



**Enduring Resources**

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

June 6, 2005

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

Attn.: Ms. Diana Whitney

RE: Southam Canyon #9-24-23-36  
NESW Sec. 36 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

JUN 08 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)

<b>APPLICATION FOR PERMIT TO DRILL</b>		5. MINERAL LEASE NO: Fee	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: <del>N/A</del> Bonanza	
2. NAME OF OPERATOR: Enduring Resources, LLC		9. WELL NAME and NUMBER: Southam Canyon 9-24-23-36	
3. ADDRESS OF OPERATOR: 475 17th St, Suite 1500 CITY Denver STATE CO ZIP 80202		PHONE NUMBER: (303) 350-5114	10. FIELD AND POOL, OR WILDCAT: Indesignated
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1779' FSL 2073' FWL Sec 36 T9S R24E S.L.B.&M. AT PROPOSED PRODUCING ZONE: Same as above		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 T9S 24E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 42.7 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) 1189.69'	19. PROPOSED DEPTH: 6,550	20. BOND DESCRIPTION: RLB0008031	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5287.1' GR Ungraded	22. APPROXIMATE DATE WORK WILL START: 10/15/2005	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#	6,550	Prem Lite II	292 sx	3.38 11.0 ppg
			50/50 Poz Cl G	1089 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 June 6 2005

(This space for State use only)

API NUMBER ASSIGNED: 43-047-36880

Approved by the Utah Division of Oil, Gas and Mining

Date: 07-11-05

By: *[Signature]*

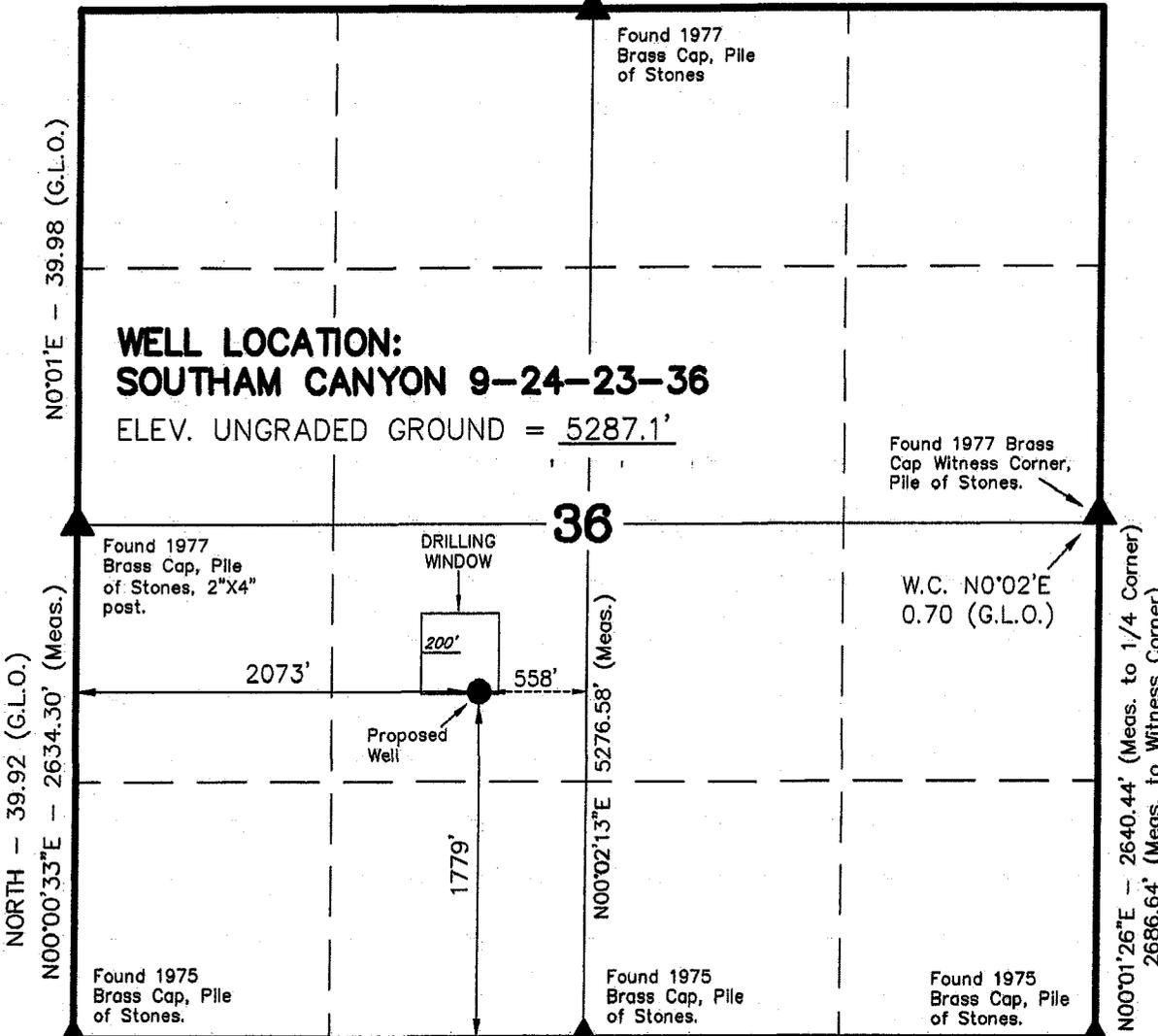
RECEIVED JUN 08 2005

DIV. OF OIL, GAS & MINING

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

## ENDURING RESOURCES

S89°55'W - 79.76 (G.L.O.)

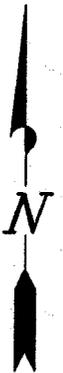


**WELL LOCATION:  
SOUTHAM CANYON 9-24-23-36**  
ELEV. UNGRADED GROUND = 5287.1'

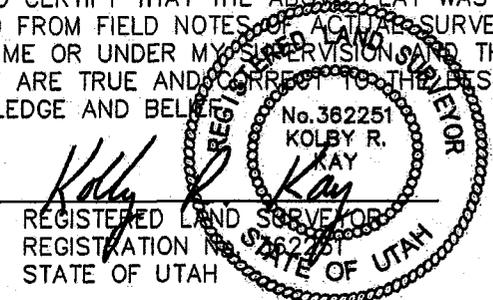
WELL LOCATION, SOUTHAM CANYON 9-24-23-36, LOCATED AS SHOWN IN THE NE 1/4 SW 1/4 OF SECTION 36, T9S, R24E, S.L.B.&M. UTAH COUNTY, UTAH.

**NOTES:**

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.
3. The proposed well head for Southam Canyon 9-24-24-36 bears S00°29'58"W 1189.69' from the proposed well head for Southam Canyon 9-24-23-36.



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



N89°59'14"W - (Basis of Bearings) 2630.29' (Measured)  
S89°56'W - 39.85 (G.L.O.)

N89°58'25"W - 2632.52' (Meas.)  
S89°59'W - 39.89 (G.L.O.)

▲ = SECTION CORNERS LOCATED  
BASIS OF ELEVATION IS TRIANGULATION STATION JEK 9 ET (1966) LOCATED IN THE NW 1/4 OF SECTION 32, T9S, R25E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE SOUTHAM CANYON 7.5 MIN. QUADRANGLE AS BEING 5729'.

**SOUTHAM CANYON 9-24-23-36**  
(Proposed Well Head)  
NAD 83 Autonomous  
LATITUDE = 39° 59' 23.9"  
LONGITUDE = 109° 09' 52.6"

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

DATE SURVEYED: 5-9-05	SURVEYED BY: K.R.K.	<b>SHEET 2 OF 10</b>
DATE DRAWN: 5-16-05	DRAWN BY: J.R.S.	
SCALE: 1" = 1000'		
Date Last Revised: 6-5-05, Added note 3		

**Enduring Resources, LLC  
Southam Canyon 9-24-23-36  
NESW Sec. 36 T9S-R24E  
Uintah County, Utah  
Lease # 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, Utah, 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 35.8 miles to the junction of County B Road 3460 (this road is located approximately 0.3 miles south of Bonanza, Utah). Exit left and proceed in an easterly direction along County B Road 3460 approximately 1.4 miles to the junction of a County D Road. Exit right and proceed in a southeasterly direction along the County D Road approximately 0.4 miles to the junction of a County D Road. Exit right and proceed in a southwesterly direction along the County D Road and an oil field service road approximately 1.2 miles to the proposed access road to the Southam Canyon #9-24-24-36 well. Follow road flags in a southwesterly direction approximately 0.6 miles to the proposed access road. Follow road flags in a northwesterly direction approximately 130 feet to the proposed location.

The proposed well site is located approximately 42.7 miles Southeasterly from Vernal, Utah.

**Enduring Resources, LLC  
Southam Canyon # 9-24-23-36  
NESW Sec. 36 T9S-R24E  
Uintah County, Utah  
Lease # Fee**

**ONSHORE ORDER 1 - DRILLING PLAN**

**1. Estimated Tops of Geological Markers:**

<u>Formation</u>	<u>Depth</u>
Uinta	Surface
Green River	557'
Wasatch	2706'
Mesaverde	4296'

**2. Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals: (5295.8' estimated KB)**

Substance	Formation	Depth
	Uinta	Surface
Oil / Gas	Green River	557'
Oil /Gas	Wasatch	2706'
Oil /Gas	Mesaverde	4296'
	Estimated TD	6550'

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 – 6550'

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

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

**B. Casing Design Parameters:**

Depth (md)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40	16"			
2000	8-5/8", 24#/ft, J55, STC	1370/1.54(a)	2950/3.34(b)	244/5.85(c)
6550	4-1/2", 11.6#/ft, N-80, LTC	6350/1.88 (d)	7780/2.50 (e)	223/3.42 (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 <sup>3</sup> /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 <sup>3</sup> /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 <sup>3</sup> /sx)
4-1/2"	Lead	2550	Premium Lite II +3% KCL +0.25 pps celloflake +5 pps gilsonite +10% gel +0.5% extender	292	60	11.0	3.38
4-1/2"	Tail	4000	50/50 POZ Class G +10% salt + 2% gel + 1% R-3	1089	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'-6550'	8.8-10.0	8 - 10 ml	32-42	Water/Gel

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

**6. Evaluation Program:**

Tests: No tests are currently planned.

Coring: No cores are currently planned.

Logging: Dual Induction – SFL /Gamma Ray Caliper: TD to Base Surface Casing  
 Compensated Neutron/Litho Density Temperature/Gamma Ray: TD to Base Surface Casing  
 Cement Bond Log / Gamma Ray: 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 H<sub>2</sub>S 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 3406 psi (calculated at 0.52 psi/foot max of hole) and maximum anticipated surface pressure equals approximately 1965 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- October 15, 2005  
 Drilling Days- Approximately 10 days  
 Completion Days - Approximately 10 days  
 Anticipate location construction within 30 days of permit issuance.

**9. Variances:**

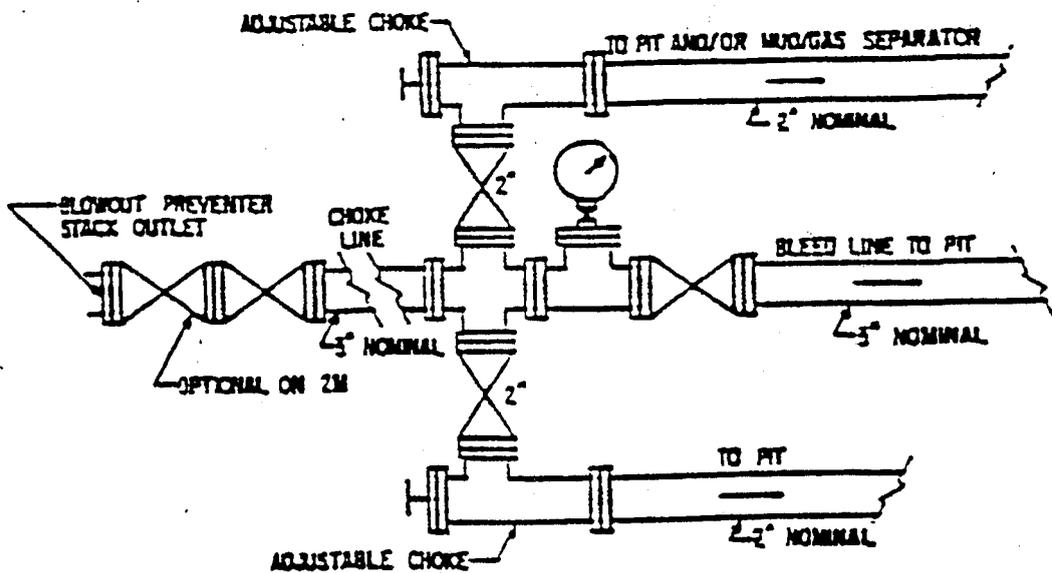
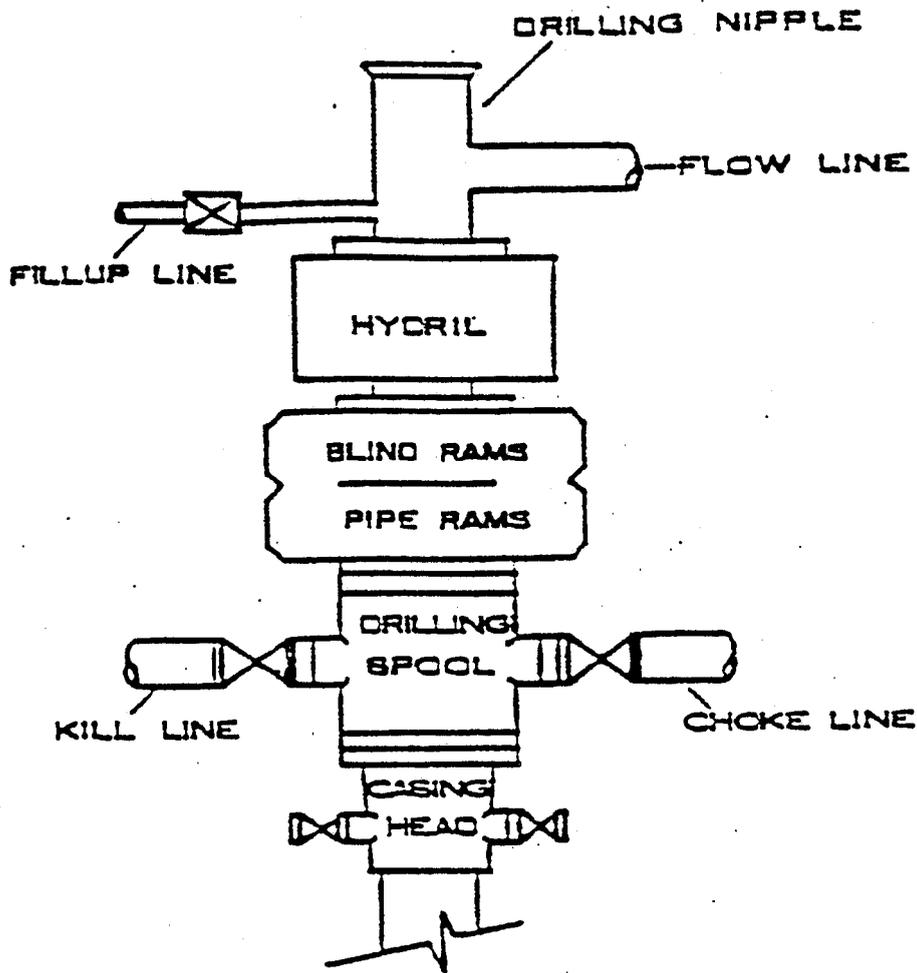
None anticipated

**10. Other:**

A Cultural Resource Inventory 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**  
**Southam Canyon # 9-24-23-36**  
**NESW Sec. 36 T9S-R24E**  
**Uintah County, Utah**  
**Lease # 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, Utah, 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 35.8 miles to the junction of County B Road 3460 (this road is located approximately 0.3 miles south of Bonanza, Utah). Exit left and proceed in an easterly direction along County B Road 3460 approximately 1.4 miles to the junction of a County D Road. Exit right and proceed in a southeasterly direction along the County D Road approximately 0.4 miles to the junction of a County D Road. Exit right and proceed in a southwesterly direction along the County D Road and an oil field service road approximately 1.2 miles to the proposed access road to the Southam Canyon #9-24-24-36 well. Follow road flags in a southwesterly direction approximately 0.6 miles to the proposed access road. Follow road flags in a northwesterly direction approximately 130 feet to the proposed location.

The proposed well site is located approximately 42.7 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 130 feet of new construction occurring on fee acreage. The access road constructed for the Southam Canyon #9-24-24-36 shall be utilized to access this proposed location. 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 expected to be 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 shut in wells, plugged and abandoned wells, water wells, disposal wells, monitoring or observation wells, or injection wells located within a one (1) mile radius of the proposed location.

There is one known producing well – Bonanza #6-36 SENW Sec 36 T9S-R24E

There is one known temporarily abandoned well – Cartwright #2 NWNE Sec 35 T9S-R24E

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 205 feet of 6 inch or less diameter steel, unpainted, welded gas gathering line is proposed to be laid on fee acreage. The proposed line will begin at the well site, be laid alongside the proposed access road going in a southeasterly direction to tie into the proposed gas gathering line for the proposed Southam Canyon #9-24-24-36 well. The line, to be utilized by both of these wells, will then continue in a northeasterly direction to tie into an existing pipeline located in the north portion of Sec 36 T9S-R24E. The proposed gathering line will be placed above ground adjacent to the proposed access route; therefore, no additional surface disturbance is anticipated. 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 unused portion of the gas gathering line will be removed and the disturbed area will be re-contoured and restored as near as practical to the original condition. If necessary, re-seeding operations will be performed after completion of other reclamation operations. The appropriate surface management agency will be contacted for the required seed mixture and seeding dates.

