



Enduring Resources

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

May 20, 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: Red Wash # 9-24-34-30
SWSE Sec. 30 T9S-R24E
Uintah County, Utah

Dear Ms. Whitney:

Enclosed are two original applications to drill concerning the referenced proposed well.

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:

xc: American Gilsonite Co.
29950 S. Bonanza Hwy.
Bonanza, Utah 84008
Attn.: Mr. Jared Jackson

RECEIVED
MAY 23 2005
DIV. OF OIL, GAS & MINING

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



CONFIDENTIAL

FORM 3

AMENDED REPORT
(highlight changes)

| | | | |
|--|--|---|--------------------|
| APPLICATION FOR PERMIT TO DRILL | | 5. MINERAL LEASE NO: N/A | 6. SURFACE: Fee |
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> | | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A | |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 8. UNIT or CA AGREEMENT NAME: N/A | |
| 2. NAME OF OPERATOR: Enduring Resources, LLC | | 9. WELL NAME and NUMBER: Red Wash 9-24-34-30 | |
| 3. ADDRESS OF OPERATOR: 475 17th St, Suite 1500 CITY Denver STATE CO ZIP 80202 | | 10. FIELD AND POOL, OR WILDCAT: undesignated | |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 558' FSL 1995' FEL Sec 30 T9S R24E S.L.B.&M. 40.001277 AT PROPOSED PRODUCING ZONE: Same as above 649055X 4429149Y -109.253857 | | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 30 T9S 24E | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 45.8 miles Southeasterly from Vernal, Utah | | 12. COUNTY: Uintah | 13. STATE: UTAH |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 558' | 16. NUMBER OF ACRES IN LEASE: 2403.9 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 | |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) N/A | 19. PROPOSED DEPTH: 8,175 | 20. BOND DESCRIPTION: RLB0008031 | |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5413.8' GR Ungraded | 22. APPROXIMATE DATE WORK WILL START: 8/15/2005 | 23. ESTIMATED DURATION: 20 days | |

24. **PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT | | |
|--------------|---|---------------|---|---------|---------------|
| 12-1/4" | 8-5/8" J-55 24# | 2,000 | 65/35 Poz | 462 sx | 1.81 12.6 ppg |
| | | | Prem | 236 sx | 1.18 15.6 ppg |
| 7-7/8" | 4-1/2" N-80/I-80 11.6# | 8,175 | Prem Lite II | 444 sx | 3.38 11.0 ppg |
| | | | 50/50 Poz CI G | 1138 sx | 1.31 14.3 ppg |
| | | | | | |
| | | | | | |

25. **ATTACHMENTS**

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

| | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Phyllis Sobotik TITLE Regulatory Specialist
SIGNATURE *Phyllis Sobotik* DATE MAY 20 2005

(This space for State use only)
API NUMBER ASSIGNED: 43-047-36734

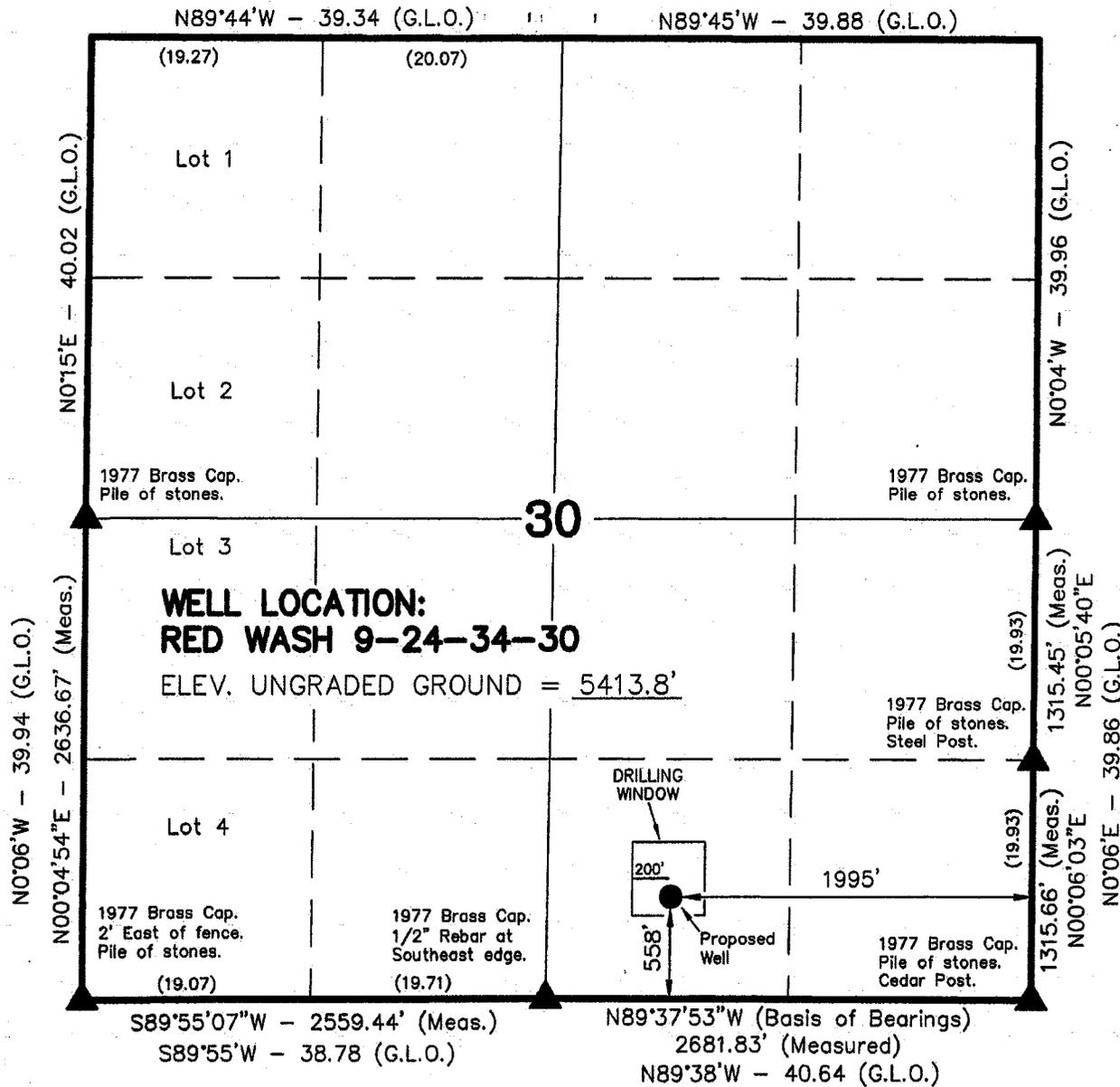
**Approved by the
Utah Division of
Oil, Gas and Mining**
APPROVAL:
Date: 07-11-05
By: *[Signature]*

RECEIVED
MAY 23 2005
DIV. OF OIL, GAS & MINING

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

ENDURING RESOURCES

WELL LOCATION, RED WASH 9-24-34-30,
LOCATED AS SHOWN IN THE SW 1/4 SE
1/4 OF SECTION 30, T9S, R24E, S.L.B.&M.
UINTAH COUNTY, UTAH.



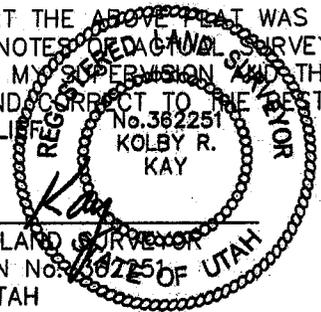
NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.



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

Kolby R. Kay
REGISTERED LAND SURVEYOR
REGISTRATION No. 382251
STATE OF UTAH



▲ = SECTION CORNERS LOCATED
BASIS OF ELEVATION IS THE SOUTHEAST CORNER OF SECTION 30, T9S, R24E, S.L.B.&M. WHICH IS TAKEN FROM THE BONANZA 7.5 MINUTE QUADRANGLE TO BE 5453'

RED WASH 9-24-34-30
(Proposed Well Head)
NAD 83 Autonomous
LATITUDE = 40° 00' 04.5"
LONGITUDE = 109° 15' 16.0"

TIMBERLINE LAND SURVEYING, INC.
38 WEST 100 NORTH. - VERNAL, UTAH 84078
(435) 789-1365

| | | |
|--------------------------|---------------------|--------------------------|
| DATE SURVEYED: 5-6-05 | SURVEYED BY: K.R.K. | SHEET 2 |
| DATE DRAWN: 5-7-05 | DRAWN BY: J.R.S. | |
| SCALE: 1" = 1000' | Date Last Revised: | OF 10 |

**Enduring Resources, LLC
Red Wash # 9-24-34-30
SWSE Sec. 30 T9S-R24E
Uintah County, Utah
Lease # N/A - Fee**

ONSHORE ORDER 1 - DRILLING PLAN

1. Estimated Tops of Geological Markers:

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| Uinta | Surface |
| Green River | 1143' |
| Wasatch | 4123' |
| Mesaverde | 5928' |
| Castlegate | 8128' |

2. Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals: (5423.2' estimated KB)

| Substance | Formation | Depth |
|-----------|--------------|---------|
| | Uinta | Surface |
| Oil / Gas | Green River | 1143' |
| Oil /Gas | Wasatch | 4123' |
| Oil /Gas | Mesaverde | 5928' |
| Water | Castlegate | 8128' |
| | Estimated TD | 8175' |

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 – 8175' |

The surface casing will have guide shoe, 1 jt., insert float collar. Centralize the first 3 joints with bowspring 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 | 1370/1.53(a) | 4460/4.98(b) | 244/5.08(c) |
| 8175 | 4-1/2", 11.6#/ft, N-80, LTC | 6350/1.50 (d) | 7780/2.00 (e) | 223/2.73 (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 | 4000 | Premium Lite II +3% KCL +0.25 pps celloflake +5 pps gilsonite +10% gel +0.5% extender | 444 | 60 | 11.0 | 3.38 |
| 4-1/2" | Tail | 4200 | 50/50 POZ Class G +10% salt + 2% gel + 1% R-3 | 1138 | 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'-8175' | 8.8-10.2 | 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.

Samples: None

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: PBTD 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 4251 psi (calculated at 0.52 max psi/foot of hole) and maximum anticipated surface pressure equals approximately 2452 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- August 15, 2005
 Drilling Days- Approximately 10 days
 Completion Days - Approximately 10 days
 Anticipate location construction within 30 days of permit issue.

9. Variances:

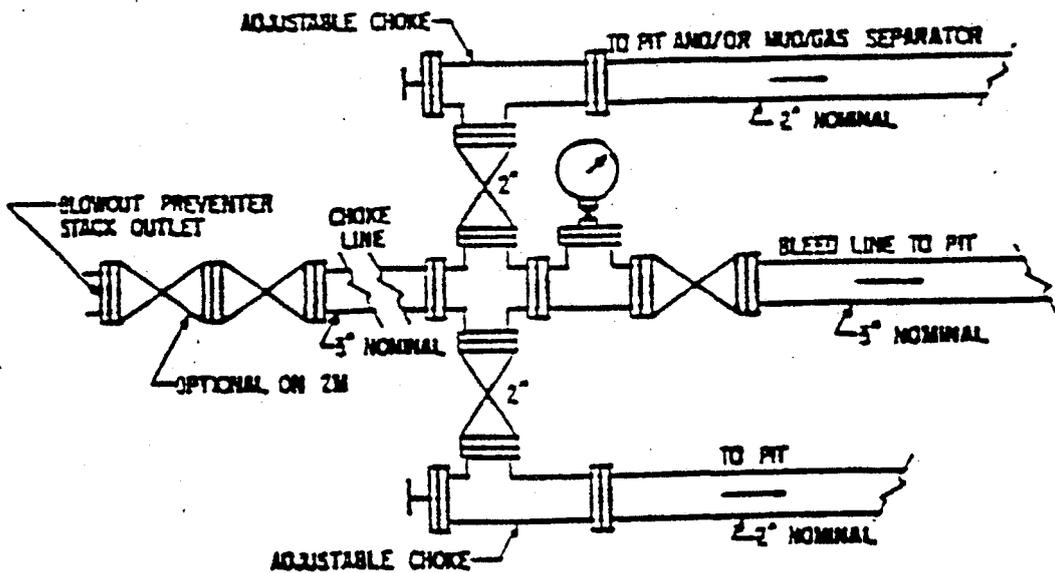
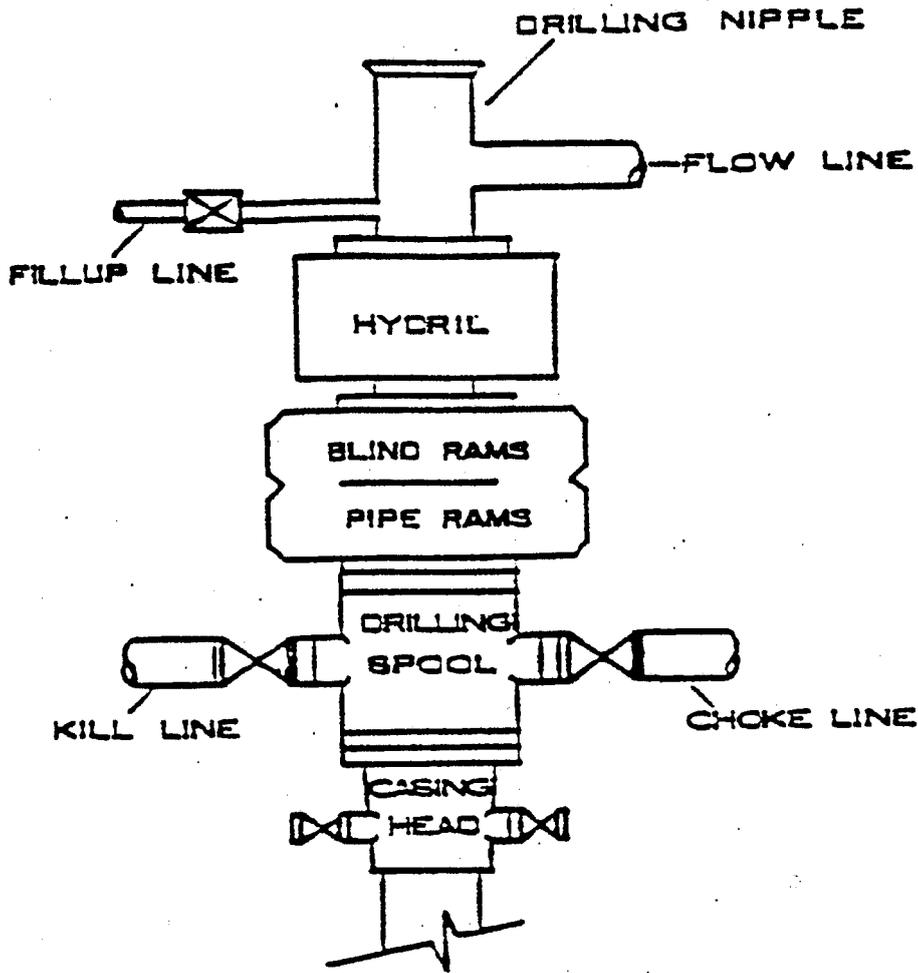
None anticipated

10. Other:

A Cultural Resource Inventory and Paleontology reconnaissance shall be conducted for the well location, access route and pipeline. The reports shall be submitted to the Division of Oil, Gas and Mining upon their receipt.

