

**Enduring Resources**

475 17th Street Suite 1500 Denver Colorado 80202
Telephone 303 573-1222 Fax 303 573 0461

May 12, 2005

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

Attn.: Ms. Diana Whitney

RE: Southam Canyon #10-25-22-19
SENW Sec 19 T10S-R25E
Uintah County, Utah

Dear Ms. Whitney:

Enduring Resources, LLC has no objection to the proposed Southam Canyon #10-25-22-19 well being drilled 1526' FNL and 2303' FWL of Section 19 T-10S R-25E. A small canyon with very steep walls and a large drainage area occurring in the bottom of it prohibits the drillsite location being placed within the center of the quarter quarter section. The current staked drillsite location was moved in a northeasterly direction to avoid this topographic feature.

Enduring Resources, LLC is the only owner within a 460 foot radius of the proposed well location.

The signature below is Enduring Resources' written waiver of objection to UT Administrative Code R649-3-3.

Signature:

Name: Frank Hutto

Title: V. P. Operations

Date: May 12, 2005

Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202

RECEIVED

MAY 13 2005

DIV. OF OIL, GAS & MINING



Enduring Resources

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May 12, 2005

Utah Division of Oil, Gas and Mining
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P. O. Box 145801
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Attn.: Ms. Diana Whitney

RE: Southam Canyon #10-25-22-19
SENW Sec 19 T10S-R25E
Uintah County, Utah

Dear Ms. Whitney:

Enclosed are an original and one copy of an application to drill concerning the referenced proposed well. This information was submitted to the Bureau of Land Management on May 12, 2005.

Enduring Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or additional information is required, please contact me at 303-350-5114.

Sincerely,

Phyllis Sobotik
Regulatory Specialist

/ps
Enclosures:



Form 3160-3
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. UTU-079010	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. N/A	
8. Lease Name and Well No. Southern Canyon 10-25-22-19	
9. API Well No. 43-047-36718	
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	10. Field and Pool, or Exploratory Undesignated
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone	11. Sec., T. R. M. or Blk. and Survey or Area Sec 19 T10S R25E S.L.B.&M.
2. Name of Operator Enduring Resources, LLC	12. County or Parish Uintah
3a. Address 475 17th Street, Suite 1500 Denver, CO 80202	13. State UT
3b. Phone No. (include area code) 303-350-5114	14. Distance in miles and direction from nearest town or post office* 10.8 miles Southerly from Bonanza, Utah
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SENW 1526' FNL 2303' FWL 652555 X 39.937527 At proposed prod. zone Same as surface 44222624-109.144303	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 360'
16. No. of acres in lease 160	17. Spacing Unit dedicated to this well 80 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A	19. Proposed Depth 5662'
20. BLM/BIA Bond No. on file BLM - UTB000173	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5513.8' GL Ungraded
22. Approximate date work will start* 07/15/2005	23. Estimated duration 20 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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Phyllis Sobotik</i>	Name (Printed/Typed) Phyllis Sobotik	Date 05/12/2005
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Title **Regulatory Specialist**

Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed/Typed) BRADLEY G. HILL	Date 05-16-05
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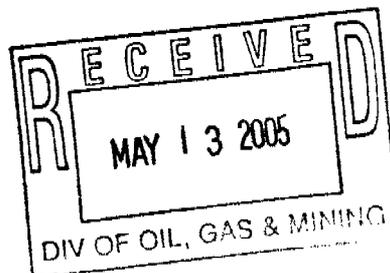
Title **ENVIRONMENTAL SCIENTIST III**

Application approval 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.
Conditions of approval, if any, are attached.

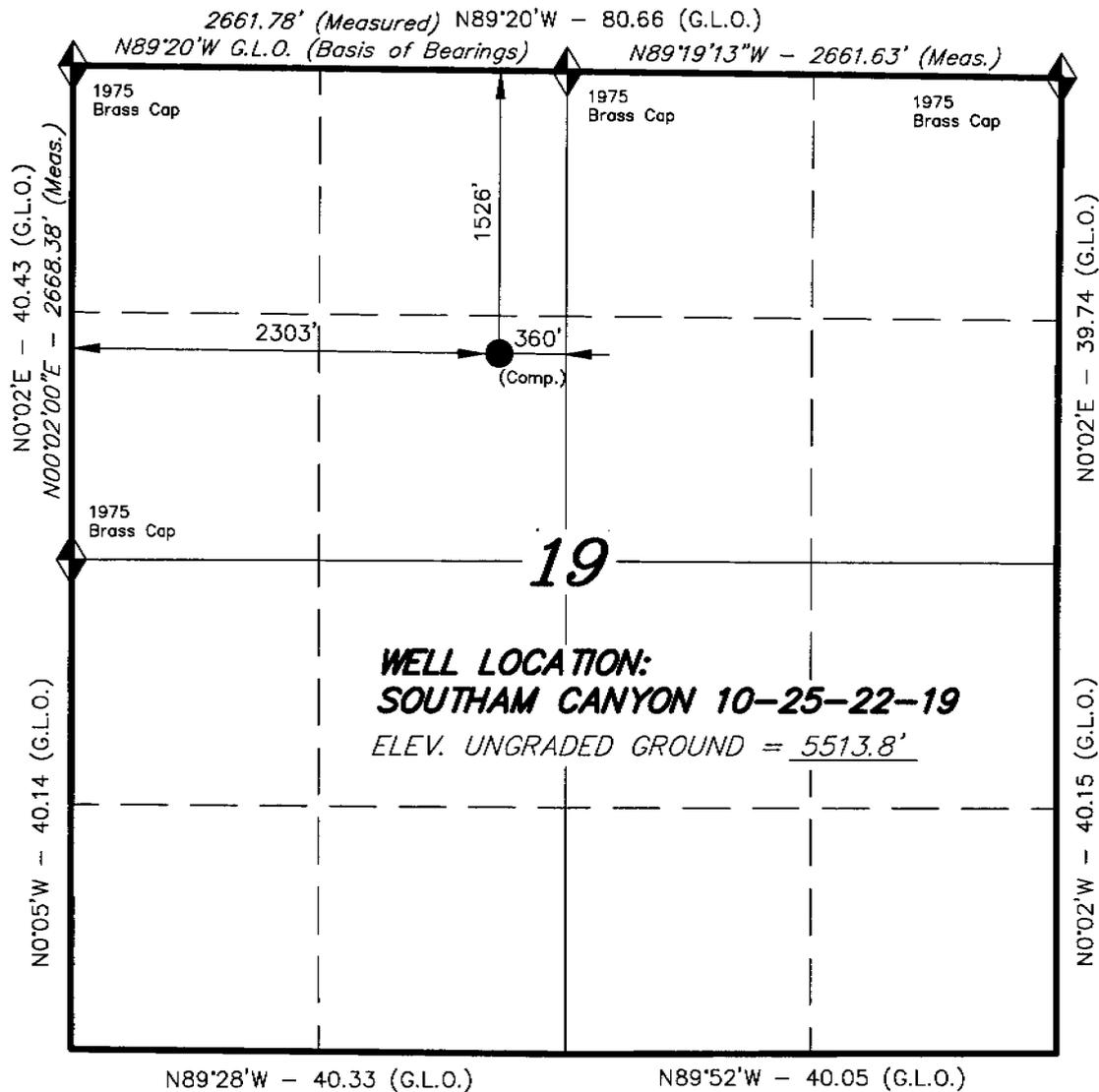
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Federal Approval of this Action is Necessary



T10S, R25E, S.L.B.&M.



19
WELL LOCATION:
SOUTHAM CANYON 10-25-22-19
 ELEV. UNGRADED GROUND = 5513.8'

◆ = SECTION CORNERS LOCATED
 BASIS OF ELEV; U.S.G.S. 7-1/2 min
 QUAD (SOUTHAM CANYON)

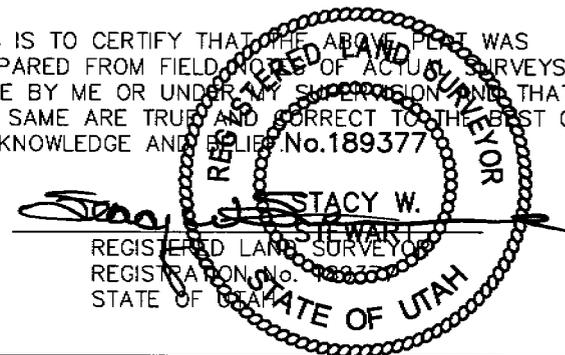
SOUTHAM CANYON 10-25-22-19
 (Surface Location) NAD 83
 LATITUDE = 39° 56' 15.47"
 LONGITUDE = 109° 08' 42.18"

ENDURING RESOURCES

WELL LOCATION, SOUTHAM CANYON
 10-25-22-19, LOCATED AS SHOWN IN
 THE SE 1/4 NW 1/4 OF SECTION 19,
 T10S, R25E, S.L.B.&M. UINTAH COUNTY,
 UTAH.



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. No. 189377



TRI STATE LAND SURVEYING & CONSULTING
 180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
 (435) 781-2501

DATE DRAWN: 3-17-05	SURVEYED BY: C.M.	SHEET 1 OF 8
REVISED:	DRAWN BY: F.T.M.	
NOTES:	SCALE: 1" = 1000'	

**Enduring Resources, LLC
Southam Canyon # 10-25-22-19
SENW Sec. 19 T10S-R25E
Uintah County, Utah
Lease # UTU-079010**

Directions to Location

Directions to the proposed location are as follows:

Beginning at the city of Bonanza, Utah. Proceed south on US Hwy 45 for a distance of approximately 3.7 miles to where the road turns left at a gaging station. Do not turn left. Continue southeasterly on the same road for a distance of 5.7 miles, which is 0.2 miles before a right turn off to Watson. Turn right onto an existing two-track road and proceed westerly then northwesterly for an approximate distance of 7260' (1.4 miles) to the proposed Southam Canyon 10-25-22-19 well pad.

**Enduring Resources, LLC
Southam Canyon # 10-25-22-19
SENW Sec. 19 T10S-R25E
Uintah County, Utah
Lease # UTU-079010**

ONSHORE ORDER 1 - DRILLING PLAN

1. Estimated Tops of Geological Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	Surface
Green River	407'
Wasatch	2312'
Mesaverde	3522'

2. Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals: (5522' estimated KB)

Substance	Formation	Depth
	Uinta	Surface
Oil / Gas	Green River	407'
Oil /Gas	Wasatch	2312'
Oil /Gas	Mesaverde	3522'
	Estimated TD	5662'

A 12-1/4" hole will be drilled to approximately 2000 feet. The depth will be determined by the depth that the Birds Nest zone is encountered. The hole will be drilled 400 feet beyond the top of the Birds Nest zone and surface casing will be set.

3. Pressure Control Equipment: (3000 psi schematic attached)

A. Type: Eleven (11) inch double gate hydraulic BOP with eleven (11) inch annular preventer with 3,000 psi Casinghead and 3,000 psi Tubinghead equipped per the attached diagrams for 3,000 psi. BOPE as specified in *Onshore Oil & Gas Order Number 2*. A PVT, Stroke Counter and flow sensor will be installed to check for flow and monitor pit volume.

B. Pressure Rating: 3,000 psi BOPE

C. Kelly will be equipped with upper and lower Kelly valves.

D. Testing Procedure: Annular Preventer

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

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 to the above, 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 to the above, 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. Miscellaneous Information:

The blowout 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*.

Totco directional surveys will be dropped every 2000 feet. Maximum allowable angle is 5 degrees.

4. Proposed Casing & Cementing Program:**A. Casing Program: All New**

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set (md)
20"	16"				40'
12-1/4"	8-5/8"	24#	J-55	ST&C	0 – 2,000' est
7-7/8"	4-1/2"	11.6#	N-80/I-80	LT&C	0 – 5662'

The surface casing will have guide shoe, 1 jt., insert float collar. Centralize the first 3 joints with bow spring centralizers. Thread lock guide shoe.

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. Casing Design Parameters:

Depth (md)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40	16"			
2000	8-5/8", 24#/ft, J55, STC	1370/1.54(a)	2950/3.34(b)	244/5.85(c)
5662	4-1/2", 11.6#/ft, N-80, LTC	6350/2.17 (d)	7780/2.89 (e)	223/3.95 (f)

- (a.) based on full evacuation with 8.6 ppg fluid on annulus
- (b.) based on 8.6 ppg gradient with no fluid on annulus
- (c.) based on casing string weight in 8.6 ppg mud
- (d.) based on full evacuation with 10.0 ppg fluid on annulus, pipe evacuated

(e.) based on 9.2 ppg gradient, gas to surface, with no fluid on annulus, no gas gradient.

(f.) based on casing string weight in 9.2 ppg mud

PROPOSED CEMENTING PROGRAM

Surface Casing (if well will circulate)-Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	1500	65/35 POZ +6% Gel +10 pps gilsonite + .25 pps Flocele + 3% salt BWOW	462	35%	12.6	1.81
8-5/8"	Tail	500	Premium cmt +2% CaCl +.25 pps flocele	236	35%	15.6	1.18

A cement top job is required if cement fallback is greater than 10' below ground level. Top job cement will be premium cement w/2% CaCl. Volume as required.

Surface Casing (if well will not circulate)-Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	500	Premium cmt + 2% CaCl +.25 pps flocele	280	60	15.6	1.18
8-5/8"	Top job	As req.	Premium cement + 2% CaCl	Req.		15.6	1.18

Production Casing and Liner-Cemented TD to Surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
4-1/2"	Lead	2160	Premium Lite II +3% KCL +0.25 pps celloflake +5 pps gilsonite +10% gel +0.5% extender	251	60	11.0	3.38
4-1/2"	Tail	3500	50/50 POZ Class G +10% salt + 2% gel + 1% R-3	948	60	14.3	1.31

Cement volumes for the 4-1/2" Production Casing will be calculated to provide a top of cement to surface. 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 size 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. Drilling Fluids (mud) Program:

Interval	Mud Weight	Fluid Loss	Viscosity	Mud Type
0' - 2000'		No cntrl		Air/mist
2000'-3000'	8.4-8.6	No cntrl	28-36	Water
3000'-5662'	8.8-9.8	8 - 10 ml	32-42	Water/Gel

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:

Tests: No tests are currently planned.

Coring: No cores are currently planned.

Logging: Dual Induction – SFL /Gamma Ray Caliper: TD to Base Surface Casing
Compensated Neutron/Litho Density Temperature/Gamma Ray: TD to Base Surface Casing
Cement Bond Log / Gamma Ray: PBSD to Top of Cement

Stimulation: A stimulation or frac treatment will be designed for completion of this well based on openhole log analysis. The drill site, as approved, will be sufficient size to accommodate all completion activities.

7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 3200 psi (calculated at 0.4 psi/foot of hole) and maximum anticipated surface pressure equals approximately 1440 psi (anticipated bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot of hole).

8. Anticipated Starting Dates:

Anticipated Commencement Date-	July 15, 2005
Drilling Days-	Approximately 10 days
Completion Days -	Approximately 10 days
Anticipate location construction within 30 days of permit issuance.	