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

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

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

No water well is to be drilled on this lease.

**6. Source of Construction Materials:**

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

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

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

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

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

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

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

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

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

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

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

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

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

Produced oil will be stored in 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 N/2 SW/4; SESW/4; S/2 SE/4 quarter Section 36 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 36 Township 9 South, Range 24 East, Uintah County, Utah (hereinafter referred to as the "Drillsite").

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 31<sup>st</sup> 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: 

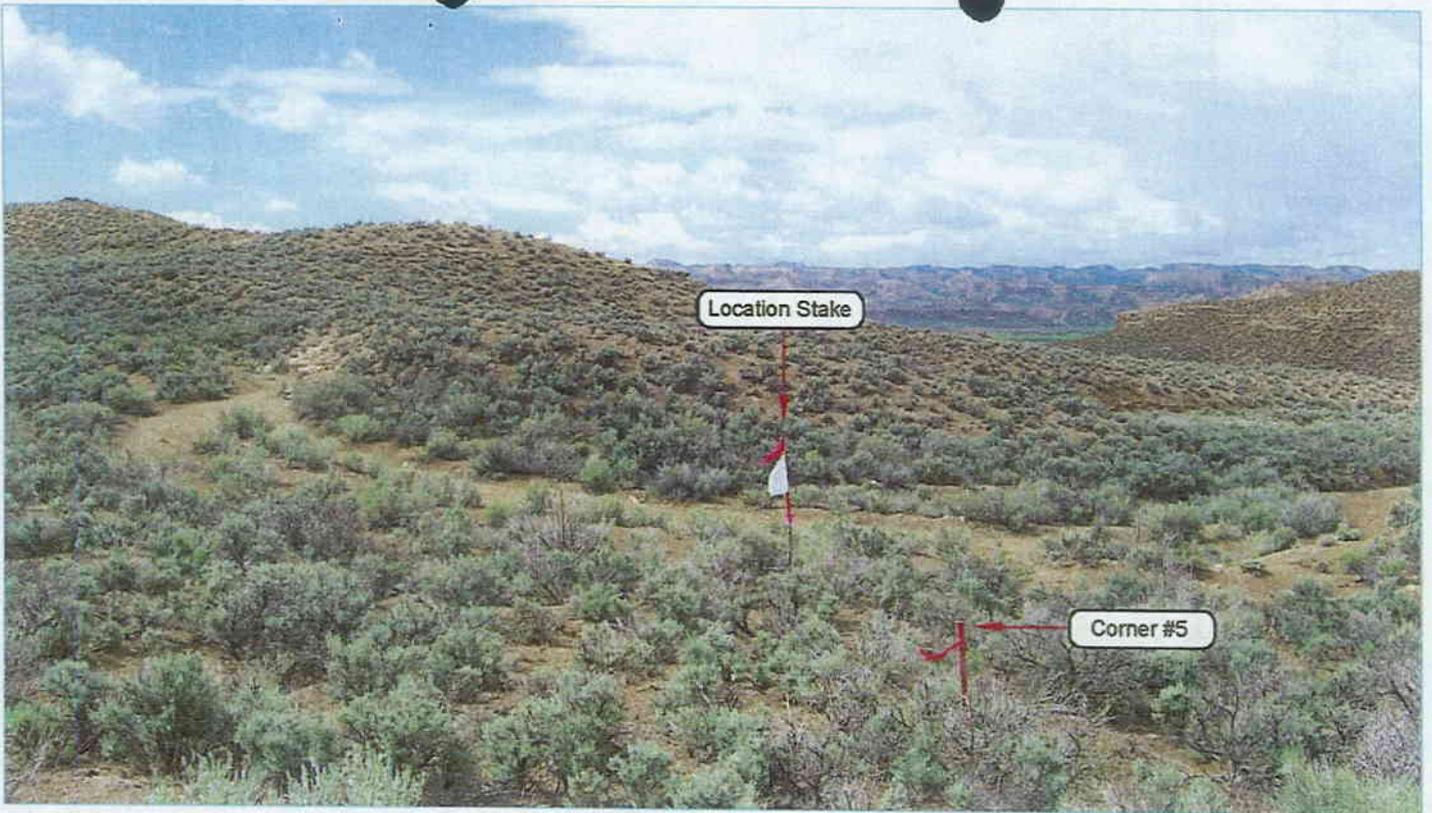


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY

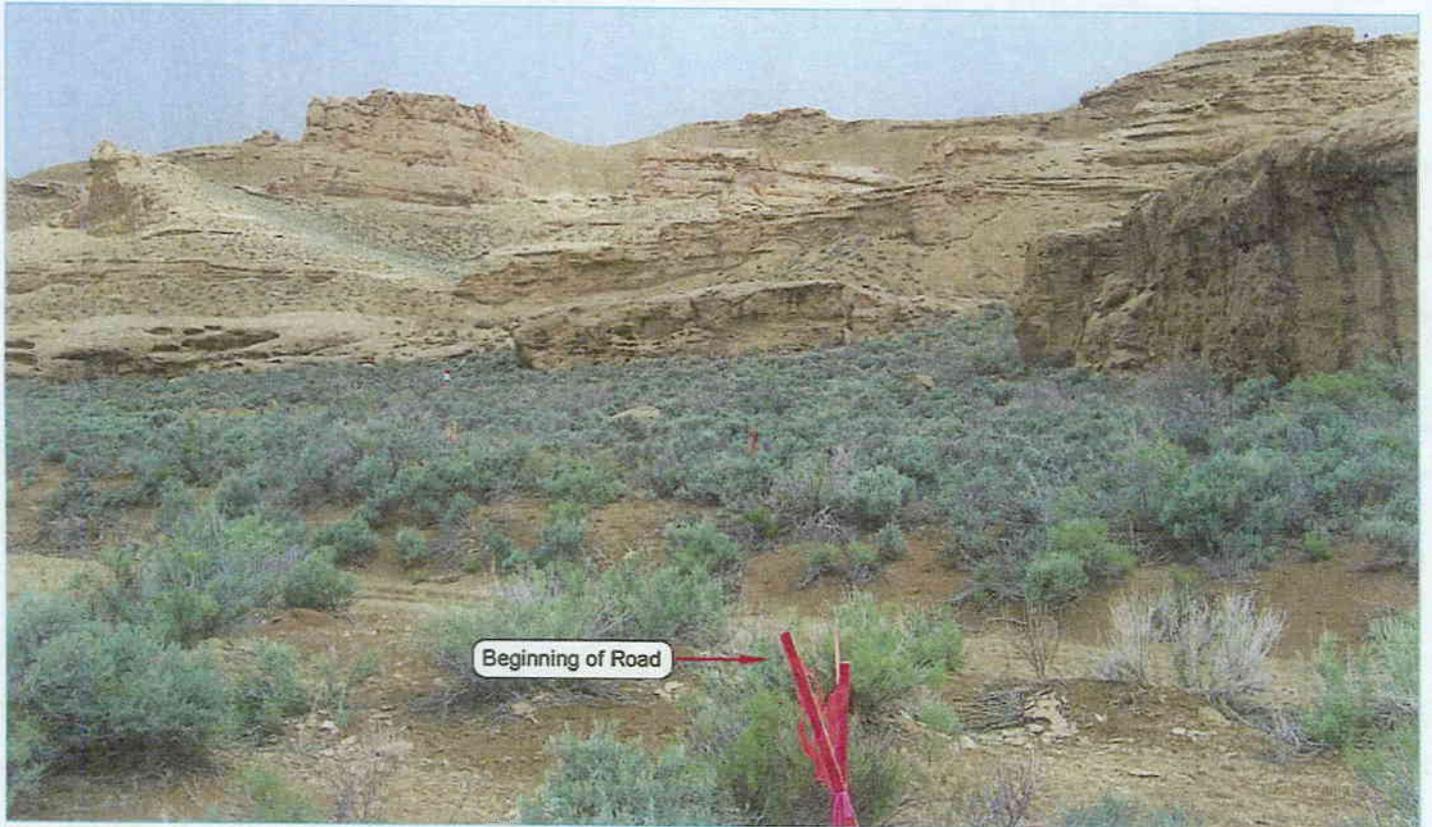


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHWESTERLY

**ENDURING RESOURCES**

**Southam Canyon 9-24-23-36  
SECTION 36 , T9S, R24E, S.L.B.&M.  
1779' FSL & 2073' FWL**

**LOCATION PHOTOS**

TAKEN BY: K.R.K.

DRAWN BY: T.D.H.

DATE TAKEN: 05-09-05

DATE DRAWN: 05-17-05

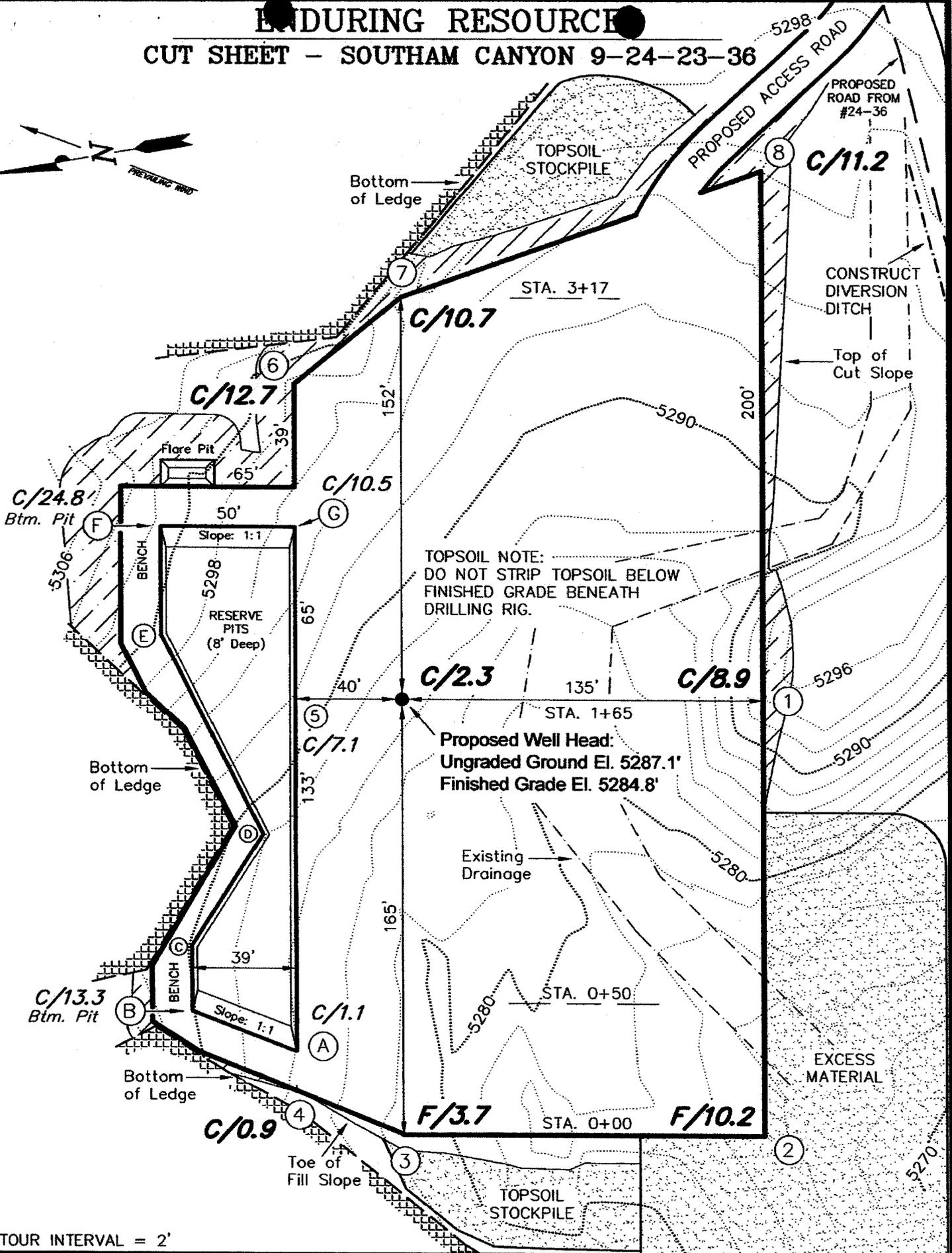
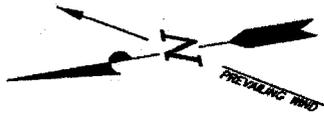
REVISED:

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

**SHEET  
1  
OF 10**

# ENDURING RESOURCE

## CUT SHEET - SOUTHAM CANYON 9-24-23-36



**TOPSOIL NOTE:**  
DO NOT STRIP TOPSOIL BELOW  
FINISHED GRADE BENEATH  
DRILLING RIG.

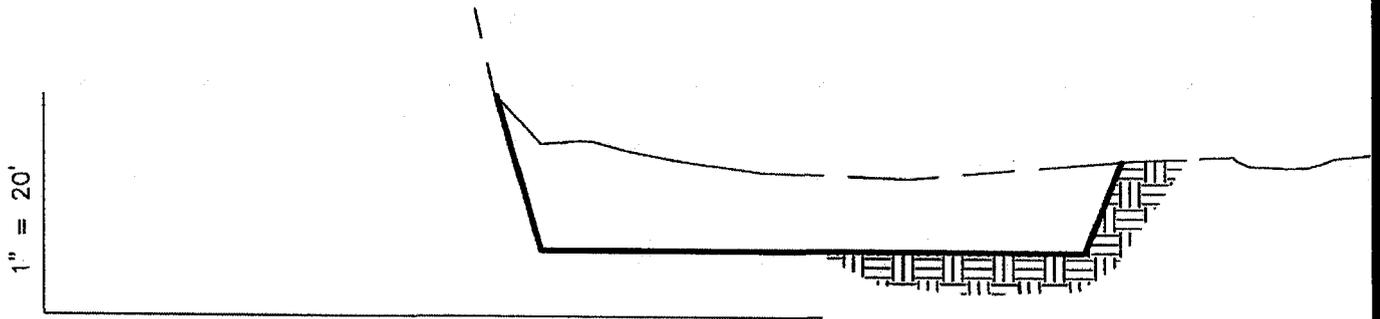
**Proposed Well Head:**  
Ungraded Ground El. 5287.1'  
Finished Grade El. 5284.8'

CONTOUR INTERVAL = 2'

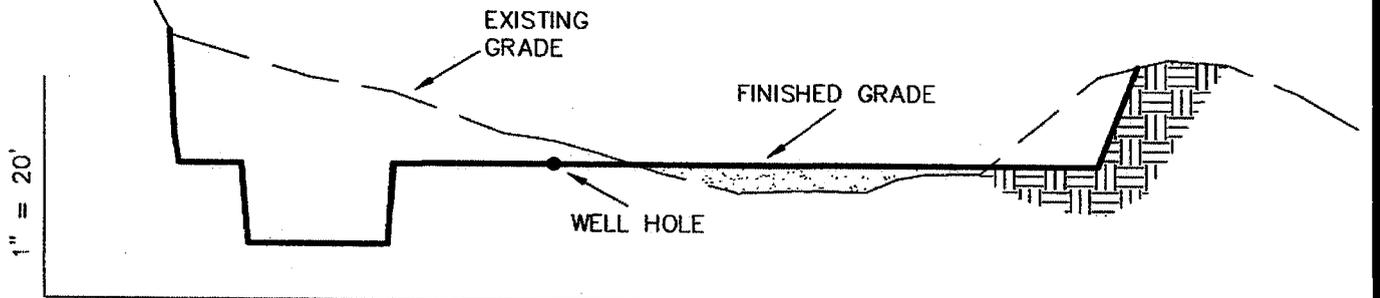
Section 36, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NE SW	Footage Location: 1779' FSL & 2073' FWL
Date Surveyed: 5-9-05	Date Drawn: 5-16-05	Date Last Revision:	<b>Timberline</b> <i>Land Surveying, Inc.</i> (435) 789-1365 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: J.R.S.	Scale: 1" = 50'	
			<b>SHEET</b> <span style="font-size: 2em;">3</span> <b>OF 10</b>

# ENDURING RESOURCES

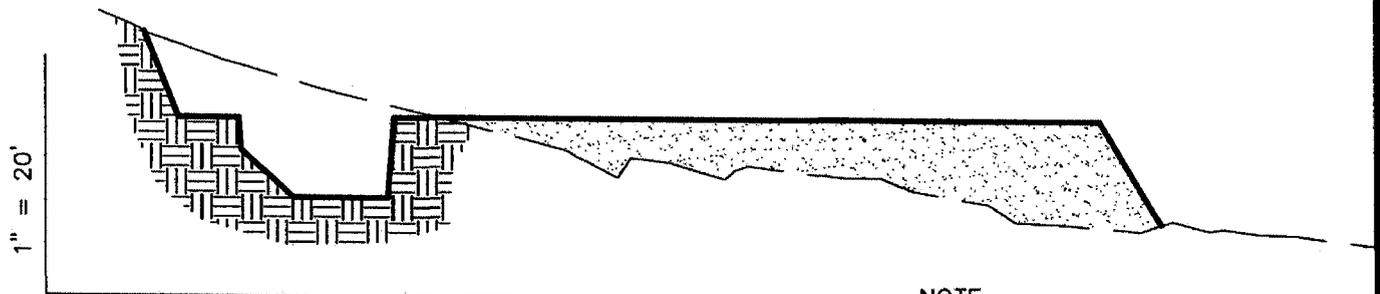
## CROSS SECTIONS - SOUTHAM CANYON 9-24-23-36



1" = 50' STA. 3+17

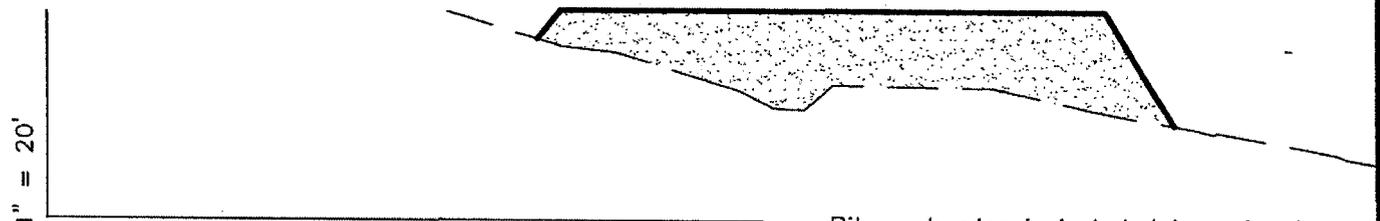


1" = 50' STA. 1+65



1" = 50' STA. 0+50

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



1" = 50' STA. 0+00

Pit overburden is included in pad cut.

