4"	9 5/8"	36#	0'	1833'		675sx CLG	140	Surface	
7 7/8"	4 1/2"	11.60#	0'	6876'		1139sx CLG	312	3800'	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8"	6522'							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	6365'	6378'	6365'-6378'		39	
B) Mesaverde	6420'	6434'	6420'-6434'		42	
C) Mesaverde	6529'	6539'	6529'-6539'		30	
D) Mesaverde	6558'	6564'	6558'-6564'		18	

(SEE REMARKS FOR ADDITIONAL PERFS)

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
6365'-6434'	71900# 20/40
6529'-6564'	45000# 20/40
6694'-6774'	94000# 20/40

28. Production - Interval A ALL PERFS

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
8/24/04	8/18/04	4	→	4	1000	5	54.0	,65	Flowing

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status
20/64"	425	970	→	4	1000	5	250,000	PGW

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status
			→					

EXPIRED 9-17-05

(See instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*

30. Summary of Porous Zones (Include Aquifers):

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.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				Uteland Buttes Lmstn	3619'
				Wasatch	3710'
				Mesaverde	5781'

32. Additional remarks (include plugging procedure):

Additional Perfs: 6694'-6715' 63 holes, 6744'-6753' 27 holes, 6770'-6774' 12 holes
Mesaverde Mesaverde Mesaverde

PLEASE KEEP WELL INFORMATION CONFIDENTIAL

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geologic Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name *(please print)* Lloyd Bruce Title Senior Operations Engineer

Signature Lloyd Bruce Date 10/18/04

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

FORM 3160-5
(June 1990)

UNITED STATES
DE ..TM.. T OF THE INTERIOR
BUREAU O.. ..AND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-80571

6. If Indian, Allottee or Tribe Name
na

7. If Unit or CA, Agreement Designation
na

SUBMIT IN TRIPLICATE

1. Type of Well

[ ] Oil Well [X] Gas Well [ ] Other

8. Well Name and No.
Bonaza 2D-27

9. API Well No.
4304735693

2. Name of Operator
The Houston Exploration Company 9S 24E Sec. 27

10. Field and Pool, or Exploratory Area

3. Address and Telephone No.
1100 Louisiana, Suite 2000 Houston, TX 77002 713-830-6800

11. County or Parish, State
Uintah Utah

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1064' FNL & 1824' FEL SENW

12. **CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other Water Evaporation	[ ] Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed v well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The operator proposes to dewater the reserve pit on the subject well. Application for Permit to Drill approved trucking and disposal of produced and drilling fluids. Operator proposes to evaproate instead of trucking the water in the reserve pit to facilitate closing and reclaimation of the reserve pit. Operator proposes to use a pumping system for evaporation.

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

RECEIVED
JUN 16 2005
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Signed Wm Ryan Title Agent Date 06/06/05

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

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 andy false, fictitious or fraudulent statements or representations as to any mater within its jurisdiction.

***See Instructions on Reverse Side**

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:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: See Attached List

2. NAME OF OPERATOR: The Houston Exploration Company N2525

9. API NUMBER:

3. ADDRESS OF OPERATOR: 1100 Louisiana,Ste 2000 CITY Houston STATE TX ZIP 77002

PHONE NUMBER: (713) 830-6938

10. FIELD AND POOL, OR WILDCAT:

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		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: Effective 9/1/05	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☑ OPERATOR CHANGE 9/1/05	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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

Enduring Resources, LLC Operator #N 2750 Utah State Bond #RLB0008031
475 17th Street, Ste 1500
Denver, CO 80202

Contact : Frank Hutto 303-350-5102

Frank Hutto V.P. OPS
Signature & Title

Date 9/19/05

NAME (PLEASE PRINT) Joanne Hresko TITLE Vice President/General Manager Onshore

SIGNATURE Joanne Hresko DATE 9/2/2005

(This space for State use only) APPROVED 9/29/2005
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

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SEP 26 2005
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