3,000 PSI

EOP STACK



**Enduring Resources, LLC
Red Wash # 9-24-34-30
SWSE Sec. 30 T9S-R24E
Uintah County, Utah
Lease # N/A - Fee**

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are as follows:

From the intersection of U.S. Hwy 40 and 500 East Street in Vernal, UT, proceed in an easterly then southerly direction along U.S. Hwy 40 approximately 3.3 miles to the junction of State Hwy 45. Exit right and proceed in a southerly direction along State Hwy 45 approximately 36 miles to the junction of County B Road 3410 (this road is located approximately 0.5 miles south of Bonanza). Exit right and proceed in a westerly direction along County B Road 3410 approximately 4.4 miles to the junction of County B Road 3420. Exit left and proceed in a southerly direction along County B Road 3420 approximately 1.3 miles to the junction of County B Road 3425. Continue along County B Road 3420 in a southwesterly direction approximately 0.7 miles to the proposed access road. Follow road flags in a southeasterly direction approximately 380 feet to the proposed location.

The proposed well site is located approximately 45.8 miles Southeasterly from Vernal, 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 380 feet of new construction on fee acreage. Please refer to Topo Map "B".

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 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, plugged and abandoned wells, temporarily abandoned wells, disposal wells, producing wells, monitoring or observation wells, or injection wells located within a one (1) mile radius of the proposed location.

There are four known shut in wells – Dirty Devil Unit #11-29 NWNW Sec 29 T9S-R24E
- Southam Canyon # 2D-30 NWNE Sec 30 T9S-R24E
- Southam Canyon #2D-36 NWNE Sec 36 T9S-R23E
- Southam Canyon #8C-36 SENE Sec 36 T9S-R23E

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. Refer to Sheet #6.

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. 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.

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 420 feet 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 30 T9S-R24E. 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. Please refer to the attached Topographic Map "D".

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 #F75517, 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 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 5.

9. Well Site Layout: (Refer to Sheet #3, #4 & #5)

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

American Gilsonite Co.

29950 S. Bonanza Hwy.

Bonanza, Utah 84008

Attn.: Mr. Jared Jackson

Office – 435-789-1921 x 415; Fax – 435-789-1956; Cell – 435-790-7256; E-mail – jjackson@amgc.com

12. Other Information:

Wildlife Stipulations: Wildlife stipulations and possible activity restrictions will be detailed in the "Conditions of Approval" received with an approved Permit to Drill. Operator will comply with these wildlife stipulations.

Archeology: A Cultural Resource Inventory shall be conducted for the well location, access route and pipeline. The report shall be submitted to the Division of Oil, Gas and Mining upon its receipt.

Paleontology: A Paleontology reconnaissance shall be conducted for the well location, access route and pipeline. The report shall be submitted to the Division of Oil, Gas and Mining upon its receipt.

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.

All lease operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, 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. The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites or other applicable facilities.

Exhibit "C"

RIGHT-OF-WAY and SURFACE DAMAGE AGREEMENT

THIS AGREEMENT is made and entered into by and between, AMERICAN GILSONITE COMPANY, (hereinafter referred to as "Grantor") and ENDURING RESOURCES LLC (hereinafter referred to as "Grantee") effective April 28 2005

WHEREAS, Grantor is the surface owner of ^{NESW}/_{SWSE} quarter Section 30 Township 9 South, Range 24 East, Uintah County, Utah (hereinafter referred to as the "Land(s)").

WHEREAS, Grantee desires to enter onto and cross such Lands for the purpose of drilling an exploratory oil and/or gas well, [Well Name] ("Well"), located in the NE* quarter of the SW* quarter, Section 30 Township 9 South, Range 24 East, Uintah County, Utah (hereinafter referred to as the "Drillsite"). * and SW/4 of the SE/4

NOW THEREFORE, for and in consideration of the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- I. Grantee shall pay Grantor the sum of \$_____ up front payment for damages to surface of the Lands for road access to the Drillsite and for the Drillsite for the drilling of the Well. Within sixty days of completion of the Well either as a producer or a plugged and abandoned well, Grantee shall survey the new access road and the Drillsite to compensate Grantor for any additional damage that may have occurred during drilling and completion operations. Compensation will be on a \$_____ per acre cost for any damages exceeding 4.0 acres and such compensation, if due, will be paid within thirty (30) days of the surveyor's report being released. Grantee shall utilize existing access routes to the maximum extent feasible, so as to minimize surface disturbances for access to facilities.
- II. Grantee and their assigns or agents shall have the right to use a reasonable amount of access road across the Lands and shall have the right to move derricks, drilling tools, vehicles, and all other machinery and equipment necessary or incident to the re-drilling, drilling, testing completion, operation of the Well. Such activity shall be restricted to existing public roads or access roads covered by this agreement. Any roads or surface facilities may be relocated at Grantor's expense if needed due to gilsonite mining or processing in the future.
- III. This Agreement and the rights granted herein are effective and shall continue in full force and effect so long as operations are conducted on the Well. Upon execution of this Agreement, all payments due hereunder shall be paid concurrently. Operations are defined under terms of the oil and gas lease with Grantor, and under the Rules and Regulations defined by the State of Utah.
- IV. Cattle guards of gates will be constructed, if requested by Grantor, at all places where the openings go through the existing fences and gates will be kept closed at all times except when opened for passage of traffic. Also, gates shall be installed to limit access to

producing wells on roads constructed by Grantee if by mutual agreement between Grantee and Grantor.

- V. If there is any fill used for roads constructed across any drainage, then culverts will be used for the free flow of water through said drainage.
- VI. If the access road departs from existing established roadways and new construction is required, topsoil will be segregated and stockpiled for replacement during reclamation activities.
- VII. It is understood that any road constructed across the said Lands shall not exceed 30 feet in total width, including the total disturbed area between the outside of each berm, without the prior approval of Grantor.
- VIII. Upon completion of the Well as a dry hole and the subsequent abandonment thereof, and at the request of the Grantor, any drill pads and newly constructed road will be restored and seeded within 180 days to the condition it was in prior to commencement of operations insofar as reasonably possible. Any preexisting roads, and the improvements thereto, which are constructed by Grantee, shall be left in a good and useable condition for the continued use by Grantor. Reclaimed areas will be reseeded with a wildlife mixture approved by the Utah Division of Wildlife.
- IX. In the event that the Well is completed as a producer of oil and/or gas, Grantee shall build and maintain a permanent access road in conformance with the already established county road including any variances granted by the county by existing roads to the Drillsite. Disturbed areas not used for production will be re-graded and seeded with an approved wildlife seed mix within 90 days unless prohibited by weather.
- X. Upon completion of the Well as a well capable of oil and/or gas production, this Agreement shall continue in full force and effect and Grantee shall pay in advance to Grantor an annual access rental of _____ dollars, \$_____ per pad and \$_____ per acre of roadway (30-foot width), or a minimum of \$_____ to include the pad and roadway for each well, whichever is greater, on or before January 31st of each year thereafter until the subject well is plugged and abandoned and operations cease thereon.
- XI. It is expressly understood that the settlement amounts in paragraph I are only for construction of a road and drilling location and is not a settlement for any damages to contiguous property, personal property of the Grantor or a release of any personal injuries that may be sustained by reason of the operations carried on by Grantee or its agents.
- XII. This Agreement does not cover pipeline easements and Grantee acknowledges that it must secure a separate agreement prior to laying pipeline related to production of gas or oil on Grantor's lands.
- XIII. This Agreement shall not be assigned, nor the rights of Grantee hereunder transferred in any manner without the prior written consent of Grantor, which consent shall not be

unreasonably withheld.

- XIV. Grantee shall comply at its own expense with the Workman's Compensation Law of the State of Utah and shall maintain such insurance throughout the duration of this Agreement, and shall furnish Grantor prior to beginning work on the Lands evidence of such insurance and at each policy period thereafter renewal evidence that such insurance is being maintained. Grantee, with respect to its operation in connection with this Agreement, shall also purchase or provide for (i) comprehensive general public liability insurance with a combined single limit not less than One Million Dollars (\$1,000,000) for bodily injury and property damage; and (ii) automobile insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) for bodily injury or property damage. At Grantor's request, Grantee shall furnish Grantor with a certificate or certificates of insurance secured and maintained hereunder and Grantor shall be an additional insured thereon.
- XV. In the event any person or entity (including Grantor) suffers a loss of any kind or character, or death or injury, (1) as a result of a breach of this Agreement by Grantee, or its agents, contractors, or employees, or (2) as a result of Grantee or its agents, contractors or employees performing on the Drillsite or elsewhere, any action, directly or indirectly, in furtherance of a right hereunder, or (3) from any cause whatsoever while being on the Lands and the Drillsite to conduct any work or service for Grantee shall reimburse, indemnify, defend and hold harmless Grantor for any and all losses, costs, claims, liability, litigation, demands, damages and expenses (including all attorney fees) of every kind or character which Grantor may suffer or be subject to as a result of said loss or injury whether or not such losses, costs, claims, liabilities, litigation, demands, damages, and expenses (including all attorney fees) result from the condition of Grantor's premises or facilities, unless through the sole negligence of Grantor or its agents.
- XVI. Grantee shall provide Grantor with not less than forty-eight (48) hours advance notice, either by phone or in person, of Grantee's intent to enter upon the Land for the purpose of commencing operations thereon. Grantee shall conduct its operations in such a manner as to use no more Land than is reasonably necessary and shall use all reasonable efforts not to interfere with the use of the Land by any grazing permittees. All drilling fluid pits shall be fenced within ten days of end of drilling the Well as a producer or dry hole and then the pits will be reclaimed and reseeded within 180 days of the completion of the well as a producer or a dry hole. Surface structures shall be fenced, if they represent a potential hazard to livestock, by mutual agreement between Grantor and Grantee. The type of fencing to be mutually agreed upon by Grantor and Grantee. Grantee will have ten days to effect repairs or problems with fences when notified by e-mail or in writing by Grantor. Grantor can request an extension of the closure of pits beyond the 180 days from the completion of the Well if closing the pits represents a potential hazard or closing the pits at that time will not comply with the State of Utah's reclamation requirements. An extension will not be unreasonably withheld.
- XVII. Grantee shall have the right at any time, and from time to time, to remove any or all property, fixtures, equipment and materials, placed by Grantee on the Land, including the right to draw and remove casing. Within 90 days after plugging of the Well this

agreement will expire and Grantee shall remove all remaining property, fixtures, equipment and materials that were placed by Grantee on the Land. Such removal shall be accomplished at Grantee's sole cost, risk and expense. If such items are not removed within 90 days, Grantor shall have the right to remove those items from the Land and bill the associated cost for such removal to Grantee.

- XVIII. This agreement restricts the Grantee's use of Grantor's lands to the sole purpose of exploration and production of oil and/or gas at this specific site. It does not grant Grantee, its contractors, or its agents the right to use the Grantor's property for any other purpose.
- XIX. All operations of Grantee hereunder which involve drilling for and producing of oil and gas, or both, or the cessation, or abandonment, of its operations shall be conducted in a good and workmanlike manner and in accordance with standard oil field practices and in accordance with all applicable federal, state and local statutes and regulations including specifically, but not by way of limitation, such laws and regulations governing the operation, maintenance and reclamation of well sites, pipelines, tank batteries, and other related facilities as may be utilized by Grantee and its operations hereunder. Grantee shall further adhere to and abide by all federal, state and local environment statutes and regulations addressing air, water, and solid waste pollution and the handling storage, storage, use and disposal of hazardous substances as prescribed in the Comprehensive Environmental Response, Compensation and Liability Act of 1986, 42 U.S.C. & 9601, et seq. (CERCLA). Grantee shall provide Grantor with copies of all applications for environment laws, governmental requests for any information pertaining to environmental issues relating to the Land or products produced therefrom or Grantee's use thereof, copies of any responses from Grantee's to said requests, and any environmental investigations, reports, or studies involving the Land or products produced therefrom or the use thereof by Grantee which from time to time, may be obtained from Grantee.
- XX. Grantee also agrees to abide by the laws of regulations of the State of Utah designed to protect gilsonite deposits, including but not limited to those specific rules set forth in the General Rules and Regulations of the Utah Board of Oil, Gas and Mining, as amended, pertaining to such matters.
- XXI. The provisions hereof shall be considered as covenants running with the Land during the life of the Agreement and all modifications thereof, and any assignment of the Agreement shall be subject to the provisions thereof.
- XXII. This Agreement shall not be terminated in whole or in part, nor Grantee held liable for damages, because of a temporary cessation of production or of drilling operations due to breakdown of equipment or due to the repairing of a well or wells or because of failure to comply with any of the express provisions or implied covenants of this Agreement if such failure is the result of the exercise of governmental authority, war, armed hostilities, act of God, strike, civil disturbance, fire, explosion, flood or any other cause, including lack of market, beyond the control of Grantee.