### REFERENCE POINTS

185' SOUTHWESTERLY = 5292.0'  
235' SOUTHWESTERLY = 5280.7'

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

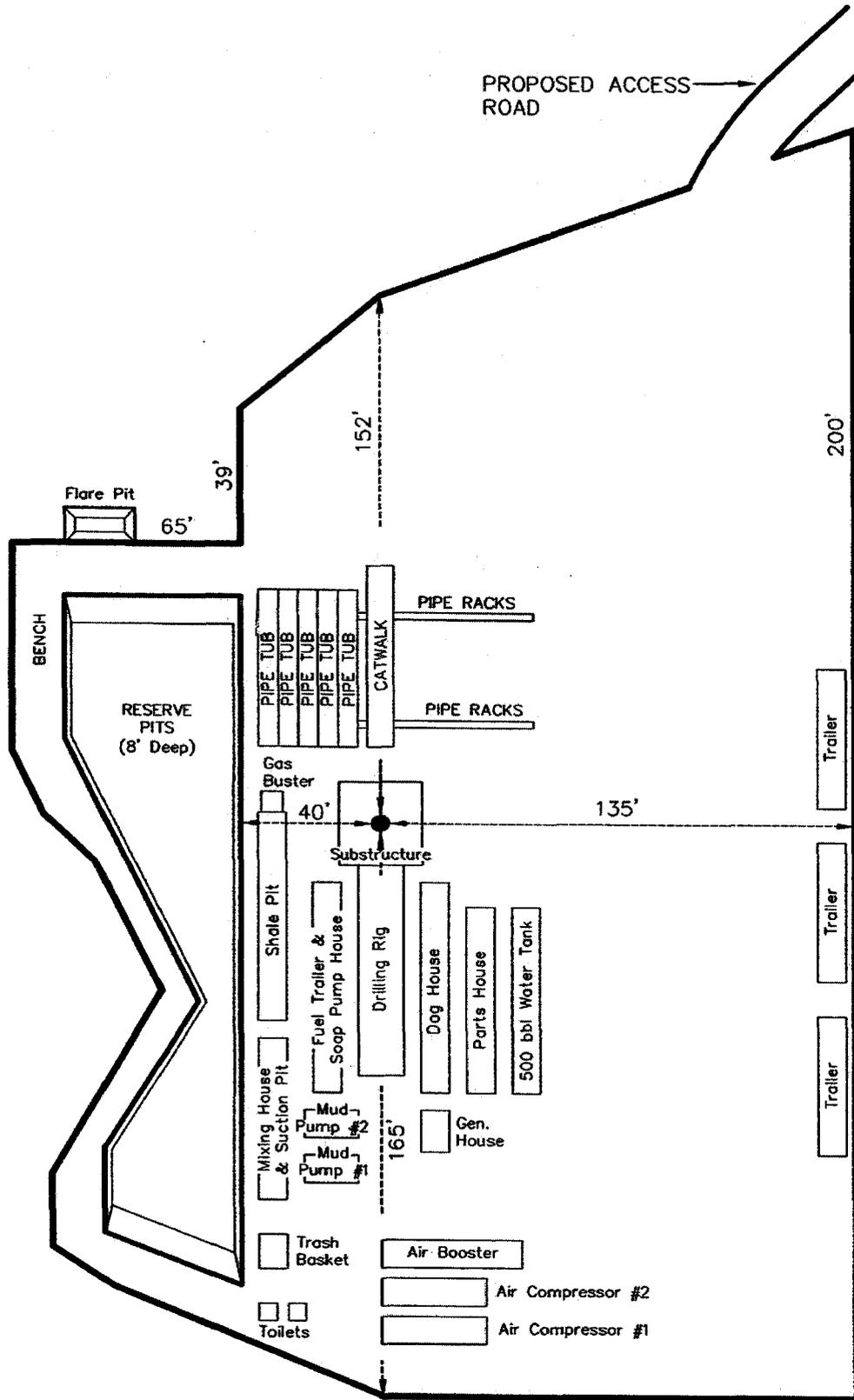
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	10,010	6,080	Topsoil is not included in Pad Cut	3,930
PIT	2,270	0		1,800
<b>TOTALS</b>	<b>11,810</b>	<b>6,080</b>	<b>1,510</b>	<b>5,730</b>

Excess Material after Pit Rehabilitation = 4,830 Cu. Yds.

Section 36, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NE SW	Footage Location: 1779' FSL & 2073' FWL
Date Surveyed: 5-9-05	Date Drawn: 5-16-05	Date Last Revision:	<b>Timberline</b> (435) 789-1365 <b>Land Surveying, Inc.</b> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: J.R.S.	Scale: 1" = 50'	

# ENDURING RESOURCE

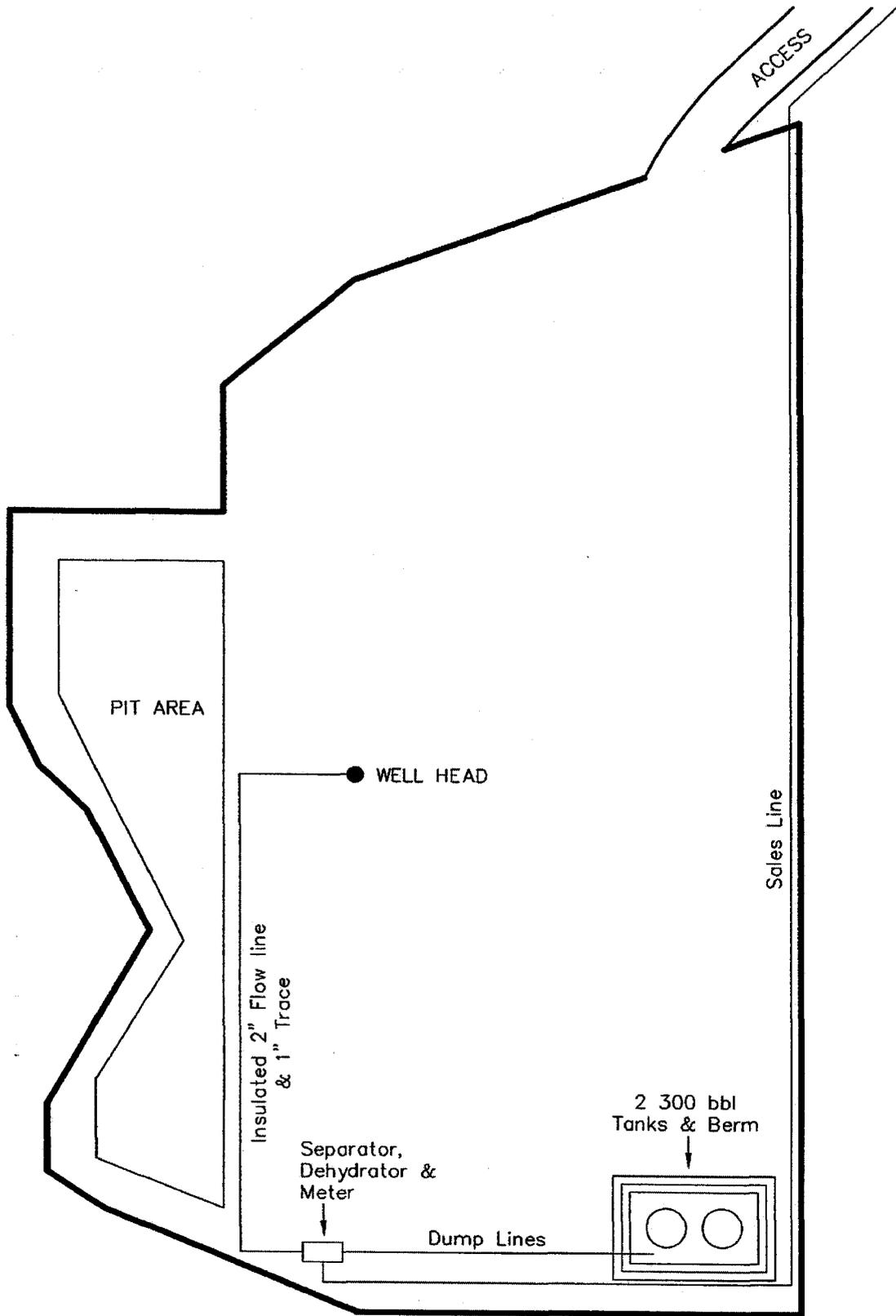
## TYPICAL RIG LAYOUT - SOUTHAM CANYON 9-24-23-36



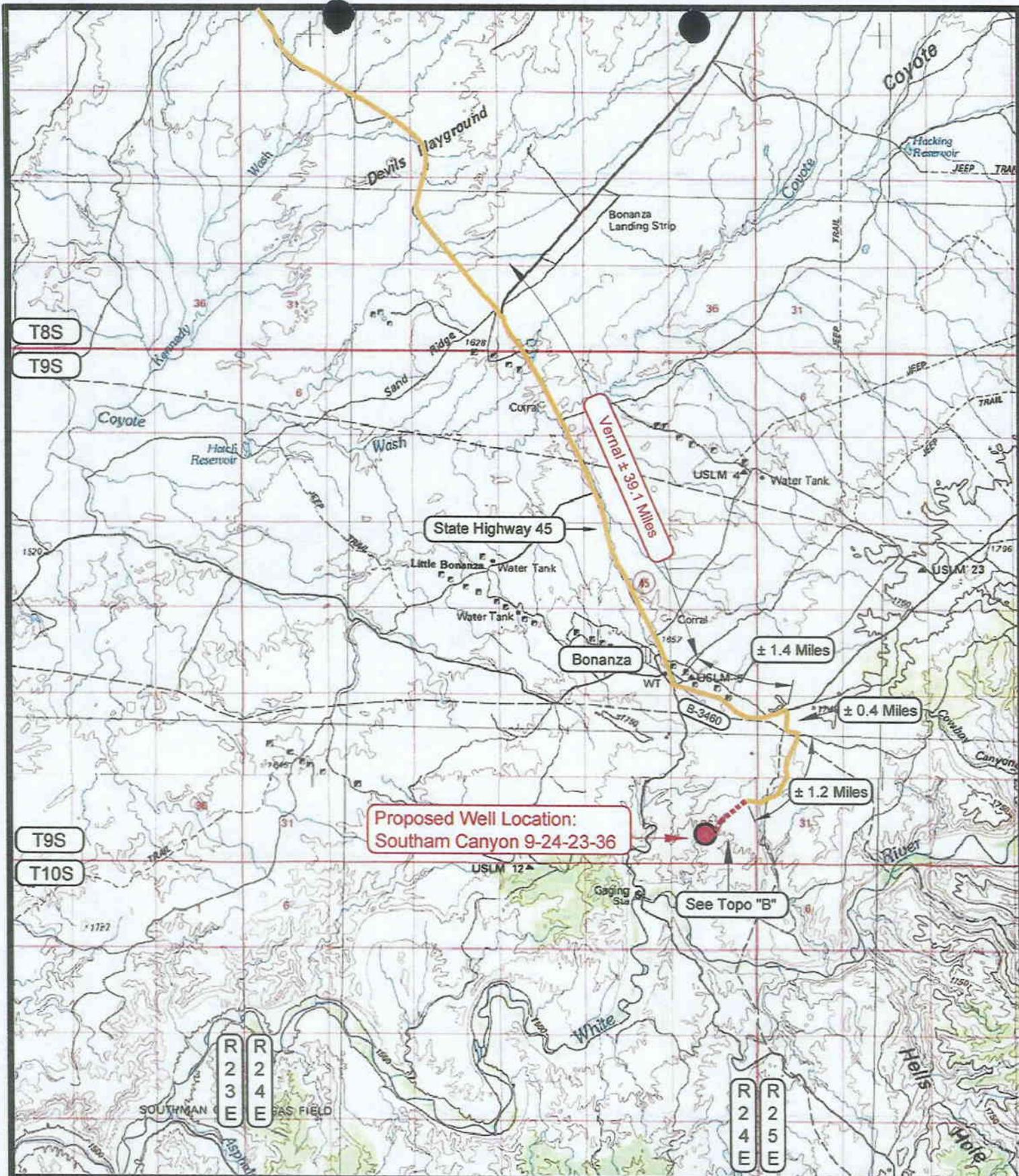
Section 36, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NE SW	Footage Location: 1779' FSL & 2073' FWL
Date Surveyed: 5-9-05	Date Drawn: 5-16-05	Date Last Revision:	<b>Timberline</b> <i>Land Surveying, Inc.</i> <small>(435) 789-1365</small> <small>38 WEST 100 NORTH VERNAL, UTAH 84078</small>
Surveyed By: K.R.K.	Drawn By: J.R.S.	Scale: 1" = 50'	
			<b>SHEET</b> <span style="font-size: 2em;">5</span> <b>OF 10</b>

# ENDURING RESOURCE

TYPICAL PRODUCTION LAYOUT - SOUTHAM CANYON 9-24-23-36



Section 36, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NE SW	Footage Location: 1779' FSL & 2073' FWL
Date Surveyed: 5-9-05	Date Drawn: 5-16-05	Date Last Revision:	<b>Timberline</b> (435) 789-1365 <b>Land Surveying, Inc.</b> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: J.R.S.	Scale: 1" = 50'	
			SHEET <b>6</b> OF 10



**Proposed Well Location:  
Southam Canyon 9-24-23-36**

**Vernal ± 39.1 Miles**

**State Highway 45**

**Bonanza**

**See Topo "B"**

**R 23 E**

**R 24 E**

**R 24 E**

**R 25 E**

**LEGEND**

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

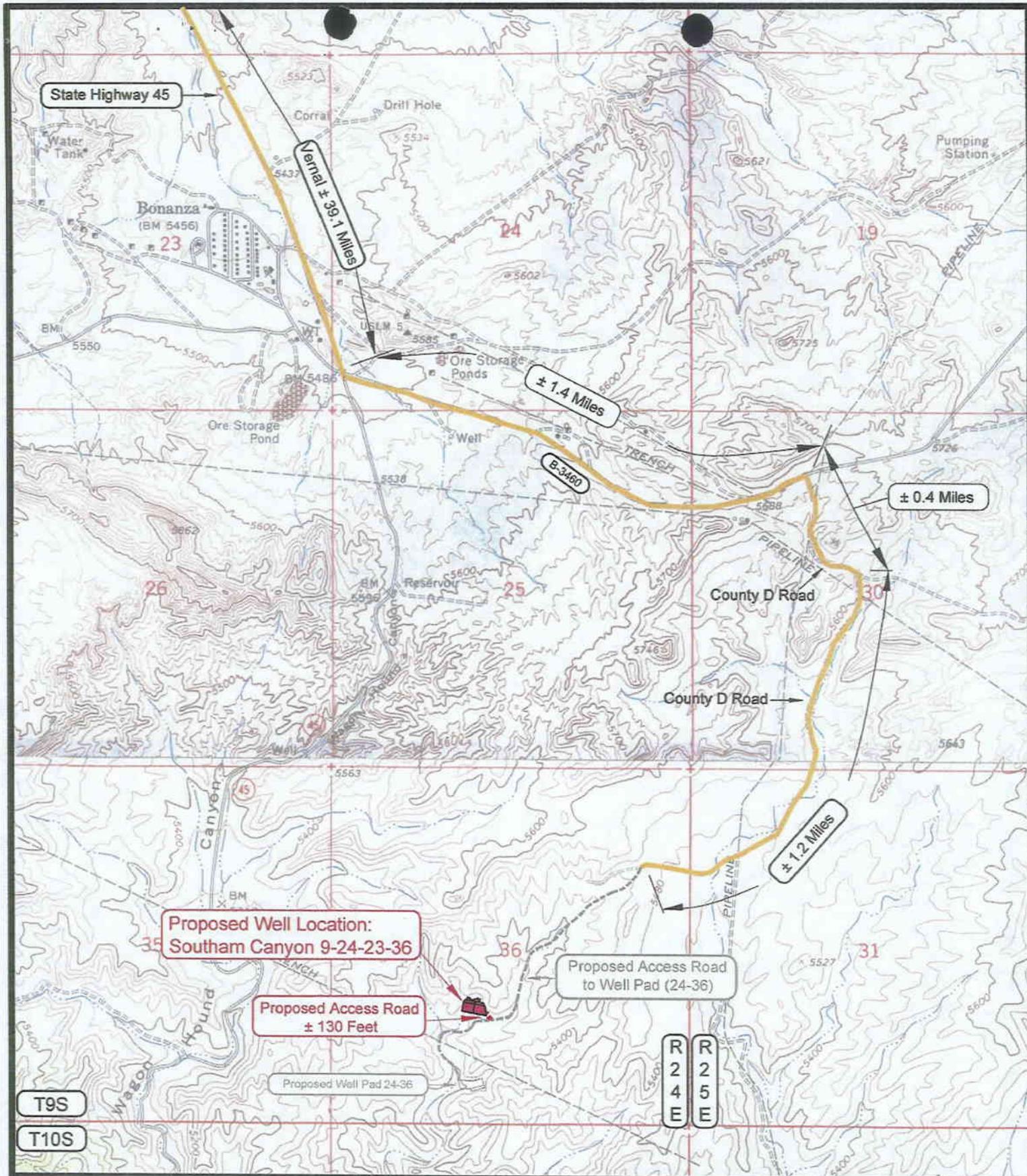
**ENDURING RESOURCES**

**Southam Canyon 9-24-23-36  
SECTION 36, T9S, R24E, S.L.B.&M.  
1779' FSL & 2073' FWL**

<b>TOPOGRAPHIC MAP "A"</b>		DATE SURVEYED: 05-09-05
SCALE: 1:100,000	DRAWN BY: T.D.H.	DATE DRAWN: 05-17-05
		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

**TOPOGRAPHIC MAP "B"**

DATE SURVEYED: 05-09-05

DATE DRAWN: 05-17-05

SCALE: 1" = 2000'

DRAWN BY: T.D.H.