9. Variances:

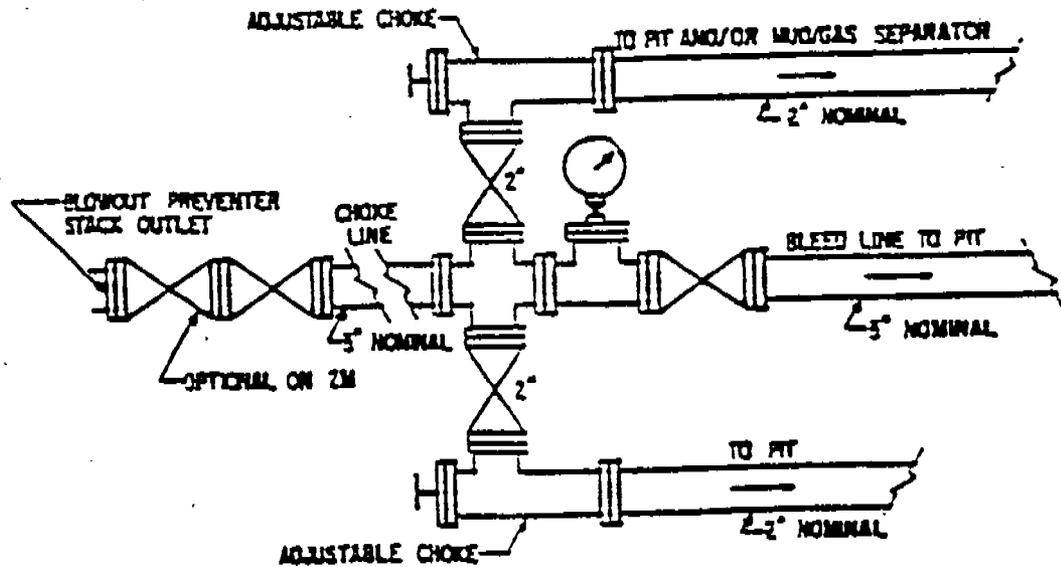
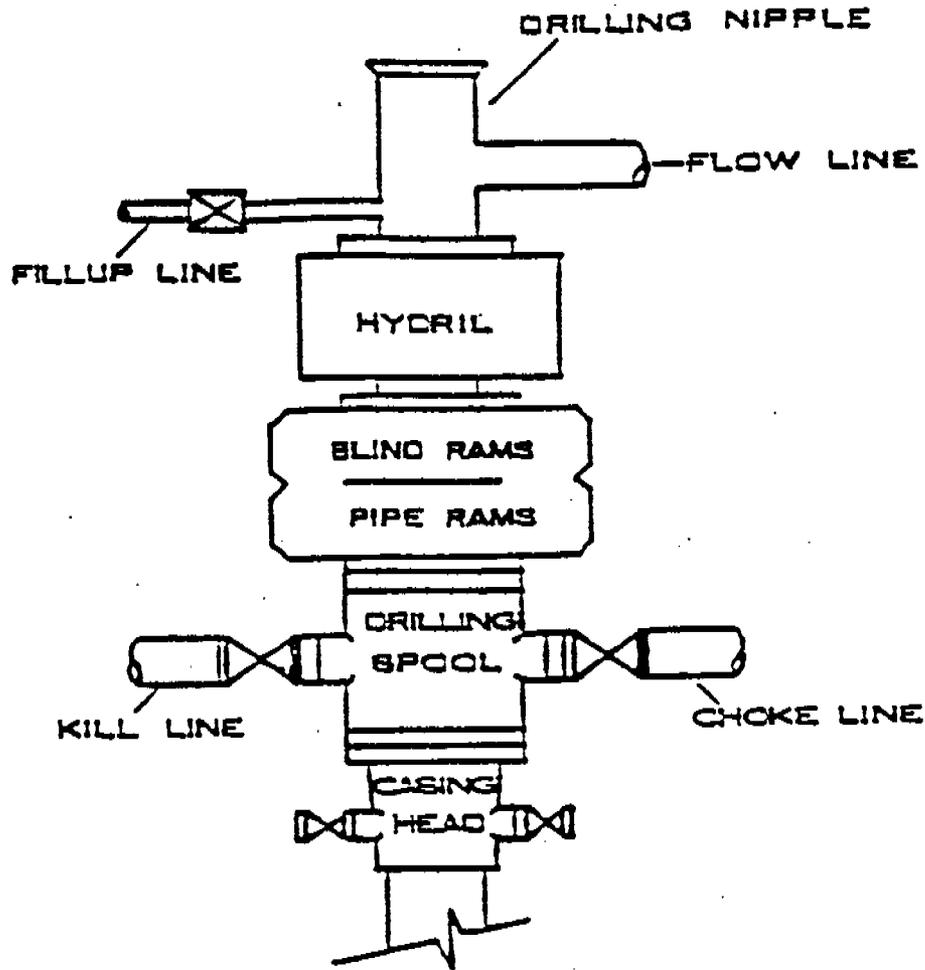
None anticipated

10. Other:

A Cultural Resource Inventory Report was submitted to the BLM, Mr. H. Blaine Phillips on April 29, 2005.

3,000 PSI

EOP STACK



Enduring Resources, LLC
Southam Canyon # 10-25-22-19
SENW Sec. 19 T10S-R25E
Uintah County, Utah
Lease # UTU-079010

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are as follows:

Beginning at the city of Bonanza, Utah. Proceed south on US Hwy 45 for a distance of approximately 3.7 miles to where the road turns left at a gaging station. Do not turn left. Continue southeasterly on the same road for a distance of 5.7 miles, which is 0.2 miles before a right turn off to Watson. Turn right onto an existing two-track road and proceed westerly then northwesterly for an approximate distance of 7260' (1.4 miles) to the proposed Southam Canyon 10-25-22-19 well pad.

The proposed well site is located approximately 10.8 miles Southerly from Bonanza, Utah. Refer to attached Topographic Map "A" and "B"

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

The proposed access road will be approximately 185' of new construction on lease and approximately 7,075' (1.34 miles) of new construction (includes upgrading the existing two-track) off lease. A total of approximately 7,260' (1.4 miles) of access road is proposed. Please refer to Topo Map B.

An off lease Right-of-Way is requested for the approximately 7,075' (1.34 miles) of proposed access road. The proposed access road surface ownership is the Federal government managed by the BLM. The proposed access road will be utilized to transport personnel, equipment and supplies to and from the proposed wellsite during drilling, completion and production operations. The road will be temporary if the proposed well is drilled and abandoned. However, the road will be permanently utilized if the well is capable of producing in economic quantities. If the well is productive, the road will be utilized year round. A permanent right-of-way is requested for a term of 30 years.

The access road will be crowned 2% to 3%, ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet right-of-way. Maximum grade of road is 5% or less. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. No fence crossings, culverts, turnouts, cattleguards or major cuts and fills are required. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, 1989.

The road surface and shoulders will be kept in a safe usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing or shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy

conditions. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. **Location of Existing Wells Within a One Mile Radius: Please refer to Topographic Map "C"**

There are no known water wells, temporarily abandoned wells, disposal wells, producing wells, shut-in wells, monitoring or observation wells, or injection wells located within a one (1) mile radius of the proposed location.

There is one known abandoned well – Gem #2 NWSE Sec 18 T10S-R25E.

There may be drilling activity or permitted wells within in the area.

4. **Location of Existing &/or Proposed Facilities:**

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater treater.) These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank and be independent of the back cut.

All permanent (on site for six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Inter-Agency Committee.

All facilities will be painted within 6 months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5Y 6/2).

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

An off lease Right-of-Way is being requested for approximately 2,560 feet of the proposed gas gathering line. A permanent right-of-way is requested for a term of 30 years. Please refer to the attached Topographic Map "D".

If the well is capable of economic production, a surface gas gathering line and related equipment will be installed. The gas gathering line will be in use year round. Approximately 2745 feet (0.5 miles) of 6 inch or less diameter steel, unpainted, welded gas gathering line is proposed. The proposed line will begin at the well site and tie into an existing pipeline located in Sec 19 T10S-R25E. The proposed gathering line will be placed above ground adjacent to the proposed access route; therefore, no additional surface disturbance will be required. The line will be welded together and pulled from the well site location and tie-in point when practical; however, it may be necessary to utilize the access road for welding of the line. The line will then be boomed off to the side of the road. The gas meter run will be located within 500' of the wellhead. The meter run will be housed. The gas gathering line will be buried or anchored down from the wellhead to the meter.

Upon plugging and abandonment, the gas gathering line will be removed and the disturbed area will be re-contoured and restored as near as practical to the original condition. If necessary, re-seeding operations will be performed after completion of other reclamation operations. The appropriate surface management agency will be contacted for the required seed mixture and seeding dates.

5. **Location and Type of Water Supply:**

Water will be obtained from the White River by Tu and Frum, Inc. Water User Claim #49-2185, Application #T75517, or by Target Trucking Water User Claim #43-2195, or by Dalbo Inc. Water User Claim #43-8496.

Water will be hauled to the location over the roads marked on Topographic Maps "A" and "B".

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized for location and access road construction.

Any gravel will be obtained from a commercial source; however, gravel sized rock debris associated with location and access road construction may be used as access road surfacing material.

7. **Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break or allow discharge of liquids.

A plastic reinforced liner is to be used. It will be a minimum of 12 mil thick and felt with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical portable toilet will be furnished with the drilling rig. The toilet will be replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

Garbage, trash and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported or disposed of annually in association with the drilling, completion or testing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well.

Produced oil will be stored in a oil tank and then hauled by truck to a crude purchaser facility. Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to an approved disposal site.

8. **Ancillary Facilities:**

During drilling operations, approximately 20 days, the site will be a manned camp. Three or four additional trailers will be on location to serve as the crew's housing and eating facility. These will be located on the perimeter of the pad site within the topsoil stockpiles. Refer to Sheet 4.

9. **Well Site Layout:** (Refer to Sheet #2, #3 & #4)

The attached Location Layout Diagrams describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s) and surface material stockpiles(s).

Please see the attached diagram for rig orientation and access roads.

All pits shall be fenced to the following minimum standards:

39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.

All wire shall be stretched by, using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig, the location will be re-surveyed and a Form 9 will be submitted.

10. **Plans for Surface Reclamation:**

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, materials, trash and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 40 CFR 3162.7.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface 3 feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling and re-contouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole / Abandoned Location:

Abandoned well sites, roads and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions and re-establishment of vegetation as specified.

All disturbed surfaces will be re-contoured to the approximate natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

Seed Mixture:

The appropriate surface management agency will be contacted for the required seed mixture and seeding dates.

11. Surface Ownership: Location, Access Road & Pipeline

Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
(435) 781-4400

12. Other Information:

Lease Wildlife Stipulations: None

Onsite Inspection for Location, Access and Pipeline Route: To be conducted June 1, 2005. The Notice of Staking was submitted to the Vernal BLM office on April 26, 2005.

Archeology: A Cultural Resource Inventory report, number MOAC 05-133, was submitted by Montgomery Archaeological Consultants on April 29, 2005. A copy of this report is attached.

Paleontology: A Paleontology reconnaissance report, number MOAC 05-152, for the well location, access route and pipeline is attached.

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

13. **Lessee's or Operator's Representative and Certification:**

Phyllis Sobotik
Regulatory Specialist
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202
303-350-5114 (office)
303-573-0461 (fax)
psobotik@enduringresources.com

Frank Hutto
Vice President – Operations
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202
303-350-5102 (office)
303-573-0461 (fax)
fhutto@enduringresources.com

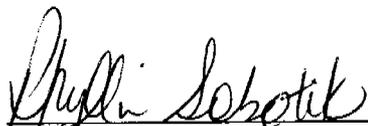
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

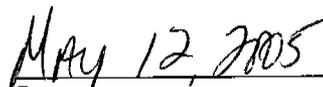
Enduring Resources, LLC is considered to be the operator of the subject well. Enduring Resources, LLC agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Statewide Bond # UTB000173.

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 Enduring Resources, LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.



Phyllis Sobotik



Date

CULTURAL RESOURCE INVENTORY OF
ENDURING RESOURCES, INC. PROPOSED
SOUTHAM CANYON 10-25-22-19 WELL LOCATION
UINTAH COUNTY, UTAH

By:

Todd B. Seacat
and
Keith R. Montgomery

Prepared For:

Bureau of Land Management
Vernal Field Office

Prepared Under Contract With:

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

Prepared By:

Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532

MOAC Report No. 05-133

April 29, 2005

United States Department of Interior (FLPMA)
Permit No. 04-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-05-MQ-0362b

INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) in April 2005 for Enduring Resources proposed Southam Canyon 10-25-22-19 well location, pipeline and access route. The project area occurs in the Southam Canyon area, south of Vernal, Utah. The survey was implemented at the request of Ms. Phyllis Sobotik, Enduring Resources, LLC, Denver, Colorado. A total of 29.5 acres was inventoried for cultural resources on public land administered by the Bureau of Land Management (BLM), Vernal Field Office.

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventory was implemented to attain compliance with a number of federal and state mandates, including the National Environmental Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on April 24, 2005 by Keith R. Montgomery (Principal Investigator) with the assistance of Todd B. Seacat under the auspices of U.S.D.I. (FLPMA) Permit No. 04-UT-60122 and State of Utah Antiquities Permit (Survey) No. U-05-MQ-0362b issued to MOAC.

A file search was performed for previously documented sites and projects by Keith Montgomery on April 23, 2005 at the BLM Vernal Field Office. This consultation indicated that several inventories have been completed near the current project area. In 1980, Woodward-Clyde Consultants completed a cultural resource inventory of a MAPCO pipeline project, which included a 115 mile section in northern Utah (Woodward-Clyde Consultants 1980, U-80-WG-0299), revealing no sites near the project area. In 2005 Montgomery Archaeological Consultants completed an inventory for Enduring Resources Southam Canyon 10-25-21-32 well location just south of the current project which resulted in no cultural resources (Montgomery and Silverman 2005).

DESCRIPTION OF PROJECT AREA

The proposed Southam Canyon 10-25-22-19 well location, pipeline and access route for Enduring Resources is situated approximately 3 miles south of the White River between Evacuation Creek and Hell Hole Canyon in the Uinta Basin. The proposed well location is situated in the SE/NW of Section 19, T 10S, R 25E (Figure 1). The pipeline and access routes extend southeast for approximately 7300 ft across Sections 19 and 20.

The study area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. The geology is comprised of Tertiary age deposits which include Paleocene age deposits, and Eocene age fluvial and lacustrine sedimentary rocks. The Uinta Formation, which is predominate in the project area, occurs as eroded outcrops formed by fluvial deposited, stream laid interbedded sandstone and mudstone, and is known for its prolific paleontological localities.