TRANSFER OF OPERATOR

NATURAL BUTTES FIELD, UINTAH COUNTY, UTAH
DRILLED WELLS, TO BE OPERATED BY ENDURING RESOURCES, LLC

API Well Number	Well Name	Well Status	Qtr/Qtr	Section	Township-Range	FNL/FSL	FEL/FWL	Latitude	Longitude
43047355550000	Bonanza #10D-18	SI	NWSE	18	9S-24E	1437 S	1800 E	40.03340	-109.25282
43047355510000	Bonanza #12D-12	Producing	NWSW	12	9S-23E	1556 S	867 W	40.04788	-109.28055
43047356930000	Bonanza #2D-27	Producing	NWNE	27	9S-24E	1064 N	1824 E	40.01123	-109.19600
43047359080000	Bonanza 10-11	Producing	NWSE	11	9S-23E	1991 S	1755 E	40.04866	-109.29035
43047356920000	Bonanza 10D-8	SI	NWSE	8	9S-24E	1510 S	1768 E	40.04789	-109.23383
43047355520000	Bonanza 1-11	Producing	NWNW	11	9S-23E	990 N	990 E	40.05431	-109.29891
43047359290000	Bonanza 12-20	Drlg	NWSW	20	9S-25E	1998 S	825 W	40.01947	-109.13150
43047-359210000	Bonanza 12A-18	Producing	NWSW	18	9S-24E	2067 S	813 W	40.03430	-109.26242
43047359090000	Bonanza 14-12	Evaluating	SESW	12	9S-23E	505 S	2001 W	40.04455	-109.27693
43047359940000	Bonanza 4-18	WOPL	NWNW	18	9S-24E	706 N	682 W	40.04119	-109.26288
43047-356220000	Bonanza 4D-16	Producing	NWNW	16	9S-24E	1152 N	1209 W	40.04000	-109.22349
43047358600000	Bonanza 6-36	Producing	SENW	36	9S-24E	2217 N	2009 W	39.99336	-109.16393
43047359120000	Bonanza 6B-8	Producing	SENW	8	9S-24E	2017 N	1878 W	40.05213	-109.24004
43047359200000	Bonanza 8D-7	Producing	SENE	7	9S-24E	1992 N	477 E	40.05220	-109.24845
43047359050000	Buck Canyon 15-24	P&A	SW/SE	24	12S-21E	700 S	2139 E	39.75386	-109.5134
43047348150000	Cartwright 2-35	TA	NWNE	35	9S-24E	858 N	2104 E	39.99733	-109.17882
43047332510000	East Bench 11-16	WOC	NESW	16	11S-22E	S S	1980 W	39.85889	-109.46172
43047347560000	Hoss 15	Producing	SWSE	20	9S-25E	1291 S	2088 E	40.01767	-109.12236
43047348140000	Little Joe 11-7	TA	NENE	7	9S-25E	710 N	644 E	40.05562	-109.13601
43047361500000	Rainbow 14-17	WOC	SESW	17	11S-24E	780 S	1726 W	39.85689	-109.25731
43047361840000	Rainbow 2-16	WOC	NWNE	16	11S-24E	837 N	2136 E	39.86708	-109.23348
43047353630000	Southman Canyon 10D-36	Producing	NWSE	36	9S-23E	1757 S	1650 E	39.98991	-109.27148
43047353640000	Southman Canyon 12D-36	Producing	NWSW	36	9S-23E	1518 S	1069 W	39.98977	-109.28040
43047357700000	Southman Canyon 14C-36	Producing	SESW	36	9S-23E	648 S	1717 W	39.98689	-109.27716
43047357720000	Southman Canyon 16C-36	Producing	SESE	36	9S-23E	542 S	736 E	39.98607	-109.26912
43047356910000	Southman Canyon 2D-30	Producing	NWNE	30	9S-24E	1171 N	1502 E	40.01111	-109.25269
43047353650000	Southman Canyon 2D-36	Producing	NWNE	36	9S-23E	960 N	1751 E	39.99711	-109.27228
43047353610000	Southman Canyon 4D-36	Producing	NWNW	36	9S-23E	1163 N	1137 W	39.99623	-109.28012
43047353620000	Southman Canyon 6D-36	Producing	SENW	36	9S-23E	2466 N	2271 W	39.99336	-109.27635
43047357710000	Southman Canyon 8C-36	Producing	SENE	36	9S-23E	2185 N	694 E	39.99358	-109.26783
43047355590000	Thurston Federal #12-1	Producing	SESW	12	12S-21E	692 S	1959 W	39.78280	-109.51768