REVISED:

**ENDURING RESOURCES**

**Southam Canyon 9-24-23-36**  
**SECTION 36, T9S, R24E, S.L.B.&M.**  
**1779' FSL & 2073' FWL**

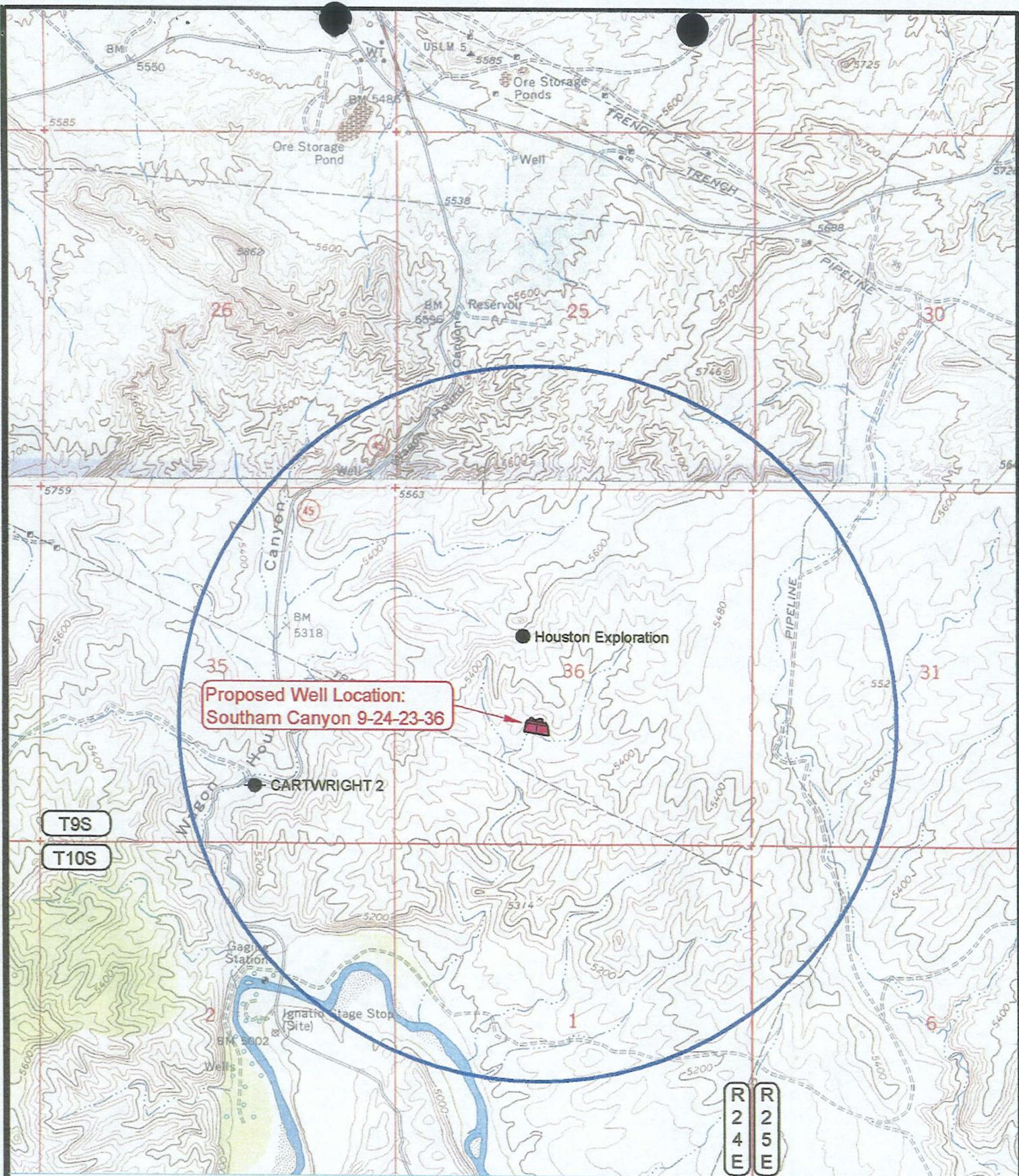
**Timberline Land Surveying, Inc.**

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

**SHEET**

**8**

**OF 10**



Proposed Well Location:  
Southam Canyon 9-24-23-36

**LEGEND**

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

**ENDURING RESOURCES**

**Southam Canyon 9-24-23-36**  
**SECTION 36, T9S, R24E, S.L.B.&M.**  
**1779' FSL & 2073' FWL**

**TOPOGRAPHIC MAP "C"**

DATE SURVEYED: 05-09-05

DATE DRAWN: 05-17-05

SCALE: 1" = 2000'

DRAWN BY: T.D.H

REVISED:

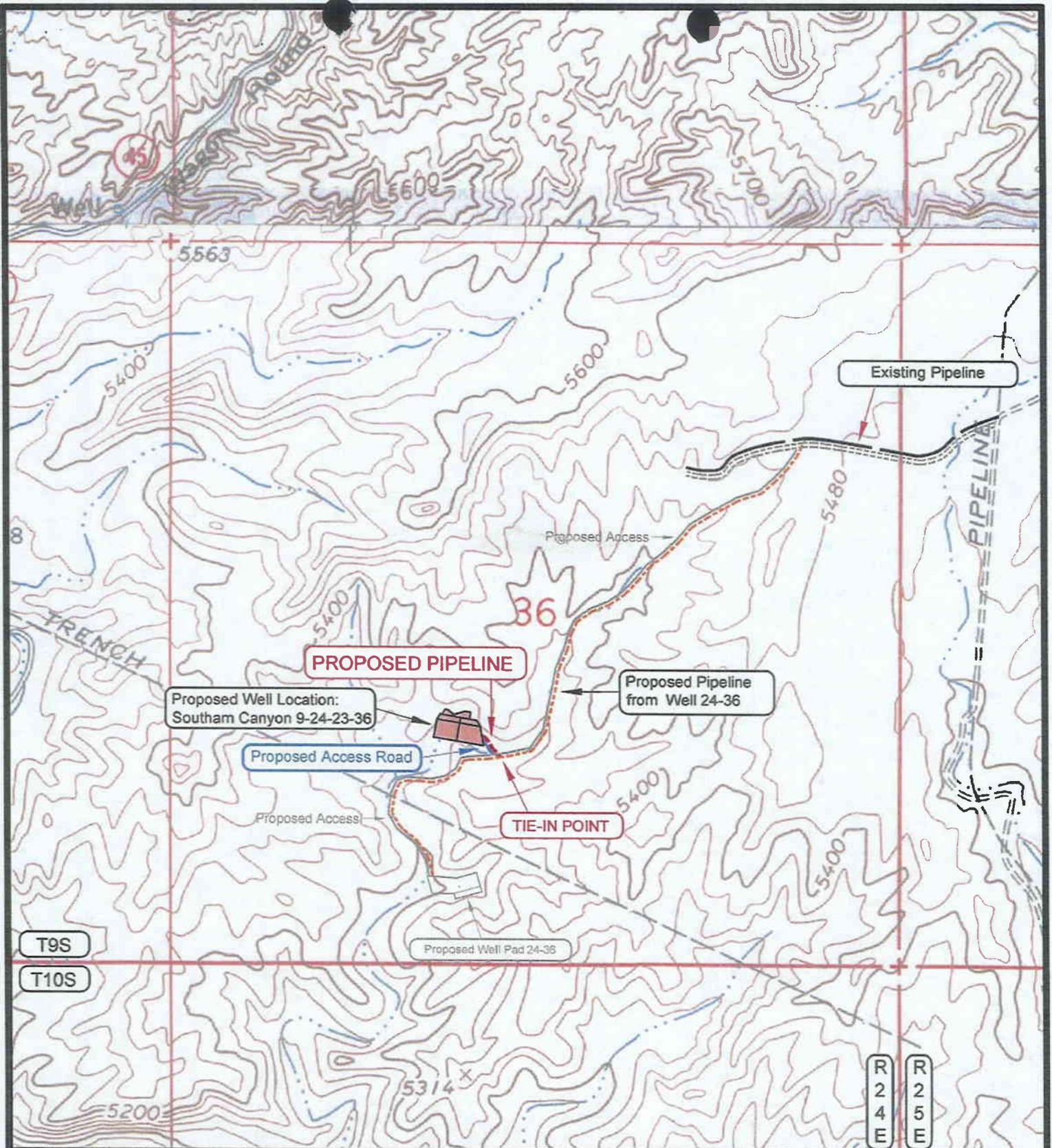
**Timberline Land Surveying, Inc.**

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

SHEET

9

OF 10



**APPROXIMATE PIPELINE LENGTH = 205'**

**LEGEND**

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

**ENDURING RESOURCES**

**Southam Canyon 9-24-23-36  
SECTION 36, T9S, R24E, S.L.B.&M.  
1779' FSL & 2073' FWL**

**TOPOGRAPHIC MAP "D"**

DATE SURVEYED: 05-09-05

DATE DRAWN: 05-17-05

SCALE: 1" = 1000'

DRAWN BY: T.D.H.

REVISED:



**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: 06/08/2005

API NO. ASSIGNED: 43-047-36880
--------------------------------

WELL NAME: SOUTHAM CYN 9-24-23-36  
 OPERATOR: ENDURING RESOURCES, LLC ( N2750 )  
 CONTACT: PHYLLIS SOBOTIK

PHONE NUMBER: 303-350-5114

PROPOSED LOCATION:  
 NESW 36 090S 240E  
 SURFACE: 1779 FSL 2073 FWL  
 BOTTOM: 1779 FSL 2073 FWL  
 UINTAH  
 UNDESIGNATED ( 2 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DRUD	7/7/05
Geology		
Surface		

LEASE TYPE: 4 - Fee  
 LEASE NUMBER: FEE  
 SURFACE OWNER: 4 - Fee  
 PROPOSED FORMATION: MVRD  
 COALBED METHANE WELL? NO

LATITUDE: 39.98999  
 LONGITUDE: -109.1639

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 BONANZA \* NON PA

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

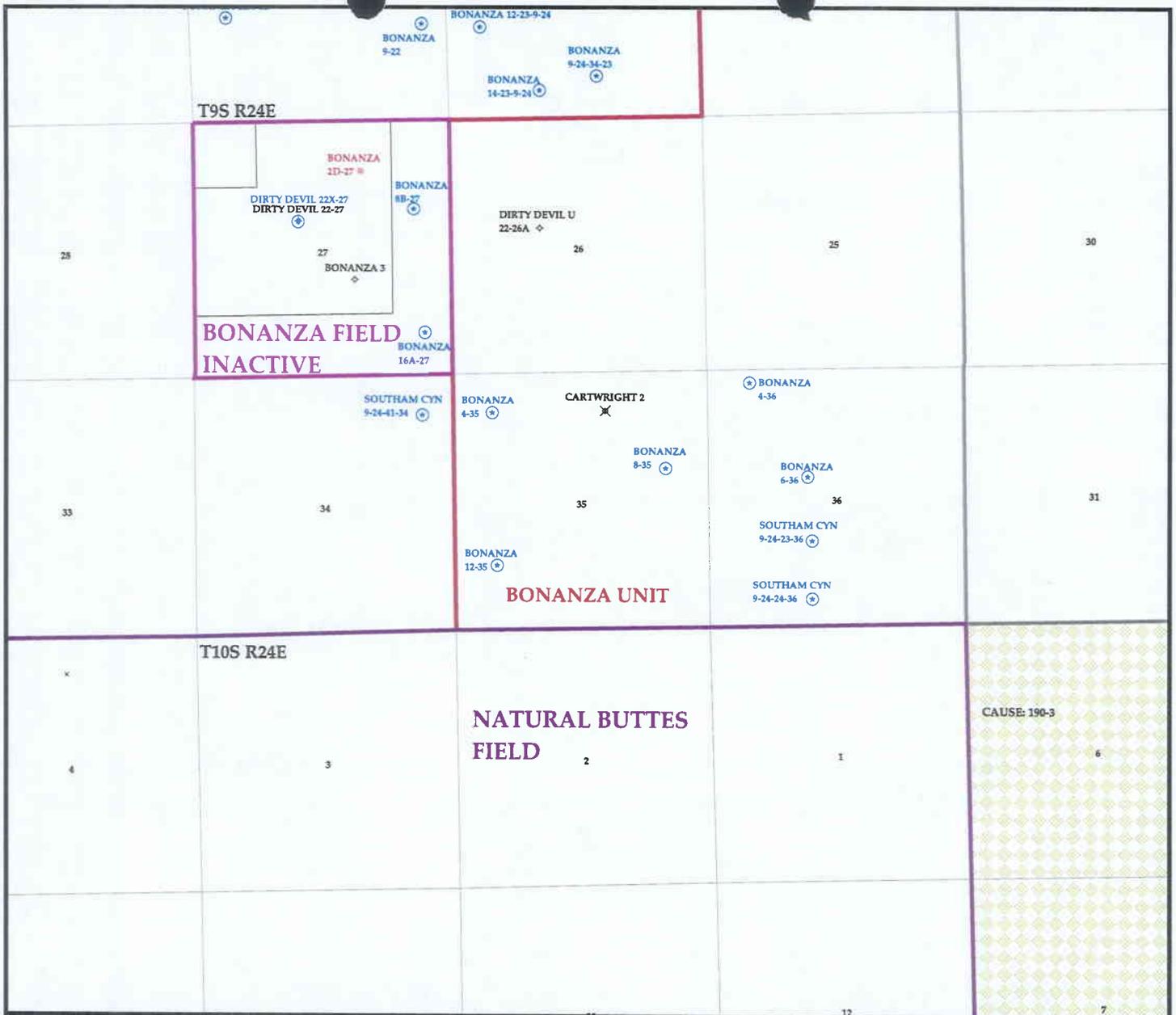
\_\_\_ R649-3-3. Exception

\_\_\_ Drilling Unit  
 Board Cause No: \_\_\_\_\_  
 Eff Date: \_\_\_\_\_  
 Siting: \_\_\_\_\_

\_\_\_ R649-3-11. Directional Drill

COMMENTS: Needs Posit (06-22-05)

STIPULATIONS: 1-Spacing S/NP  
2-STATEMENT OF BASIS  
3-Surface Csg Cont Step



**OPERATOR: ENDURING RES LLC (N1095)**  
**SEC: 36 T. 9S R. 24E**  
**FIELD: UNDESIGNATED (002)**  
**COUNTY: UINTAH**  
**SPACING: R649-3-2 / GENERAL SITING**



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: 10-JUNE-2005

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

**OPERATOR:** ENDURING RESOURCES, LLC  
**WELL NAME & NUMBER:** SOUTHAM CANYON 9-24-23-36  
**API NUMBER:** 43-047-36880  
**LOCATION:** 1/4,1/4 NE/SW Sec:36 TWP: 9S RNG:24E 2073' FWL 1779' 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 5,300'. A search of Division of Water Rights records shows 19 water wells within a 10,000 foot radius of the proposed location. The 19 wells are owned by American Gilsonite and are less than 50 feet deep. They are approximately 1.5 miles from the proposed location and are listed as being used for industrial, stock watering and domestic use. 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:** 06-29-05

**Surface:**

The predrill investigation of the surface was performed on 6/22/05. 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 6/14/05 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 section has a gilsonite vein in it, but no active mines. A deep existing drainage crossing this site will be re-routed to the south. During location construction, rocks will be placed between this re-route and the location to protect location from washing away. Reserve pit will be constructed in an unusual shape because of a thick rock ledge which would be extremely difficult to remove.