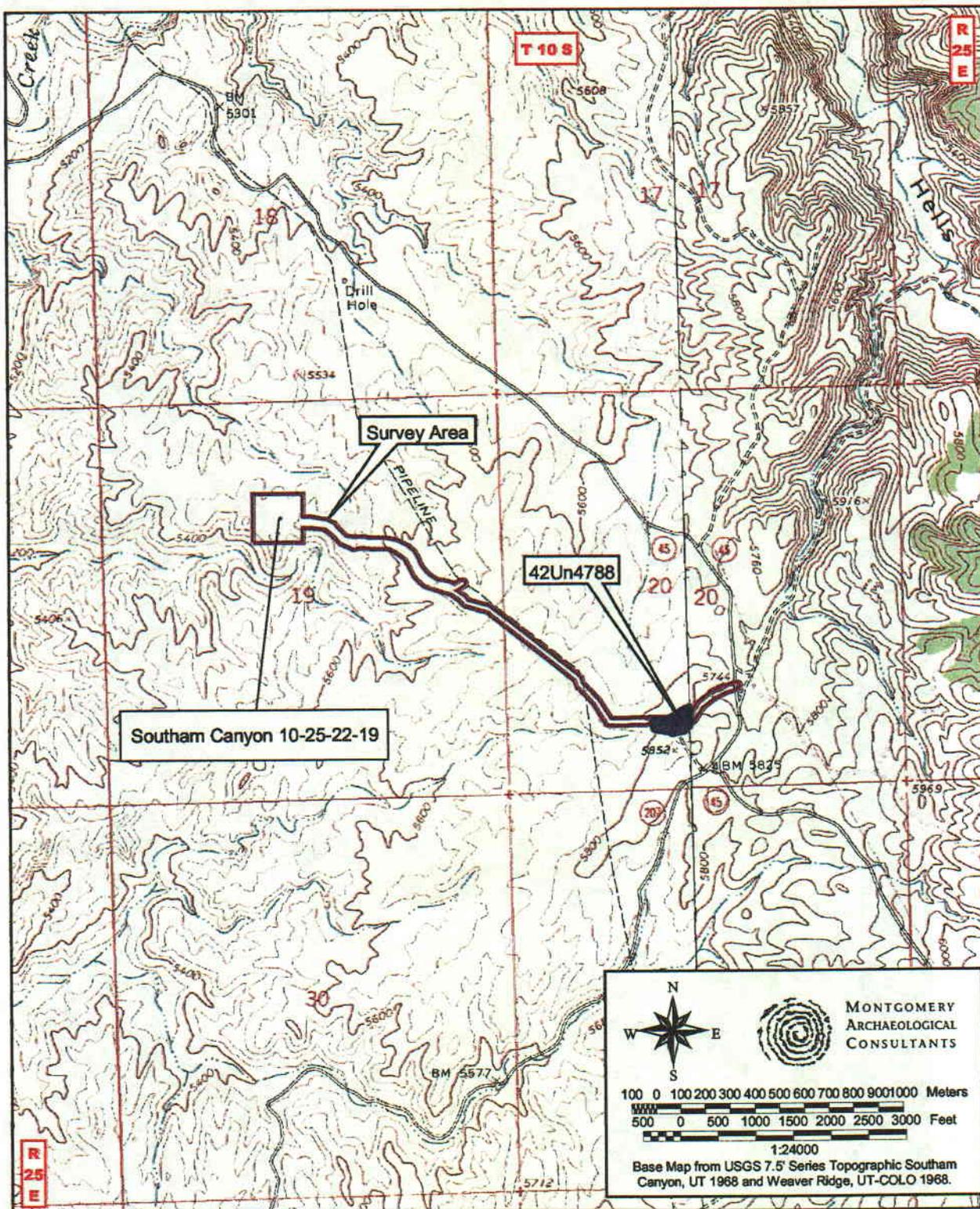


Figure 1. Inventory Area of Enduring Resources Proposed Southam Canyon 10-25-22-19 Well Location and Pipeline/Access Routes.

Specifically, the project area is situated a few miles south of the White River, which is characterized by narrow steep-sided ridges. The area is heavily dissected and carved by ephemeral drainages. Surface geology consists of hard pan residual soil armored with shale and sandstone pebbles. The elevation ranges between 5800 and 5970 ft a.s.l. The project occurs within the Upper Sonoran Desert Shrub Association which includes sagebrush, shadscale, greasewood, mat saltbush, snakeweed, rabbitbrush, prickly pear cactus, Indian ricegrass and other grasses. Modern disturbances include roads and oil/gas development.

Historical Overview

The earliest recorded visit by Europeans to Utah was the Dominguez-Escalante expedition, of 1776. From the early 1820s to 1845, the UINTAH Basin became an important part of the expanding western fur trade. Homesteading began in 1878 with Thomas Smart, one of the first white settlers to settle east of Ouray. In 1879, about forty cowboys and several large herds of cattle wintered on the White River. The winter of 1879-1880 saw the establishment of a settlement near the White River by several pioneers and their families including Ephraim Ellsworth, the Remingtons, and the Campbells. The person most responsible for organizing a permanent homesteading movement in Ouray Valley was William H. Smart, the brother of Thomas Smart, who became president of the Wasatch LDS Stake in 1901 (Burton 1998). When the Ute reservation was opened to white homesteaders in 1905, Smart organized several exploration trips into the area that later attracted many LDS families.

Initially, livestock was the main industry of white homesteaders in Uinta County. Two factors - free grass and the availability of water - influenced men to move their cattle into the county. Most of the land in the area was part of the public domain and no territory or state could tax it. Cattle were eventually brought up east as far as the Green River and then to the surrounding mountains. Large cattle herds had been coming to Brown's Park from Texas and other eastern areas since the early 1850s. The K Ranch was a large cattle operation owned by P.R. Keiser which brought many cowboys to the area. The ranch was located on the Utah-Colorado line with property in both states. Charley Hill, who came to Ashley Valley as a trapper for the Hudson Bay Company, started a cattle company on Hill Creek and Willow Creek in the Book Cliffs (Burton 1996:109). They later moved out when the government set this section aside for the Ouray Indian Agency. Other prominent men in the cattle industry included A.C. Hatch, Dan Mosby, and James McKee. Cattle rustling became an increasingly large problem as cattle herds grew, and conflict resulted between the small and large cattle companies. In 1912, the Uinta Cattle and Horse Growers Association was organized to protect the livestock industry from thieves and to issue an authorized brand book (Ibid: 110).

The sheep industry later became part of Uinta County's economic backbone, and contributed to the decline of the cattle industry. Sheep were first introduced to the valley during the winter of 1879 when Robert Bodily brought in sixty head (Burton 1996:111). Sheep were able to survive the hard winters much better than cattle. By the mid-1890s, more than 50,000 head of sheep were in the region; and the production of wool became very important. In 1897, C.S. Carter began building shearing corrals. In 1899, 500,000 pounds of wool were shipped from the county and sold for twelve and one-half cents per pound (Ibid:111). In 1906, the Uinta Railway Company built shearing pens on the Green River to encourage the shipping of wool by train; and in 1912, pens were built at Bonanza and Dragon. Beginning in the 1940's Mexican sheep-shearing crews and Greek sheepmen from the Price and Helper areas came into the area. The Taylor Grazing Act was passed in 1934, allotting specific areas or "districts" to stockmen for livestock grazing that required permits. This act was a forerunner of the Bureau of Land Management, which was established in 1946 and eventually assumed responsibility for the administration of grazing laws on public land (Burton 1996:115).

SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At the proposed well location, a ten acre square centered on the center stake of the location was surveyed by the archaeologist walking parallel transects spaced no more than 10 m (30 ft) apart. The pipeline/access corridor varied between 100 ft and 150 ft wide, surveyed by walking parallel transects along the staked centerline, spaced no more than 10 m (30 ft) apart. Ground visibility was considered to be good. A total of 29.5 acres was inventoried for cultural resources on public land administered by the Bureau of Land Management (BLM), Vernal Field Office.

Cultural resources were recorded as archaeological sites. Sites were documented by archaeologists walking transects, spaced no more than 3 meters apart, and marking the locations of cultural materials with pinflags. This procedure allowed clear definition of site boundaries and artifact concentrations. At the completion of the surface inspection, a handheld GEO XT Trimble GPS unit was employed to point-provenience diagnostic artifacts and other relevant features in reference to the site datum. Archaeological sites were plotted on a 7.5' USGS quadrangle and photographed; site data were entered on an Intermountain Antiquities Computer System (IMACS, 1990 version) inventory form. Permanent datums were placed at the sites consisting of a rebar and aluminum cap stamped with the temporary site number.

INVENTORY RESULTS

The inventory of Enduring Resources Proposed Southam Canyon 10-25-22-19 well Location resulted in the documentation of a historic site (42Un4788).

Smithsonian Site No.: 42Un4788
Legal Description: T 10S, R 25E, Section 20
NRHP Eligibility: Not Eligible

Description: This is a small ranching complex situated on the slope of a north- south trending ridge approximately 2 miles east of Evacuation Creek and 5 miles south of the White River adjacent to SR 45. It consists of a single pen frame cabin, two prefabricated metal silos, a livestock corral, water well, coal supply and rubbish dump. The vegetation observed on site consists of sagebrush, greasewood, rabbitbrush, and assorted annual forbs and grasses. The ground surface visibility was fair ranging between 50 and 70 percent. Impacts to the site have been fairly light and consists of structural decay, a road, and slight vandalism. Sediments are shallow and are comprised of gravelly tan silt and exhibit no evidence of subsurface deposits. Artifacts observed consists of several hundred hole-in-top cans, beer cans, open top cans, tobacco tins, coffee cans, assorted bottles and glass, a few vehicle parts, machinery parts and other rubbish.

The residence is a single pen cabin with a porch across the front and built on a foundation of undressed, dry laid, tabular stone. The cabin measures 16 x 12 feet with the porch measuring 5 feet, 6 inches x 12 feet. The roof is made of tin and has a fairly shallow pitch. The cabin appears to have been constructed on a frame (rather than a log structure). A single door opens onto the porch and two equal windows are centrally located on the north and south sides of the cabin. The cabin interior is lined with a linoleum floor and fiber board walls. A trap door is located on the right side of the room adjacent to the north window. was apparently constructed in Feb. 1947 and occupied intermittently until 1978 according to an inscription on the cabin porch. The artifacts support an occupation from the late 1930s to the 1970s as well based on assorted bottle trade marks and hole-in-top cans. This site appears to be a line shack used by livestock herders (probably sheep) during the mid 20th century.

NATIONAL REGISTER OF HISTORIC PLACES EVALUATION

The National Register Criteria for Evaluation of Significance and procedures for nominating cultural resources to the National Register of Historic Places (NRHP) are outlined in 36 CFR 60.4 as follows:

The quality of significance in American history, architecture, archaeology, and culture is present in districts, sites, buildings, structures, and objects of State and local importance that possess integrity of location, design, setting, material, workmanship, feeling, and association, and that they:

- a)...are associated with events that have made a significant contribution to the broad patterns of our history; or
- b)...are associated with the lives of persons significant to our past; or
- c)...embody the distinctive characteristics of a type, period, or method of construction; or that represents the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or
- d)...have yielded or may be likely to yield information important in prehistory or history.

The inventory resulted in the documentation of a small ranching complex (42Un4788). The structural features at this site, in particular the cabin, fail to embody the distinguishing characteristics of architectural specimens exceptionally valuable for a study of a period, style, or method of construction. There is no evidence of subsurface deposits or a privy and the artifacts are unstratified. The site does not appear to be associated with any historic events or important persons. Hence, site 42UN4788 is recommended as not eligible for inclusion on the National Register of Historic Places because it is unlikely to contribute to the history of the area.

RECOMMENDATIONS

The inventory of Enduring Resources' Southam Canyon 10-25-22-19 well location with pipeline/access routes resulted in the documentation of a historic site which is recommended as not eligible to the NRHP. Based on the findings, a determination of "no historic properties affected" is recommended for the undertaking pursuant to Section 106, CFR 800.

REFERENCES CITED

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1996 *A History of Uintah County: Scratching the Surface*. Utah Centennial County History Series. Utah State Historical Society and Uintah County Commission, Salt Lake City, Utah.
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- Montgomery, K.R., and S.M. Silverman
2005 Cultural Resource Inventory of Enduring Resources' Southam Canyon 9-25-22-32, Southam Canyon 10-25-21-32, Agency Draw 12-21-31-36, and Big Pack 12-21-22-2 Well Locations in Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Report No. U-05-MQ-0183s
- Stokes, W.L.
1986 *Geology of Utah*. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.
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1980 Cultural Resource Inventory MAPCO's Rocky Mountain Liquid Hydrocarbons Pipeline, Utah. Woodward-Clyde Consultants, San Francisco, California. Report No. U-80-WG-0299b.

Paleontological Reconnaissance Report

**Enduring Resources Proposed Well Pad, Pipeline and Access Road
for "Southam Canyon #10-25-22-19" (Sec. 19, T 10 S, R 25 E)**

Southam Canyon
Topographic Quadrangle
Uintah County, Utah

May 3, 2005

Prepared by Stephen D. Sandau
Paleontologist for
Montgomery Archaeological Consultants
Box 147, 322 East 100 South
Moab, Utah 84532

INTRODUCTION

At the request of Phyllis Sobotik, of Enduring Resources, LLC, and authorized by John Mayers of the BLM Vernal Field Office, a paleontological reconnaissance survey of Enduring's proposed well pad, access road, and pipeline for "Southam Canyon #10-25-22-19" (Sec. 19, T 10 S, R 25 E) was conducted by Stephen Sandau May 3, 2005. The survey was conducted under Utah BLM Paleontological Resources Use Permit #UT-S-05-033. This survey to collect any paleontological materials discovered during the construction processes in danger of damage or destruction was done to meet requirements of the National Environmental Policy Act of 1969, and other State and Federal laws and regulations that protect paleontological resources.

FEDERAL AND STATE REQUIREMENTS

As mandated by the US Department of the Interior Bureau of Land Management, paleontologically sensitive geologic formations in BLM lands that are considered for exchange or may be impacted due to ground disturbance require paleontological evaluation. This requirement complies with:

- 1) The National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321.et. Seq., P.L. 91-190);
- 2) The Federal Land Policy and Management Act (FLPMA) of 1976 (90 Stat. 2743, 43 U.S.C. § 1701-1785, et. Seq., P.L. 94-579).

Under policy dictated by the BLM Manual and Handbook H-8270-1 (July, 1998) formations are ranked according to their paleontological potential:

- *Condition 1* is applied to those areas known to contain fossil localities, and special consideration of the known resources is in need of evaluation.
- *Condition 2* is applied to areas that have exposures of geologic rock units known to have produced fossils elsewhere.
- *Condition 3* is applied to areas unlikely to produce fossils based on surficial geology.

Although these guidelines apply mostly to vertebrate fossils, they are equally designed to help protect rare plant and invertebrate fossil. It should be noted that many fossils, though common and unimpressive in and of themselves, can be important paleo-environmental, depositional, and chronostratigraphic indicators.