TRANSFER OF OPERATOR
BLM APPROVED WELLS #2

PREVIOUS OPERATOR: Houston Exploration Company
NEW OPERATOR: Enduring Resources, LLC
EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number
~~Asphalt Wash 13-7~~	~~SW/SW~~	~~7~~	~~11S~~	~~24E~~	~~UTU-73919~~	~~739' FSL & 629' FWL~~	~~43-047-36234~~
Bonanza 16-18	SE/SE	18	9S	24E	UTU-73457	861' FSL & 715' FEL	43-047-35992
Bonanza 4-11	NW/NW	11	9S	23E	UTU-74426	671' FNL & 729' FWL	43-047-35968
Bonanza 10D-12	NW/SE	12	9S	23E	UTU-74426	1,785' FSL & 1,855' FEL	43-047-35919
Bonanza 12-11	NW/SW	11	9S	23E	UTU-74426	1748' FSL & 420' FWL	43-047-35916
Bonanza 14-18	SE/SW	18	9S	24E	UTU-73457	472' FSL & 2,010' FWL	43-047-35993
Bonanza 14A-8	SE/SW	8	9S	24E	UTU-73457	907' FSL & 2,298' FWL	43-047-35952
Bonanza 16A-27	SE/SE	27	9S	24E	UTU-80571	862' FSL & 581' FEL	43-047-35923
Bonanza 2-21	NW/NE	21	8S	25E	UTU-73470	1,207' FNL & 1,541' FEL	43-047-35926
Bonanza 3-8	NW/NW	8	9S	24E	UTU-73457	573' FNL & 1,518' FWL	43-047-35966
Bonanza 6D-7	SE NW	7	9S	24E	UTU-73457	2,310' FNL & 2,310' FWL	43-047-35690
Bonanza 8-11	SE/NE	11	9S	23E	UTU-74426	2,163 FNL & 615' FEL	43-047-35907
Bonanza 8B-27	SE/NE	27	9S	24E	UTU-80571	1,830' FNL & 735' FEL	43-047-35923
Buck Camp 4-25	NW/NW	25	11S	22E	UTU-74424	804 FNL & 695 FWL	43-047-36276
Buck Camp 4-26	NW/NW	26	11S	22E	UTU-74974	660' FNL & 660' FWL	43-047-36274
Buck Canyon 1-24	NE/NE	24	12S	21E	UTU-73440	488' FNL & 833' FEL	* 43-047-35606
~~Buck Canyon 15-24~~	~~SW/SE~~	~~24~~	~~12S~~	~~21E~~	~~UTU-73440~~	~~700' FSL & 2,139' FEL~~	~~43-047-35905~~
~~Buck Canyon 7-24~~	~~SW/NE~~	~~24~~	~~12S~~	~~21E~~	~~UTU-73440~~	2,041' FNL & 2,171' FEL	43-047-35904
~~Buck Canyon 9-24~~	~~NE/SE~~	~~24~~	~~12S~~	~~21E~~	~~UTU-73440~~	~~1784' FSL & 855' FEL~~	~~43-047-35903~~
Rainbow 1-17	NE/NE	17	11S	24E	UTU-73920	795' FNL & 586' FEL	43-047-36151
Southman Canyon #14-30	SE/SW	30	9S	24E	UTU-80571	740' FSL & 1,737' FWL	43-047-35914
Southman Canyon #4C-30	NW/NW	30	9S	24E	UTU-80571	676' FNL & 568' FWL	43-047-35913
Southman Canyon 12-30	NW/SW	30	9S	24E	UTU-80571	1,912' FSL & 513' FWL	43-047-36104
Southman Canyon 8-30	SE/NE	30	9S	24E	UTU-80571	1,875' FNL & 818' FEL	43-047-35994
Southman Canyon 9-30	NE/SE	30	9S	24E	UTU-80571	2,089' FSL & 831' FEL	43-047-36019