**Reviewer:** David W. Hackford **Date:** 6/23/2005

**Conditions of Approval/Application for Permit to Drill:**

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

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

OPERATOR: ENDURING RESOURCES, LLC  
WELL NAME & NUMBER: SOUTHAM CANYON 9-24-23-36  
API NUMBER: 43-047-36880  
LEASE: FEE FIELD/UNIT: UNDESIGNATED  
LOCATION: 1/4,1/4 NE/SW Sec: 36 TWP: 9S RNG: 24E 2073' FWL 1779' FSL  
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.  
GPS COORD (UTM): 4428054N 12656758E 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 THE BOTTOM OF A STEEP, ROCKY CANYON THAT HEADS 0.25 MILES TO THE NORTHEAST AND RUNS FOR ANOTHER ONE MILE TO THE SOUTHWEST WHERE IT ENTERS THE WHITE RIVER. THIS CANYON HAS A DRY WATERCOURSE WHICH ONLY HAS RUNNING WATER DURING SNOW MELT OR RAINSTORMS. THERE ARE NUMEROUS ROCK FACES, SHEER CLIFFS AND SANDSTONE SPIRES IN ALL DIRECTIONS. BONANZA, UTAH IS TWO MILES TO THE NORTHWEST. VERNAL, UTAH IS 42.7 MILES TO THE NORTHWEST.

**SURFACE USE PLAN**

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 365' BY 235'. ACCESS ROAD WILL BE 130 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: 198' BY 50' AND EIGHT FEET DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 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 HOT, SUNNY DAY. THERE IS A GILSONITE VEIN IN THIS SECTION, BUT NO ACTIVE GILSONITE MINES.

**ATTACHMENTS**

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD  
DOGM REPRESENTATIVE

6/22/05 11:30 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>20</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**      30      (Level I 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.







State Online Services

Agency List

Business.utah.gov

Search Utah.gov

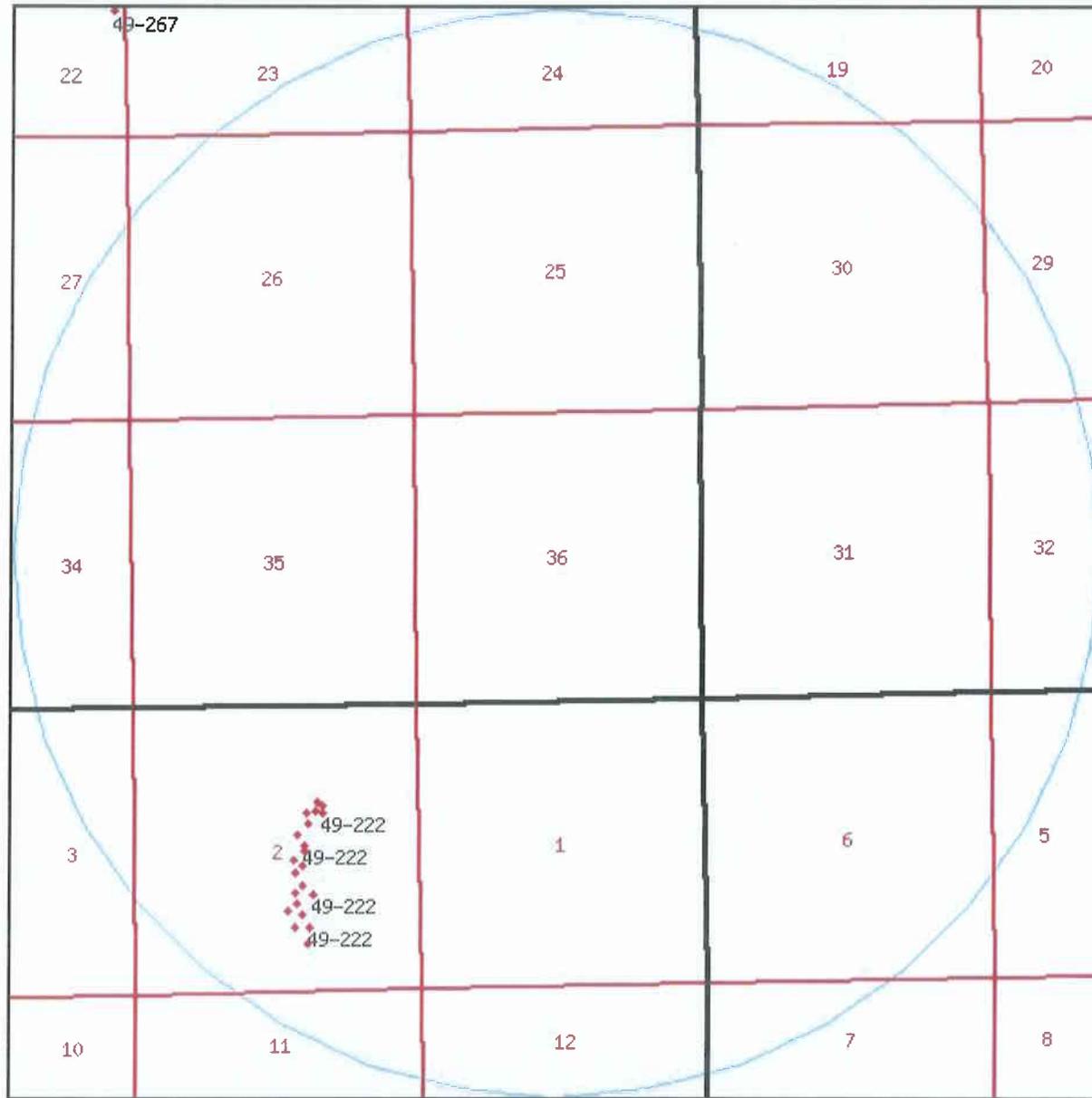
GO

# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.12.30.00      Rundate: 06/29/2005 03:30 PM

**Radius search of 10000 feet from a point S2640 W2640 from the NE corner, section 36, Township 9S, Range 24E, SL b&m**  
**Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all**



**Water Rights**

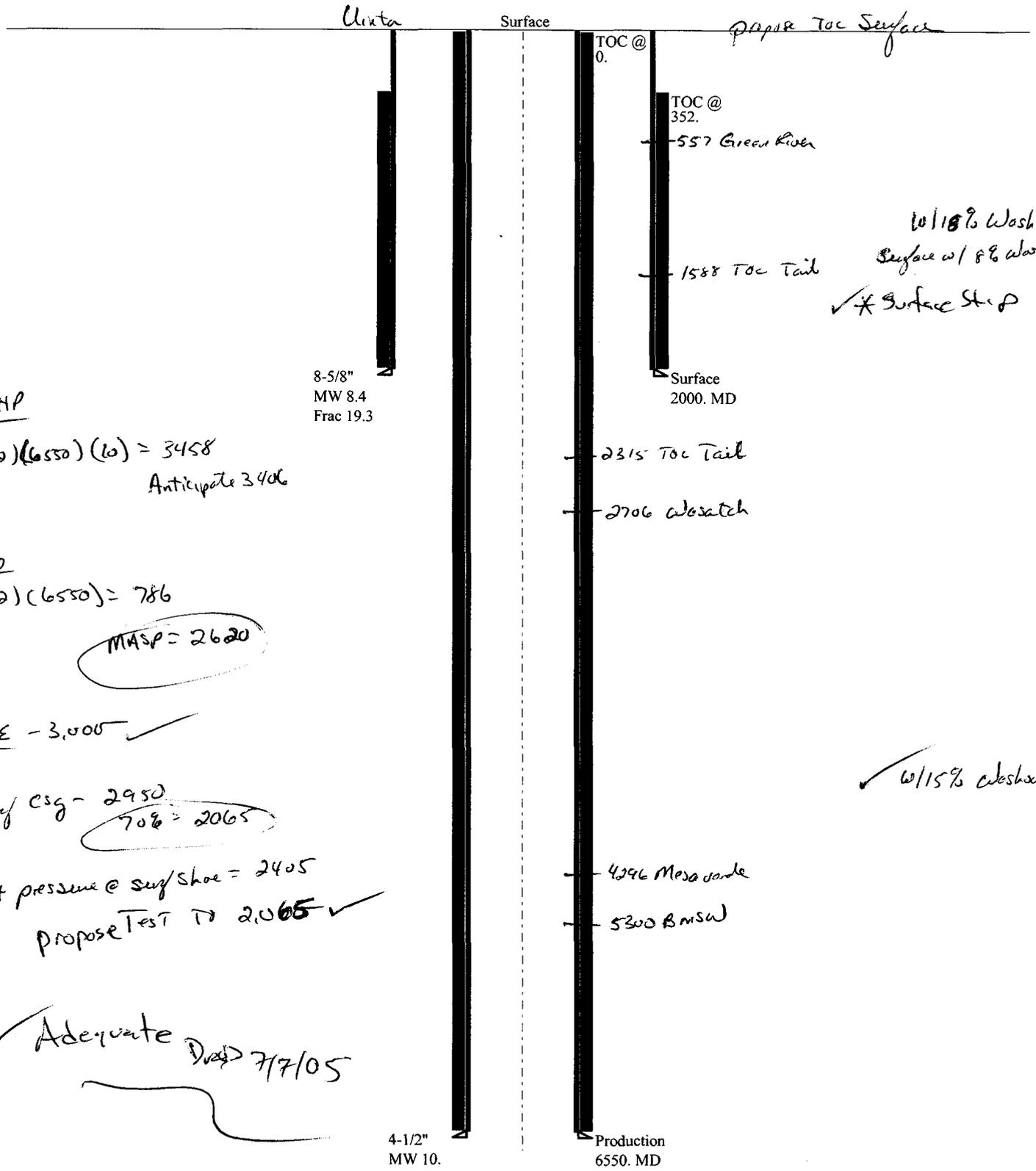
<b>WR Number</b>	<b>Diversion Type/Location</b>	<b>Well Log</b>	<b>Status</b>	<b>Priority</b>	<b>Uses</b>	<b>CFS</b>	<b>ACFT</b>	<b>Owner Name</b>
<u>49-173</u>	Underground N758 W1825 E4 02 10S 24E SL		P	19431007	DMX	0.380	0.000	BARBER ASPHALT CORPORATION JENSEN UT 84035
<u>49-206</u>	Underground N804 W1918 E4 02 10S 24E SL		P	19541119	D	0.015	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
<u>49-222</u>	Underground S1177 W2430 E4 02 10S 24E SL		P	19580509	DIOS	4.300	0.000	AMERICAN GILSONITE COMPANY 1150 KENNECOTT BUILDING
<u>49-222</u>	Underground N2385 W2400 SE 02 10S 24E SL		P	19580509	DIOS	4.300	0.000	AMERICAN GILSONITE COMPANY 1150 KENNECOTT BUILDING
<u>49-222</u>	Underground N1141 W2391 SE 02 10S 24E SL		P	19580509	DIOS	4.300	0.000	AMERICAN GILSONITE COMPANY 1150 KENNECOTT BUILDING
<u>49-222</u>	Underground N1786 W2375 SE 02 10S 24E SL		P	19580509	DIOS	4.300	0.000	AMERICAN GILSONITE COMPANY 1150 KENNECOTT BUILDING
<u>49-222</u>	Underground S486 W2297 E4 02 10S 24E SL		P	19580509	DIOS	4.300	0.000	AMERICAN GILSONITE COMPANY 1150 KENNECOTT BUILDING
<u>49-222</u>	Underground		P	19580509	DIOS	4.300	0.000	AMERICAN GILSONITE COMPANY

	N214 W2276 E4 02 10S 24E SL				1150 KENNECOTT BUILDING
<u>49-222</u>	Underground	P	19580509 DIOS 4.300 0.000		AMERICAN GILSONITE COMPANY
	S1052 W2266 E4 02 10S 24E SL				1150 KENNECOTT BUILDING
<u>49-222</u>	Underground	P	19580509 DIOS 4.300 0.000		AMERICAN GILSONITE COMPANY
	N1365 W2250 SE 02 10S 24E SL				1150 KENNECOTT BUILDING
<u>49-222</u>	Underground	P	19580509 DIOS 4.300 0.000		AMERICAN GILSONITE COMPANY
	S720 W2178 E4 02 10S 24E SL				1150 KENNECOTT BUILDING
<u>49-222</u>	Underground	P	19580509 DIOS 4.300 0.000		AMERICAN GILSONITE COMPANY
	S353 W2162 E4 02 10S 24E SL				1150 KENNECOTT BUILDING
<u>49-222</u>	Underground	P	19580509 DIOS 4.300 0.000		AMERICAN GILSONITE COMPANY
	S73 W2159 E4 02 10S 24E SL				1150 KENNECOTT BUILDING
<u>49-222</u>	Underground	P	19580509 DIOS 4.300 0.000		AMERICAN GILSONITE COMPANY
	N31 W2144 E4 02 10S 24E SL				1150 KENNECOTT BUILDING
<u>49-222</u>	Underground	P	19580509 DIOS 4.300 0.000		AMERICAN GILSONITE COMPANY
	N628 W2123 E4 02 10S 24E SL				1150 KENNECOTT BUILDING
<u>49-222</u>	Underground	P	19580509 DIOS 4.300 0.000		AMERICAN GILSONITE COMPANY
	N404 W2076 E4 02 10S				1150 KENNECOTT BUILDING

	24E SL					
<u>49-222</u>	Underground	P	19580509 DIOS	4.300	0.000	AMERICAN GILSONITE COMPANY
	N855 W2140 SE 02 10S 24E SL					1150 KENNECOTT BUILDING
<u>49-222</u>	Underground	P	19580509 DIOS	4.300	0.000	AMERICAN GILSONITE COMPANY
	N1140 W2100 SE 02 10S 24E SL					1150 KENNECOTT BUILDING
<u>49-222</u>	Underground	P	19580509 DIOS	4.300	0.000	AMERICAN GILSONITE COMPANY
	N1730 W2030 SE 02 10S 24E SL					1150 KENNECOTT BUILDING
<u>49-222</u>	Underground	P	19580509 DIOS	4.300	0.000	AMERICAN GILSONITE COMPANY
	N652 W1931 E4 02 10S 24E SL					1150 KENNECOTT BUILDING
<u>49-222</u>	Underground	P	19580509 DIOS	4.300	0.000	AMERICAN GILSONITE COMPANY
	N624 W1807 E4 02 10S 24E SL					1150 KENNECOTT BUILDING
<u>49-267</u>	Underground	P	1925	S	0.016 0.000	JOSEPH P. HACKING
	N2282 W262 SE 22 9S 24E SL					VERNAL UT 84078

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

-05 Enduring Southam Cyn 24-23-36  
Casing Schematic



BHP

$(.057)(6550)(10) = 3458$   
Anticipate 3400

Gas

$(12)(6550) = 786$

MASP = 2620

BOPE - 3,000 ✓

Surf csg - 2950  
70% = 2065

Mat pressure @ surf/shoe = 2405  
Propose Test to 2,065 ✓

✓ Adequate Dred 7/7/05

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

✓ w/ 15% Washcoat

Well name:	<b>07-05 Enduring Southam Cyn 9-24-23-36</b>		
Operator:	<b>Enduring Resources, LLC</b>		
String type:	Surface	Project ID:	43-047-36880
Location:	Uintah County		

<b>Design parameters:</b>	<b>Minimum design factors:</b>	<b>Environment:</b>
<b>Collapse</b>	<b>Collapse:</b>	H2S considered? No
Mud weight: 8.400 ppg	Design factor 1.125	Surface temperature: 75 °F
Design is based on evacuated pipe.		Bottom hole temperature: 103 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 350 ft
	<b>Burst:</b>	Cement top: 353 ft
<b>Burst</b>	Design factor 1.00	
Max anticipated surface pressure: 1,760 psi		
Internal gradient: 0.120 psi/ft	<b>Tension:</b>	Non-directional string.
Calculated BHP 2,000 psi	8 Round STC: 1.80 (J)	
	8 Round LTC: 1.80 (J)	
No backup mud specified.	Buttress: 1.60 (J)	
	Premium: 1.50 (J)	
	Body yield: 1.50 (B)	<b>Re subsequent strings:</b>
	Tension is based on buoyed weight.	Next setting depth: 6,550 ft
	Neutral point: 1,748 ft	Next mud weight: 10,000 ppg
		Next setting BHP: 3,403 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: July 1, 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:	<b>07-05 Enduring Southam Cyn 9-24-23-36</b>		
Operator:	<b>Enduring Resources, LLC</b>		
String type:	Production	Project ID:	43-047-36880
Location:	Uintah County		

**Design parameters:**

**Collapse**

Mud weight: 10.000 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 2,617 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP: 3,403 psi  
  
 No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**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: 5,571 ft

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 167 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

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	6550	4.5	11.60	N-80	LT&C	6550	6550	3.875	151.8
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	3403	6350	1.866	3403	7780	2.29	65	223	3.45 J

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

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

Date: July 1, 2005  
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 6550 ft, a mud weight of 10 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: Southam Canyon 9-24-23-36 Well, 1779' FSL, 2073' FWL, NE SW, Sec. 36,  
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 43-047-36880.