LOCATION

The well pad, access road and proposed pipeline for Enduring's "Southam Canyon #10-25-22-19" is located in (Sec. 19, T 10 S, R 25 E) on land managed by the BLM, in the Evacuation Creek and Hells Hole Canyon area some 7 miles south/southeast of Bonanza, Utah. The project areas can be found on the Southam Canyon 7.5 minute U. S. Geological Survey Quadrangle Map, Duchesne County, Utah.

PREVIOUS WORK

The basins of western North America have long produced some of the richest fossil collections in the world. Early Cenozoic sediments are especially well represented throughout the western interior. Paleontologists started field work in Utah's Uinta Basin as early as 1870 (Betts, 1871; Marsh, 1871, 1875a, 1875b). The Uinta Basin is located in the northeastern corner of Utah and covers approximately 31,000 sq. km (12,000 sq. miles) and ranges in elevation from 1,465 to 2,130 m (4,800 to 7,000 ft) (Marsell, 1964; Hamblin et al., 1987). Middle to late Eocene time marked a period of dramatic change in the climate, flora, (Stucky, 1992), and fauna (Black and Dawson, 1966) of North America.

GEOLOGICAL AND PALEONTOLOGICAL OVERVIEW

Early in the geologic history of Utah, some 1,000 to 600 Ma, an east-west trending basin developed creating accommodation for 25,000 feet of siliclastics. Uplift of that filled-basin during the early Cenozoic formed the Uinta Mountains (Rasmussen et al., 1999). With the rise of the Uinta Mountains the asymmetrical synclinal Uinta Basin is thought to have formed through the effects of down warping in connection with the uplift. Throughout the Paleozoic and Mesozoic, deposition fluctuated between marine and non-marine environments laying down a thick succession of sediments in the area now occupied by the Uinta Basin. Portions of these beds crop out on the margins of the basin due to tectonic events occurring during the late Mesozoic.

Early Tertiary Uinta Basin sediments were deposited in alternating lacustrine and fluvial environments. Large shallow lakes periodically covered most of the basin and surrounding areas during early to mid Eocene time (Abbott, 1957). These lacustrine sediments show up in the western part of the basin, dipping 2-3 degrees to the northeast and are lost in the subsurface on the east side. The increase of cross-bedded coarse-grained sandstone and conglomerates preserved in paleo-channels indicates a transition to a fluvial environment toward the end of the epoch.

Four Eocene formations are recognized in the Uinta Basin: the Wasatch, Green River, Uinta, and Duchesne River, respectively (Wood, 1941). The Uinta Formation is subdivided into two lithostratigraphic units namely: the Wagonhound Member (Wood, 1934), formerly known as Uinta A and B (Osborn, 1895, 1929), and the Myton Member previously regarded as the Uinta C.

Within the Uinta Basin in northeast Utah, the Uinta Formation in the western part of the basin is composed primarily of lacustrine sediments inter-fingering with over-bank deposits of silt and mudstone and westward flowing channel sands, fluvial clays, and muds in the east (Bryant et al, 1990; Ryder et al, 1976). Stratigraphic work done by early geologists and paleontologists within the Uinta Formation focused on the definition of rock units and attempted to define a distinction between early and late Uintan faunas (Riggs, 1912; Peterson and Kay, 1931; Kay 1934). More recent work focused on magnetostratigraphy, radioscopic chronology, and continental biostratigraphy (Flynn, 1986; Prothero, 1996). Well known for its fossiliferous nature and distinctive mammalian fauna of mid-Eocene Age, the Uinta Formation is the type formation for the Uintan Land Mammal Age (Wood et al, 1941).

The Duchesne River Formation of the Uinta Basin in northeastern Utah is composed of a succession of fluvial and flood plain deposits composed of mud, silt, and sandstone. The source area for these late Eocene deposits is from the Uinta Mountains indicated by paleocurrent data (Anderson and Picard, 1972). In Peterson's (1931c) paper, the name "Duchesne Formation" was applied to the formation, and it was later changed to the "Duchesne River Formation" by Kay (1934). The formation is divided up into four members: the Brennan Basin, Dry Gulch Creek, Lapoint, and Starr Flat (Anderson and Picard, 1972). Debates concerning the Duchesne River Formation, as to whether its age was late Eocene or early Oligocene, have surfaced throughout the literature of the last century (Wood et al., 1941; Scott 1945). Recent paleo-magnetostratigraphic work (Prothero, 1996) shows that the Duchesne River Formation is late Eocene in time.

FIELD METHODS

In order to determine if the proposed access road, pipeline, and well pad from this project contained any paleontological resources, a brief reconnaissance survey or "drive-by" was performed. An on-site observation of the proposed areas undergoing surficial disturbance is necessary, because judgments made from topographic maps alone are often unreliable. Areas of low relief have potential to be erosional surfaces with the possibility of bearing fossil materials rather than surfaces covered by unconsolidated sediment or soils.

When found within the proposed construction areas, outcrops and erosional surfaces were checked to determine if fossils were present and to assess needs. Careful effort is made during surveys to identify and evaluate significant fossil materials or fossil horizons when they are found. Microvertebrates, although rare, are occasionally found in anthills or upon erosional surfaces, and are of particular importance.

PROJECT AREA

The project site is situated in the Wagonhound Member (Uinta A) of the Uinta Formation. Following the route of an old two-track the proposed access road and gas line traverse over rolling hills covered in soil and vegetated with sagebrush. The ground is littered with tan medium-grained sandstone residuum, the route crossing over a few low outcrops of the

tan sandstone from which the residuum is derived. The proposed well pad is staked on ground that resembles that described for the planned access road and pipeline above. No fossils were found inside or outside of the staked construction area.

SURVEY RESULTS

WELL	GEOLOGY	PALEONTOLOGY
"Southam Canyon #10-25-22-19" (Sec. 19, T 10 S, R 25 E)	Following the route of an old two-track the proposed access road and gas line traverse over rolling hills covered in soil and vegetated with sagebrush. The ground is littered with tan medium-grained sandstone residuum, the route crossing over a few low outcrops of the tan sandstone from which the residuum is derived.	No fossils were found. Condition 1.

RECOMMENDATIONS

The reconnaissance survey executed for Enduring's proposed well for "Southam Canyon #10-25-22-19" (Sec. 19, T 10 S, R 25 E) and its access road and pipeline was brief. The staked areas showed no signs of fossil materials inside of the proposed construction sites. Therefore, no credible reason to limit construction within the staked areas was found.

However, if vertebrate fossil(s) are found during construction of any of the other locations covered in this report, recommendations are that a paleontologist is immediately notified in order to collect fossil materials in danger of being destroyed. Any vertebrate fossils found should be carefully moved outside of the construction areas to be checked by a permitted paleontologist.

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- Marsh, O. C., 1871, On the geology of the eastern Uintah Mountains: American Journal of Science and Arts, v. 1, p. 1-8.
- _____ 1875a, Ancient lake basins of the Rocky Mountain Region: American Journal of Science and Arts, v. 9, p. 49-52.
- _____ 1875b, Notice of New Tertiary mammals, IV: American Journal of Science and Arts, Third Series, v. 9, p. 239-250.



CENTER STAKE

 **ENDURING**
-Resources-
S.C. 10-25-22-19

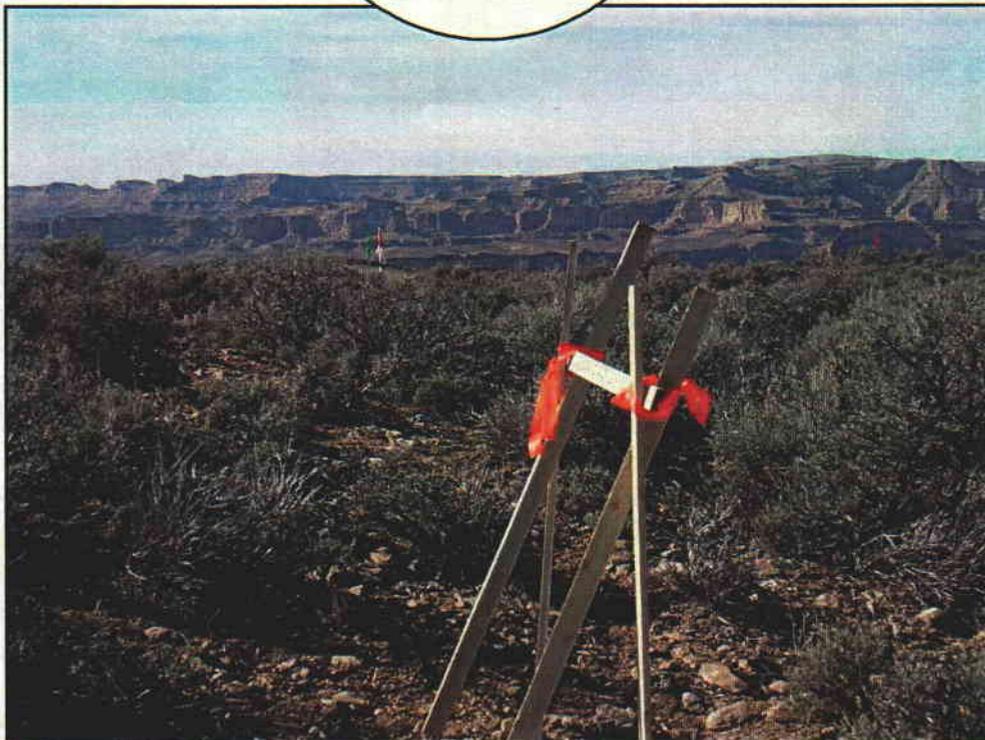
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Date Drawn: 04/01/2005

Drawn By: bgm


Tri-State
Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

**LOOKING WEST
ACCESS**





NORTH



ENDURING

-Resources-

S.C. 10-25-22-19

Date Photographed: 04/01/2005

Date Drawn: 04/01/2005

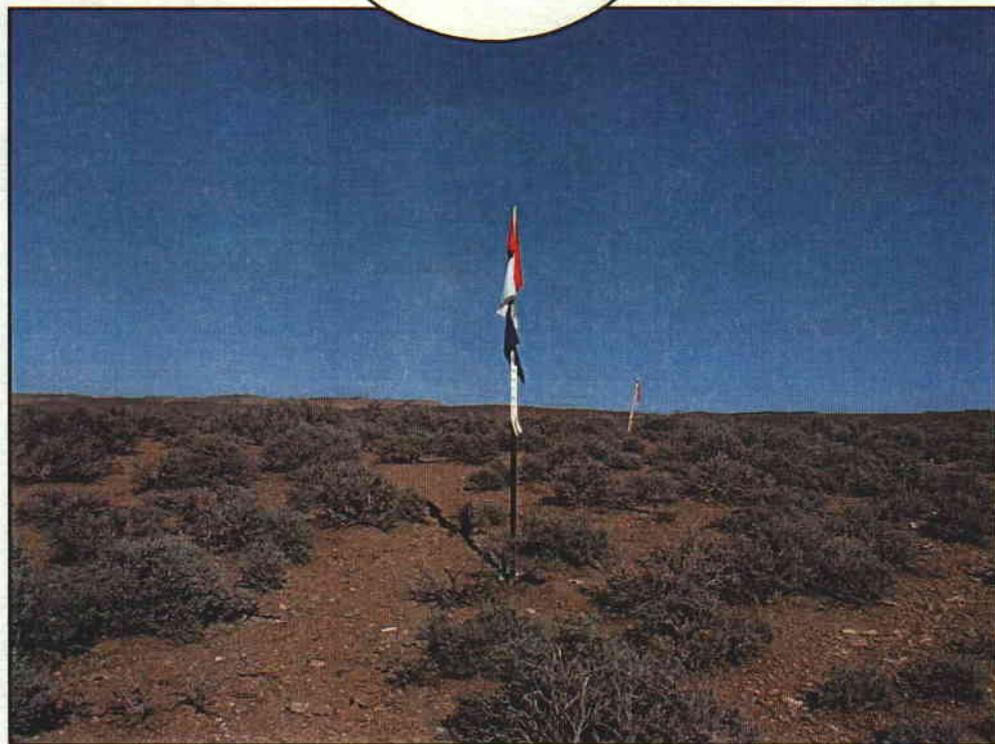
Drawn By: bgm

*Tri-State
Land Surveying Inc.*

(435) 781-2501

180 North Vernal Ave. Vernal, Utah 84078

EAST





SOUTH



ENDURING
-Resources-

S.C. 10-25-22-19

Date Photographed: 03/31/2005

Date Drawn: 04/01/2005

Drawn By: bgm



Tri-State
Land Surveying Inc.

(435) 781-2501

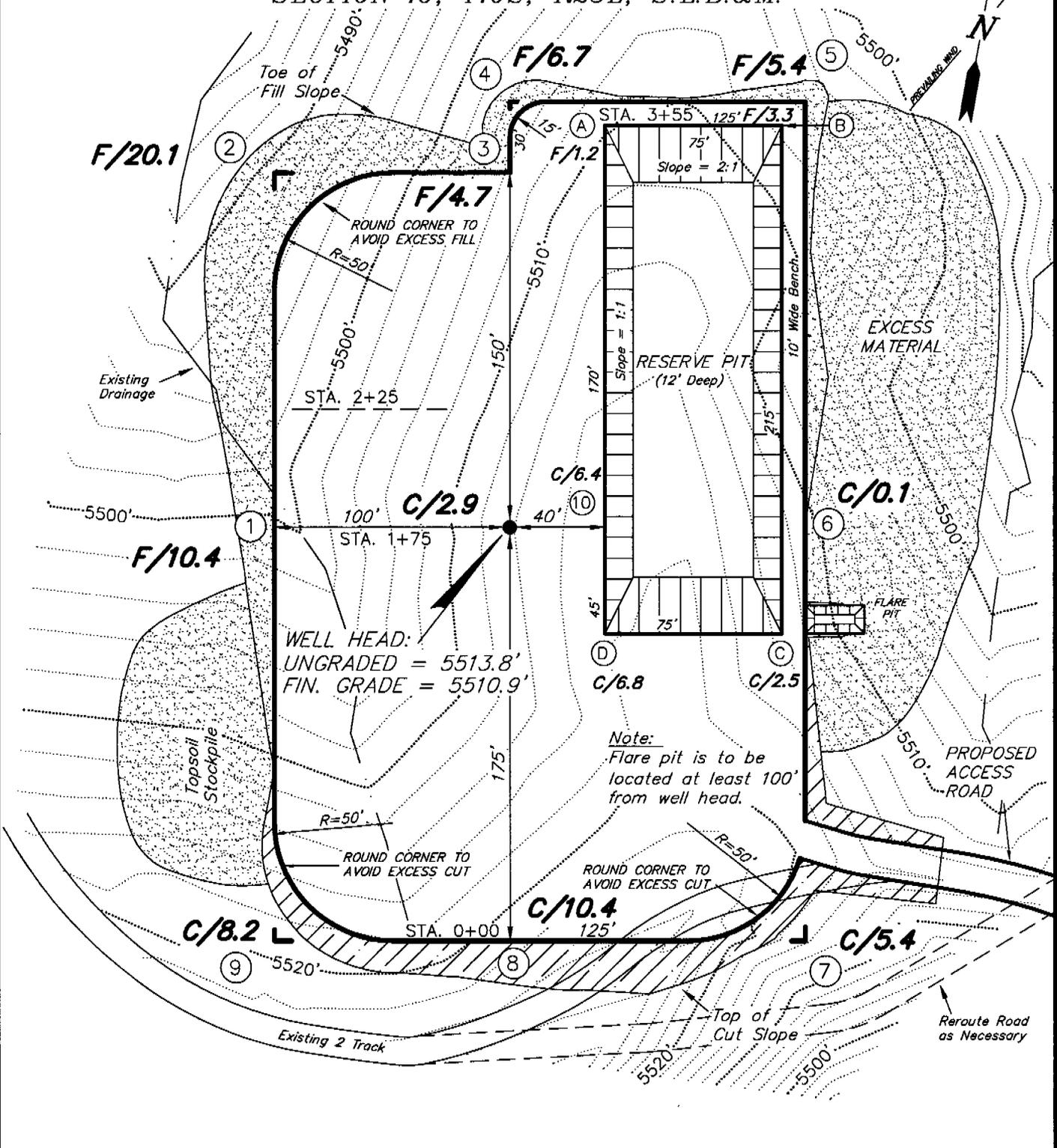
180 North Vernal Ave. Vernal, Utah 84078

WEST



ENDURING RESOURCES

SOUTHAM CANYON 10-25-22-19
SECTION 19, T10S, R25E, S.L.B.&M.