XXIII. Any controversy or claim, whether based in contract, tort or otherwise, arising in any way out of, relating to or in connection with this Agreement (a "Dispute") shall be finally settled by arbitration conducted expeditiously in accordance with the Commercial Arbitration Rules (the "Rules") of the American Arbitration Association (the "AAA"). In the event of a conflict between this Article and the Rules, this Article shall govern. The attorney/client and work product privileges will be honored in the arbitration as though the case were being determined in a Utah state court. The arbitration shall be conducted before one independent and impartial arbitrator selected by the AAA pursuant to the Rules. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. § 1-16, to the exclusion of any provision of Texas law inconsistent therewith and which would produce a different result, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The place of arbitration shall be Salt Lake City, Utah, and the cost of the arbitration proceeding shall be borne equally by the parties to this agreement and each party shall bear its own attorney's fees, and other expenses, provided that the arbitrator may award attorney fees, filing fees and costs to the prevailing party as the arbitrator deems reasonable and fair. The arbitrators shall determine the claims of the parties and render their final award in accordance with the substantive law of the State of Utah exclusive of its conflict of law rules. The limitations on any actions will be determined under Utah law. The arbitrator shall permit and facilitate such discovery as the arbitrator determines is appropriate in the circumstances, taking into account the needs of the parties and the desirability of making discovery expeditious and cost-effective. The arbitrator shall actively manage the proceedings as the arbitrator deems best so as to make the proceedings fair, expeditious, economical, and less burdensome than litigation. The procedures specified in this section shall be the exclusive means of resolution of Disputes between the parties, provided that either party may seek injunctive action before a court of competent jurisdiction to prevent the occurrence of irreparable harm pending resolution of a Dispute pursuant to the provisions of this section.

XXIV. This Agreement constitutes the entire Agreement between the parties hereto as to the subject matters herein set forth and supersedes all prior written or oral agreements relative thereto. No change, modification, alteration or amendment to this Agreement shall be binding upon the parties hereto except as specifically expressed in writing and signed by each party agreeing to be bound thereby.

AMERICAN GILSONITE COMPANY, Grantor

By: 

ENDURING RESOURCES LLC, Grantee

By: 

**Enduring Resources, LLC
Red Wash # 9-24-34-30
SWSE Sec. 30 T9S-R24E
Uintah County, Utah
Lease # N/A – Fee**

Directions to Proposed Location

Directions to the proposed location are as follows:

From the intersection of U.S. Hwy 40 and 500 East Street in Vernal, UT, proceed in an easterly then southerly direction along U.S. Hwy 40 approximately 3.3 miles to the junction of State Hwy 45. Exit right and proceed in a southerly direction along State Hwy 45 approximately 36 miles to the junction of County B Road 3410 (this road is located approximately 0.5 miles south of Bonanza). Exit right and proceed in a westerly direction along County B Road 3410 approximately 4.4 miles to the junction of County B Road 3420. Exit left and proceed in a southerly direction along County B Road 3420 approximately 1.3 miles to the junction of County B Road 3425. Continue along County B Road 3420 in a southwesterly direction approximately 0.7 miles to the proposed access road. Follow road flags in a southeasterly direction approximately 380 feet to the proposed location.

The proposed well site is located approximately 45.8 miles Southeasterly from Vernal, Utah.

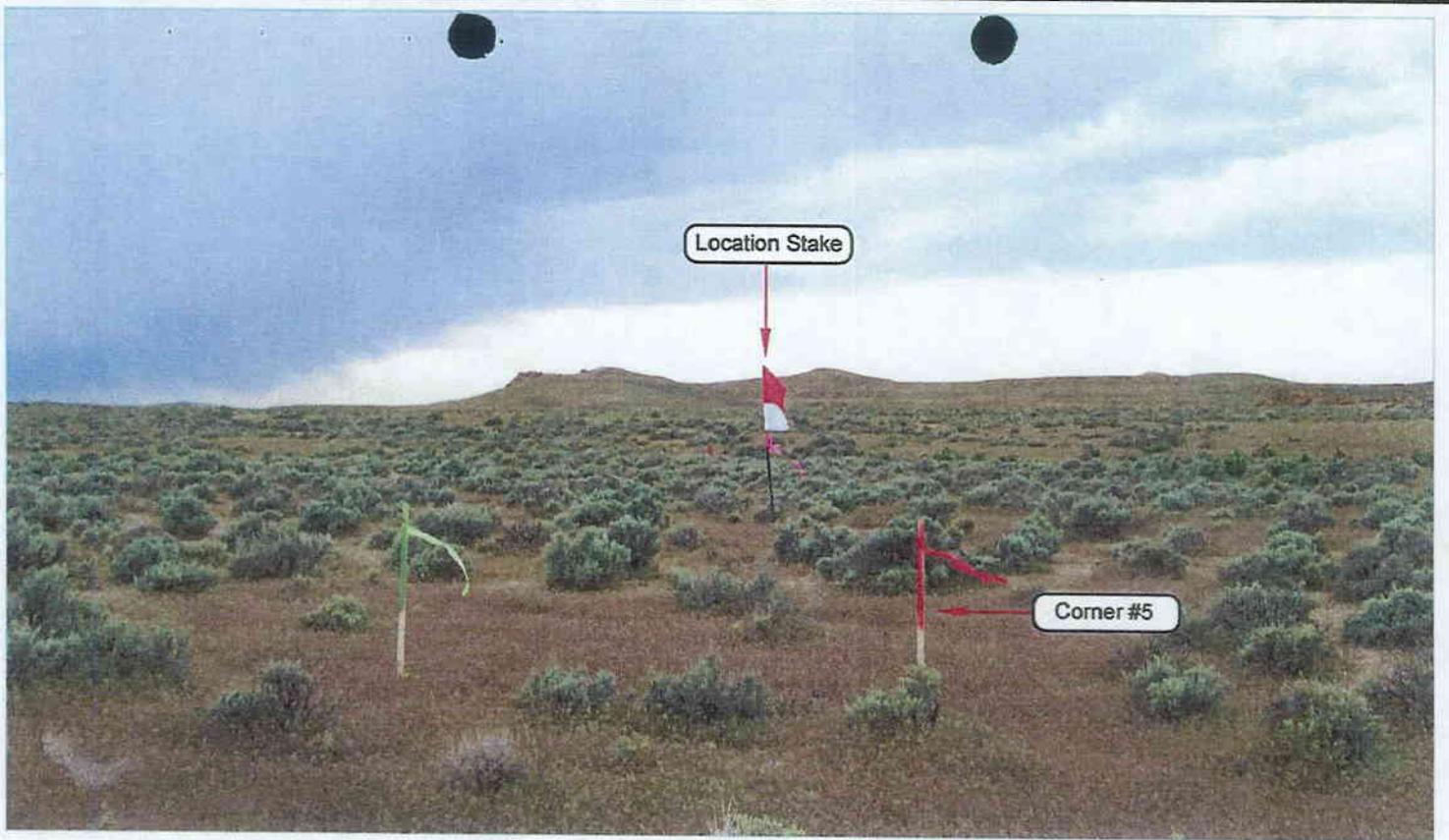


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHERLY

ENDURING RESOURCES

**Red Wash 9-24-34-30
SECTION 30, T9S, R24E, S.L.B.&M.
558' FSL & 1995' FEL**

LOCATION PHOTOS

TAKEN BY: K.R.K.

DRAWN BY: J.R.S.

DATE TAKEN: 5-6-05

DATE DRAWN: 5-7-05

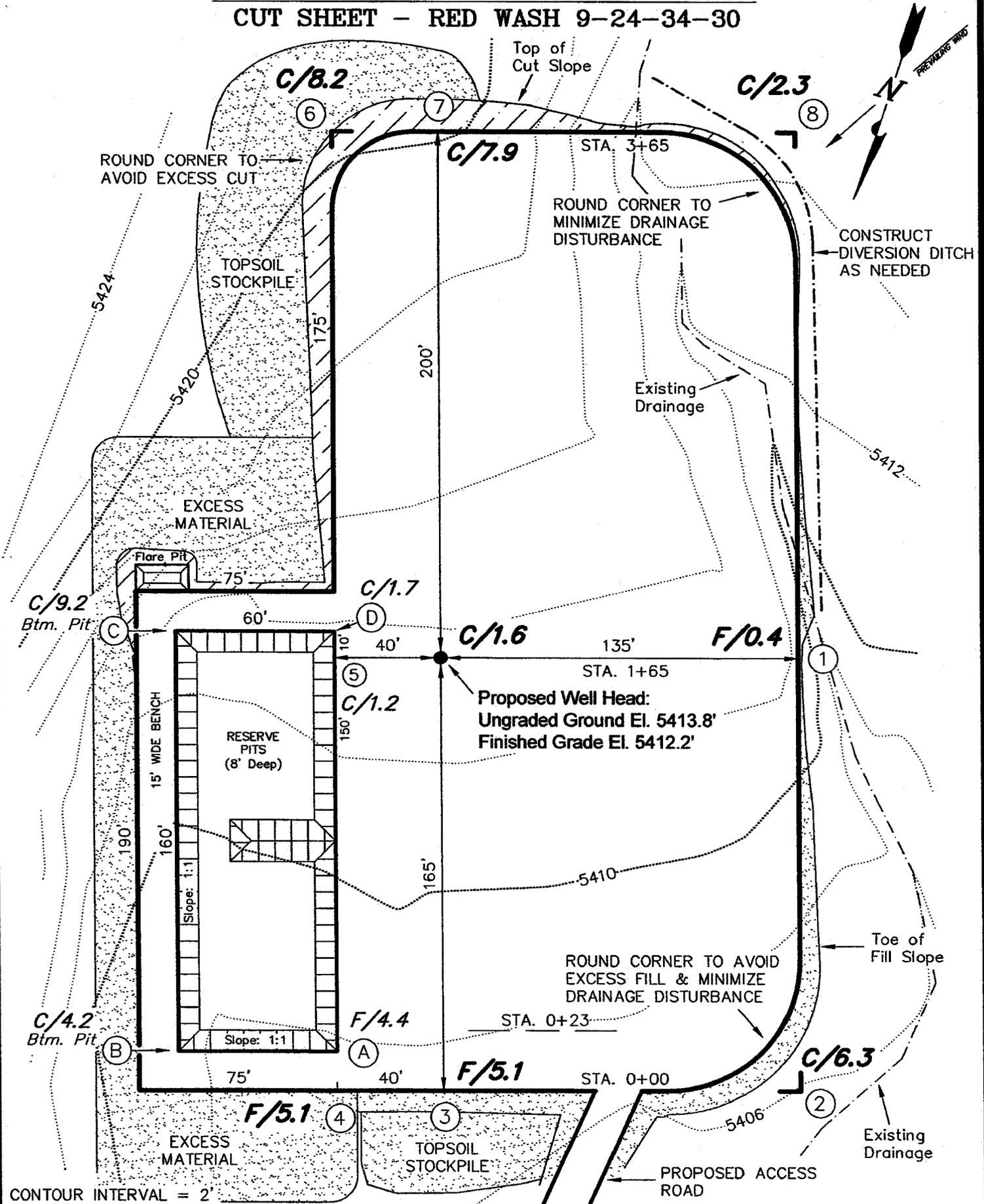
REVISED:

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET
1
OF 10

DURING RESOURCE

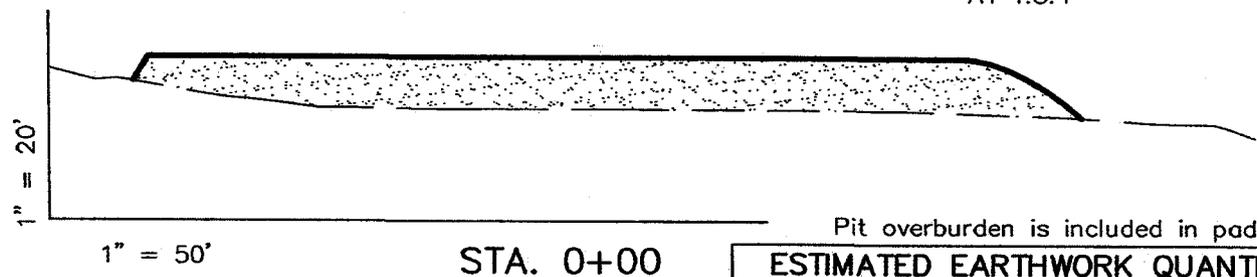
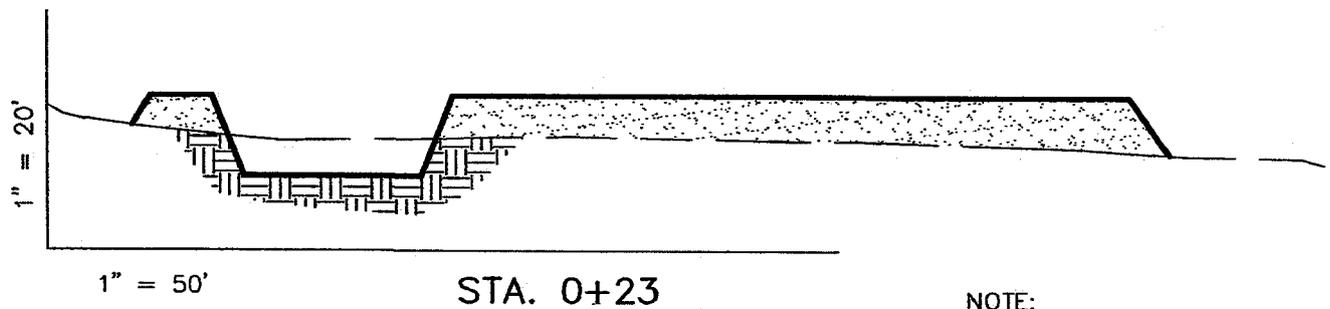
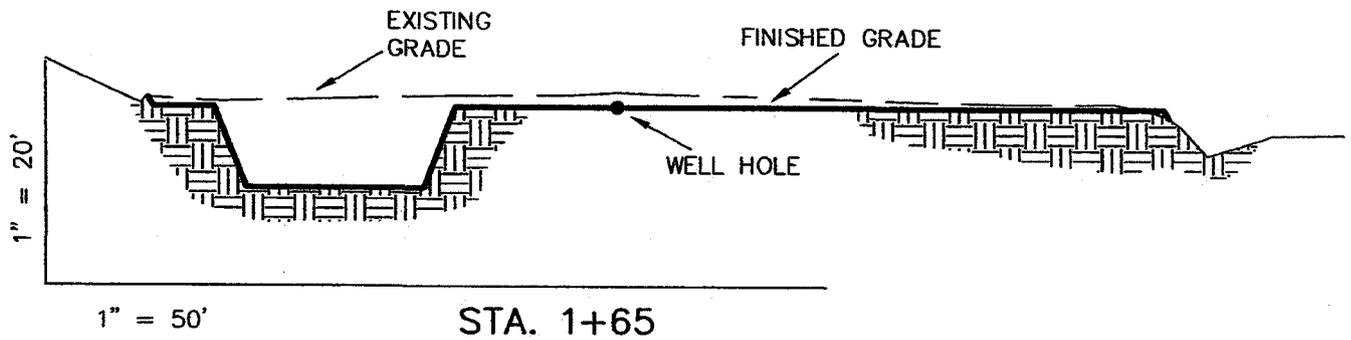
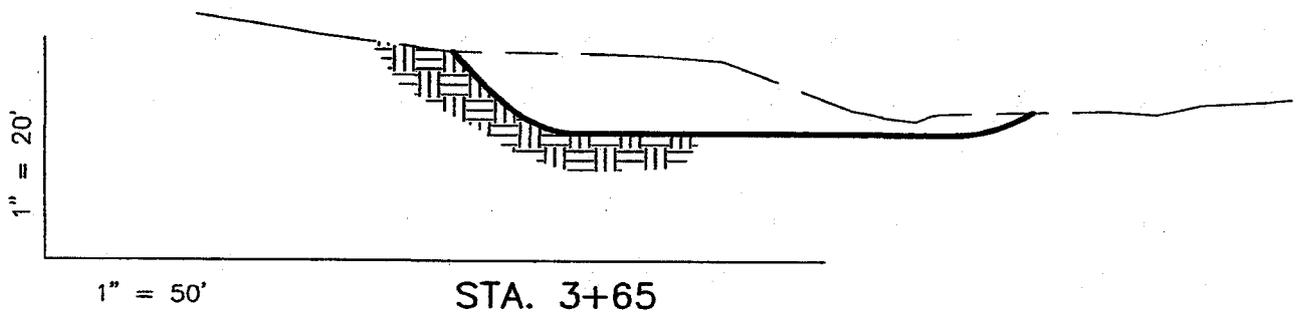
CUT SHEET - RED WASH 9-24-34-30