Sincerely,

Gil Hunt  
Acting Associate Director

pab  
Enclosures

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

Operator: Enduring Resources, LLC  
Well Name & Number Southam Canyon 9-24-23-36  
API Number: 43-047-36880  
Lease: Fee

Location: NE SW                      Sec. 36                      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 #430-47-36880

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.



**Enduring Resources**

475 17<sup>TH</sup> Street Suite 1500 Denver Colorado 80202  
Telephone 303 573-1222 Fax 303 573 0461

August 3, 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: *43-047-36880*  
Southam Canyon #9-24-23-36  
NESW Sec. 36 T9S-R24E  
Uintah County, Utah

Dear Ms. Whitney:

Enclosed are two original sundry notices and attachments concerning the referenced proposed well. The proposed well location is permitted as a vertical well location; however, the well pad shall now contain this vertical well and a proposed directional 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

AUG 04 2005

DIV. OF OIL, GAS & MINING

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



**CONFIDENTIAL** FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1779' FSL 2073' FWL S.L.B.&M. COUNTY: Uintah		8. WELL NAME and NUMBER: Southam Canyon 9-24-23-36
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 9S 24E STATE: UTAH		9. API NUMBER: 4304736880
		10. FIELD AND POOL, OR WILDCAT: Undesignated

**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>10/15/2005</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.

The Southam Canyon #9-24-23-36 well pad shall contain this proposed vertical well and a proposed directional well. No changes were made to the size or shape of the well pad to accommodate the additional well. Attached Sheets #3, 4, 6 & 7 show the proposed vertical and directional well.

The proposed access road will be approximately 3,410 feet (0.6 miles) of new construction to provide access to both the Southam Canyon #9-24-23-36 and the Southam Canyon #9-24-24-36 wells. Approximately 495 feet (0.09 miles) is proposed to occur on fee acreage and approximately 2,915 (0.6 miles) is proposed to occur on state acreage. The physical location of the proposed access route did not change from the original APD. Please refer to attached Sheet #9.

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed. A total of approximately 3,558 feet (0.6 miles) is proposed to be laid to service both the Southam Canyon #9-24-23-36 well and the Southam Canyon #9-24-24-36 well. Approximately 506 feet (0.09 miles) is proposed to be laid on fee acreage and approximately 3,052 feet (0.6 miles) is proposed to be laid on state acreage. The line will begin at the well site in a southerly direction, continue easterly turn north then turn northeasterly to tie into an existing pipeline located in the north portion of Sec. 36 T9S-R24E. The proposed gathering line shall be placed above ground adjacent to the proposed access route. The location of the proposed gas gathering line did not change from the original APD. Please refer to Sheet #11.

Mr. Dave Hackford conducted the onsite for the proposed well pad, access route and pipeline route on June 22, 2005. The APD was approved July 11, 2005.

State of Utah, Surety Bond No. RLB0008031

NAME (PLEASE PRINT) Phyllis Sobotik

TITLE Regulatory Specialist

SIGNATURE *Phyllis Sobotik*

DATE Aug 3 2005

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

**RECEIVED**

**AUG 04 2005**

(This space for State use only)

COPY SENT TO OPERATOR

Date: 8-8-05

Initials: CHO

(5/2000)

Date: 8/8/05

By: *[Signature]*

\*Approval should be obtained from appropriate Surface Owner or Land Management Agency  
cc: Lavonne Garrison - SITLA

DIV. OF OIL, GAS & MINING

# ENDURING RESOURCES

## WELL PAD INTERFERENCE PLAT

### SOUTHAM CANYON 9-24-23-36



BASIS OF BEARINGS IS THE EAST LINE OF THE SE 1/4 OF SECTION 36, T9S, R24E, S.L.B.&M. WHICH IS TAKEN FROM GLOBAL POSITIONING SATELLITE OBSERVATIONS TO BEAR N00°01'26"E.

**SURFACE POSITION FOOTAGES:**

SOUTHAM CANYON 9-24-23-36  
1779' FSL 2073' FWL

SOUTHAM CANYON 9-24-24-36  
1772' FSL 2112' FWL

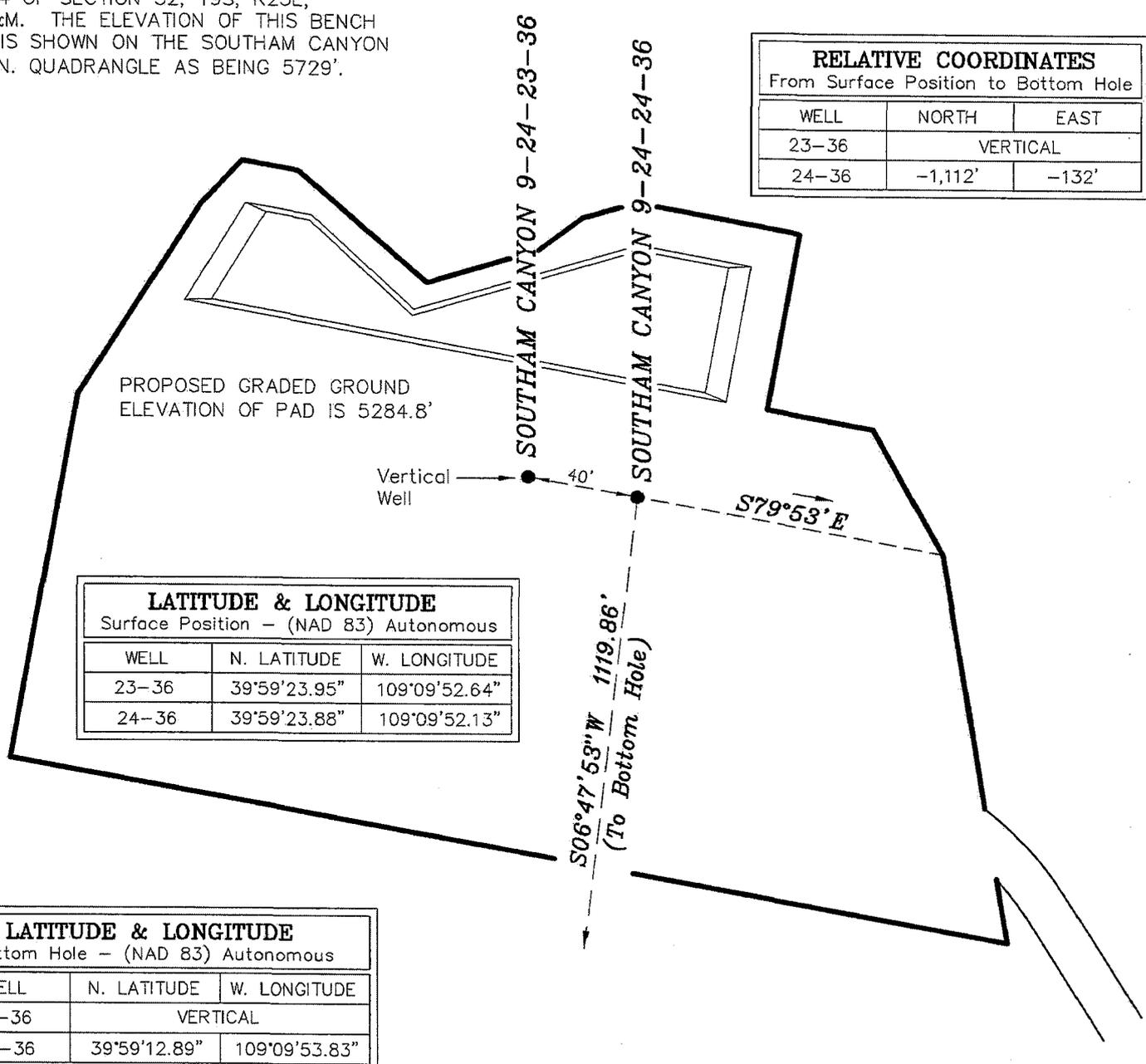
**BOTTOM HOLE FOOTAGES**

SOUTHAM CANYON 9-24-23-36  
VERTICAL

SOUTHAM CANYON 9-24-24-36  
660' FSL 1980' FWL

BASIS OF ELEVATION IS TRIANGULATION STATION JEK 9 ET (1966) LOCATED IN THE NW 1/4 OF SECTION 32, T9S, R25E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE SOUTHAM CANYON 7.5 MIN. QUADRANGLE AS BEING 5729'.

RELATIVE COORDINATES		
From Surface Position to Bottom Hole		
WELL	NORTH	EAST
23-36	VERTICAL	
24-36	-1,112'	-132'



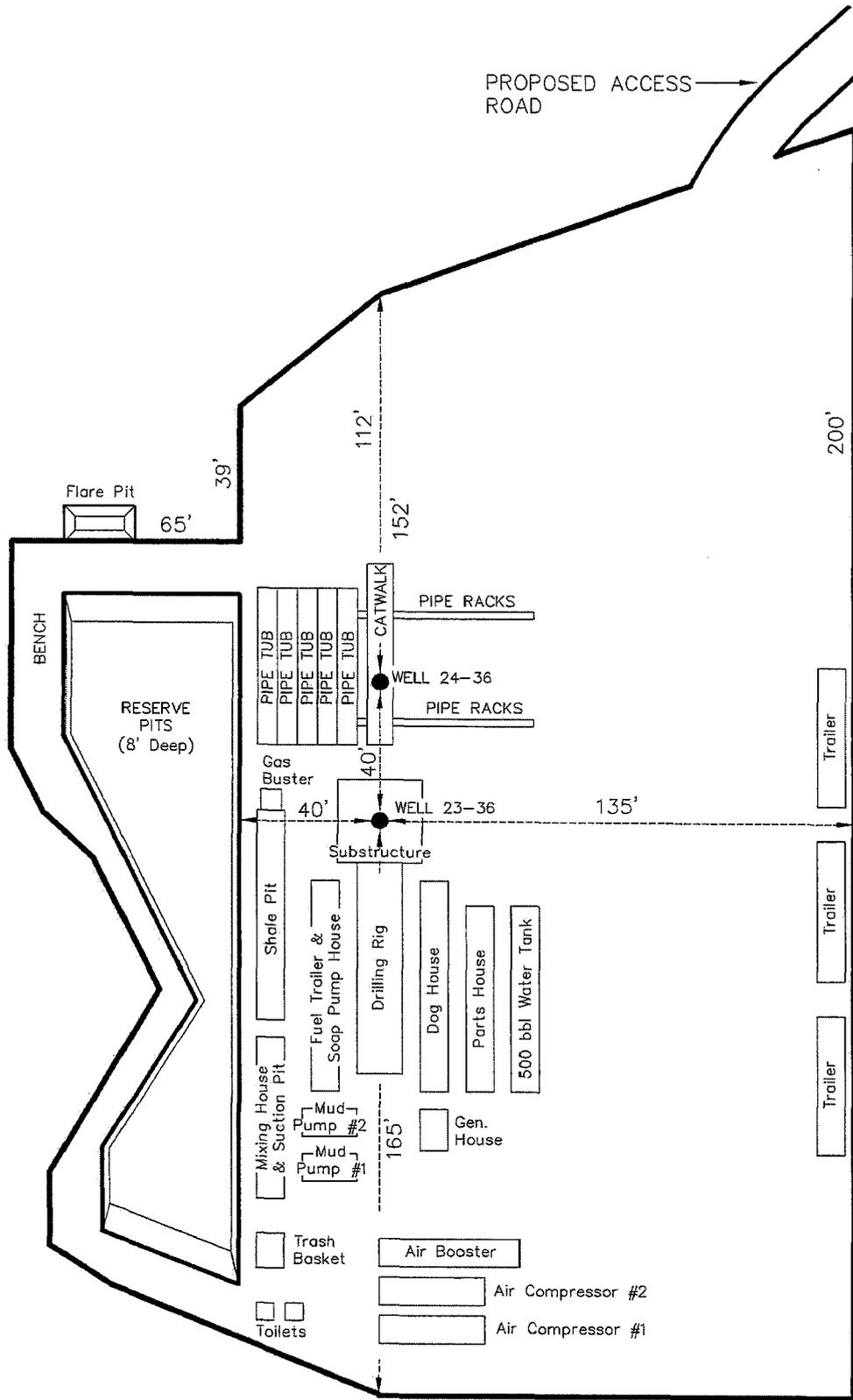
LATITUDE & LONGITUDE		
Surface Position - (NAD 83) Autonomous		
WELL	N. LATITUDE	W. LONGITUDE
23-36	39°59'23.95"	109°09'52.64"
24-36	39°59'23.88"	109°09'52.13"

LATITUDE & LONGITUDE		
Bottom Hole - (NAD 83) Autonomous		
WELL	N. LATITUDE	W. LONGITUDE
23-36	VERTICAL	
24-36	39°59'12.89"	109°09'53.83"



# ENDURING RESOURCES

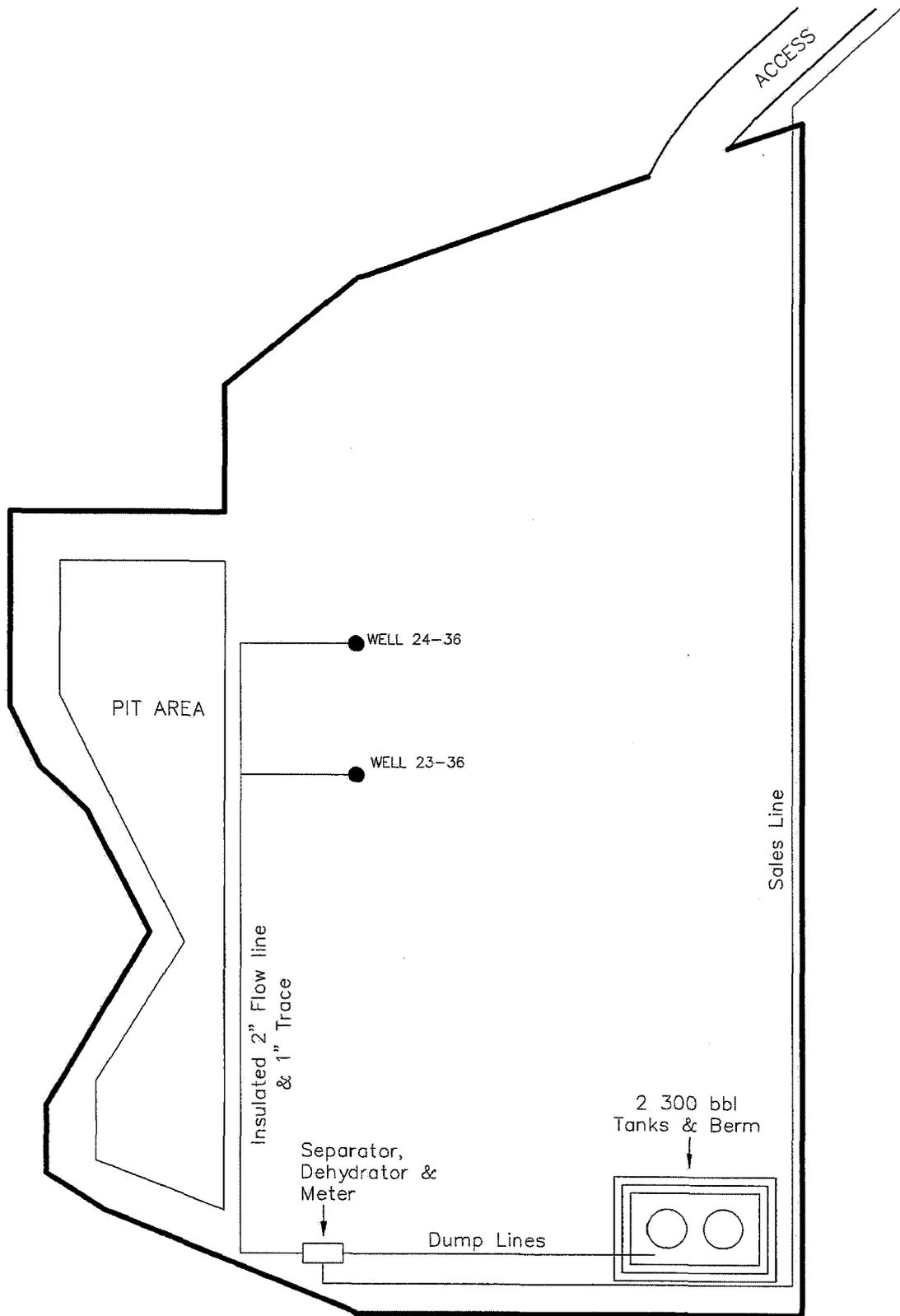
## TYPICAL RIG LAYOUT - SOUTHAM CANYON 9-24-23-36