Note:
Flare pit is to be located at least 100' from well head.

REFERENCE POINTS
150' WESTERLY = 5500.4'
200' WESTERLY = 5501.0'

SURVEYED BY: C.M.	DATE DRAWN: 3-17-05
DRAWN BY: F.T.M.	SCALE: 1" = 60'
NOTES:	

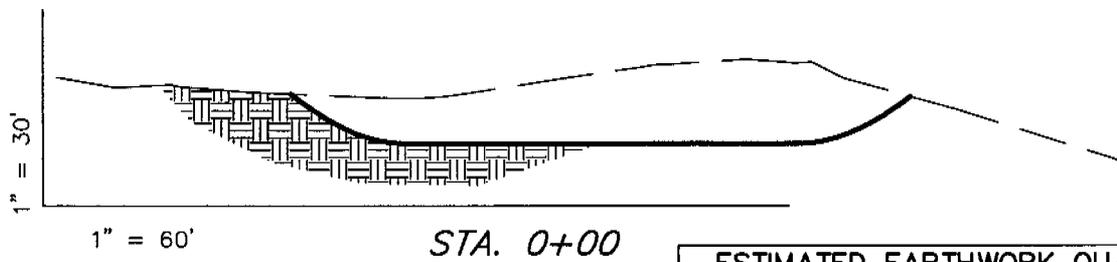
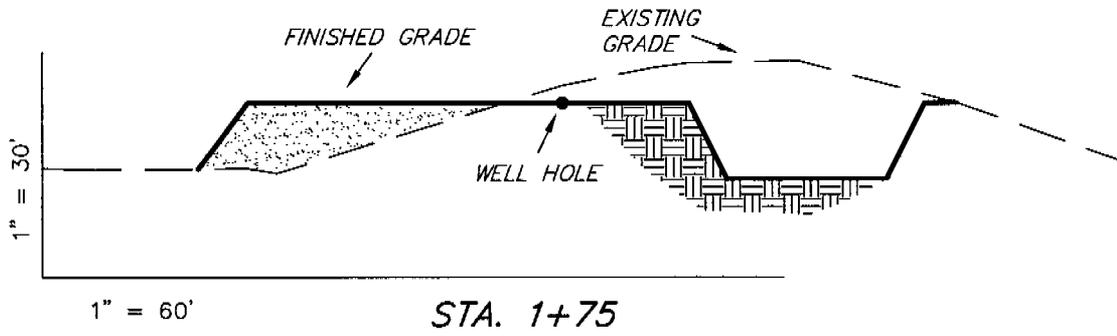
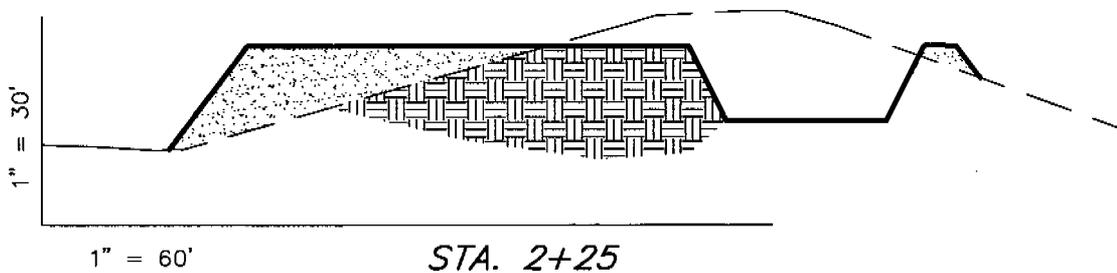
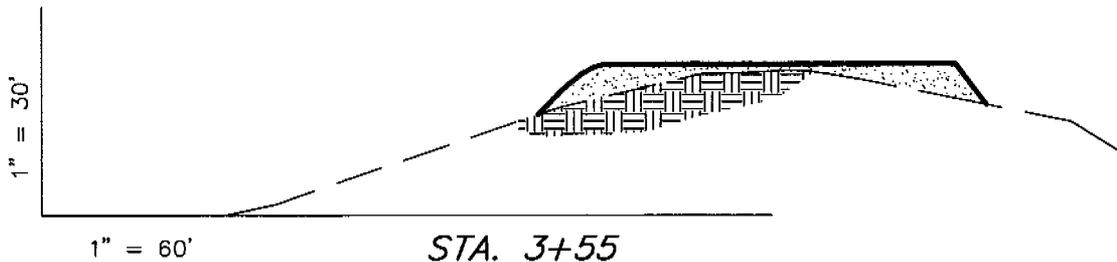
Tri State (435) 781-2501
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

SHEET
2
OF 8

ENDURING RESOURCES

CROSS SECTIONS

SOUTHAM CANYON 10-25-22-19



ESTIMATED EARTHWORK QUANTITIES
(No Shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

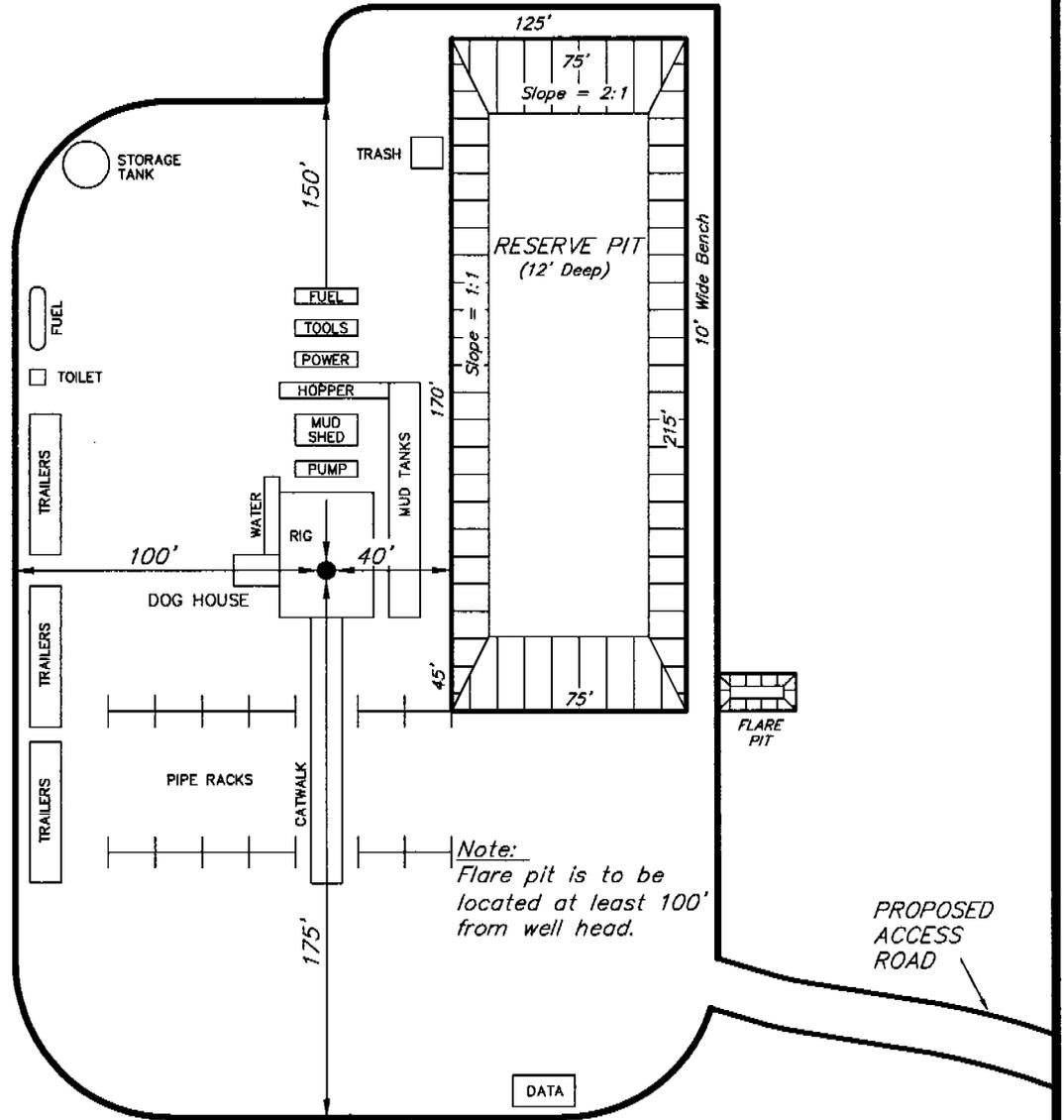
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	8,430	8,430	Topsoil is not included in Pad Cut	0
PIT	5,390	0		5,390
TOTALS	13,820	8,430	1,650	5,390

NOTE:
UNLESS OTHERWISE NOTED
ALL CUT/FILL SLOPES ARE
AT 1.5:1

SURVEYED BY: C.M.	DATE DRAWN: 3-17-05
DRAWN BY: F.T.M.	SCALE: 1" = 60'
NOTES:	

Tri State (435) 781-2501
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

ENDURING RESOURCES
TYPICAL RIG LAYOUT
SOUTHAM CANYON 10-25-22-19



SURVEYED BY: C.M. DATE DRAWN: 3-17-05
 DRAWN BY: F.T.M. SCALE: 1" = 60'
 NOTES:

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(435) 781-2501

SHEET
4
 OF 8



Proposed Location
S.C. 10-25-22-19

See Topo "B"

±3.7 mi.

±1.9 mi.

±3.8 mi.



ENDURING
-Resources-

Southam Canyon 10-25-22-19
Sec. 19, T10S, R25E, S.L.B.&M.

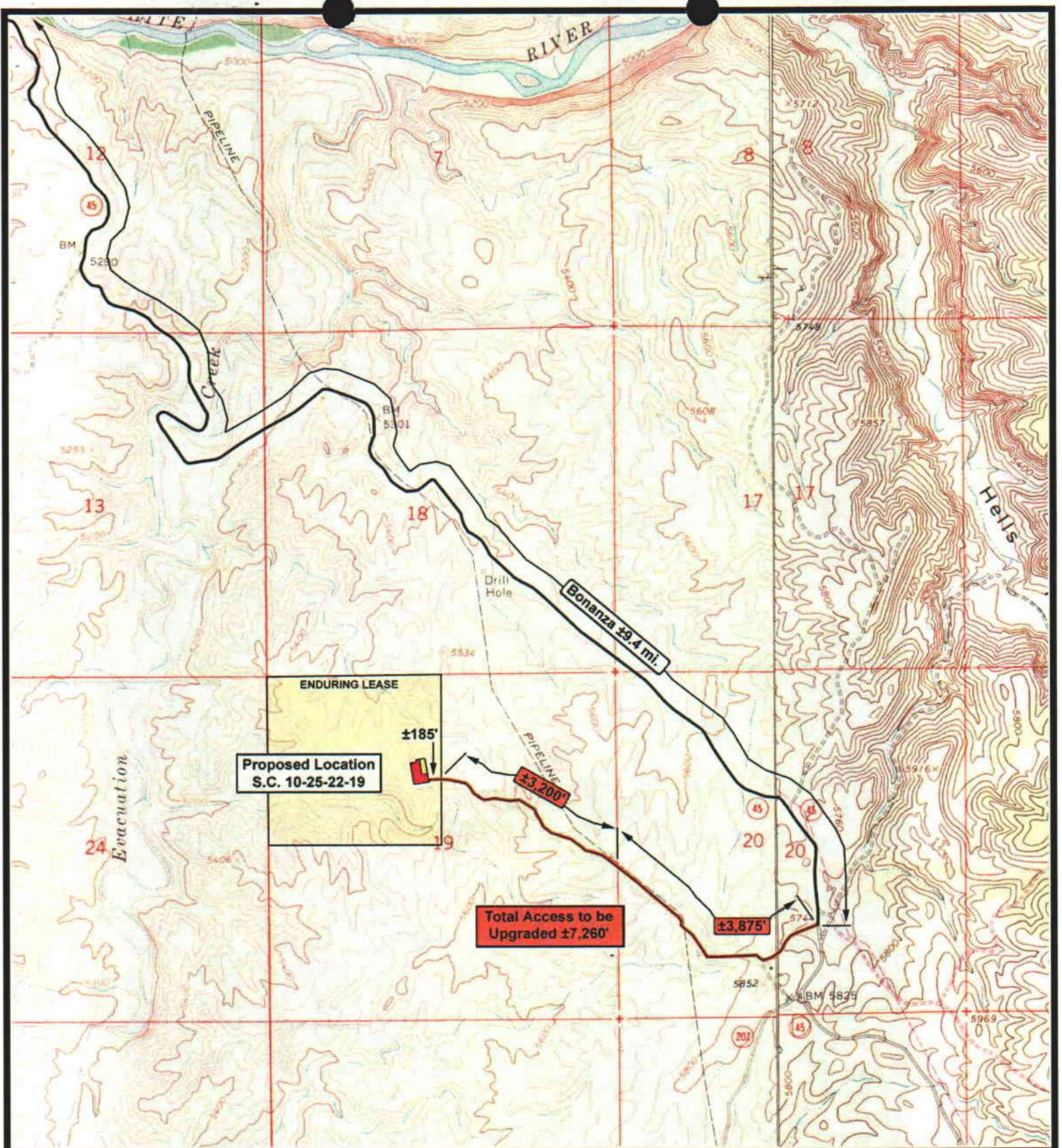


Tri-State
Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 100,000'
DRAWN BY: bgm
DATE: 03-24-2005