| | | | | | |
|----------------------------------|-----------------------|-------------------------|--|---|----------|
| Section 30, T9S, R24E, S.L.B.&M. | | Qtr/Qtr Location: SW SE | | Footage Location: 558' FSL & 1995' FEL | |
| Date Surveyed: 5-6-05 | Date Drawn: 5-7-05 | Date Last Revision: | | Timberline (435) 789-1365 Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078 | |
| Surveyed By: K.R.K. | Drawn By: J.R.S. | Scale: 1" = 50' | | | |
| | | | | SHEET | 3 |
| | | | | OF 10 | |

DURING RESOURCES

CROSS SECTIONS - RED WASH 9-24-34-30



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

Pit overburden is included in pad cut.

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

| ITEM | CUT | FILL | 6" TOPSOIL | EXCESS |
|---------------|--------------|--------------|--|------------|
| PAD | 2,990 | 3,820 | Topsoil is not included in Pad Cut | -830 |
| PIT | 1,670 | 0 | | 1,670 |
| TOTALS | 4,660 | 3,820 | 1,560 | 840 |

Excess Material after Pit Rehabilitation = 0 Cu. Yds.

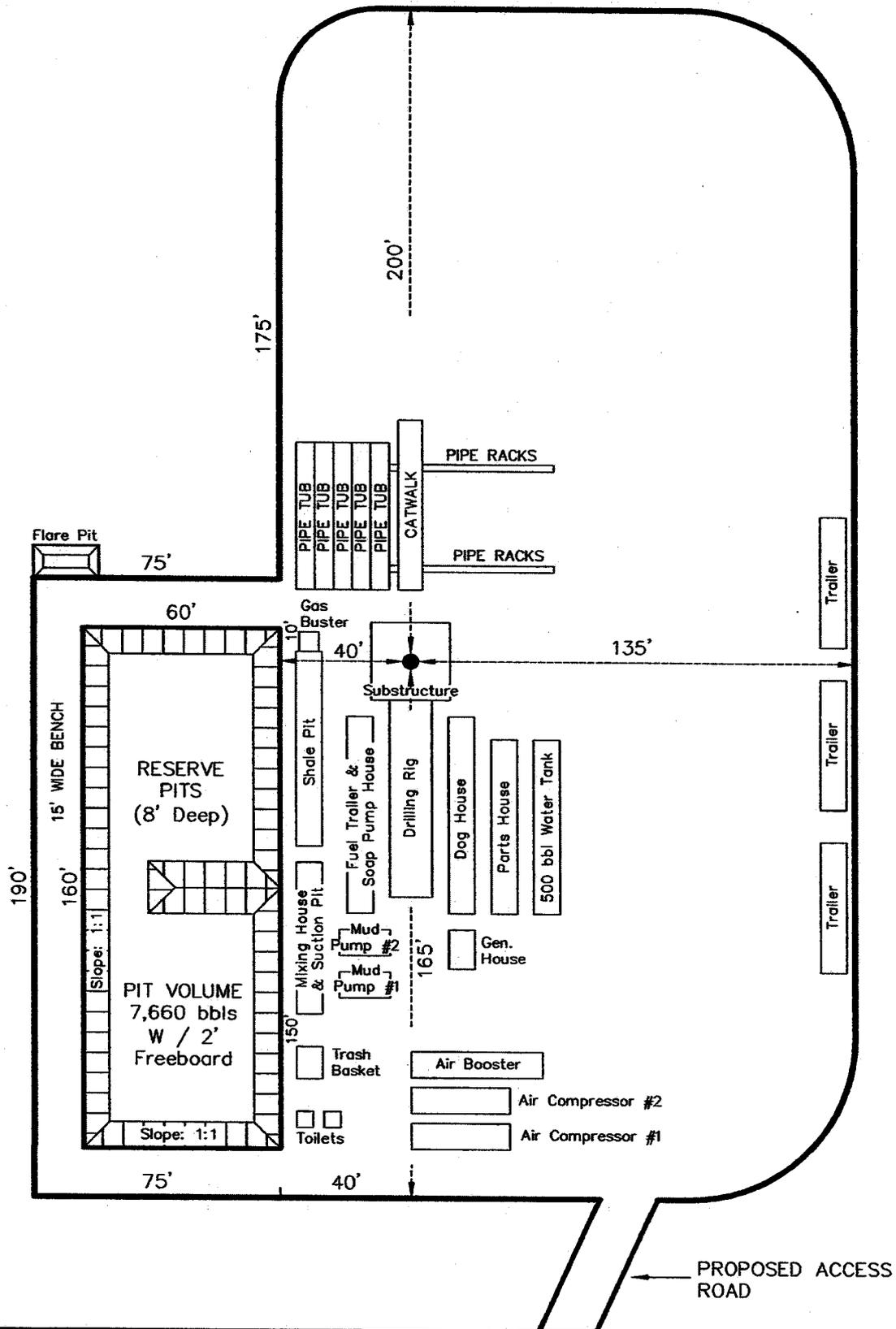
REFERENCE POINTS

- 185' SOUTHWESTERLY = 5409.9'
- 235' SOUTHWESTERLY = 5410.7'
- 250' SOUTHEASTERLY = 5421.3'
- 300' SOUTHEASTERLY = 5418.3'

| | | | |
|----------------------------------|-----------------------|-------------------------|---|
| Section 30, T9S, R24E, S.L.B.&M. | | Qtr/Qtr Location: SW SE | Footage Location: 558' FSL & 1995' FEL |
| Date Surveyed: 5-6-05 | Date Drawn: 5-7-05 | Date Last Revision: | Timberline Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078 (435) 789-1365 |
| Surveyed By: K.R.K. | Drawn By: J.R.S. | Scale: 1" = 50' | |

DURING RESOURCE

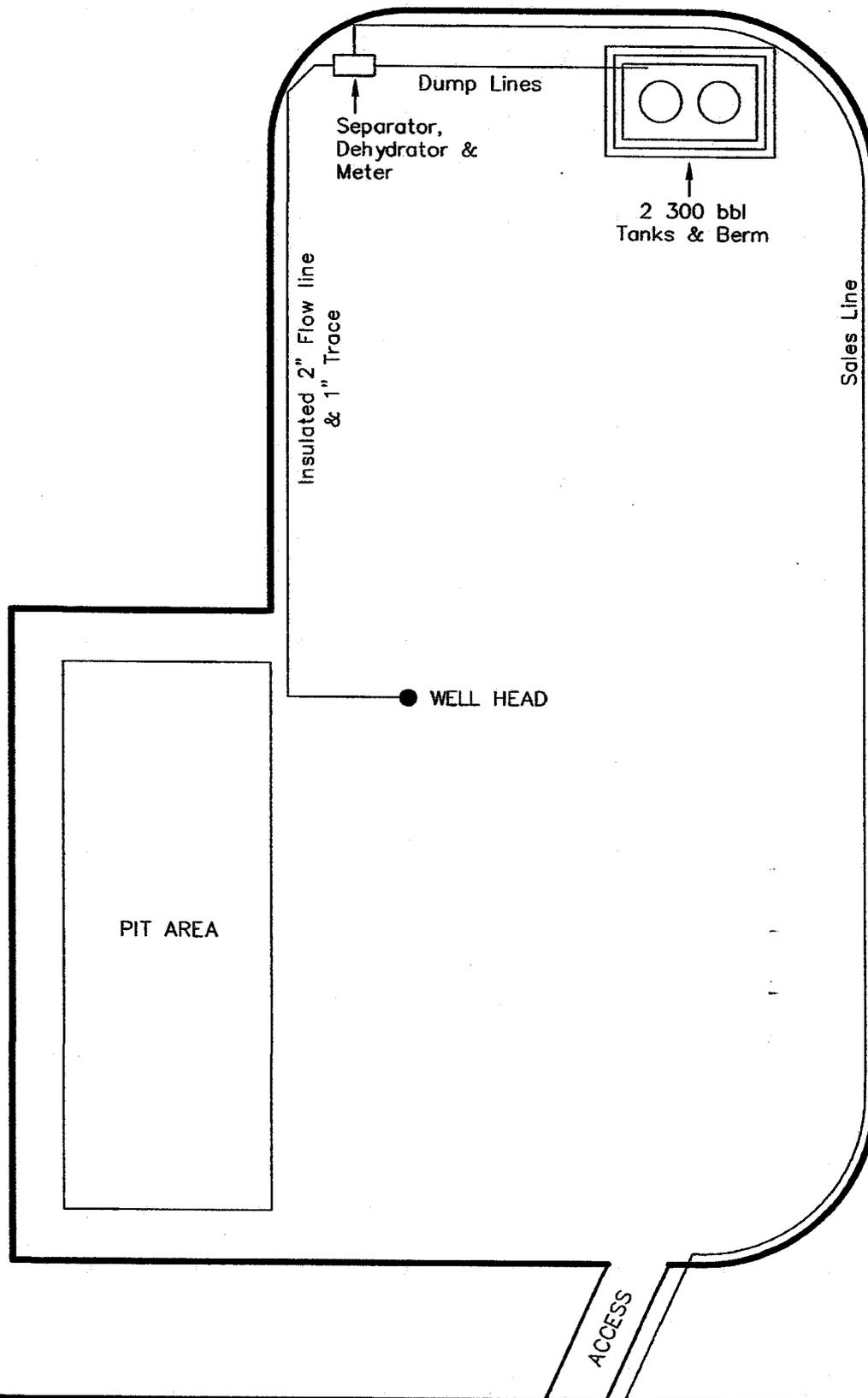
TYPICAL RIG LAYOUT - RED WASH 9-24-34-30



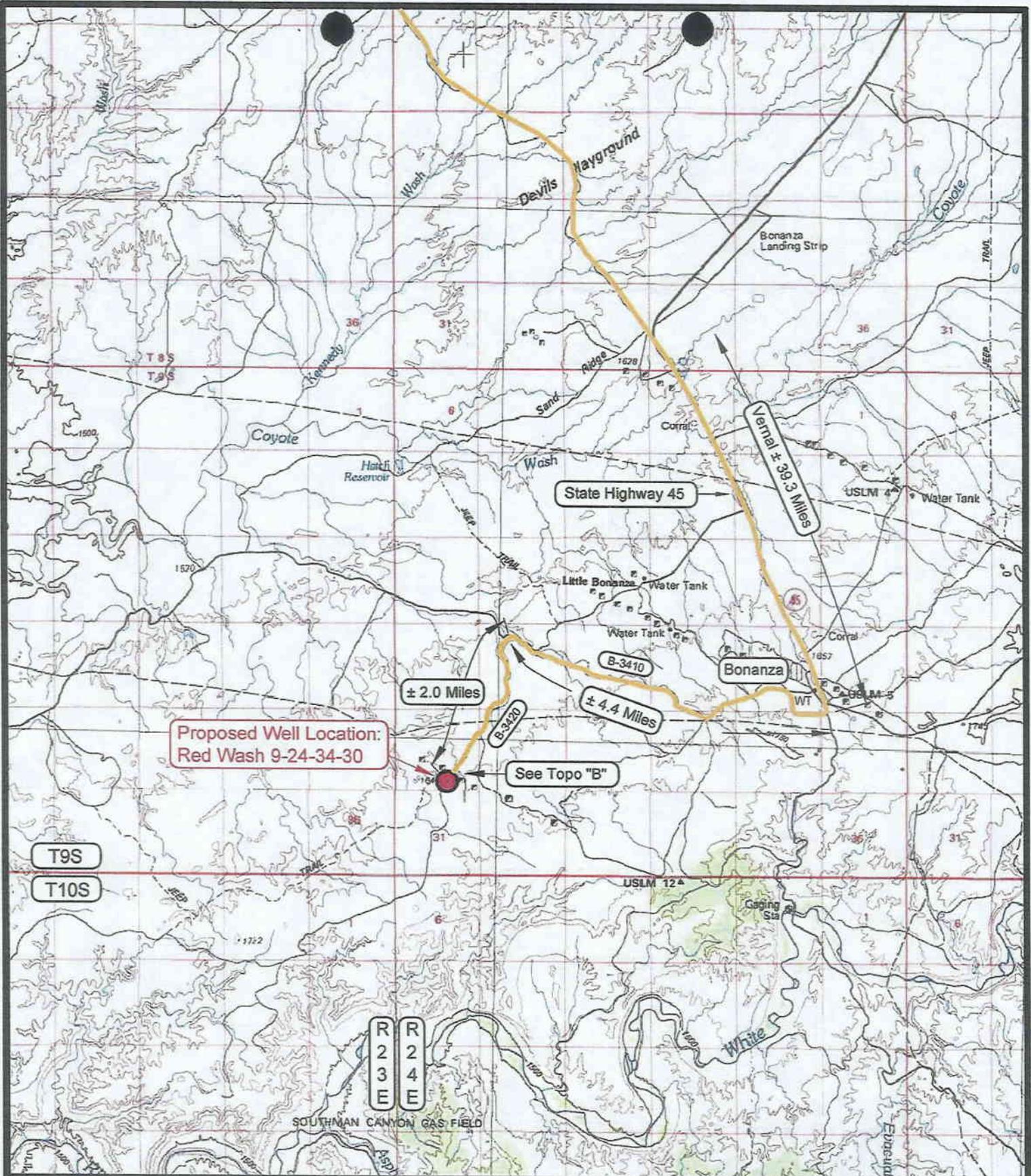
| | | | |
|----------------------------------|-----------------------|-------------------------|---|
| Section 30, T9S, R24E, S.L.B.&M. | | Qtr/Qtr Location: SW SE | Footage Location: 558' FSL & 1995' FEL |
| Date Surveyed: 5-6-05 | Date Drawn: 5-7-05 | Date Last Revision: | Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078 |
| Surveyed By: K.R.K. | Drawn By: J.R.S. | Scale: 1" = 50' | |
| | | | SHEET 5 OF 10 |