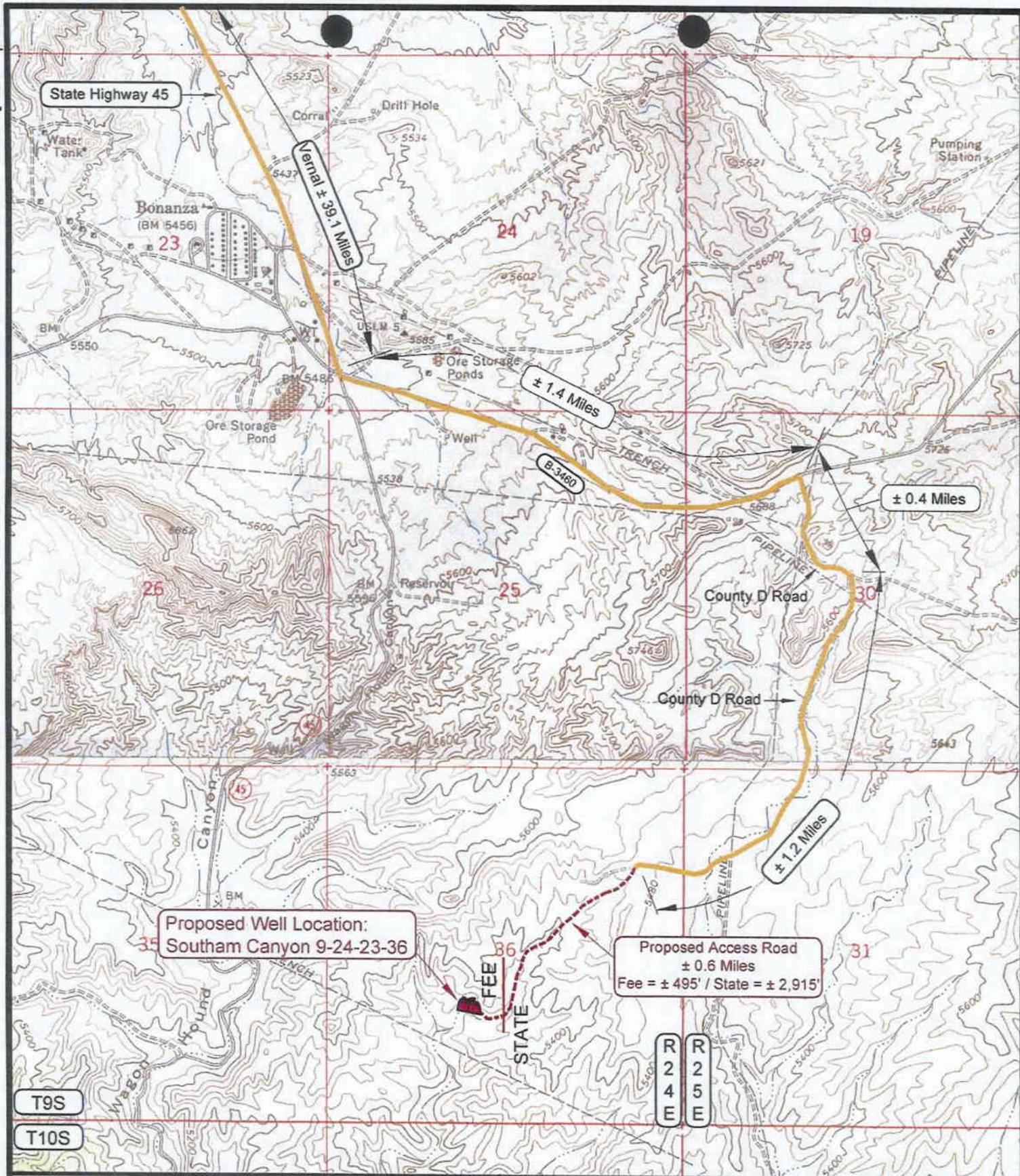
Section 36, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NE SW	Footage Location: 1779' FSL & 2073' FWL
Date Surveyed: 5-9-05	Date Drawn: 5-16-05	Date Last Revision: 6-30-05	<b>Timberline</b> (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: J.R.S.	Scale: 1" = 50'	
			SHEET <span style="font-size: 2em;">6</span> OF 11

# ENDURING RESOURCES

TYPICAL PRODUCTION LAYOUT - SOUTHAM CANYON 9-24-23-36



Section 36, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NE SW	Footage Location: 1779' FSL & 2073' FWL
Date Surveyed: 5-9-05	Date Drawn: 5-16-05	Date Last Revision: 6-30-05	<b>Timberline</b> (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'	



Proposed Well Location:  
Southam Canyon 9-24-23-36

Proposed Access Road  
± 0.6 Miles  
Fee = ± 495' / State = ± 2,915'

T9S  
T10S

R  
2  
4  
E  
R  
2  
5  
E

LEGEND

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

**ENDURING RESOURCES**

**Southam Canyon 9-24-23-36**  
**SECTION 36, T9S, R24E, S.L.B.&M.**  
**1779' FSL & 2073' FWL**

TOPOGRAPHIC MAP "B"

DATE SURVEYED: 05-09-05

DATE DRAWN: 05-17-05

SCALE: 1" = 2000'

DRAWN BY: T.D.H.

REVISED: 06-30-05

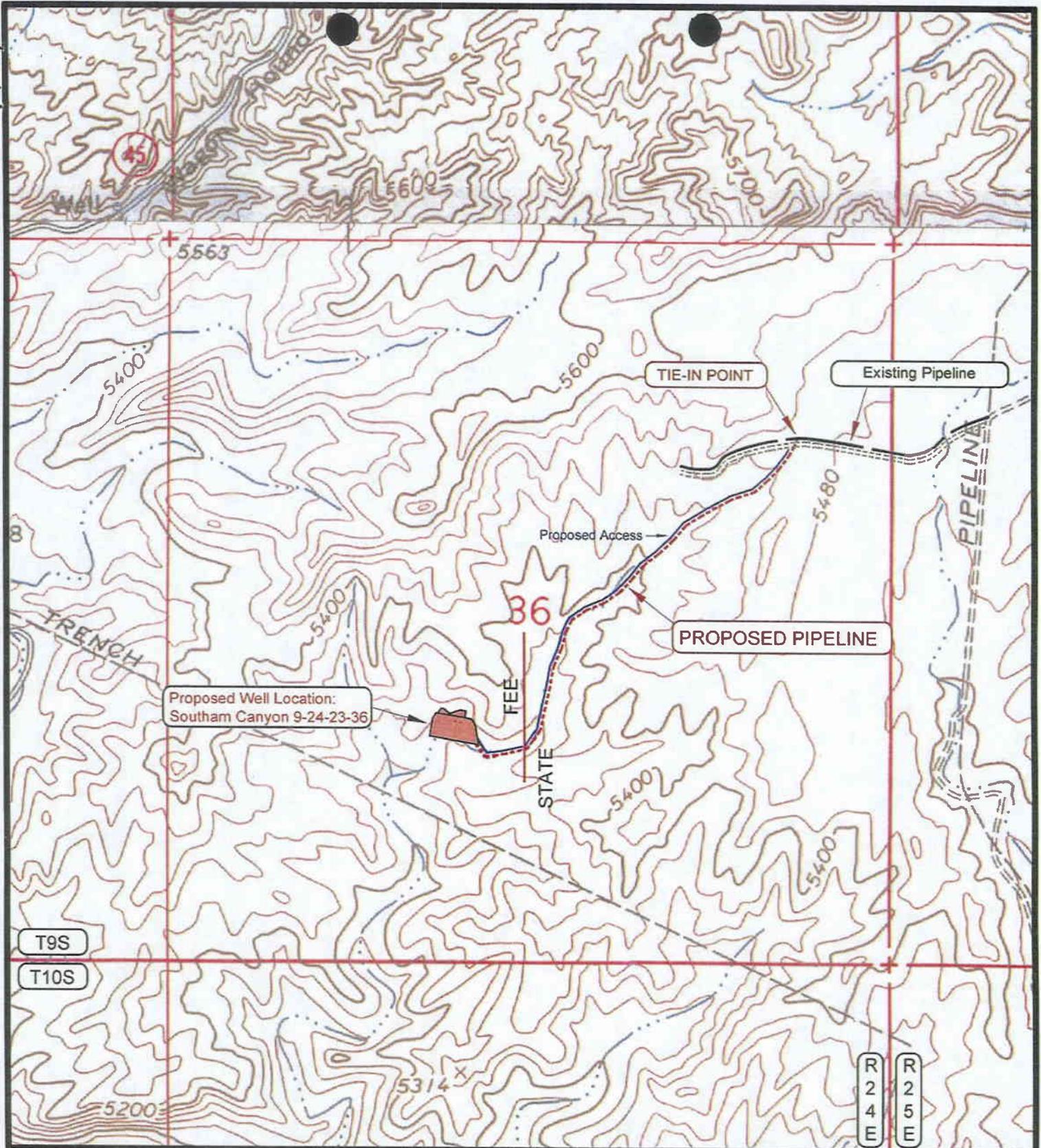
Timberline Land Surveying, Inc.

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

SHEET

9

OF 11



APPROXIMATE PIPELINE LENGTH: FEE = 506' / STATE = 3,052' / TOTAL = 3,558'

**LEGEND**

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

**ENDURING RESOURCES**

**Southam Canyon 9-24-23-36  
SECTION 36 , T9S, R24E, S.L.B.&M.  
1779' FSL & 2073' FWL**

**TOPOGRAPHIC MAP "D"**

DATE SURVEYED: 05-09-05

DATE DRAWN: 05-17-05

SCALE: 1" = 1000'

DRAWN BY: T.D.H.

REVISED: 06-30-05



**Timberline Land Surveying, Inc.**

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

SHEET

11

OF 11



**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, Suite 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
4304736880	Southam Canyon 9-24-23-36		NESW	36	9S	24E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14955	9/19/2005		9/29/05		
Comments: <i>MVRD BONANZA UNIT</i> <span style="float: right;"><b>CONFIDENTIAL</b></span>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

**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

9/23/2005

Title

Date

**RECEIVED**

**SEP 29 2005**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>
		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>Southam Canyon 9-24-23-36</b>
2. NAME OF OPERATOR: <b>Enduring Resources, LLC</b>		9. API NUMBER: <b>4304736880</b>
3. ADDRESS OF OPERATOR: <b>475 17th St, Suite 1500</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1,779' FSL - 2,073' FWL</b> S.L.B.& M.		COUNTY: <b>Uintah</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NESW 36 9S 24E</b>		STATE: <b>UTAH</b>

CONFIDENTIAL

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

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

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

Surface Hole spudded @ 0800 hrs (MST) 09-13-2005

MIRU Pete Martin Rathole Drlg Inc. Drl 80' of 20" hole. Run 40' of 14" line pipe for conductor. Cmt in place w/ 3 yards of Readymix concrete. Cmt to surface.

MIRU Bill Jr.'s Rathole Drlg Rig. Drill 12-1/4" hole to 1,022'. Ran 8-5/8" J-55 8rd ST&C surf csg to 1,022' w/ guide shoe.

MIRU Big 4 Cementers, and pump 50 BW ahead, 20 bbls gel water. Cement w/ 450 sx class G premium Cement 2% CACL2, 1/4# sx Flowcele, mix water 5 gal/sx, wieght 15.8 ppg, yield 1.15 cuft/sx. 92 bbls of slurry. Top cement w/ 100 sx Class G premium 3% CACL2, 1/4#/sx Flowcele, 20 bbls slurry. Second top cement with 50 sx (same mix as above) 10 bbls slurry. Third top cement w/ 75 sx, 15 bbls slurry. Cement to Surface. Waiting on rotary tools.

Utah State Bond #RLB0008031  
Operator No. N2750

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>9/27/2005</u>

(This space for State use only)

**RECEIVED**

**SEP 30 2005**

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</b>
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: <b>N/A</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
2. NAME OF OPERATOR: <b>Enduring Resources, LLC</b>		8. WELL NAME and NUMBER: <b>Southam Canyon 9-24-23-36</b>
3. ADDRESS OF OPERATOR: 475 17th St, Suite 1500      CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		9. API NUMBER: <b>4304736880</b>
PHONE NUMBER: <b>(303) 350-5114</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
4. LOCATION OF WELL		
FOOTAGES AT SURFACE: <b>1,779' FSL - 2,073' FWL</b> <b>S.L.B.&amp; M.</b>		COUNTY: <b>Uintah</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NESW 36 9S 24E</b>		STATE: <b>UTAH</b>

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>3/21/2006</u>	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input checked="" 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 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>Change Plans</u>
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____			

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

Change type of well planned...

FROM: Single Zone

TO: Multiple Zone

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>3/21/2006</u>

(This space for State use only)

**RECEIVED**

**MAR 24 2006**

DIV. OF OIL, GAS & MINING

**ENDURING RESOURCES, LLC**

425 Seventeenth Street, Suite 1500

Denver, Colorado 80202

Telephone: 303-573-1222

Facsimile: 303-573-0461

CONFIDENTIAL

July 10, 2006

State of Utah  
Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: **Well Logs**  
**Southam Canyon 9-24-23-36** 43-047-36880  
**NESW Sec 36-T9S-R24E**  
**Uintah County, Utah**

Ladies and Gentlemen:

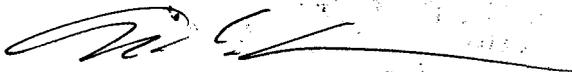
Attached is one original copy of the logs run on the above-referenced well.

***Please hold this information as "confidential" as long as permitted.***

Should you have any questions concerning this matter, please do not hesitate to call 303-350-5114 ([aarlian@enduringresources.com](mailto:aarlian@enduringresources.com)).

Very truly yours

**ENDURING RESOURCES, LLC**



Alvin R. (Al) Arlian  
Landman – Regulatory Specialist

ara/  
Enclosures as stated:

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JUL 13 2006

DIV. OF OIL, GAS & MINING

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
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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: Southam Canyon 9-24-23-36
3. ADDRESS OF OPERATOR: 475 17th St, Suite 1500 CITY Denver STATE CO ZIP 80202		9. API NUMBER: 4304736880
PHONE NUMBER: (303) 350-5114		10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL		
FOOTAGES AT SURFACE: 1,779' FSL - 2,073' FWL S.L.B.& M.		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 9S 24E		STATE: UTAH

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

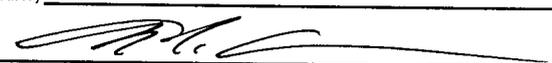
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input 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: 7/27/2006	<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.</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.

First Sales July 27, 2006.

July 27, 2006 sold 442 MCF and produced an estimated 300 BF in 16 hours.

July 28, 2006 the FCP was 1,240# and the LP was 569#.

NAME (PLEASE PRINT) <u>Alvin R. (AI) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE 	DATE <u>7/28/2006</u>

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AUG 02 2006

DIV. OF OIL, GAS & MINING

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

**CONFIDENTIAL**

AMENDED REPORT  FORM 8  
(highlight changes)

BASE DESIGNATION AND SERIAL NUMBER:  
FEE

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_  
b. TYPE OF WORK: NEW WELL  HORIZ. LATS.  DEEP-EN  RE-ENTRY  DIFF. RESVR.  OTHER \_\_\_\_\_

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

7. UNIT or CA AGREEMENT NAME  
Bonanza Unit

8. WELL NAME and NUMBER:  
Southam Canyon 9-24-23-36

2. NAME OF OPERATOR:  
Enduring Resources, LLC

9. API NUMBER:  
4304736880

3. ADDRESS OF OPERATOR:  
475 17th St, Suite 1500 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:  
(303) 573-1222

10. FIELD AND POOL, OR WILDCAT  
Wildcat

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: 1,779' FSL - 2,073' FWL S.L.B.&M.  
AT TOP PRODUCING INTERVAL REPORTED BELOW: 1,779' FSL - 2,073' FWL S.L.B.&M.  
AT TOTAL DEPTH: 1,779' FSL - 2,073' FWL S.L.B.&M.

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
NESW 36 9S 24E S

12. COUNTY Uintah 13. STATE UTAH

14. DATE SPUDDED: 7/2/2006 15. DATE T.D. REACHED: 7/8/2006 16. DATE COMPLETED: 7/18/2006  
ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):  
5307' RKB

18. TOTAL DEPTH: MD 5,850 TVD 5,850

19. PLUG BACK T.D.: MD 5,818 TVD 5,818

20. IF MULTIPLE COMPLETIONS, HOW MANY? \*  
6

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
11"	8-5/8 J-55	32#	0	1,022		CL G 675	138	0 (CIR)	0
7-7/8"	4.5" N-80	11.6#	0	5,838		Pozmix 978	264	910 (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)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Wasatch	3,678	3,679		
(B) Mesaverde	3,980	5,659		
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
3,678 3,679	1'slot	1	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
3,980 5,659	1'slot	5	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
3678' - 3679'	Placed 61,500 lbs Ottawa 20/40 Sand in the Wasatch formation
3980' - 5659'	Placed 228,605 lbs Ottawa 20/40 Sand in 5 Mesaverde formations

29. ENCLOSED ATTACHMENTS:

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

30. WELL STATUS:  
**Producing**

RECEIVED

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 7/28/2006		TEST DATE: 8/11/2006		HOURS TESTED: 336		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 997	WATER - BBL: 0	PROD. METHOD: 14 day ave.
CHOKE SIZE: 15	TBG. PRESS.	CSG. PRESS. 705	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	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	2,614				
Wasatch	2,709				
Mesaverde	3,969				

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 *Christian Veillette* DATE 8/16/2006

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  
 1594 West North Temple, Suite 1210  
 Box 145801  
 Salt Lake City, Utah 84114-5801  
 Phone: 801-538-5340  
 Fax: 801-359-3940

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

FORM 9

5. LEASE SIGNATURE AND SERIAL NUMBER:  
**CONFIDENTIAL**

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

7. UNIT or CA AGREEMENT NAME:  
N/A

8. WELL NAME and NUMBER:  
Southam Canyon 9-24-23-36

9. API NUMBER:  
4304736880

10. FIELD AND POOL, OR WILDCAT:  
Wildcat

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

1. TYPE OF WELL OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
Enduring Resources, LLC

3. ADDRESS OF OPERATOR: 475 17th St, Suite 1500 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 350-5114

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 1,779' FSL - 2,073' FWL S.L.B.& M. COUNTY: Uintah  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 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 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: 5/1/2007	<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 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.