* 43047-35906
• 43047-35953

TRANSFER OF OPERATOR
STATE OF UTAH APPROVED AND PENDING #3

PREVIOUS OPERATOR: Houston Exploration Company
NEW OPERATOR: Enduring Resources, LLC
EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number	FIELD	Well Type
Asphalt Wash 11-16-11-24	NESW	16	11S	24E	ML-73921	2000 FSL & 1900 FWL	43-047-37088	Undesignated	Gas
Asphalt Wash 12-16-11-24	NWSW	16	11S	24E	ML-47080	2060 FSL & 839 FWL	43-047-36873	Undesignated	Gas
Asphalt Wash 14-16-11-24	SESW	16	11S	24E	ML-47080	537 FSL & 2140 FWL	43-047-36876	Undesignated	Gas
Asphalt Wash 3-16-11-24	NENW	16	11S	24E	ML-47080	825 FNL & 2116 FWL	43-047-36886	Undesignated	Gas
Asphalt Wash 4-16-11-24	NWNW	16	11S	24E	ML-47080	521 FNL & 766 FWL	43-047-36885	Undesignated	Gas
Asphalt Wash 5-16-11-24	SWNW	16	11S	24E	ML-47080	1880 FNL & 630 FWL	43-047-37089	Undesignated	Gas
Asphalt Wash 7-16-11-24	SWNE	16	11S	24E	ML-47080	1781 FNL & 1676 FEL	43-047-36874	Undesignated	Gas
Asphalt Wash 8-16-11-24	SENE	16	11S	24E	ML-47080	1905 FNL & 642 FEL	43-047-36875	Undesignated	Gas
Bonanza 14-20	SESW	20	9S	25E	ML-45558	838' FSL & 1,922' FWL	43-047-35930	Chapita Wells	Gas
Bonanza 4-20	NWNW	20	9S	25E	ML-45558	933' FNL & 583 FWL	43-047-35924	Chapita Wells	Gas
Bonanza 4-29	NWNW	29	9S	25E	ML-45559	600' FNL & 596' FWL	43-047-36010	Chapita Wells	Gas
Bonanza 4-36	NWNW	36	9S	24E	ML-46527	258' FNL & 862' FWL	43-047-35861	Natural Buttes	Gas
Bonanza 6-20	SENW	20	9S	25E	ML-45558	2,178' FNL & 1,839' FWL	43-047-35928	Chapita Wells	Gas
~~Buck Canyon 9-16-12-21~~	~~NESE~~	~~16~~	~~12S~~	~~21E~~	~~ML-47085~~	~~1980' FSL & 660' FEL~~	~~43-047-37091~~	~~Buck Canyon~~	~~Gas~~
Buck Canyon 11-16-12-21	NESW	16	12S	21W	ML-47085	NA	43-047-37119	Undesignated	Gas
Buck Canyon 13-16-21-21	SWSW	16	21S	21W	ML-47085	NA	43-047-37118	Undesignated	Gas
Buck Canyon 15-16-12-21	SWSE	16	12S	21W	ML-47085	NA	43-047-37120	Buck Canyon	Gas
East Bench 1-16	NENE	16	11S	22E	ML-46911	660' FNL & 660' FEL	43-047-36126	Undesignated	Gas
East Bench 15-16	SWSE	16	11S	22E	ML-46911	545' FSL & 1,848' FEL	43-047-36128	Undesignated	Gas
East Bench 3-16	NENW	16	11S	22E	ML-46911	832' FNL & 1,978' FWL	43-047-36125	Undesignated	Gas
East Bench 7-16	SWNE	16	11S	22E	ML-46911	1,909' FNL & 1,643' FEL	43-047-36127	Undesignated	Gas
East Bench 12-16-11-22	NWSW	16	11S	22E	ML-46911	1862 FSL & 838 FEL	43-047-37128	Undesignated	Gas
East Bench 13-16-11-22	SWSW	16	11S	22E	ML-46911	880 FSL & 750 FWL	43-047-37130	Undesignated	Gas
East Bench 14-16-11-22	SESW	16	11S	22E	ML-46911	848 FSL & 1930 FWL	43-047-37122	Undesignated	Gas
East Bench 16-16-11-22	SESE	16	11S	22E	ML-46911	663 FSL & 1055 FEL	43-047-37121	Undesignated	Gas
East Bench 2-16-11-22	NWNE	16	11S	22E	ML-46911	705 FNL & 2077 FEL	43-047-37125	Undesignated	Gas
East Bench 4-16-11-22	NWNW	16	11S	22E	ML-46911	760 FNL & 860 FWL	43-047-37126	Undesignated	Gas
East Bench 5-16-11-22	SWNW	16	11S	22E	ML-46911	1980 FNL & 758 FWL	43-047-37129	Undesignated	Gas