DURING RESOURCE

TYPICAL PRODUCTION LAYOUT - RED WASH 9-24-34-30



| | | | |
|----------------------------------|-----------------------|-------------------------|---|
| Section 30, T9S, R24E, S.L.B.&M. | | Qtr/Qtr Location: SW SE | Footage Location: 558' FSL & 1995' FEL |
| Date Surveyed: 5-6-05 | Date Drawn: 5-7-05 | Date Last Revision: | Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078 |
| Surveyed By: K.R.K. | Drawn By: J.R.S. | Scale: 1" = 50' | |
| | | | SHEET <b style="font-size: 1.5em;">6 OF 10 |



Proposed Well Location:
Red Wash 9-24-34-30

State Highway 45

Vernal ± 39.3 Miles

± 2.0 Miles

± 4.4 Miles

See Topo "B"

T9S

T10S

R 23 E
R 24 E

SOUTHMAN CANYON GAS FIELD

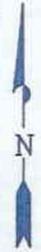
LEGEND

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- - - = PROPOSED ACCESS ROAD
- B-5460 = COUNTY ROAD CLASS & NUMBER

ENDURING RESOURCES

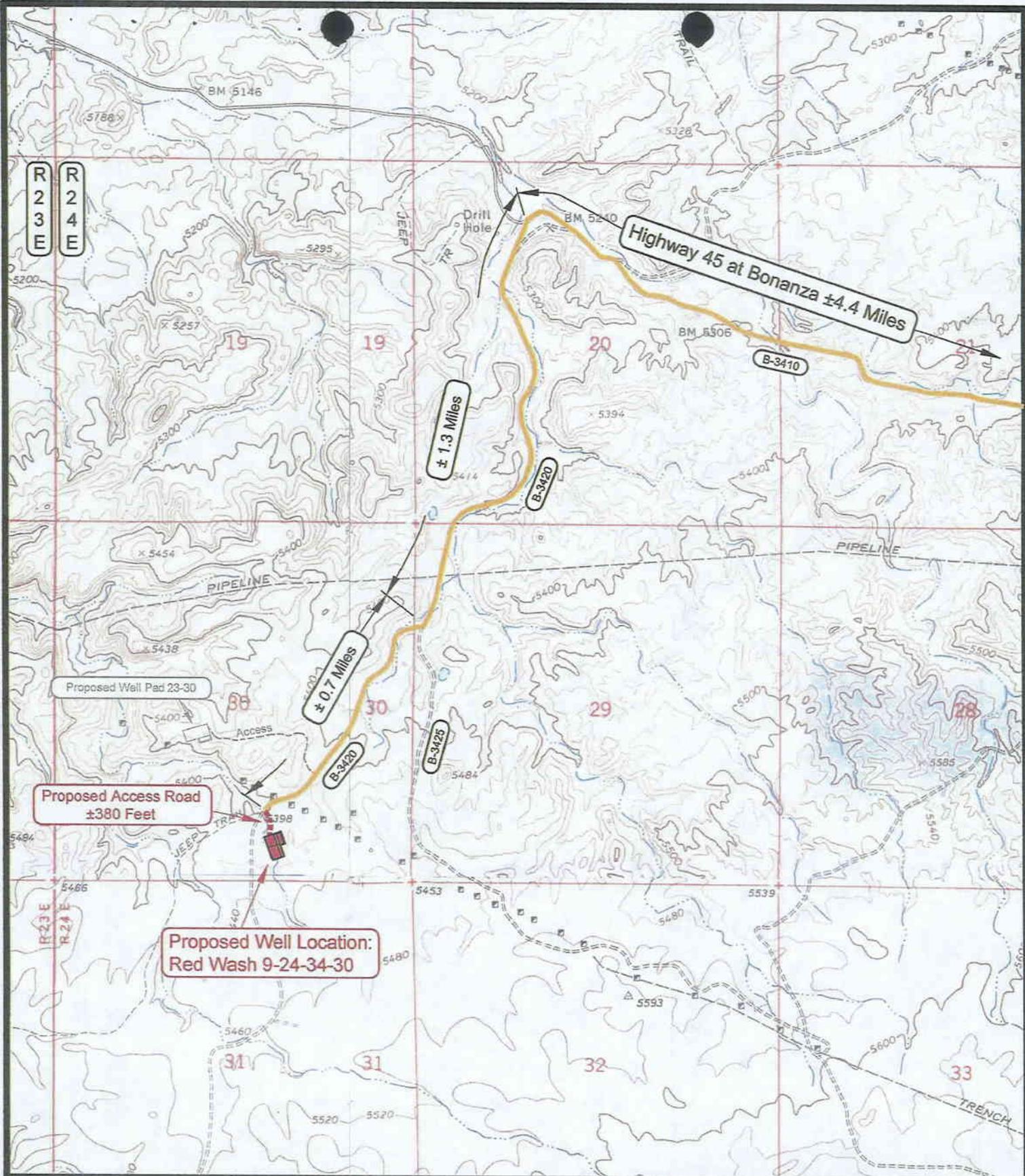
Red Wash 9-24-34-30
SECTION 30, T9S, R24E, S.L.B.&M.
558' FSL & 1995' FEL

| | | |
|----------------------------|------------------|-----------------------|
| TOPOGRAPHIC MAP "A" | | DATE SURVEYED: 5-6-05 |
| SCALE: 1:100,000 | DRAWN BY: J.R.S. | DATE DRAWN: 5-7-05 |
| | | REVISED: |



Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
7
OF 10



LEGEND

- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- - - = PROPOSED ACCESS ROAD
- B-5460 = COUNTY ROAD CLASS & NUMBER

ENDURING RESOURCES

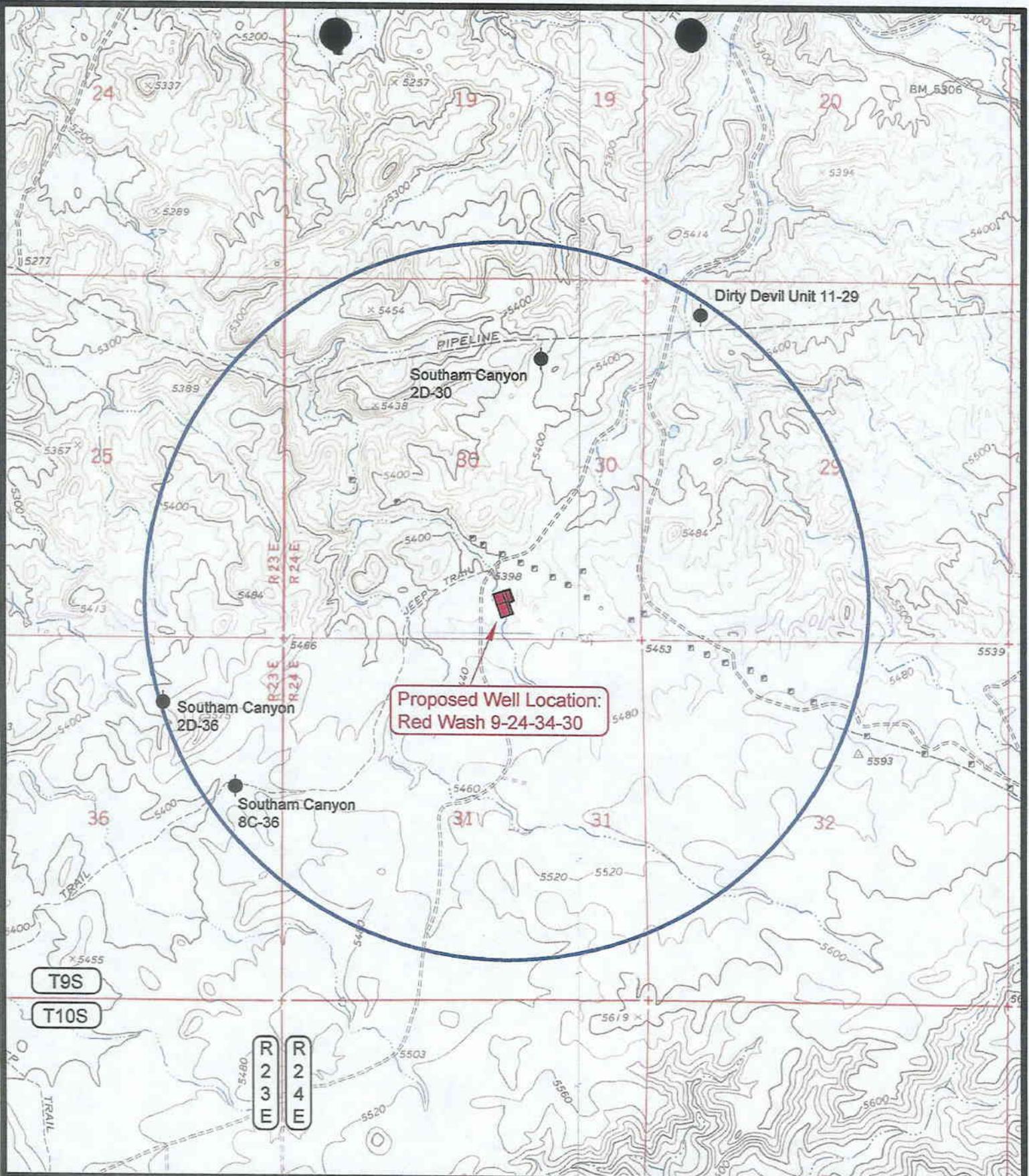
Red Wash 9-24-34-30
SECTION 30, T9S, R24E, S.L.B.&M.
558' FSL & 1995' FEL



| | | |
|----------------------------|--|-----------------------|
| TOPOGRAPHIC MAP "B" | | DATE SURVEYED: 5-6-05 |
| SCALE: 1" = 2000' | | DATE DRAWN: 5-7-05 |
| DRAWN BY: J.R.S. | | REVISED: |

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
8
OF 10



Proposed Well Location:
Red Wash 9-24-34-30

LEGEND

- ⊘ = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- ⊘ = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL



ENDURING RESOURCES

Red Wash 9-24-34-30
SECTION 30, T9S, R24E, S.L.B.&M.
558' FSL & 1995' FEL

TOPOGRAPHIC MAP "C"

DATE SURVEYED: 5-6-05

DATE DRAWN: 5-7-05

SCALE: 1" = 2000'

DRAWN BY: J.R.S.

REVISED:

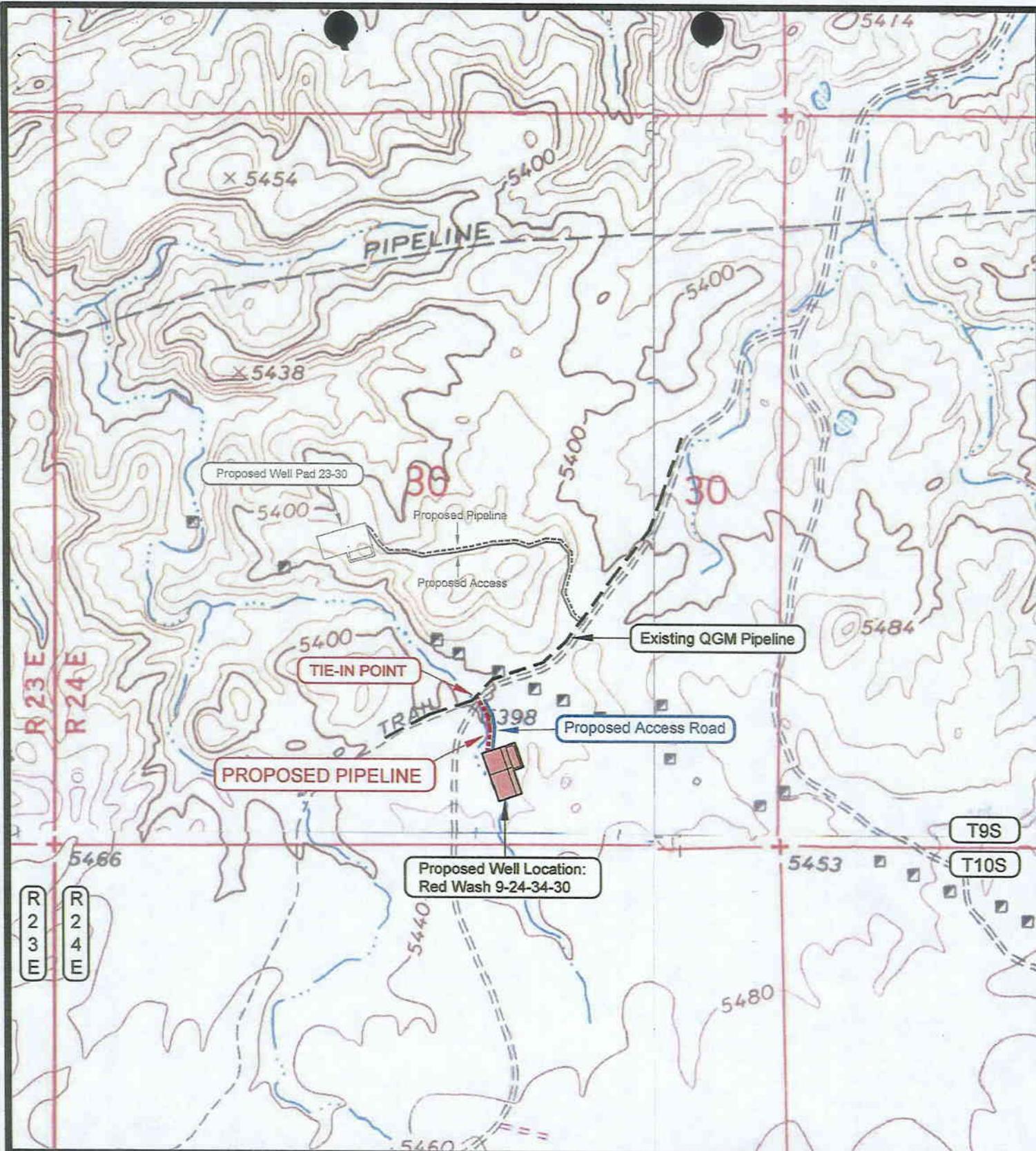
Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET

9

OF 10



APPROXIMATE PIPELINE LENGTH = 420'

LEGEND

- = EXISTING PIPELINE
- - - = PROPOSED PIPELINE
- = PROPOSED ACCESS ROAD

ENDURING RESOURCES

**Red Wash 9-24-34-30
SECTION 30, T9S, R24E, S.L.B.&M.
558' FSL & 1995' FEL**

TOPOGRAPHIC MAP "D"

DATE SURVEYED: 5-8-05

DATE DRAWN: 5-7-05

SCALE: 1" = 1000'

DRAWN BY: J.R.S.