Legend
Existing Road
Proposed Access

TOPOGRAPHIC MAP SHEET
"A" **5**
OF 8



ENDURING
-Resources-



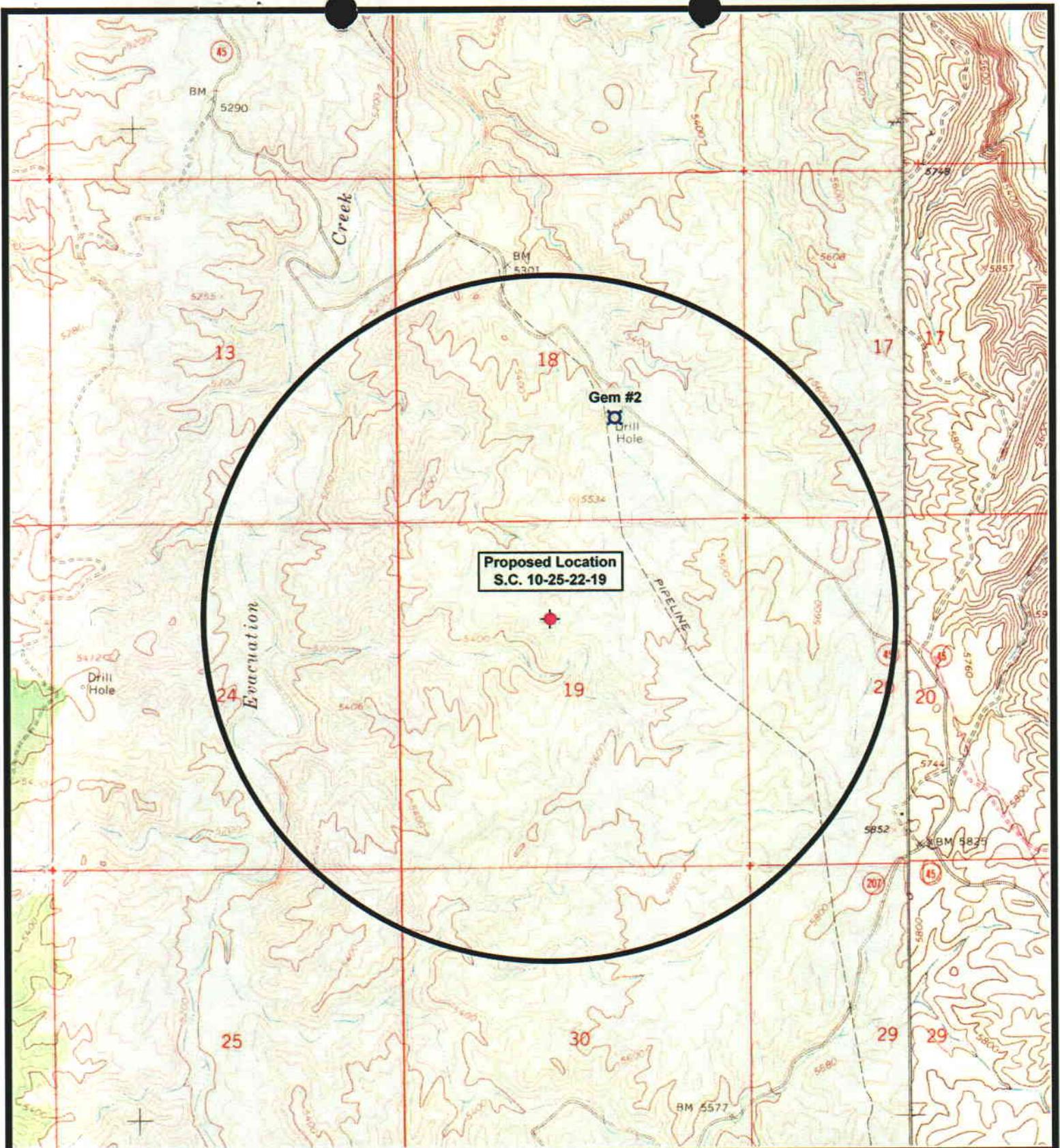
Tri-State
Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

Legend	
	Existing Road
	Two-Track to Upgrade

Southam Canyon 10-25-22-19
Sec. 19, T10S, R25E, S.L.B.&M.

SCALE: 1" = 2,000'
DRAWN BY: bgm
DATE: 04-13-2005

TOPOGRAPHIC MAP
"B"
SHEET **6** OF 8



ENDURING
-Resources-

Southam Canyon 10-25-22-19
Sec. 19, T10S, R25E, S.L.B.&M.



Tri-State
Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'

DRAWN BY: bgm

DATE: 04-26-2005

Legend

- Location
- One-Mile Radius
- X Plugged & Abandoned

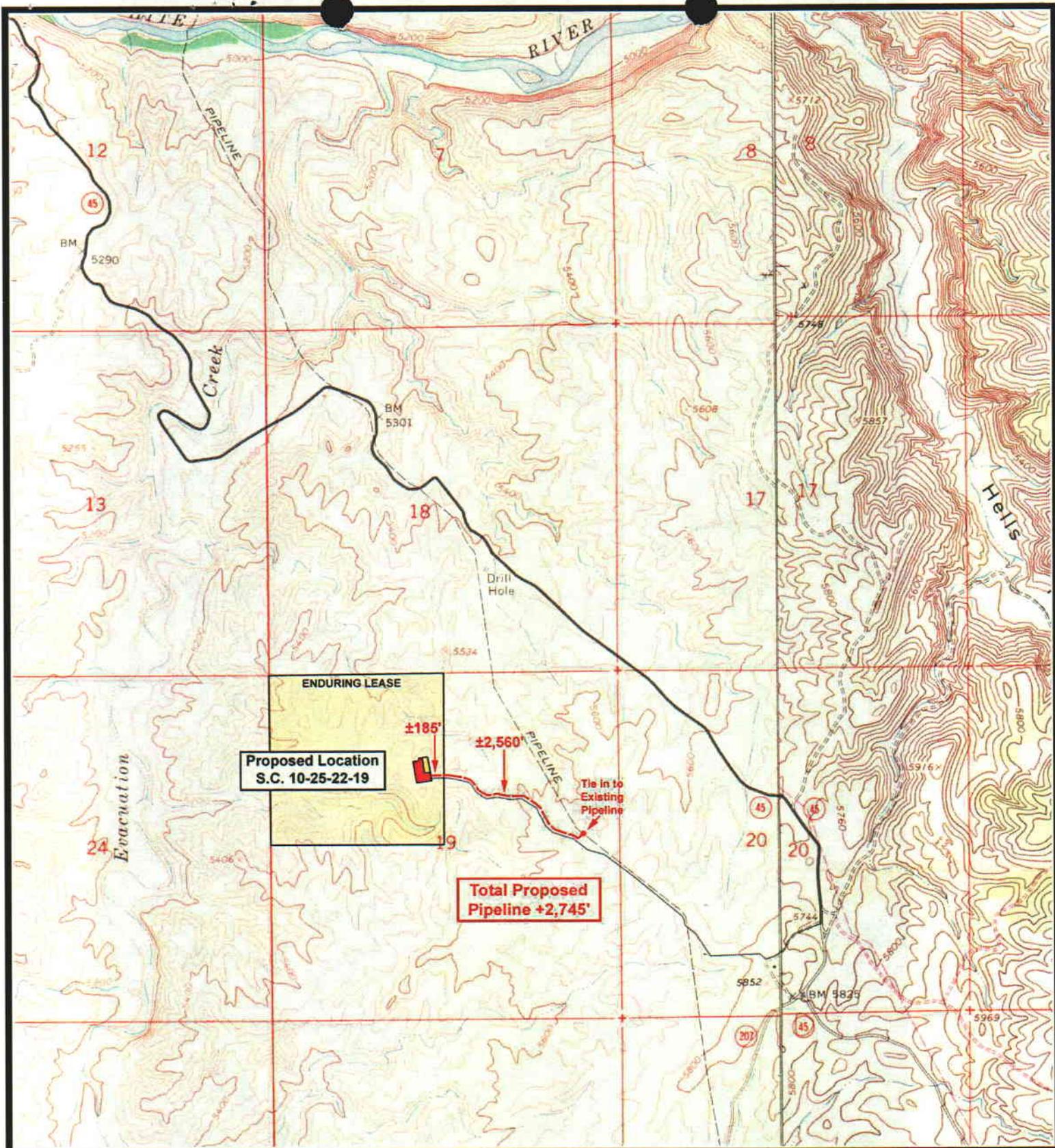
TOPOGRAPHIC MAP

"C"

SHEET

7

OF 8



ENDURING
-Resources-

Southam Canyon 10-25-22-19
Sec. 19, T10S, R25E, S.L.B.&M.



Tri-State
Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: bgm
DATE: 04-13-2005

Legend	
	Roads
	Existing Gas Line
	Proposed Gas Line

TOPOGRAPHIC MAP
"D"
SHEET **8** OF 8

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/13/2005

API NO. ASSIGNED: 43-047-36718

WELL NAME: SOUTHAM CYN 10-25-22-19
OPERATOR: ENDURING RESOURCES, LLC (N2750)
CONTACT: PHYLLIS SOBOTIK

PHONE NUMBER: 303-350-5114

PROPOSED LOCATION:

SENW 19 100S 250E
SURFACE: 1526 FNL 2303 FWL
BOTTOM: 1526 FNL 2303 FWL
UINTAH
UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-079010
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: MVRD
COALBED METHANE WELL? NO

LATITUDE: 39.93753
LONGITUDE: -109.1443

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB000173)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-2195)
- RDCC Review (Y/N)
(Date: _____)
- 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 Waiver



OPERATOR: ENDURING RES LLC (N2750)

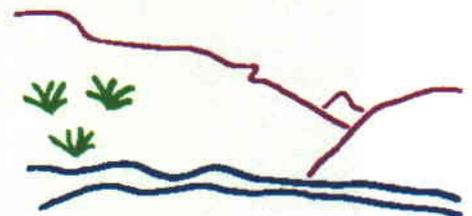
SEC: 19 T. 10S R. 25E

FIELD: UNDESIGNATED (002)

COUNTY: Uintah

SPACING: R649-3-3 / EXCEPTION LOCATION

Wells	Units.shp	Fields.shp
⚡ GAS INJECTION	🟩 EXPLORATORY	🟩 ABANDONED
⊠ GAS STORAGE	🟪 GAS STORAGE	🟨 ACTIVE
✕ LOCATION ABANDONED	🟩 NF PP OIL	🟪 COMBINED
⊕ NEW LOCATION	🟩 NF SECONDARY	🟨 INACTIVE
◇ PLUGGED & ABANDONED	🟩 PENDING	🟩 PROPOSED
⚡ PRODUCING GAS	🟩 PI OIL	🟩 STORAGE
● PRODUCING OIL	🟩 PP GAS	🟩 TERMINATED
⊠ SHUT-IN GAS	🟩 PP GEOTHERML	
⊠ SHUT-IN OIL	🟩 PP OIL	
✕ TEMP. ABANDONED	🟩 SECONDARY	
○ TEST WELL	🟩 TERMINATED	
▲ WATER INJECTION		
◇ WATER SUPPLY		
⚡ WATER DISPOSAL		



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 16-MAY-2005



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

May 16, 2005

Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202

Re: Southam Canyon 10-25-22-19 Well, 1526' FNL, 2303' FWL, SE NW, Sec. 19,
T. 10 South, R. 25 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 43-047-36718.

Sincerely,

Gil Hunt
Acting Associate Director

pab
Enclosures

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

Operator: Enduring Resources, LLC

Well Name & Number Southam Canyon 10-25-22-19

API Number: 43-047-36718

Lease: UTU-079010

Location: SE NW Sec. 19 T. 10 South R. 25 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.



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



IN REPLY REFER TO:
3160
UT08300

June 15, 2005

Phyllis Sobotik
Enduring Resources
475 17th Street, Suite 1500
Denver, Colorado 80202

43,047-36718
Re: Well No. Southam Canyon 10-25-22-19
SENW, Sec. 19, T10S, R25E
Uintah County, Utah
Lease No. U-79010

Dear Ms. Sobotik:

The Application for Permit to Drill (APD) the above referenced well submitted May 20, 2005, is being returned unapproved per your letter dated June 1, 2005. If you intend to drill at this location at a future date, a new APD must be submitted.

If you have any questions concerning APD processing, please contact me at (435) 781-4497.

Sincerely,

/s/ Leslie Wilcken

Leslie Wilcken
Legal Instruments Examiner

Enclosures

cc: UDOGM

RECEIVED
JUN 1 / 2005
DIV OF OIL, GAS & MINING



Enduring Resources

475 17th Street Suite 1500 Denver Colorado 80202
Telephone 303 573-1222 Fax 303 573 0461

4304736718
10S 25E Sec. 19

June 27, 2005

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

Attn.: Ms. Diana Whitney

RE: Southam Canyon #10-25-22-19
API # 43-047-36718
SENW Sec 19 T10S-R25E
Uintah County, Utah

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

Dear Ms. Whitney:

Enclosed are the following revised pages for an application to drill concerning the referenced proposed well. These revisions concern the access route.

Directions to Location
Multi-Point Surface Use & Operations Plan
Sheet 5-Topographic Map "A"
Sheet 6-Topographic Map "B"
Sheet 8-Topographic Map "D"(no changes to gathering line; access route only)

During the onsite, the BLM modified the access route. The BLM did not want a Sundry to accompany this information. Please replace the data within the application to drill dated May 12, 2005 with this information.

If any questions arise or additional information is required, please contact me at 303-350-5114.

Sincerely,

Phyllis Sobotik
Regulatory Specialist

RECEIVED

JUL 05 2005

DIV. OF OIL, GAS & MINING

/ps
Enclosures:

**Enduring Resources, LLC
Southam Canyon # 10-25-22-19
SENW Sec. 19 T10S-R25E
Uintah County, Utah
Lease # UTU-079010**

Directions to Location

Directions to the proposed location are as follows:

Beginning at the town of Bonanza, Utah, proceed south on US Hwy 45 for a distance of approximately 3.7 miles. Turn left on the dirt road and travel southeasterly for approximately 6 miles to the Watson turn off. Turn right and proceed toward Watson for 100 yards then turn right onto an existing two track road and proceed northwesterly for an approximate distance of 6,985 feet (1.3 miles) to the proposed Southam Canyon 10-25-22-19 well pad.

The proposed well site is located approximately 11 miles Southerly from Bonanza, Utah.

Enduring Resources, LLC
Southam Canyon # 10-25-22-19
SENW Sec. 19 T10S-R25E
Uintah County, Utah
Lease # UTU-079010

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are as follows:

Beginning at the town of Bonanza, Utah, proceed south on US Hwy 45 for a distance of approximately 3.7 miles. Turn left on the dirt road and travel southeasterly for approximately 6 miles to the Watson turn off. Turn right and proceed toward Watson for 100 yards then turn right onto an existing two track road and proceed northwesterly for an approximate distance of 6,985 feet (1.3 miles) to the proposed Southam Canyon 10-25-22-19 well pad.