East Bench 6-16-11-22	SENW	16	11S	22E	ML-46911	1887 FNL & 2138 FWL	43-047-37124	Undesignated	Gas
East Bench 8-16-11-22	SENE	16	11S	22E	ML-46911	1880 FNL & 780 FEL	43-047-37127	Undesignated	Gas
East Bench 9-16-11-22	NESE	16	11S	22E	ML-46911	2035 FSL & 1422 FEL	43-047-37123	Undesignated	Gas
~~Gusher 6-2~~	~~SENW~~	~~2~~	~~6S~~	~~19E~~	~~ML-49144~~	~~1550 FNL 1825 FWL~~	~~43-047-36963~~	~~Moffit Canal~~	~~Oil~~
Hanging Rock 1-32	NENE	32	11S	23E	ML-47079	542' FNL & 690' FEL	43-047-36309	Undesignated	Gas
Little Pack Mountain 1-16	NWNW	16	12S	20E	ML-47082	609 FNL & 688 FEL	43-047-36981	Wildcat	Gas
Little Pack Mountain 7-32	SWNE	32	12S	20E	ML-47083	1792 FNL & 1797 FEL	43-047-36980	Wildcat	Gas
Rock House 12-36-10-23	NWSW	36	10S	23E	ML-47907	1844 FSL & 755 FWL	43-047-36534	Natural Buttes	Gas
Rock House 13-32-10-23	SWSW	32	10S	23E	ML-47063	564 FSL & 471 FWL	43-047-36411	Natural Buttes	Gas
Rock House 1-36-10-22	NENE	36	10S	22E	ML-47061	620 FNL & 850 FEL	43-047-36408	Natural Buttes	Gas
Rock House 3-36-10-22	NENW	36	10S	22E	ML-47061	934 FNL & 1783 FWL	43-047-36407	Natural Buttes	Gas
Rock House 4-32-10-23	SWNW	32	10S	23E	ML-47063	1406 FNL & 562 FWL	43-047-36412	Natural Buttes	Gas
Rock House 7-36-10-22	SWNE	36	10S	22E	ML-47061	2209 FNL & 2445 FEL	43-047-36409	Natural Buttes	Gas
~~Rock House 9-32-10-23~~	~~NESE~~	~~32~~	~~10S~~	~~23E~~	~~ML-47063~~	~~2008 FSL & 1042 FEL~~	~~43-047-36337~~	~~Natural Buttes~~	~~Gas~~
Rockhouse #13-36	SWSW	36	10S	22E	ML-46907	486 FSL & 844' FWL	43-047-35902	Natural Buttes	Gas
Rockhouse 16-2	SESE	2	11S	23E	ML-47078	909' FSL & 748' FEL	43-047-36152	Rockhouse	Gas
Seep Springs 10-13-12-24	NWSE	13	12S	24E	ML-49275	1950 FSL & 1802 FEL	43-047-36634	Undesignated	Gas
Seep Springs 1-13-12-24	NENE	13	12S	24E	ML-49275	753 FNL & 487 FEL	43-047-36628	Undesignated	Gas
Seep Springs 15-11-12-24	SWSE	11	12S	24E	ML-49274	829 FSL & 2178 FEL	43-047-36626	Undesignated	Gas
Seep Springs 15-13-12-24	SWSE	13	12S	24E	ML-49275	622 FSL & 1806 FEL	43-047-36630	Undesignated	Gas
Seep Springs 16-11-12-24	SESE	11	12S	24E	ML-49274	659 FSL & 466 FEL	43-047-36625	Undesignated	Gas
Seep Springs 16-13-12-24	SESE	13	12S	24E	ML 49275	686 FSL & 640 FEL	43-047-36629	Undesignated	Gas
Seep Springs 2-13-12-24	NWNE	13	12S	24E	ML-49275	465 FNL & 1807 FEL	43-047-36627	Undesignated	Gas
Seep Springs 7-13-12-24	SWNE	13	12S	24E	ML-49275	FNL & FEL	43-047-36631	Undesignated	Gas
Seep Springs 8-13-12-24	SENE	13	12S	24E	ML-49275	1969 FNL & 642 FEL	43-047-36632	Undesignated	Gas
Seep Springs 9-13-12-24	NESE	13	12S	24E	ML-49275	663 FSL & 1960 FEL	43-047-36633	Undesignated	Gas
~~Southman Canyon 11-36-9-23~~	~~NESW~~	~~36~~	~~9S~~	~~23E~~	~~ML-47782~~	~~1965 FSL & 1953 FWL~~	~~43-047-36535~~	~~Natural Buttes~~	~~Gas~~
~~Southman Canyon 13-36-9-23~~	~~SWSW~~	~~36~~	~~9S~~	~~23E~~	~~ML-47782~~	~~467 FSL & 823 FWL~~	~~43-047-36532~~	~~Natural Buttes~~	~~Gas~~