LATEST REVISION: 5-17-05



Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET

10

OF 10

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/23/2005

API NO. ASSIGNED: 43-047-36734

WELL NAME: RED WASH 9-24-34-30

OPERATOR: ENDURING RESOURCES, LLC (N2750)

CONTACT: PHYLLIS SOBOTIK

PHONE NUMBER: 303-350-5114

PROPOSED LOCATION:

SWSE 30 090S 240E

SURFACE: 0558 FSL 1995 FEL

BOTTOM: 0558 FSL 1995 FEL

UINTAH

UNDESIGNATED (2)

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: CSLGT

COALBED METHANE WELL? NO

| INSPECT LOCATN BY: / / | | |
|------------------------|----------|--------|
| Tech Review | Initials | Date |
| Engineering | DAD | 7/7/05 |
| Geology | | |
| Surface | | |

LATITUDE: 40.00128

LONGITUDE: -109.2539

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. RLB0008031)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-2185)
- 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:

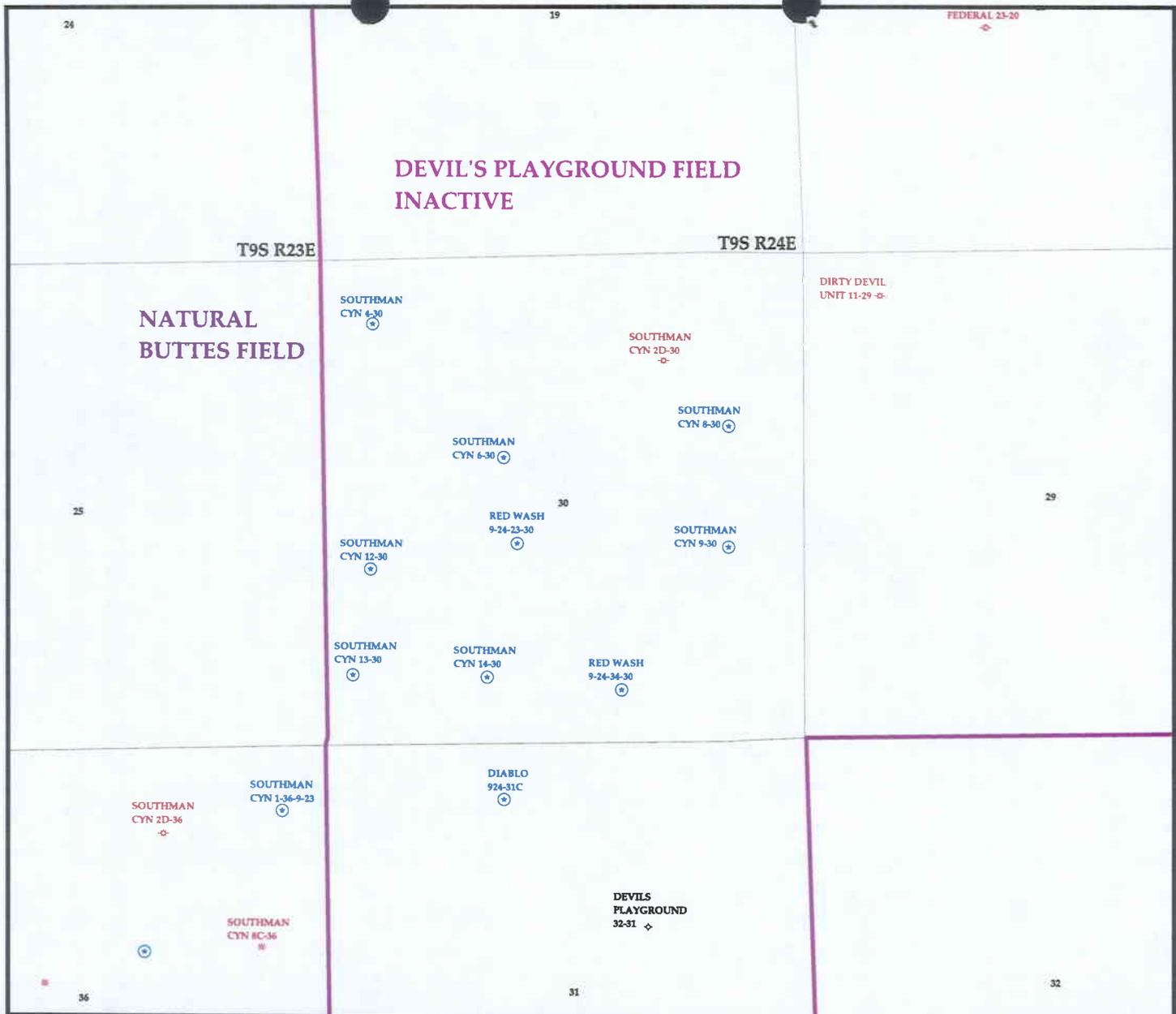
Needs Private (06-09-05)

STIPULATIONS:

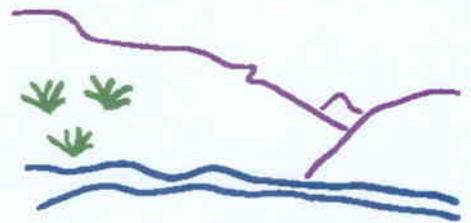
1- Spacing Strip

2- Surface Log Cont Strip

3- STATEMENT OF BASIS



OPERATOR: ENDURING RES LLC (N2750)
SEC: 30 T. 9S R. 24E
FIELD: UNDESIGNATED (002)
COUNTY: UINTAH
SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

| 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 | | |



PREPARED BY: DIANA WHITNEY
 DATE: 26-MAY-2005

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

OPERATOR: ENDURING RESOURCES, LLC
WELL NAME & NUMBER: RED WASH 9-24-34-30
API NUMBER: 43-047-36734
LOCATION: 1/4,1/4 SW/SE Sec: 30 TWP: 9S RNG:24E 1995' FEL 558' FSL

Geology/Ground Water:

Enduring proposes to set 2,000' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,900'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of lenticular sandstones interbedded with shales and is expected to have limited value as an aquifer. The proposed casing and cementing program should adequately protect any underground sources of useable water.

Reviewer: Brad Hill **Date:** 06-15-05

Surface:

The predrill investigation of the surface was performed on 6/09/05. This site is on fee surface with fee minerals, and appears to be the best site for a location in the immediate area. I notified Mr. Jared Jackson, representative of American Gilsonite Co. on 6/02/05 at (435) 789-1921 of this investigation. He was present. He had no concerns regarding the drilling of this well or the construction of this location. American Gilsonite owns the surface at this site. This area is heavily used for gilsonite mining, and there are gilsonite mines within this section. I told Mr. Hammond it would be necessary for Enduring to notify these mines before blasting if blasting became necessary to construct this location or the reserve pit. He agreed to this. A diversion ditch will be constructed around the south and west side of proposed location to re-route several very small drainages which cross the site.

Reviewer: David W. Hackford **Date:** 6/14/2005

Conditions of Approval/Application for Permit to Drill:

None.

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

OPERATOR: ENDURING RESOURCES, LLC
WELL NAME & NUMBER: RED WASH 9-24-34-30
API NUMBER: 43-047-36734
LEASE: FEE FIELD/UNIT: UNDESIGNATED
LOCATION: 1/4,1/4 SW/SE Sec: 30 TWP: 9S RNG: 24E 1995' FEL 558' FSL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.
GPS COORD (UTM): 4429150N 12649066E SURFACE OWNER: AMERICAN GILSONITE COMPANY.

PARTICIPANTS

DAVID W. HACKFORD (DOGM), KOLBY KAY (TIMBERLINE SURVEYING), DOUG HAMMOND (ENDURING), TWO DIRT CONTRACTORS.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS IN A RELATIVELY FLAT AREA SLOPING GRADUALLY TO THE NORTH AND NORTHWEST. THERE ARE STEEP RIDGES, DEEP DRAWS, AND ROCKY KNOLLS LOCATED 0.5 MILES TO THE NORTH, NORTHEAST, AND NORTHWEST. DRAINAGE IS TO THE NORTHWEST TO COYOTE WASH 3.6 MILES AWAY. BONANZA, UTAH IS 4.5 MILES TO THE NORTHEAST. VERNAL, UTAH IS 45.8 MILES TO THE NORTHWEST.

SURFACE USE PLAN

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 365' BY 235'. ACCESS ROAD WILL BE 380 FEET.

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

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE WILL FOLLOW ACCESS ROAD.

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

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OF CONCERNS? (EXPLAIN): UNLIKELY.

WASTE MANAGEMENT PLAN:

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

HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: SAGEBRUSH, SPINEY HOPSAGE, GREASEWOOD, PRICKLY PEAR, CHEATGRASS, OTHER NATIVE GRASSES. DEER, RODENTS, RAPTORS, COYOTE, SONGBIRDS, RABBIT, BOBCAT, PRONGHORN.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE AN INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED

RESERVE PIT

CHARACTERISTICS: 160' BY 60' AND EIGHT FEET DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER AND FELT SUB-LINER WILL BE REQUIRED FOR RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER LANDOWNER AGREEMENT

SURFACE AGREEMENT: YES

CULTURAL RESOURCES/ARCHAEOLOGY: SITE IS ON FEE SURFACE.

OTHER OBSERVATIONS/COMMENTS

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A WARM , WINDY DAY. THERE ARE ACTIVE AND INACTIVE GILSONITE MINES THROUGHOUT THIS AREA.

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

6/09/05 11:45 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

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

Final Score 10 (Level III Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

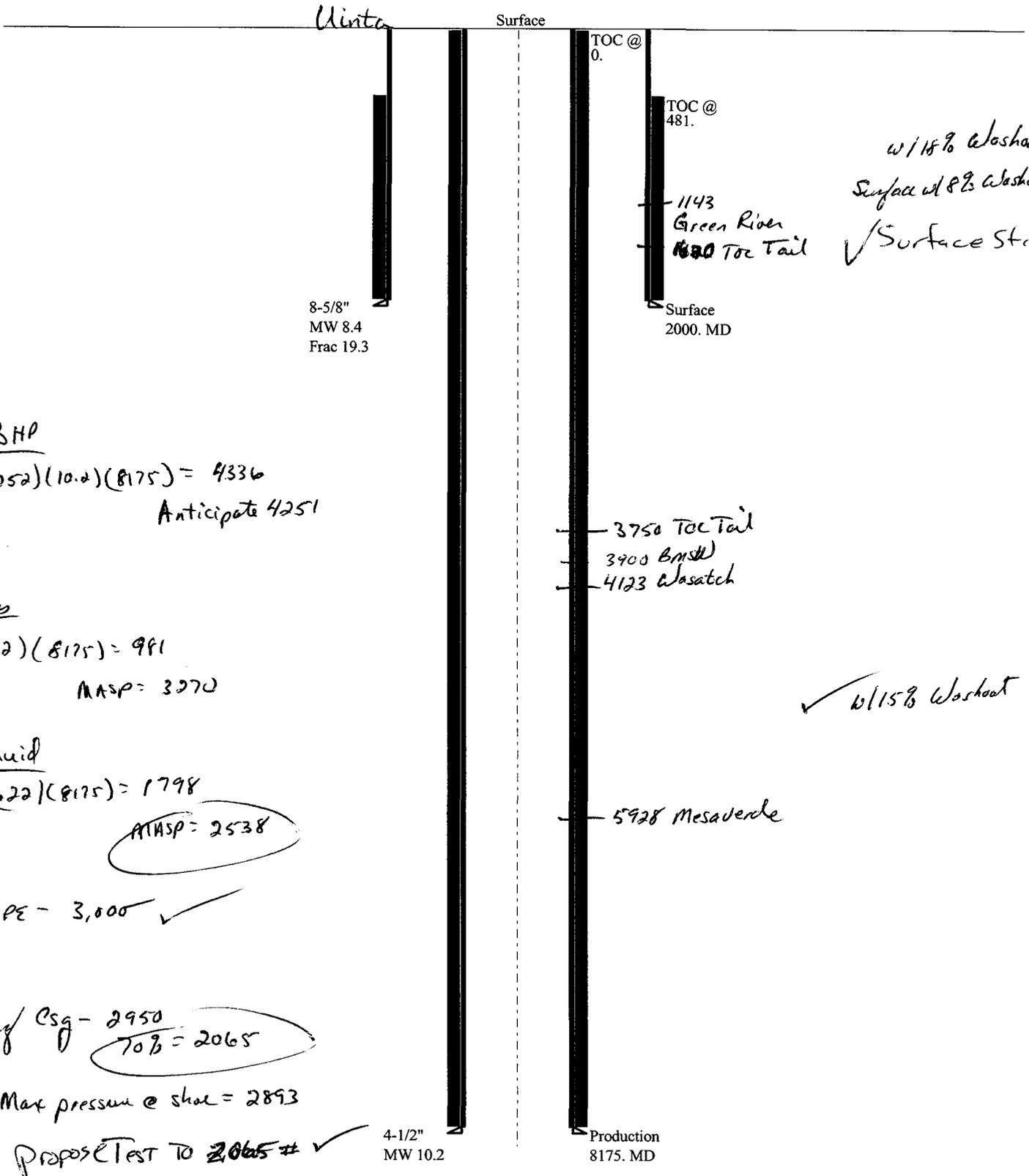
Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.