The proposed well site is located approximately 11 miles Southerly from Bonanza, Utah. Refer to attached Topographic Map "A" and "B"

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

The proposed access road will be approximately 185 feet of new construction on lease and approximately 6,800 feet (1.3 miles) of new construction off lease. This includes upgrading the existing two track road which is the primary access road. There is a power line running parallel to the two track and will be avoided by crossing under the line and then remaining outside of the line for approximately 400 yards. A total of approximately 6,985 feet (1.3 miles) of access road is proposed. Please refer to Topographic Map "B".

An off lease Right-of-Way is requested for the approximately 6,800 feet (1.3 miles) of proposed access road. The proposed access road surface ownership is the Federal government managed by the BLM. The proposed access road will be utilized to transport personnel, equipment and supplies to and from the proposed wellsite during drilling, completion and production operations. The road will be temporary if the proposed well is drilled and abandoned. However, the road will be permanently utilized if the well is capable of producing in economic quantities. If the well is productive, the road will be utilized year round. A permanent right-of-way is requested for a term of 30 years.

The access road will be crowned 2% to 3%, ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet right-of-way. Maximum grade of road is 5% or less. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. One 18 inch by 30 foot culvert will be required to be installed to provide drainage. An existing fence may be required to be moved in a northerly direction. No turnouts, cattleguards or major cuts and fills are required. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings

shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. **Location of Existing Wells Within a One Mile Radius: Please refer to Topographic Map "C"**

There are no known water wells, temporarily abandoned wells, disposal wells, producing wells, shut-in wells, monitoring or observation wells, or injection wells located within a one (1) mile radius of the proposed location.

There is one known abandoned well – Gem #2 NWSE Sec 18 T10S-R25E.

There may be drilling activity or permitted wells within in the area.

4. **Location of Existing &/or Proposed Facilities:**

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater treater.) These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank and be independent of the back cut.

All permanent (on site for six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth tone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Inter-Agency Committee.

All facilities will be painted within 6 months of installation. The color shall be Carlsbad Canyon (2.5Y 6/2). Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

An off lease Right-of-Way is being requested for approximately 2,560 feet (0.5 miles) of proposed gas gathering line. The width of the right-of-way requested is 15 feet. A permanent right-of-way is requested for a term of 30 years. Please refer to the attached Topographic Map "D".

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed. The gas gathering line shall be in use year round. A total of approximately 2,745 feet (0.5 miles) of 6 inch or less diameter steel, unpainted, welded gas gathering line is proposed. (Approximately 185 feet is on lease and approximately 2,560 feet (0.5 miles) is off lease). The proposed line will begin at the well site and continue in a easterly direction being laid alongside the proposed access route to tie into an existing pipeline located in Sec 19 T10S-R25E. The proposed gathering line will be placed above ground adjacent to the proposed access route. The line will be welded together and pulled from the well site location and tie-in point when practical; however, it may be necessary to utilize the access road for welding of the line. The line will then be boomed off to the side of the road. The gas meter run will be located within 500 feet of the wellhead. The meter run will be housed. The gas gathering line will be buried or anchored down from the wellhead to the meter.

Upon plugging and abandonment, the gas gathering line will be removed and the disturbed area will be re-contoured and restored as near as practical to the original condition. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

5. Location and Type of Water Supply:

Water will be obtained from the White River by Tu and Frum, Inc. Water User Claim #49-2185, Application #T75517, or by Target Trucking Water User Claim #43-2195, or by Dalbo Inc. Water User Claim #43-8496.

Water will be hauled to the location over the roads marked on Topographic Maps "A" and "B".

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized for location and access road construction.

Any gravel will be obtained from a commercial source; however, gravel sized rock debris associated with location and access road construction may be used as access road surfacing material.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break or allow discharge of liquids.

The reserve pit will be lined with 1/4 inch felt and a minimum of 16 mm plastic with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical portable toilet will be furnished with the drilling rig. The toilet will be replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

Garbage, trash and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported or disposed of annually in association with the drilling, completion or testing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well.

Produced oil will be stored in an oil tank and then hauled by truck to a crude purchaser facility. Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to an approved disposal site.

8. Ancillary Facilities:

During drilling operations, approximately 20 days, the site will be a manned camp. Three or four additional trailers will be on location to serve as the crew's housing and eating facility. These will be located on the perimeter of the pad site within the topsoil stockpiles. Refer to Sheet 4.

9. Well Site Layout: (Refer to Sheet #2, #3 & #4)

The attached Location Layout Diagrams describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s) and surface material stockpiles(s).

Please see the attached diagram for rig orientation and access roads.

The top soil will be windrowed rather than piled. It will be reseeded and track walked at the time the location is constructed. Seeding will be with the mix determined during the onsite (Refer to Page 5). The top soil removed from the pit area will be stored separately and will not be reseeded until the pit is reclaimed.

All pits shall be fenced to the following minimum standards:

39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.

All wire shall be stretched by, using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig, the location will be re-surveyed and a Form 9 will be submitted.

10. Plans for Surface Reclamation:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, materials, trash and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 40 CFR 3162.7.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface 3 feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling and re-contouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole / Abandoned Location:

Abandoned well sites, roads and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions and re-establishment of vegetation as specified.

All disturbed surfaces will be re-contoured to the approximate natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

Seed Mixture for Windrowed Top Soil will include:

Shadscale	Atriplex confertifolia	4 lbs/acre
Needle and Threadgrass	Stipa comata	3 lbs/acre
Wyoming Sagebrush	Artemisia tridentata wyomingensis	1 lb/acre
Munro Globemallow	Sphaeralcea munroana	4 lbs/acre

11. Surface Ownership: Location, Access Road & Pipeline

Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
(435) 781-4400

12. Other Information:

Special Conditions of Approval: No stipulations concerning SSAS were found to be of concern on this site.

Onsite Inspection for Location, Access and Pipeline Route: Conducted June 1, 2005 with the following people present: Mr. Byron Tolman-BLM Mr. Doug Hammond-Enduring Resources, LLC
Ms. Melissa Hawk-BLM Mr. Stacy Stewart-Tri-State Land Surveying Inc.
Mr. Mike Stewart-Ponderosa Construction

Lease Wildlife Stipulations: None

Archeology: A Cultural Resource Inventory report, number MOAC 05-133, was submitted by Montgomery Archaeological Consultants on April 29, 2005. A copy of this report is attached.

Paleontology: A Paleontology reconnaissance report, number MOAC 05-152, for the well location, access route and pipeline is attached.

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

13. **Lessee's or Operator's Representative and Certification:**

Phyllis Sobotik
Regulatory Specialist
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202
303-350-5114 (office)
303-573-0461 (fax)
psobotik@enduringresources.com

Frank Hutto
Vice President – Operations
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202
303-350-5102 (office)
303-573-0461 (fax)
fhutto@enduringresources.com

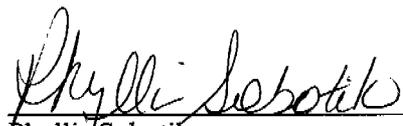
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

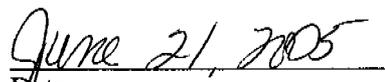
Enduring Resources, LLC is considered to be the operator of the subject well. Enduring Resources, LLC agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Statewide Bond # UTB000173.

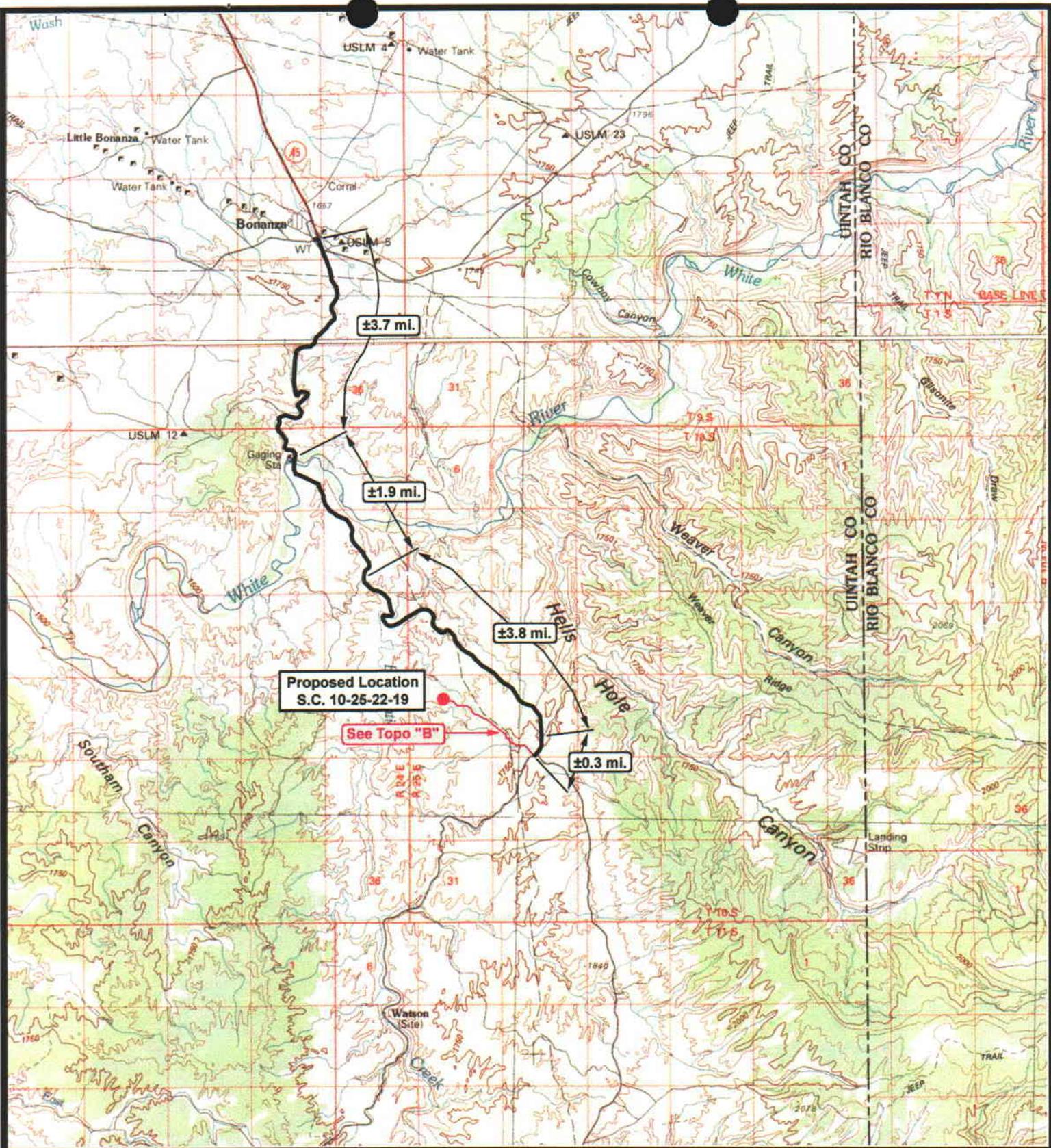
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Enduring Resources, LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.



Phyllis Sobotik



Date



ENDURING
-Resources-

Southam Canyon 10-25-22-19
Sec. 19, T10S, R25E, S.L.B.&M.



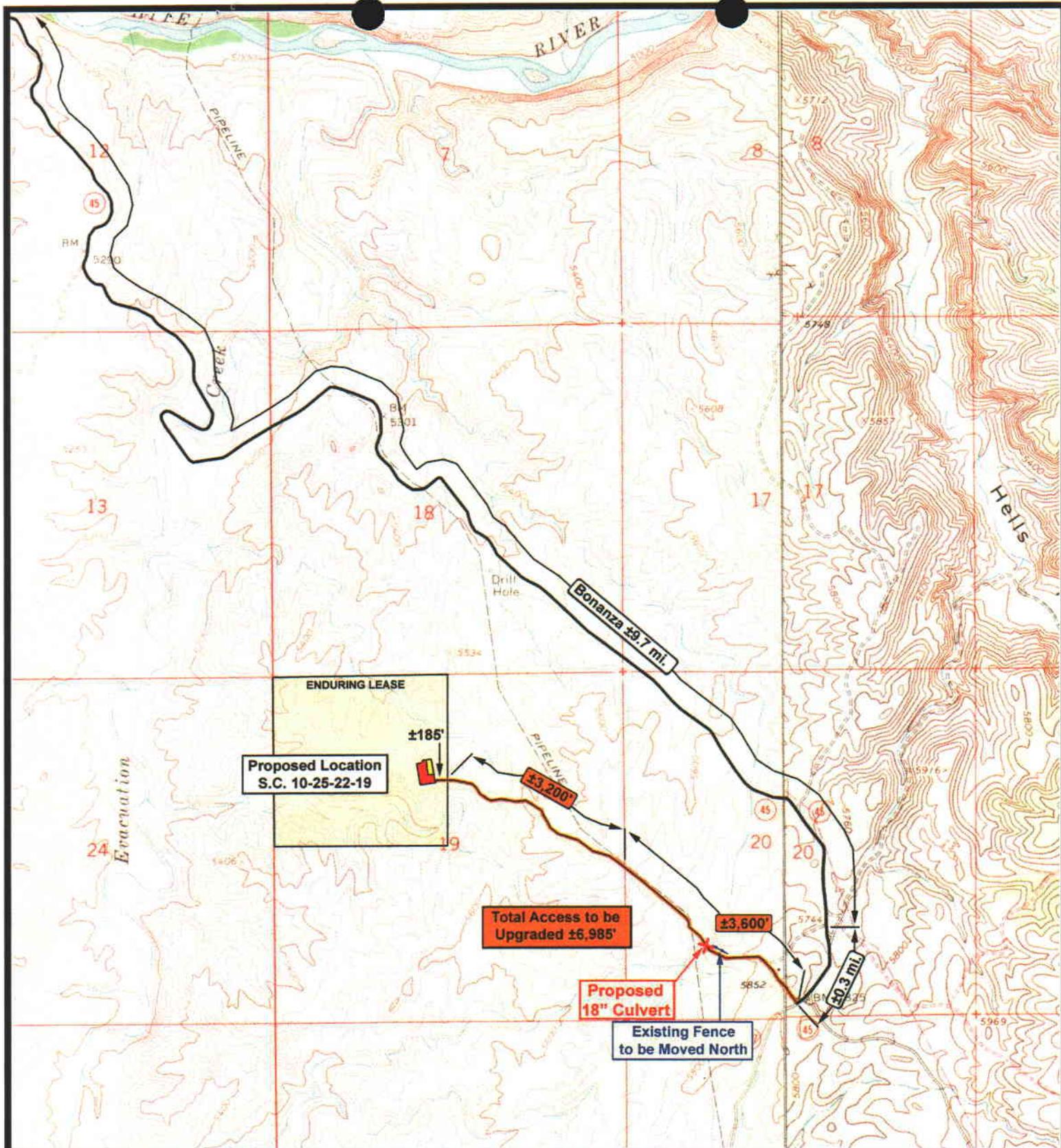
Tri-State
Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 100,000'
DRAWN BY: bgm
DATE: 06-22-2005

Legend

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP SHEET
"A" **5**
OF 8



ENDURING
-Resources-

Southam Canyon 10-25-22-19
Sec. 19, T10S, R25E, S.L.B.&M.