TRANSFER OF OPERATOR
STATE OF UTAH APPROVED AND PENDING

PREVIOUS OPERATOR: Houston Exploration Company
NEW OPERATOR: Enduring Resources, LLC
EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number	FIELD	Well Type
Southman Canyon 1-36-9-23	NENE	36	9S	23E	ML-47782	681 FNL & 496 FEL	43-047-36537	Natural Buttes	Gas
Southman Canyon 15-36-9-23	SWSE	36	9S	23E	ML-47782	529 FSL & 1784 FEL	43-047-36529	Natural Buttes	Gas
Southman Canyon 3-36-9-23	NENW	36	9S	23E	ML-47782	464 FNL & 1815 FWL	43-047-36530	Natural Buttes	Gas
Southman Canyon 5-36-9-23	SWNW	36	9S	23E	ML-47782	2028 FNL & 499 FWL	43-047-36531	Natural Buttes	Gas
Southman Canyon 7-36-9-23	SENE	36	9S	23E	ML-47782	2184 FNL & 1994 FEL	43-047-36536	Natural Buttes	Gas
Southman Canyon 9-36-9-23	NESE	36	9S	23E	ML-47782	1978 FNL & 657 FEL	43-047-36533	Natural Buttes	Gas

RANSFER OF OPERATO
BLM PENDING WELLS

PREVIOUS OPERATOR: Houston Exploration Company
NEW OPERATOR: Enduring Resources, LLC
EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number
~~Asphalt Wash 13-6~~	~~SW/SW~~	~~6~~	~~11S~~	~~24E~~	~~UTU-73919~~	~~400' FSL & 550' FWL~~	
Asphalt Wash 10-9-11-24	NW SE	9	11S	24E	UTU-73920	1846 FSL & 1942 FEL	43-047-37071
Asphalt Wash 11-9-11-24	NE SW	9	11S	24E	UTU-73920	1799 FSL & 1782 FWL	43-047-37073
Asphalt Wash 12-6-11-24	NW SW	6	11S	24E	UTU-73919	1844 FSL & 683 FWL	43-047-37066
Asphalt Wash 14-6-11-24	SE SW	6	11S	24E	UTU-73919	704 FSL & 2123 FWL	43-047-37067
Asphalt Wash 14-9-11-24	SE SW	9	11S	24E	UTU-73920	460 FSL & 2115 FWL	43-047-37076
Asphalt Wash 15-9-11-24	SW SE	9	11S	24E	UTU-73920	804 FSL & 1990 FEL	43-047-37074
Asphalt Wash 16-9-11-24	SE SE	9	11S	24E	UTU-73920	826 FSL & 472 FEL	43-047-37075
Asphalt Wash 2-6-11-24	NW NE	6	11S	24E	UTU-73919	735 FNL & 1590 FEL	43-047-37061
Asphalt Wash 2-7-11-24	NW NE	7	11S	24E	UTU-73919	621 FNL & 2462 FEL	43-047-37068
Asphalt Wash 2-9-11-24	NW NE	9	11S	24E	UTU-73920	829 FNL & 1774 FEL	43-047-37070
Asphalt Wash 3-6-11-24	NE NW	6	11S	24E	UTU-73919	792 FNL & 1925 FWL	43-047-37062
Asphalt Wash 4-6-11-24	NW NW	6	11S	24E	UTU-73919	820 FNL & 1007 FWL	43-047-37063
Asphalt Wash 5-6-11-24	SW NW	6	11S	24E	UTU-73919	1738 FNL & 716 FWL	43-047-37064
Asphalt Wash 6-7-11-24	SE NW	7	11S	24E	UTU-73919	2013 FNL & 2241 FWL	43-047-37069
Asphalt Wash 7-6-11-24	SW NE	6	11S	24E	UTU-73919	1616 FNL & 1615 FEL	43-047-37065
Asphalt Wash 7-9-11-24	SE NE	9	11S	24E	UTU-73920	1883 FNL & 1854 FEL	43-047-37072
Asphalt Wash 1-7-11-24	NE NE	7	11S	24E	UTU-73919	426 FNL & 270 FEL	43-047-37084
Asphalt Wash 4-7-11-24	NW NW	7	11S	24E	UTU-73919	856 FNL & 860 FWL	43-047-37085
Asphalt Wash 7-7-11-24	SW NE	7	11S	24E	UTU-73919	1909 FNL & 1893 FEL	43-047-37087
Asphalt Wash 8-7-11-24	SE NE	7	11S	24E	UTU-73919	1998 FNL & 683 FEL	43-047-37086
Bonanza 4-7	NW/NW	7	9S	24E	UTU-73457	809' FNL & 670' FWL	43-047-36017
Bonanza 8-17	SW/NE	17	9S	24E	UTU-73457	1865' FNL & 584' FEL	43-047-36041
Bonanza 11-11-9-23	NE SW	11	9S	23E	UTU-74426	2036 FSL & 2043 FWL	43-047-36649
Bonanza 11-12-9-23	NE SW	12	9S	23E	UTU-74426	1799 FSL & 1948 FWL	43-047-36655
Bonanza 11-18-9-24	NE SW	18	9S	24E	UTU-73457	1785 FSL & 2133 FWL	43-047-36637
Bonanza 12-23-9-24	NW/SW	23	9S	24E	UTU-81311	1882 FSL & 699 FWL	43-047-36640
Bonanza 12-35	NW/SW	35	9S	24E	UTU 73459	1374' FSL & 858' FWL	43-047-36020
Bonanza 13-11-9-23	SW SW	11	9S	23E	UTU-74426	463 FSL & 773 FWL	43-047-36650
Bonanza 13-12-9-23	SW SW	12	9S	23E	UTU-74426	661 FSL & 656 FWL	43-047-36528
Bonanza 13-18-9-24	SW SW	18	9S	24E	UTU-73457	767 FSL & 583 FWL	43-047-36638
Bonanza 14-11-9-23	SE SW	11	9S	23E	UTU-74426	756 FSL & 1859 FWL	43-047-36651
Bonanza 14-23-9-24	SE/SW	23	9S	24E	UTU-81311	560 FSL & 1878 FWL	43-047-36641
Bonanza 15-11-9-23	SW SE	11	9S	23E	UTU-74426	660 FSL & 1980 FEL	43-047-36652
Bonanza 15-12-9-23	SW SE	12	9S	23E	UTU-74426	607 FSL & 1920 FEL	43-047-36656
Bonanza 15-18-9-24	SW SE	18	9S	24E'	UTU-73457	463 FSL & 2162 FEL	43-047-36639
Bonanza 16-12-9-23	SE SE	12	9S	23E	UTU-74426	855 FSL & 536 FEL	43-047-36657
Bonanza 16-8	SE/SE	8	9S	24E	UTU-73457	588' FSL & 524' FEL	43-047-36101
Bonanza 2-11-9-23	NW NE	11	9S	23E	UTU 74426	664 FNL & 1925 FEL	43-047-36643
Bonanza 2-12-9-23	NW NE	12	9S	23E	UTU-74426	743 FNL & 1962 FEL	43-047-36527
Bonanza 3-11-9-23	NE NW	11	9S	23E	UTU 74426	499 FNL & 1898 FWL	43-047-36644
Bonanza 3-12-9-23	NE NW	12	9S	23E	UTU-74426	734 FNL & 1866 FWL	43-047-36524
Bonanza 4-35	NW/NW	35	9S	24E	UTU 73459	789' FNL & 807' FWL	43-047-35925
Bonanza 5-11-9-23	SW NW	11	9S	23E	UTU 74426	1794 FNL & 609 FWL	43-047-36645