06-05 Enduring Red Wash 9-2034-30
Casing Schematic



BHP
 $(.052)(10.2)(8175) = 4336$
 Anticipate 4251

Gas
 $(.12)(8175) = 981$
 MASP = 3270

Fluid
 $(.22)(8175) = 1798$
 MASP = 2538

BOPE - 3,000 ✓

Seal Csg - 2950
 $\frac{2950}{10\%} = 2065$

Max pressure @ shoe = 2893

Propose Test to 2065 # ✓
 4-1/2" MW 10.2

3750 TOC Tail
 3900 BMSL
 4123 Wasatch

5928 Mesaverde

Production 8175. MD

w/18% Washcoat
 Surface w/8% Washcoat
 ✓ Surface Stop

✓ w/15% Washcoat

✓ Adequate Draw 7/7/05

| | | | |
|--------------|---|-------------|--------------|
| Well name: | 06-05 Enduring Red Wash 9-24-34-30 | | |
| Operator: | Enduring Resources, LLC | | |
| String type: | Surface | Project ID: | 43-047-36734 |
| Location: | Uintah County | | |

Design parameters:

Collapse

Mud weight: 8.400 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 103 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 350 ft
 Cement top: 481 ft

Burst

Max anticipated surface pressure: 1,760 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 2,000 psi

No backup mud specified.

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 1,748 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 8,175 ft
 Next mud weight: 10.200 ppg
 Next setting BHP: 4,332 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 2,000 ft
 Injection pressure 2,000 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 2000 | 8.625 | 24.00 | J-55 | ST&C | 2000 | 2000 | 7.972 | 96.3 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 873 | 1370 | 1.570 | 2000 | 2950 | 1.47 | 42 | 244 | 5.82 J |

Prepared by: Clinton Dworshak
 Utah Div. of Oil & Mining

Phone: 801-538-5280
 FAX: 801-359-3940

Date: June 24, 2005
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

| | | | |
|--------------|---|-------------|--------------|
| Well name: | 06-05 Enduring Red Wash 9-24-34-30 | | |
| Operator: | Enduring Resources, LLC | | |
| String type: | Production | Project ID: | 43-047-36734 |
| Location: | Uintah County | | |

Design parameters:

Collapse
Mud weight: 10.200 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:
Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 189 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Burst

Max anticipated surface pressure: 3,351 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 4,332 psi

No backup mud specified.

Burst:

Design factor 1.00

Cement top: Surface

Tension:

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

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 6,929 ft

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 8175 | 4.5 | 11.60 | N-80 | LT&C | 8175 | 8175 | 3.875 | 189.5 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 4332 | 6350 | 1.466 | 4332 | 7780 | 1.80 | 80 | 223 | 2.77 J |

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 801-359-3940

Date: June 24, 2005
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 8175 ft, a mud weight of 10.2 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.



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

July 11, 2005

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

Re: Red Wash 9-24-34-30 Well, 558' FSL, 1995' FEL, SW SE, Sec. 30, T. 9 South,
R. 24 East, Uintah County, Utah

Gentlemen:

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

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 43-047-36734.

Sincerely,

Gil Hunt
Acting Associate Director

pab
Enclosures

cc: Uintah County Assessor

Operator: Enduring Resources, LLC
Well Name & Number Red Wash 9-24-34-30
API Number: 43-047-36734
Lease: Fee

Location: SW SE **Sec.** 30 **T.** 9 South **R.** 24 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

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

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

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. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. Surface casing shall be cemented to the surface.

Page 2

API #43-047-36734

July 11, 2005

6. 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.

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

FORM 6

ENTITY ACTION FORM

Operator: Enduring Resources, LLC
Address: 475 17th Street, Sulte 1500
city Denver
state CO zip 80202

Operator Account Number: N 2750
Phone Number: (303) 350-5114

Well 1

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|-------------------------------|-----------------------|-------------------|-----------|-----|----------------------------------|--------------|
| 4304736735 | Red Wash #9-24-23-30 | NESW | 30 | 9S | 24E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | |
| A | 99999 | 14936 | 9/8/2005 | | 9/20/05 | |
| Comments: <u>CSLGT = MVRD</u> | | | | | | CONFIDENTIAL |

Well 2

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|-------------------------------|-----------------------|-------------------|-----------|-----|----------------------------------|--------------|
| 4304736734 | Red Wash #9-24-34-30 | SWSE | 30 | 9S | 24E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | |
| A | 99999 | 14937 | 9/9/2005 | | 9/20/05 | |
| Comments: <u>CSLGT = MVRD</u> | | | | | | CONFIDENTIAL |

Well 3

Duplicate

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|--|-----------------------|-------------------|-----------|-----|----------------------------------|--------|
| 4304736277 | Buck Camp #4-36 | NWNW | 36 | 11S | 22E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | |
| A | 99999 | | 9/3/2005 | | | |
| Comments: A transfer of operatorship from The Houston Exploration Company to Enduring Resources, LLC is pending. | | | | | | |

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Alvin R. (Al) Arlian

Name (Please Print)

Signature

Landman-Regulatory

Title

9/20/2005

Date

RECEIVED

SEP 20 2005

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

FORM 9

| | | |
|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: n/a (Fee) |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: N/A |
| 2. NAME OF OPERATOR: Enduring Resources, LLC | | 8. WELL NAME and NUMBER: Red Wash #9-24-34-30 |
| 3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202 | | 9. API NUMBER: 4304736734 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 558' FSL - 1,995' FEL S.L.B. & M. | | 10. FIELD AND POOL, OR WILDCAT: Wildcat |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 30 9S 24E | | COUNTY: Uintah |
| | | STATE: UTAH |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|---|---|---|---|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 9/29/2005 | <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>Conductor/surface pipe report</u> |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

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

Conductor/Surface Pipe/Cement Report:

9-9-2005 MIRU PETE MARTIN RATHOLE SERVICE AND DRILL 40 FT OF 20" HOLE. RUN 40 FT OF 14" LINE PIPE CONDUCTOR AND CEMENT WITH 3 YARDS OF READY MIX CEMENT. WAITING ON SURFACE DRILLERS
 9-27-2005 START DRILLING 11" SURFACE HOLE. DRILL SURFACE HOLE TO 2070 FT. CIRCULATE HOLE CLEAN AND TOOTH LAYING DOWN DRILL PIPE. RIH WITH 43 JTS (2034 FT) OF 8 5/8" 24 AND 32# J55 SURFACE CASING. CEMENT GUIDE SHOE, FLOAT COLLAR AND 8 CENTRALIZERS. STRAPPED 200 FT OF 1" TO ANNULUS. RU BIG 4 CEMENTERS. PUMP 110 BW AND 20 BBLs GELL WATER AHEAD. (LEAD) 140 SX CLASS G PREMIUM, 16% GEL, 1/4# / SX FLOWCELE. 11.1 PPG, YIELD 3.5 CUFT/SX, 23 GAL/SX MIX WATER. 92 BBLs SLURRY. (TAIL) 160 SX CLASS G PREMIUM, 2% CACL2, 1/4# /SX, 15.8# PPG, 1.15 CUFT/SX, 5 GAL/SX MIX WATER, 33 BBLs SLURRY. NO CIRCULATION TO SURFACE. FIRST TOP SLURRY, 100 SX CLASS G PREMIUM, 4% CACL2, (SAME STATS AS TAIL) 20 BBLs. SECOND TOP SLURRY, 200 SX CLASS G, 4% CACL2, 40 BBLs SLURRY. THIRD TOP SLURRY, 200 SX CLASS G, 4% CACL2, 40 BBLs SLURRY. FOURTH TOP SLURRY, 100 SX CLASS G, 4% CACL2, 20 BBLs SLURRY. FIFTH TOP SLURRY 75 SX CLASS G, 4% CACL2, 15 BBLs SLURRY. CEMENT TO SURFACE.

WAITING ON ROTARY TOOLS

| | |
|---|------------------------|
| NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u> | TITLE <u>Agent</u> |
| SIGNATURE | DATE <u>10/27/2005</u> |

(This space for State use only)

RECEIVED
NOV 02 2005
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: n/a (Fee) |
| 2. NAME OF OPERATOR: Enduring Resources, LLC | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A |
| 3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202 | | 7. UNIT or CA AGREEMENT NAME: N/A |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 558' FSL - 1,995' FEL S.L.B.& M. | | 8. WELL NAME and NUMBER: Red Wash #9-24-34-30 |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 30 9S 24E | | 9. API NUMBER: 4304736734 |
| | | 10. FIELD AND POOL, OR WILDCAT: Wildcat |
| | | COUNTY: Uintah |
| | | STATE: UTAH |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|--|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>5/30/2006</u> | <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 checked="" 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 type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

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

Type of well on the original APD shall be changed from "Single Zone" to "Multiple Zone."

| | |
|---|--|
| NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u> | TITLE <u>Landman - Regulatory Specialist</u> |
| SIGNATURE | DATE <u>5/30/2006</u> |

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JUN 01 2006

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
n/a (Fee)

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
N/A

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

7. UNIT or CA AGREEMENT NAME:
N/A

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Red Wash #9-24-34-30

2. NAME OF OPERATOR:
Enduring Resources, LLC

9. API NUMBER:
4304736734

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: 558' FSL - 1,995' FEL S.L.B. & M.
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 30 9S 24E

COUNTY: Uintah
STATE: UTAH

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 7/20/2006 | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input checked="" 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>First Sales Notice</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.

Notice of first sales.

First sales on July 20, 2006.
On July 22, 2006, sold 1,497 MCF, 290 BLW, flowing at 990# FCP and 280# LP.

Completion Report to follow.

NAME (PLEASE PRINT) Alvin R. (AI) Arlian TITLE Agent
SIGNATURE [Signature] DATE 7/25/2006

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JUL 28 2006
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 | | 5. LEASE DESIGNATION AND SERIAL NUMBER: n/a (Fee) |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A |
| | | 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: Red Wash #9-24-34-30 | |
| 2. NAME OF OPERATOR: Enduring Resources, LLC | | 9. API NUMBER: 4304736734 |
| 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: 558' FSL - 1,995' FEL S.L.B.& M. | | COUNTY: Uintah |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 30 9S 24E | | STATE: UTAH |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|--|---|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/15/2006 | <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 checked="" type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: Pit Rehab and reseeded |
| | <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.

Have closed the pits and reseeded.

| | |
|---|--|
| NAME (PLEASE PRINT) <u>Alvin R. (AI) Arlian</u> | TITLE <u>Landman - Regulatory Specialist</u> |
| SIGNATURE | DATE <u>11/15/2006</u> |

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NOV 20 2006

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

CONFIDENTIAL

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT or CA AGREEMENT NAME
N/A

8. WELL NAME and NUMBER:
Red Wash #9-24-34-30

9. API NUMBER:
4304736734

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SWSE 30 24S 30E S
30 9S 24E

12. COUNTY
Uintah

13. STATE
UTAH

14. DATE SPUDED: 6/1/2006

15. DATE T.D. REACHED: 6/20/2006

16. DATE COMPLETED: 7/18/2006

ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
5438' RKB

18. TOTAL DEPTH: MD 7,991
TVD 7,991

19. PLUG BACK T.D.: MD 7,922
TVD 7,922

20. IF MULTIPLE COMPLETIONS, HOW MANY? *
4

21. DEPTH BRIDGE MD
PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
Previously Submitted

23.
WAS WELL CORED? NO YES (Submit analysis)
WAS DST RUN? NO YES (Submit report)
DIRECTIONAL SURVEY? NO YES (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft.) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
|-----------|------------|----------------|----------|-------------|----------------------|----------------------------|---------------------|---------------|---------------|
| 20" | 14" | Line Pipe | 0 | 40 | | 3 yards | | 0 (CIR) | 0 |
| 12-1/4" | 8-5/8 J-55 | 32# | 0 | 2,054 | | CL G 975 | 258 | 0 (CIR) | 0 |
| 7-7/8" | 4.5" N-80 | 11.6# | 0 | 7,936 | | Pozmix 1,345 | 369 | 3922 (CBL) | 0 |
| | | | | | | | | | |
| | | | | | | | | | |

25. TUBING RECORD

| SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|--------|----------------|-----------------|------|----------------|-----------------|------|----------------|-----------------|
| 2-3/8" | 6.807 | | | | | | | |

26. PRODUCING INTERVALS

| FORMATION NAME | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) |
|----------------|----------|-------------|-----------|--------------|
| (A) Mesaverde | 6,816 | 6,817 | | |
| (B) Mesaverde | 7,058 | 7,059 | | |
| (C) Mesaverde | 7,412 | 7,413 | | |
| (D) Mesaverde | 7,539 | 7,540 | | |

27. PERFORATION RECORD

| INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS |
|-------------------------|--------|-----------|--|
| 6,816 6,817 | 1'slot | 1 | Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/> |
| 7,058 7,059 | 1'slot | 1 | Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/> |
| 7,412 7,413 | 1'slot | 1 | Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/> |
| 7,539 7,540 | 1'slot | 1 | Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/> |

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL | AMOUNT AND TYPE OF MATERIAL |
|----------------|--|
| 6816' - 7540' | Placed 207,400 lbs Ottawa 20/40 Sand in 4 Mesaverde Formations |

29. ENCLOSED ATTACHMENTS:

- ELECTRICAL/MECHANICAL LOGS
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION
 GEOLOGIC REPORT
 CORE ANALYSIS
 DST REPORT
 OTHER:
 DIRECTIONAL SURVEY