Tri-State
Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: bgm
DATE: 06-22-2005

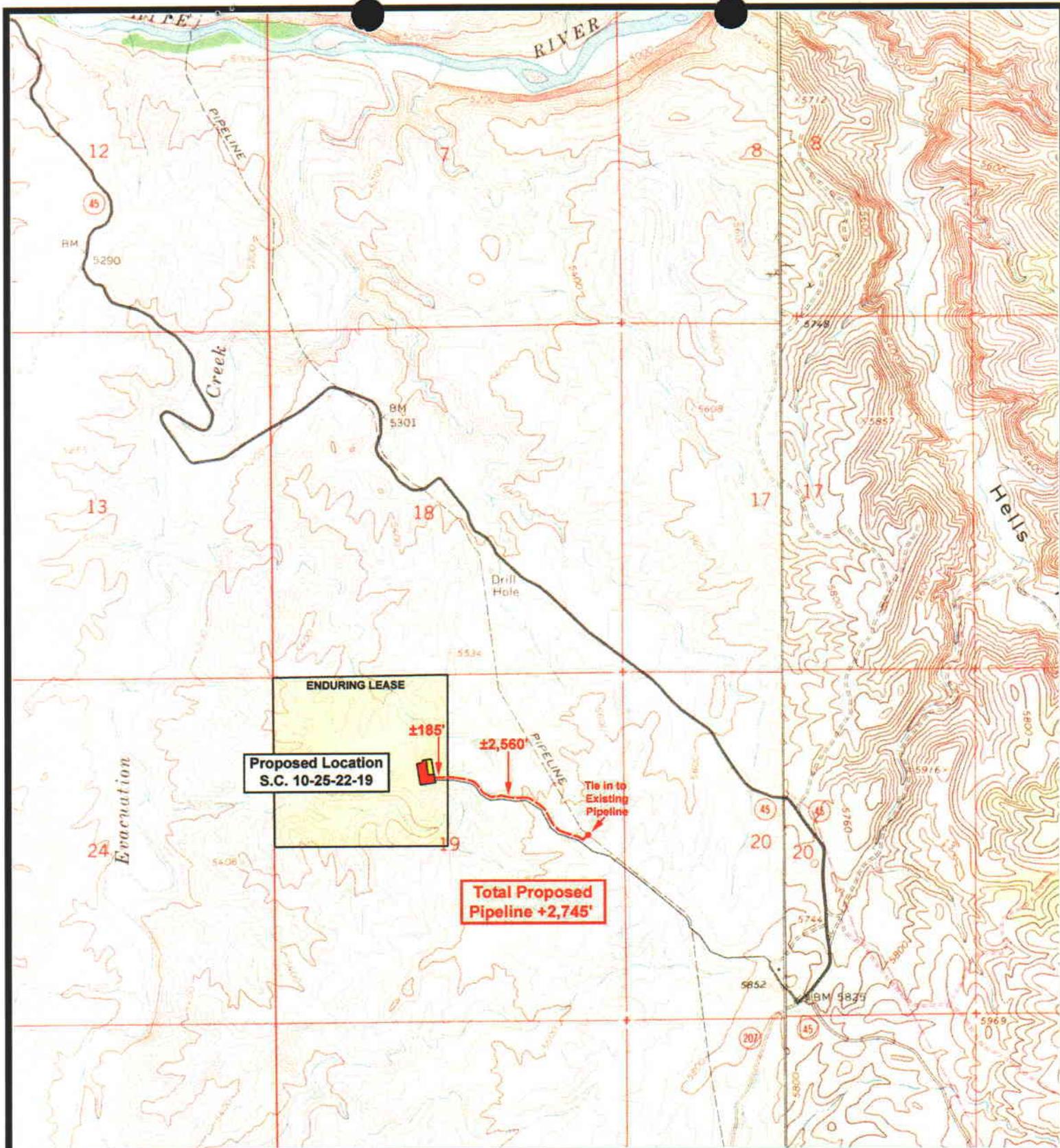
Legend

- Existing Road
- Two-Track to Upgrade

TOPOGRAPHIC MAP

"B"

SHEET
6
OF 8



ENDURING
-Resources-



*Tri-State
Land Surveying Inc.*
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'

DRAWN BY: bgm

DATE: 06-07-2005

Legend

- Roads
- Existing Gas Line
- Proposed Gas Line

Southam Canyon 10-25-22-19
Sec. 19, T10S, R25E, S.L.B.&M.

TOPOGRAPHIC MAP

"D"

SHEET

8
OF 8

RECEIVED

JUN 23 2005

Form 3160-3
(April 2004)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BLM VERNAL, UTAH

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-079010
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Enduring Resources, LLC		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 475 17th Street, Suite 1500 Denver, CO 80202		8. Lease Name and Well No. Southam Canyon 10-25-22-19
3b. Phone No. (include area code) 303-350-5114		9. API Well No. 43-047-36718
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENW 1526' FNL 2303' FWL At proposed prod. zone Same as surface		10. Field and Pool, or Exploratory Undesignated
14. Distance in miles and direction from nearest town or post office* 10.8 miles Southerly from Bonanza, Utah		11. Sec., T. R. M. or Blk. and Survey or Area Sec 19 T10S R25E S.L.B.&M.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 360'	16. No. of acres in lease 160	17. Spacing Unit dedicated to this well 80 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A	19. Proposed Depth 5662'	20. BLM/BIA Bond No. on file BLM - UTB000173
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5513.8' GL Ungraded	22. Approximate date work will start* 07/15/2005	23. Estimated duration 20 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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Phyllis Sobotik</i>	Name (Printed/Typed) Phyllis Sobotik	Date <i>June 21, 2005</i>
Title Regulatory Specialist		
Approved by (Signature) <i>Peter K Sokolowicz</i>	Name (Printed/Typed) PETER K SOKOLOWICZ	Date <i>NOV 8 2005</i>
Title <i>AC/NG</i> Assistant Field Manager Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval 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.
Conditions of approval, if any, are 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 page 2)

CONDITIONS OF APPROVAL ATTACHED

NOTICE OF APPROVAL

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

RECEIVED

NOV 21 2005

DIV. OF OIL, GAS & MINING



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Enduring Resources, LLC
Well No: Southam Canyon 10-25-22-19

Location: SENW Sec 19, T10S, R25E
Lease No: UTU-79010

Petroleum Engineer: Matt Baker
Petroleum Engineer: Michael Lee
Supervisory Petroleum Technician: Jamie Sparger
BLM FAX Machine

Office: 435-781-4490
Office: 435-781-4432
Office: 435-781-4502
435-781-4410

Cell: 435-828-4470
Cell: 435-828-7875
Cell: 435-828-3913

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval.. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations.

Downhole Conditions of Approval

All provisions outlined in Onshore Oil and Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

1. Top job surface casing with premium cement.
2. Surface casing shoe integrity test shall be required.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. 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, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.

3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**

4. Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.

All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil and Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.

BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil and Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

5. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
6. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.
7. Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR ' 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil and Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR ' 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report should be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Worland Field Office.

Please submit an electronic copy of all logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

10. Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
11. A schematic facilities diagram as required by Onshore Oil and Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil and Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil and Gas Order No. 3.
12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

- a. Operator name, address, and telephone number.
 - b. Well name and number.
 - c. Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
 - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - f. The 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. Unit agreement and / or participating area name and number, if applicable.
 - h. Communitization agreement number, if applicable.
13. Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
15. Pursuant to Onshore Oil and Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method should be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

Company/Operator: Enduring Resources, LLC

Well Names and Numbers: Southam Canyon 10-25-22-19

Lease Number: UTU-79010

Location: NWNW Section 19 T10S R25E

API Number: 43-047-36718

Surface Ownership: BLM

Date NOS Received: 05/02/2005

Date APD Received: 06/23/2005

- If any paleontological or cultural materials are encountered, stop work immediately and report the find to this office.
- The AO may prohibit surface disturbing activities during wet and muddy periods to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- -4 to 6 inches of topsoil shall be stripped from the locations and placed as shown on the cut sheet. The topsoil on the wells shall be respread over the entire location as soon as completion operations have been finished and prior to setting the production equipment. The areas of the location not needed for production operations, including the reserve pits, shall be seeded with the recommended seed mix shown below.
- The interim seed mixture for the location will be:

Indian Ricegrass	<i>Pleuraphis hymenoides</i>	4lbs. /acre
Needle and Threadgrass	<i>Stipa comata</i>	4lbs. /acre
Hycress Crested Wheatgrass	<i>Agropyron cristatum</i>	4lbs. /acre

 - ✓ All pounds are in pure live seed.
 - ✓ Reseeding may be required if first seeding is not successful.
- Once the location is plugged and abandoned, it will be recontoured to natural contours, topsoil will be respread where appropriate. A site specific seed mix will be provided for each location at the time of final abandonment. Seeding will take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.
- The reserve pits will be lined with a minimum of 16mm felt and plastic.
- The production equipment will be colored Carlsbad Canyon.
- An 18" culvert will be installed in drainage where road crosses pipeline.
- Corner of the fence will be re routed for the road. The boundary line will not be disturbed as discussed on the onsite investigation.

~~RECEIVED~~
AUG 18 2006

FORM APPROVED AUG 29 2006
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU-079010
2. Name of Operator Enduring Resources, LLC		6. If Indian, Allottee or Tribe Name n/a
3a. Address 475 17th Street, Suite 1500, Denver, CO 80202	3b. Phone No. (include area code) 303-573-1222	7. If Unit or CA/Agreement, Name and/or No. n/a
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1526' FNL - 2303' FWL SENW		8. Well Name and No. Southam Canyon 10-25-22-19
		9. API Well No. 43-047-36718
		10. Field and Pool, or Exploratory Area Undesignated
		11. County or Parish, State Uintah, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other and Request for APD extension
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Because of rig shortages and well back logs, Enduring Resources, LLC ("Enduring") will not be able to get this well drilled.

1. Enduring respectfully requests a one-year extension to the APD term:

APD Granted: Nov-8-2005
APD Expires: Nov-8-2006

Requested APD Extension to: Nov-8-2007

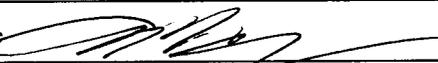
2. Enduring also requests that the APD be changed from Single Zone to Multiple Zone.

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OCT 23 2006

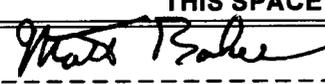
DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) **Alvin R. (Al) Arlian** Title **Landman - Regulatory Specialist**

Signature  Date **08/17/2006**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by  Title **Petroleum Engineer** Date **OCT 12 2006**

Conditions of approval, if any, are attached. Approval of this notice 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.

Office _____

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 page 2)

CONDITIONS OF APPROVAL

Enduring Resources, LLC

Notice of Intent APD Extension

Lease: UTU-079010
Well: Southam Canyon #10-25-22-19
Location: SENW Sec 19-T10S-R25E

An extension for the referenced APD is granted with the following conditions:

1. The extension and APD shall expire on 11/08/07
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490

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

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-79010
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
		7. UNIT or CA AGREEMENT NAME: n/a
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Southam Canyon 10-25-22-19	
2. NAME OF OPERATOR: Enduring Resources, LLC		9. API NUMBER: 4304736718
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202	PHONE NUMBER: (303) 350-5114	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1526' FNL - 2303' FWL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 19 10S 25E S		STATE: UTAH

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

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

Off-Lease r-o-w was not received until January-2006 from the BLM.

Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill

FROM: 4/20/2007
TO: 4/20/2008

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

Date: 04-23-07
By: [Signature]

COPY SENT TO OPERATOR
Date: 4-23-07
Initials: RM

NAME (PLEASE PRINT) <u>Evette Bissett</u>	TITLE <u>Regulatory Affairs Assistant</u>
SIGNATURE <u>[Signature]</u>	DATE <u>4/15/2007</u>

(This space for State use only)

RECEIVED
APR 20 2007

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304736718
Well Name: Southam Canyon 10-25-22-19
Location: 1526' FNL - 2303' FWL, SENW Sec 19-10S-25E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 5/16/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No

Luttrell Bessett
Signature

4/15/2007
Date

Title: Regulatory Affairs Assistant

Representing: Enduring Resources, LLC

RECEIVED

APR 20 2007

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-79010
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1526' FNL - 2303' FWL		8. WELL NAME and NUMBER: Southam Canyon 10-25-22-19
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 19 10S 25E S		9. API NUMBER: 4304736718
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

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

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

Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill

FROM: 4/23/2008
TO: 4/23/2009

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

COPY SENT TO OPERATOR

Date: 4.28.2008
Initials: KS

Date: 04-24-08
By: [Signature]

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>4/21/2008</u>

(This space for State use only)

RECEIVED
APR 23 2008

DIV. OF OIL, GAS & MINING



**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304736718
Well Name: Southam Canyon 10-25-22-19
Location: 1526' FNL - 2303' FWL, SENW Sec 19-10S-25E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 5/16/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No



Signature

4/21/2008

Date

Title: Landman - Regulatory Specialist

Representing: Enduring Resources, LLC

RECEIVED

APR 23 2008

DIV. OF OIL, GAS & MINING



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/ut/st/en/fo/vernal/html>



IN REPLY REFER TO:

3160

UT08300

May 20, 2008

Alvin R. (Al) Arlian
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202

43-047-36718

Re: Notice of Expiration
Well No. Southam Canyon 10-25-22-19
SENW, Sec. 19, T10S, R25E
Uintah County, Utah
Lease No. UTU-79010

Dear Mr. Arlian:

The Application for Permit to Drill (APD) the above-referenced well was approved on November 8, 2005. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until November 8, 2007. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

cc: UDOGM

RECEIVED

MAY 23 2008

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 16, 2009

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

43 047 36718
Southam Cyn 10-25-22-18
10S 25E 19

Re: APD Rescinded at the request of Enduring Resources, LLC.
Uintah County

Dear Mr. Arlian:

Enclosed find the list of APDs that you requested to be rescinded to Enduring Resources, LLC. No drilling activities at these locations have been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective June 16, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal
SITLA, Ed Bonner



Bonanza 9-23-22-11	43-047-36646 (Federal)
Bonanza 9-23-32-11	43-047-36647 (Federal)
Bonanza 9-23-23-12	43-047-36655 (Federal)
Buck Camp 12-22-33-2	43-047-37915 (State)
Bitter Creek 12-23-24-24	43-047-38334 (Federal)
Bitter Creek 12-23-21-24	43-047-38356 (Federal)
Southam Canyon 10-25-22-19	43-047-36718 (Federal)
Southam Canyon 10-24-24-12	43-047-36789 (Federal)