RANSFER OF OPERATOI
BLM PENDING WELLS

PREVIOUS OPERATOR: Houston Exploration Company
NEW OPERATOR: Enduring Resources, LLC
EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number
Bonanza 5-12-9-23	SW NW	12	9S	23E	UTU-74426	1996 FNL & 558 FWL	43-047-36526
Bonanza 5-18-9-24	SW NW	18	9S	24E	UTU-73457	2147 FNL & 662 FWL	43-047-36635
Bonanza 5-22	SW/NW	22	8S	25E	UTU-73470	1,932' FNL & 415' FWL	43-047-35918
Bonanza 5-24-9-24	SW/NW	24	9S	24E	UTU-73458	2167 FNL & 714 FWL	43-047-36642
Bonanza 6-11-9-23	SE NW	11	9S	23E	UTU-74426	2069 FNL & 1801 FWL	43-047-36646
Bonanza 6-12-9-23	SE NW	12	9S	23E	UTU-74426	2114 FNL & 1871 FWL	43-047-36525
Bonanza 7-11-9-23	SW NE	11	9S	23E	UTU-74426	2060 FNL & 2134 FEL	43-047-36647
Bonanza 7-12-9-23	SW NE	12	9S	23E	UTU-74426	2065 FNL & 2159 FEL	43-047-36653
Bonanza 8-35	SENE	35	9S	24E	UTU-73459	1987' FNL & 909' FEL	43-047-36105
Bonanza 9-11-9-23	NE SE	11	9S	23E	UTU-74426	2008 FSL & 553 FEL	43-047-36648
Bonanza 9-12-9-23	NE SE	12	9S	23E	UTU-74426	1980 FSL & 660 FEL	43-047-36654
Bonanza 9-18-9-24	NE SE	18	9S	24E	UTU-73457	2009 FSL & 852 FEL	43-047-36636
Bonanza 9-22	NE/SE	22	9S	24E	UTU-75118	1,969' FSL & 495' FEL	43-047-36102
East Bench 9-20	NE/SE	20	11S	22E	UTU-73905	2,170' FSL & 472' FEL	43-047-36275
Rock House 12-30-10-23	NE SW	30	10S	23E	UTU-76281	2320 FSL & 1980 FWL	43-047-36548
Rock House 12-31-10-23	NW SW	31	10S	23E	UTU-76281	1900 FSL & 460 FWL	43-047-36552
Rock House 13-30-10-23	SW SW	30	10S	23E	UTU-76281	553 FSL & 573 FWL	43-047-36549
Rock House 14-31-10-23	SE SW	31	10S	23E	UTU-76281	860 FSL & 1890 FWL	43-047-36553
Rock House 3-31-10-23	NE NW	31	10S	23E	UTU-76281	854 FNL & 1940 FWL	43-047-36551
Rock House 5-30-10-23	SW NW	30	10S	23E	UTU-76281	1858 FNL & 703 FWL	43-047-36547
Rock House 5-31-10-23	SW NW	31	10S	23E	UTU-76281	2055 FNL & 2097 FWL	43-047-36550
Rock House 6-31-10-23	SE NW	31	10S	23E	UTU-76281	2059 FNL & 2111 FWL	43-047-36554
~~Rockhouse #12-30~~	~~NW/SW~~	~~30~~	~~10S~~	~~23E~~	~~UTU-80571~~	~~1,980' FSL & 660' FWL~~	~~43-047-36018~~ X
Rockhouse 13C-31	SW/SW	31	10S	23E	UTU-76281	135' FSL & 365' FWL	43-047-35911
Rockhouse 4D-30	NW NW	30	10S	23E	UTU-76281	1,116 FNL & 1,135' FWL	43-047-35882
Rockhouse 4D-31	NW NW	31	10S	23E	UTU-76281	990' FNL & 990' FWL	43-047-35807
Southman Canyon 12-3-11-24	NW/SW	3	11S	24E	UTU-73918	1,950' FSL & 514' FWL	43-047-36272
Southman Canyon 12-30-10-24	NW/SW	30	10S	24E	UTU-65371	2,118' FSL & 502' FWL	43-047-36238
Southman Canyon 13-30	SW/SW	30	9S	24E	UTU-80571	765' FSL & 303' FWL	43-047-36018
Southman Canyon 16-31-10-24	SE/SE	31	10S	24E	UTU-65371	621' FSL & 575' FEL	43-047-36270
Southman Canyon 4-30-10-24	NW/NW	30	10S	24E	UTU 65371	649' FNL & 607' FWL	43-047-36237
Southman Canyon 5-19-10-24	SW/NW	19	10S	24E	UTU-65371	1,978' FNL & 855' FWL	43-047-36236
Southman Canyon 6-30	SE/NW	30	9S	24E	UTU-80571	2,015' FNL & 2,581' FWL	43-047-36103

X Duplicate API - Different well name

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: **9/1/2005**

FROM: (Old Operator):	**TO:** (New Operator):
N2525-The Houston Exploration Company 1100 Louisiana, Suite 2000 Houston, TX 77002	N2750-Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, CO 80202
Phone: 1-(713) 830-6938	Phone: 1-(303) 350-5102