30. WELL STATUS:

Producing

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AUG 21 2006

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

| | | | | | | | | | | | |
|-----------------------------------|--------------------|-------------------------|-------------|----------------------|---------------------|---------------------------|-----------------|---------------------|---------------------|-------------------------------|------------------------------|
| DATE FIRST PRODUCED: 7/20/2006 | | TEST DATE: 8/16/2006 | | HOURS TESTED: 648 | | TEST PRODUCTION RATES: → | | OIL - BBL: 9 | GAS - MCF: 704 | WATER - BBL: 42 | PROD. METHOD: 27 day ave. |
| CHOKE SIZE: 25 | TBG. PRESS. 452 | CSG. PRESS. 496 | API GRAVITY | BTU - GAS | GAS/OIL RATIO 78 | 24 HR PRODUCTION RATES: → | OIL - BBL: 0 | GAS - MCF: 1,497 | WATER - BBL: 290 | INTERVAL STATUS: producing | |

INTERVAL B (As shown in Item #26)

| | | | | | | | | | | | |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|---------------|
| DATE FIRST PRODUCED: | | TEST DATE: | | HOURS TESTED: | | TEST PRODUCTION RATES: → | | OIL - BBL: | GAS - MCF: | WATER - BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | INTERVAL STATUS: | |

INTERVAL C (As shown in Item #26)

| | | | | | | | | | | | |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|---------------|
| DATE FIRST PRODUCED: | | TEST DATE: | | HOURS TESTED: | | TEST PRODUCTION RATES: → | | OIL - BBL: | GAS - MCF: | WATER - BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | INTERVAL STATUS: | |

INTERVAL D (As shown in Item #26)

| | | | | | | | | | | | |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|---------------|
| DATE FIRST PRODUCED: | | TEST DATE: | | HOURS TESTED: | | TEST PRODUCTION RATES: → | | OIL - BBL: | GAS - MCF: | WATER - BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | INTERVAL STATUS: | |

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

| Formation | Top (MD) | Bottom (MD) | Descriptions, Contents, etc. | Name | Top (Measured Depth) |
|---------------|----------|-------------|------------------------------|------|----------------------|
| Uteland Butte | 4,013 | | | | |
| Wasatch | 4,117 | | | | |
| Mesaverde | 5,679 | | | | |

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) Christian Veillette TITLE Engineer
 SIGNATURE  DATE 8/17/2006

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining Phone: 801-538-5340
 1594 West North Temple, Suite 1210
 Box 145801 Fax: 801-359-3940
 Salt Lake City, Utah 84114-5801

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

FORM 9

| | | |
|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: n/a (Fee) |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A |
| | | 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: Red Wash #9-24-34-30 | |
| 2. NAME OF OPERATOR: Enduring Resources, LLC | | 9. API NUMBER: 4304736734 |
| 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: 558' FSL - 1,995' FEL S.L.B. & M. | | COUNTY: Uintah |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 30 9S 24E | | STATE: UTAH |

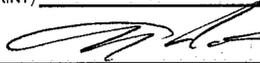
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|--|--|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>8/1/2008</u> | <input type="checkbox"/> ACIDIZE | <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 checked="" type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: <u>Complete additional formation- commingle</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.

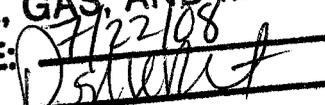
Upon approval, will complete the Wasatch formation (Mesaverde formation currently producing).

In order to prevent waste of gas, as defined by law; to protect the correlative rights of all parties concerned; to prevent the drilling of un-necessary wells; and to insure proper and efficient development and promote conservation of the gas resources of the State of Utah, Enduring Resources, LLC respectfully request approval to perforate and commingle the Wasatch and Mesaverde formations "pools" in the same well bore.

1. Ownership in both formations is the same. However, in the event allocation of production is necessary, that allocation will be based on proportionate net pay based on well logs.
2. These formations shall be commingled in the well bore and produced concurrently in a single string of 2-3/8" production tubing.
3. Attached is a map showing the location of wells on contiguous oil and gas leases and/or production units.
4. Also attached is an affidavit confirming that this application has been provided to leasehold interest owners in contiguous oil and gas lease or production units overlying the "pool."

NAME (PLEASE PRINT) Alvin R. (Al) Arlian TITLE Landman - Regulatory Specialist
SIGNATURE  DATE 7/27/2008

(This space for State use only)
COPY SENT TO OPERATOR
Date: 7-23-2008
Initials: KS

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 7/22/08
BY: 

RECEIVED
JUN 30 2008
DIV. OF OIL, GAS & MINING

ENDURING RESOURCES, LLC

425 Seventeenth Street, Suite 1500

Denver, Colorado 80202

Telephone: 303-573-1222

Facsimile: 303-573-0461

June 27, 2008

Forest Oil Corporation
707-17th Street, Suite 3600
Denver, Colorado 80202-4966

CERTIFIED MAIL
ARTICLE NO: 0063450000142724166

Attention: Land Department

RE: Commingling Application
Red Wash 9-24-34-30
SWSW - Sec. 30, T9S-R24E (558' FSL - 1,995' FEL)
Uintah County, Utah

Dear Leasehold Interest Owner:

Enduring Resources, LLC ("Enduring") has filed an application with the State of Utah Division of Oil, Gas, and Mining requesting approval of the Wasatch and Mesaverde formations (pools) in the above-referenced well to be commingled.

Ownership in both formations is the same. However, in the event allocation of production is necessary, that allocation will be based on proportionate net pay based on well logs. These formations (pools) shall be commingled in the well's well bore.

Attached is a map showing the location of wells on contiguous oil and gas leases and/or production units. Also attached is an affidavit confirming that this application has been provided to leasehold interest owners in contiguous oil and gas leases or production units overlying the commingled pools (commingled formations).

Should you have any questions concerning this matter, please do not hesitate to call (303-350-5114)

Very truly yours

ENDURING RESOURCES, LLC



COPY

Alvin R. (Al) Arlian
Landman – Regulatory Specialist

ara/

Attachments as stated:

RECEIVED
JUN 30 2008
DIV. OF OIL, GAS & MINING

ENDURING RESOURCES, LLC

425 Seventeenth Street, Suite 1500

Denver, Colorado 80202

Telephone: 303-573-1222

Facsimile: 303-573-0461

June 27, 2008

Anadarko Petroleum Corporation
Granite Tower
1099 18th St. #1200
Denver, CO 80202
Attention: Land Department

CERTIFIED MAIL
ARTICLE NO: 70063450000142729444

RE: Commingling Application
Red Wash 9-24-34-30
SWSW - Sec. 30, T9S-R24E (558' FSL - 1,995' FEL)
Uintah County, Utah

Dear Leasehold Interest Owner:

Enduring Resources, LLC ("Enduring") has filed an application with the State of Utah Division of Oil, Gas, and Mining requesting approval of the Wasatch and Mesaverde formations (pools) in the above-referenced well to be commingled.

Ownership in both formations is the same. However, in the event allocation of production is necessary, that allocation will be based on proportionate net pay based on well logs. These formations (pools) shall be commingled in the well's well bore.

Attached is a map showing the location of wells on contiguous oil and gas leases and/or production units. Also attached is an affidavit confirming that this application has been provided to leasehold interest owners in contiguous oil and gas leases or production units overlying the commingled pools (commingled formations).

Should you have any questions concerning this matter, please do not hesitate to call (303-350-5114)

Very truly yours

ENDURING RESOURCES, LLC


COPY

Alvin R. (Al) Arlian
Landman – Regulatory Specialist

ara/

Attachments as stated:

RECEIVED
JUN 30 2008
DIV. OF OIL, GAS & MINING

AFFIDAVIT OF MAILING

Statue of Colorado)
City and)ss.
County of Denver)

Alvin R. Arlian (hereinafter sometimes referred to as "Affiant"), of lawful age, being first duly sworn upon oath, deposes and says:

1. Affiant is a Landman-Regulatory Specialist for Enduring Resources, LLC (hereinafter sometimes referred to as "Enduring") whose address is 475-17th Street, Denver, Colorado 80202,
2. Enduring is the operator of the following described oil and gas well:

Red Wash 9-24-34-30
SWSW - Sec. 30, T9S-R24E (558' FSL - 1,995' FEL)
Uintah County, Utah

3. A cursory search of applicable records confirmed that the following parties are the only leasehold interest owners in the contiguous oil and gas wells, contiguous oil and gas leases, or contiguous oil and gas well production units overlying the "pool."
 1. Forest Oil Corporation
 2. Anadarko Petroleum Corporation
 - 3.
 - 4.
4. On Friday, June 27, 2008 Affiant mailed (or caused to be mailed) in U.S. Mail, with postage prepaid, a copy of the attached Application for Commingling two or more pools (formations) in one well bore of the well described in Paragraph No. 2 above which said Application for Commingling (Form 9) has/had concurrently been filed with the State of Utah Division of Oil, Gas, and Mining (and if applicable, copies sent to SITLA, and the Bureau of Land Management), and
5. Attached is a map showing the location of wells' located on contiguous oil and gas leases and/or production units.

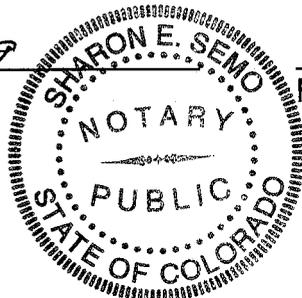
Affiant saith no more.



Alvin R. Arlian, Affiant

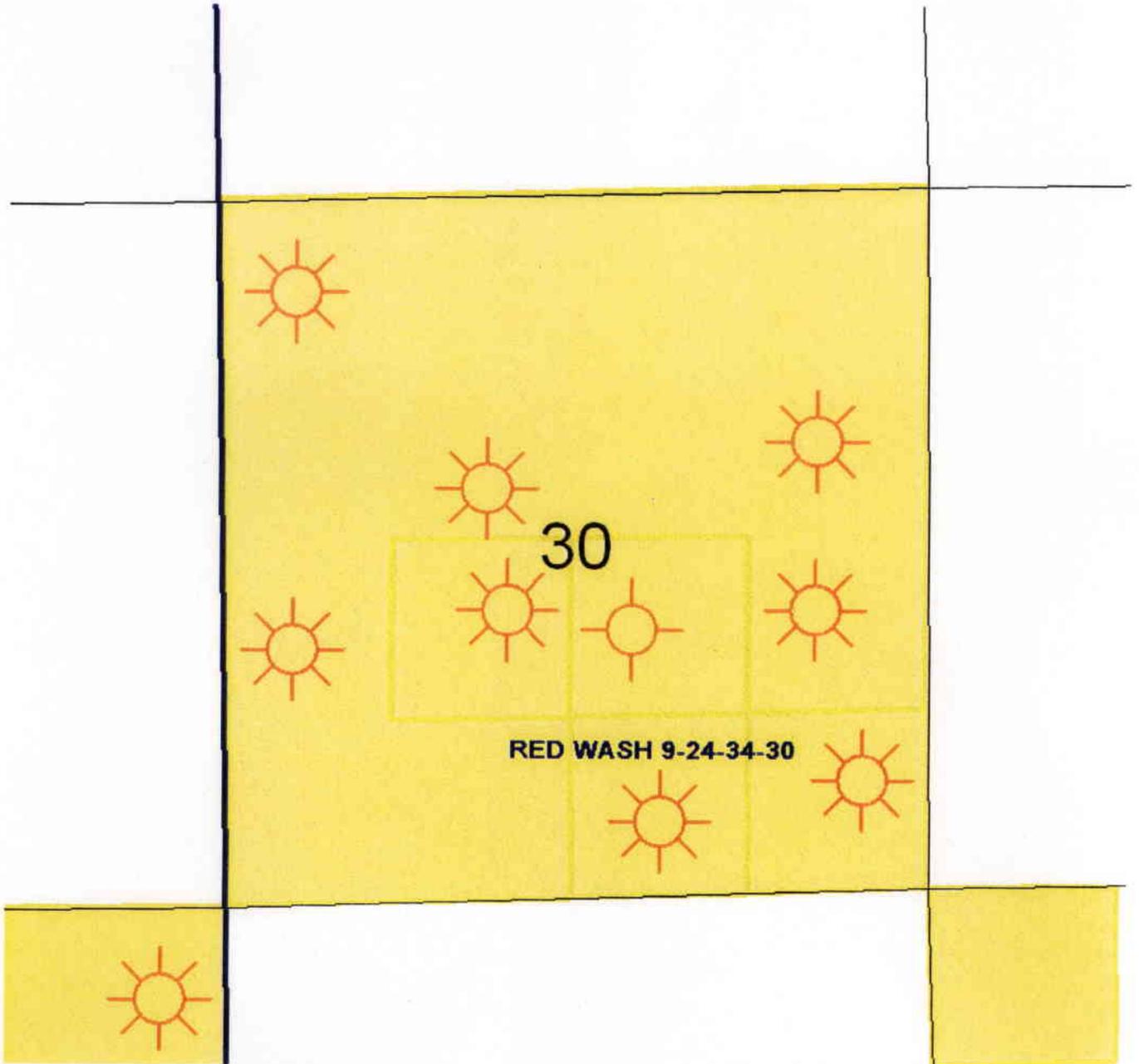
Scribed and sworn to before me this 27th day of June, 2008 by Alvin R. Arlian.

9/23/2009
My Commission Expires:



Sharon E. Semo
Notary Public.

MAP ATTACHED TO ENDURING RESOURCES LLC COMMINGLING APPLICATION
FOR RED WASH 9-24-34-30 LOCATED IN THE SW-SE SEC. 30, T9S-R24E



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

FORM 9

| | | |
|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: n/a (Fee) |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: N/A |
| 2. NAME OF OPERATOR: Enduring Resources, LLC | | 8. WELL NAME and NUMBER: Red Wash #9-24-34-30 |
| 3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY: Denver STATE: CO ZIP: 80202 | | 9. API NUMBER: 4304736734 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 558' FSL - 1,995' FEL S.L.B.& M. COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 30 9S 24E STATE: UTAH | | 10. FIELD AND POOL, OR WILDCAT: Wildcat |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | |
|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION |
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/2/2008 | <input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input checked="" type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <u>Confirmation of Commingling</u> |

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

Wasatch formation was commingled with the Mesaverde formation on 6-4-2008

Wasatch completion:

Perfs: 4716' to 4722', 3 holes per foot, 18 holes total

25,500 lbs. 30/50 SB Excel Proppant

34,250 gallons AquaVis 25 linear gel fluid

10,000 gallons Treated Water

| | |
|---|--|
| NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u> | TITLE <u>Landman - Regulatory Specialist</u> |
| SIGNATURE | DATE <u>10/2/2008</u> |

(This space for State use only)

RECEIVED

OCT 06 2008

DIV. OF OIL, GAS & MINING