CA No. **Unit:**

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
BONANZA 5-22	22	080S	250E	4304735918		Federal	GW	APD	C
BONANZA 1-11	11	090S	230E	4304735552	14187	Federal	GW	P	
BONANZA 8-11	11	090S	230E	4304735907		Federal	GW	APD	
BONANZA 10-11	11	090S	230E	4304735908	14594	Federal	GW	P	C
BONANZA 12-11	11	090S	230E	4304735916		Federal	GW	APD	
BONANZA 12D-12	12	090S	230E	4304735551	14192	Federal	GW	P	
BONANZA 14-12	12	090S	230E	4304735909	14584	Federal	GW	DRL	
BONANZA 10D-12	12	090S	230E	4304735919		Federal	GW	APD	
BONANZA 6D-7	07	090S	240E	4304735690		Federal	GW	NEW	
BONANZA 10D-8	08	090S	240E	4304735692	14257	Federal	GW	S	C
BONANZA 6B-8	08	090S	240E	4304735912	14564	Federal	GW	P	C
BONANZA 10D-18	18	090S	240E	4304735550	14191	Federal	GW	P	
BONANZA 2D-27	27	090S	240E	4304735693	14210	Federal	GW	S	
SOUTHMAN CYN 2D-30	30	090S	240E	4304735691	14282	Federal	GW	P	C
SOUTHMAN CYN 4-30	30	090S	240E	4304735913		Federal	GW	APD	
SOUTHMAN CYN 14-30	30	090S	240E	4304735914		Federal	GW	APD	
ROCK HOUSE 4D-30	30	100S	230E	4304735882		Federal	GW	NEW	
ROCK HOUSE 4D-31	31	100S	230E	4304735807		Federal	GW	APD	
ROCK HOUSE 13-31	31	100S	230E	4304735911		Federal	GW	APD	
THURSTON FED 12-1	12	120S	210E	4304735559	14420	Federal	GW	P	C
BUCK CANYON 15-24	24	120S	210E	4304735905	14430	Federal	D	PA	C
BUCK CANYON 1-24	24	120S	210E	4304735906		Federal	GW	APD	

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/26/2005
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/26/2005
3. The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 9/29/2005
4. Is the new operator registered in the State of Utah: YES Business Number: 5771233-0161
5. If **NO**, the operator was contacted contacted on:

6a. (R649-9-2)Waste Management Plan has been received on: Requested 9/29/05

6b. Inspections of LA PA state/fee well sites complete on: n/a

6c. Reports current for Production/Disposition & Sundries on: 9/29/2005

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 not yet BIA n/a

8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: _____ not yet

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:** 9/29/2005
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 9/29/2005
3. Bond information entered in RBDMS on: n/a
4. Fee/State wells attached to bond in RBDMS on: n/a
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 9/26/2005

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB000173

INDIAN WELL(S) BOND VERIFICATION:

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

FEE & STATE WELL(S) BOND VERIFICATION:

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

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: n/a

COMMENTS:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
http://www.blm.gov/utah/vernal

TAKE PRIDE IN AMERICA

IN REPLY REFER TO:
3162.3
UT08300

October 28, 2005

Al Arlian
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202

Re: Change of Operator
The Houston Expl. Co. to
Enduring Resources, LLC
Uintah County, Utah
Lease No. U-80571

Dear Mr. Arlian:

This correspondence is in regard to the self-certification statement submitted requesting a change in operator for the attached list of wells. After a review by this office, the change in operator request is approved. Effective immediately, Enduring Resources, LLC is responsible for all operations performed on the referenced wells. All liability will now fall under your bond, BLM Bond No. UTB000173, for all operations conducted on the referenced wells on the leased land.

If you have any other questions concerning this matter, please contact Leslie Wilcken of this office at (435) 781-4497.

Sincerely,

Matt Baker
Petroleum Engineer

cc: UDOGM
The Houston Expl. Co.

RECEIVED
NOV 02 2005
DIV. OF OIL, GAS & MINING

TRANSFER OF OPERATOR
BLM APPROVED/DRILLED WELLS

PREVIOUS OPERATOR: Houston Exploration Company
NEW OPERATOR: Enduring Resources, LLC
EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number	Status
Bonanza 16A-27	SE/SE	27	9S	24E	UTU-80571	862' FSL & 581' FEL	43-047-35923	Apprvd
Bonanza 2D-27	NW NE	27	9S	24E	UTU-80571	1,064' FNL & 1,824' FEL	43-047-35693	Drilled
Bonanza 8B-27	SE/NE	27	9S	24E	UTU-80571	1,830' FNL & 735' FEL	43-047-35923	Apprvd
Southman Canyon #14-30	SE/SW	30	9S	24E	UTU-80571	740' FSL & 1,737' FWL	43-047-35914	Apprvd
Southman Canyon #4C-30	NW/NW	30	9S	24E	UTU-80571	676' FNL & 568' FWL	43-047-35913	Apprvd
Southman Canyon 12-30	NW/SW	30	9S	24E	UTU-80571	1,912' FSL & 513' FWL	43-047-36104	Apprvd
Southman Canyon 2D-30	NW NE	30	9S	24E	UTU-80571	1,171' FNL & 1,502' FEL	43-047-35691	Drilled
Southman Canyon 8-30	SE/NE	30	9S	24E	UTU-80571	1,875' FNL & 818' FEL	~~43-047-35994~~	Apprvd
Southman Canyon 9-30	NE/SE	30	9S	24E	UTU-80571	2,089' FSL & 831' FEL	43-047-36019	Apprvd

43-047-35967

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