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.

- 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 shall be commingled in the well bore and produced concurrently in a single string of 2-3/8" production tubing.
- 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 lease or production units overlying the "pool."

COPY SENT TO OPERATOR  
Date: 6-11-07  
Initials: RM

NAME (PLEASE PRINT) Alvin R. (Al) Arlian TITLE Landman - Regulatory Specialist  
SIGNATURE  DATE 5/1/2007

(This space for State use only)  
RECEIVED  
MAY 04 2007  
DIV. OF OIL, GAS & MINING  
(5/2000) (See Instructions on Reverse Side)

**ENDURING RESOURCES, LLC**

425 Seventeenth Street, Suite 1500

Denver, Colorado 80202

Telephone: 303-573-1222

Facsimile: 303-573-0461

May 1, 2007

The Houston Exploration Company  
1100 Louisiana, #2000  
Houston, TX 77002

**CERTIFIED MAIL**  
**ARTICLE NO: 7006 2760 0001 4272 3909**

Attention: Land Department

**RE: Commingling Application**  
**Southam Canyon 9-24-23-36**  
**1,779' FSL - 2,073' FWL (NESW) Sec 36, 9S-24E**  
**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**



Alvin R. (Al) Arlian  
Landman – Regulatory Specialist

ara/

Attachments as stated:

# 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 17<sup>th</sup> Street, Denver, Colorado 80202,

2. Enduring is the operator of the following described oil and gas well:

**Southam Canyon 9-24-23-36  
1,779' FSL - 2,073' FWL (NESW) Sec 36, 9S-24E  
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. The Houston Exploration Company
- 2.
- 3.
- 4.

4. On Tuesday, May 01, 2007 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.

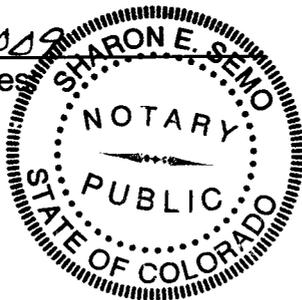
Affiant saith no more.



Alvin R. Arlian, Affiant

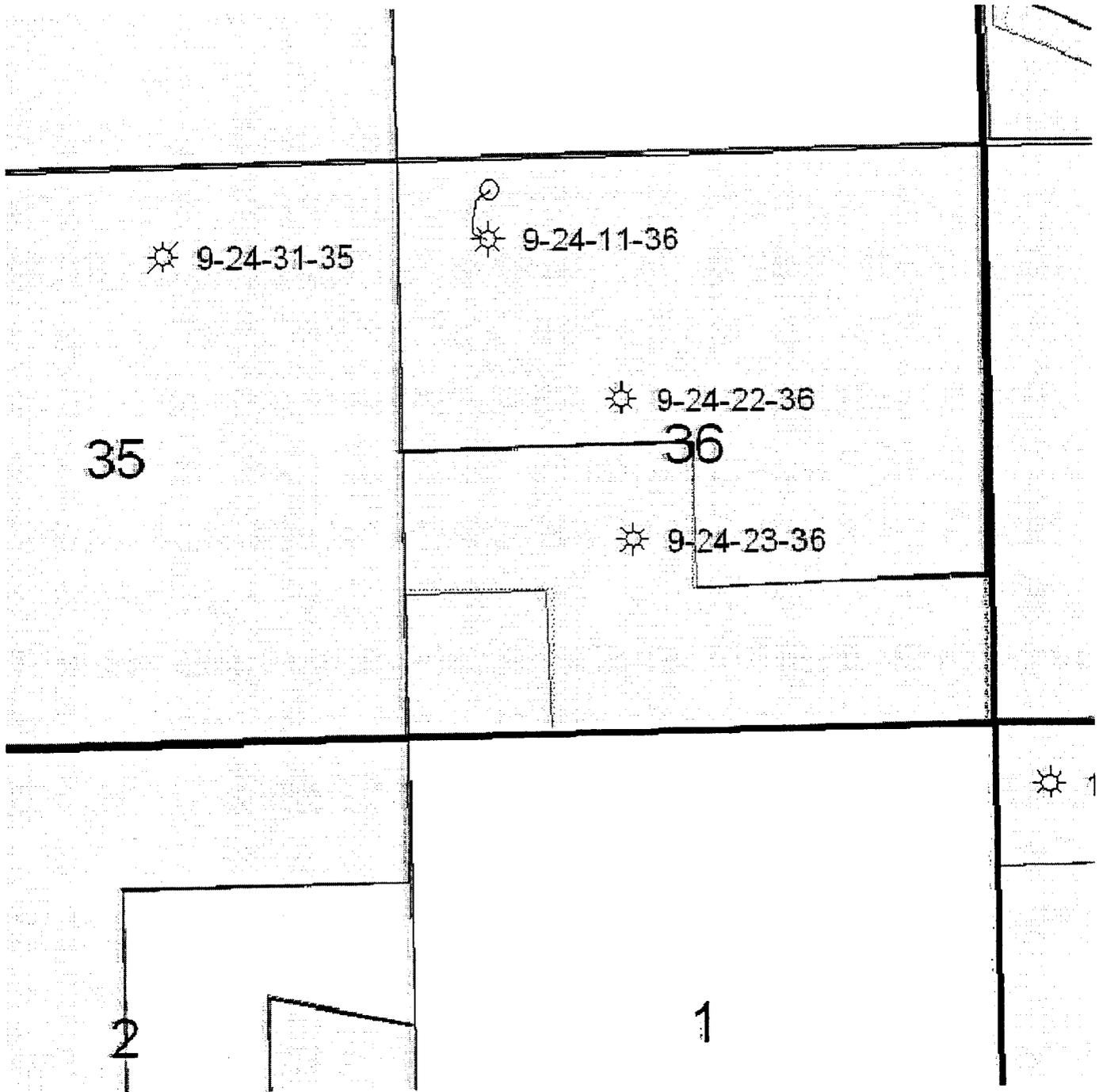
Scribed and sworn to before me this 1st day of May, 2007 by Alvin R. Arlian.

My Commission Expires 9/23/2009



Notary Public.

MAP ATTACHED TO ENDURING RESOURCES, LLC COMMINGLING  
APPLICATION FOR SOUTHAM CANYON 9-24-23-36 LOCATED IN THE NESW  
SEC. 36, T9S-R24E



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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</b>
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: <b>N/A</b>
		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>Southam Canyon 9-24-23-36</b>	
2. NAME OF OPERATOR: <b>Enduring Resources, LLC</b>		9. API NUMBER: <b>4304736880</b>
3. ADDRESS OF OPERATOR: <b>475 17th St, Suite 1500</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>	PHONE NUMBER: <b>(303) 350-5114</b>	10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
4. LOCATION OF WELL		
FOOTAGES AT SURFACE: <b>1,779' FSL - 2,073' FWL</b> S.L.B.& M. _____		COUNTY: <b>Uintah</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NESW 36 9S 24E</b>		STATE: <b>UTAH</b>

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: <b>6/2/2007</b>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>Reserve Pit</b>
	<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.

Attached is a copy of a Notice of Violation. Enduring has completed the following:

1. Removed oil from on top of pit fluid,
2. Reduced pit fluid level,
3. Removed top pit liner and cleaned up trash and pieces of pit liner blowing around well pad, and
4. Rebuilt fence around reserve pit.

Also attached is a copy of the surveys and APD for the Southam Canyon 9-24-24-36, the second well to be drilled using this same well pad and this same reserve pit . However,

The drilling rig Enduring has contracted until October-2007 which is drilling in this area is not capable of directionally drilling to the Total Measured Depth needed to drill the Southam Canyon 9-24-24-36. Therefore,

Enduring respectfully request a one-year extension from 6-1-2007 to 6-1-2008 to close this reserve pit so it may be used to drill a second well from this well pad.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>6/2/2007</u>

(This space for State use only)

**RECEIVED**  
**JUN 11 2007**



Division of Oil, Gas & Mining  
 1594 West North Temple, Suite 1210  
 Salt Lake City, Utah 84114  
 Phone: (801) 538-5340

**NOTICE OF VIOLATION**  
 STATE OF UTAH  
 OIL AND GAS CONSERVATION ACT  
 \*\*\*\*\*

To the following operator:

Name: Endoring Resources  
 Well or Site: Southman Canyon 9-24-23-36 API #: 43-047-36880  
 Location: Township 9S, Range 24E, Section 36, County Uintah  
 Date and time of inspection: May 23, 2007 - 11:30 A.M.  
 Mailing Address: Endoring Resources, 475 17th street,  
Suite 1500. Denver, Colorado 80202.

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining has conducted an inspection of the above described site on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):  
 Rule R649-3-16 Reserve pit has been open over one year.  
 R 649-3-15 Reserve pit is covered with oil and fluid level is  
above liner. Liner is deteriorating and pieces  
are blowing off location.  
Solid waste has been dumped into reserve pit.  
Reserve Pit must be closed and reclosed in 30 days.

Additional information/materials attached Y/N (circle one)

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining.

Compliance Deadline: June 25, 2007

Date of service mailing 5/24/07 Time of service mailing 4:00 P.M.

David W. Anderson  
 Division's Representative

Operator or Representative  
 (If presented in person)



**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*

Amended  
August 15, 2005

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

Re: Southam Canyon 9-24-24-36 Well, 1772' FSL, 2112' FWL, NE SW, Sec. 36,  
T. 9 South, R. 24 East, Bottom Location 600' FSL, 1980' FWL, SE SW,  
Sec. 36, 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 43-047-36879.

Sincerely,

  
For Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: Enduring Resources, LLC

Well Name & Number Southam Canyon 9-24-24-36

API Number: 43-047-36879

Lease: Fee

Location: NE SW                      Sec. 36                      T. 9 South                      R. 24 East

Bottom Location: SE SW                      Sec. 36                      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. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

5. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

Page 2  
API #43-047-36879  
August 15, 2005

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
7. Surface casing shall be cemented to the surface.

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

**OPERATOR:** ENDURING RESOURCES, LLC  
**WELL NAME & NUMBER:** SOUTHAM CANYON 9-24-24-36  
**API NUMBER:** 43-047-36879  
**LOCATION:** 1/4,1/4 NE/SW Sec:36 TWP: 9S RNG:24E 2073' FWL 1772' 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 5,300'. A search of Division of Water Rights records shows 19 water wells within a 10,000 foot radius of the proposed location. The 19 wells are owned by American Gilsonite and are less than 50 feet deep. They are approximately 1.5 miles from the proposed location and are listed as being used for industrial, stock watering and domestic use. 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:** 08-15-05

**Surface:**

This well will be drilled from the same pad as the Southam Canyon 9-24-23-36. The predrill investigation of the 9-24-23-36 surface was performed on 6/22/05 by David Hackford (copy attached). Doug Hammond (Enduring Resources) has indicated that no additional construction is needed for the second well. Comments and stipulations will remain as written for the Southam Canyon 9-24-23-36.

**Reviewer:** Brad Hill **Date:** 08-15-05

**Conditions of Approval/Application for Permit to Drill:**

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

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



**CONFIDENTIAL**

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>		5. MINERAL LEASE NO: Fee	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: <del>N/A</del> <i>Bonanza</i>	
2. NAME OF OPERATOR: Enduring Resources, LLC		9. WELL NAME and NUMBER: Southam Canyon 9-24-24-36	
3. ADDRESS OF OPERATOR: 475 17th St, Suite 1500 CITY Denver STATE CO ZIP 80202		PHONE NUMBER: (303) 350-5114	10. FIELD AND POOL, OR WILDCAT: Undesignated
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1772' FSL 2112' FWL Sec 36 T9S R24E S.L.B.&M. <i>Surf 656772x 44280494 39.989974 -109.163767</i>		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 T9S 24E	
AT PROPOSED PRODUCING ZONE: SESW 600' FSL 1980' FWL S.L.B.&M. <i>656738x 4427692x 39.986761 -109.164249</i>			
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 43 miles Southeasterly from Vernal, Utah		12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 519' SL 660' BHL	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) 1122.89'	19. PROPOSED DEPTH: 6,844	20. BOND DESCRIPTION: RLB0008031	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5289.9' GR Ungraded	22. APPROXIMATE DATE WORK WILL START: 10/15/2005	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#	6,844	Prem Lite II	312 sx	3.38 11.0 ppg
			50/50 Poz CI G	1111 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 6, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Phyllis Sobotik TITLE Regulatory Specialist

SIGNATURE *Phyllis Sobotik* DATE *Aug 3 2005*

(This space for State use only)

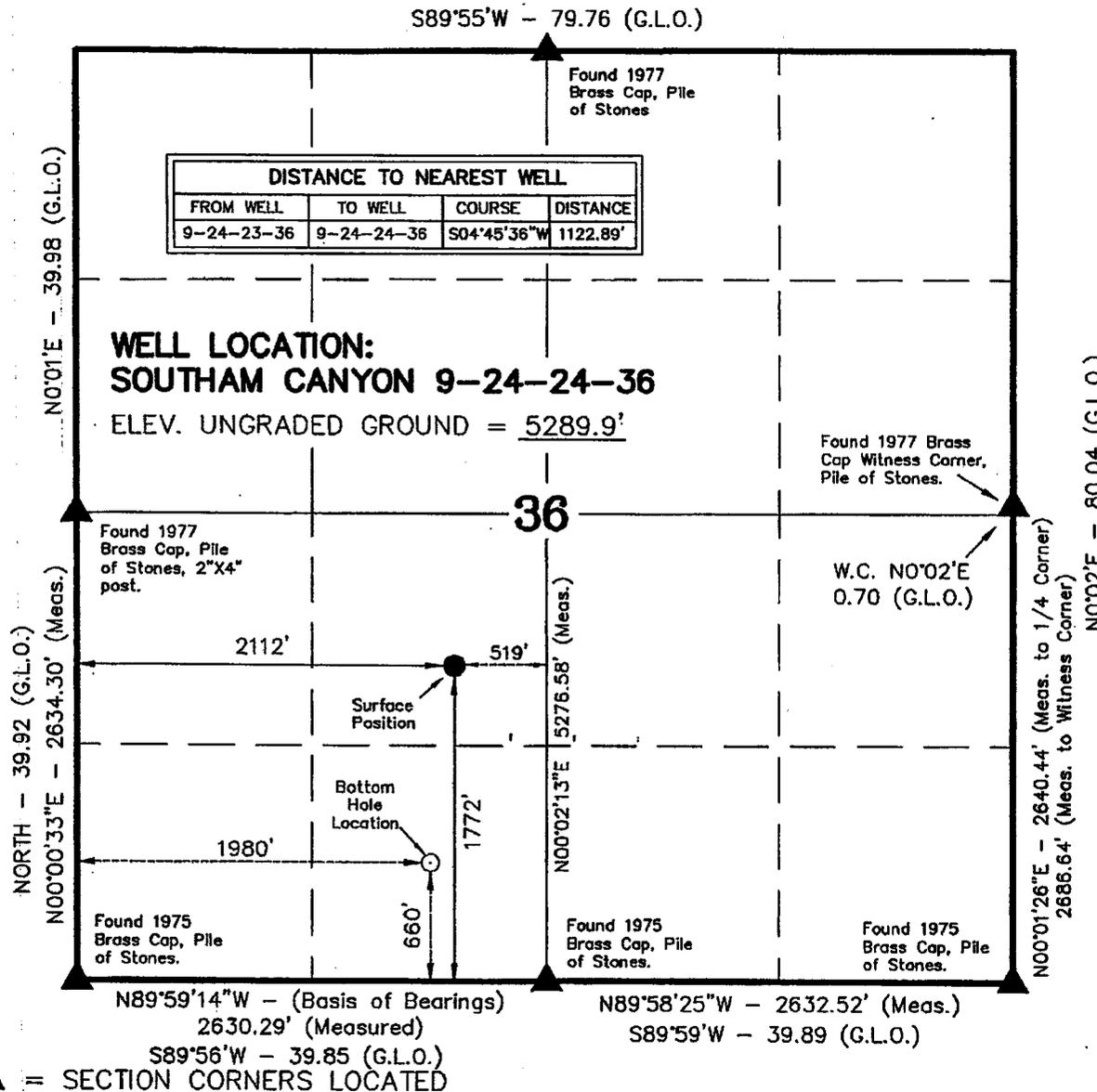
API NUMBER ASSIGNED: 43-047-36879

(11/2001)

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

# ENDURING RESOURCES

WELL LOCATION, SOUTHAM CANYON  
9-24-24-36, LOCATED AS SHOWN IN  
THE SE 1/4 SW 1/4 OF SECTION 36,  
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.
3. The Bottom of hole bears S06°47'53"W 1119.86' from the surface position.
4. Basis of Elevation is Triangulation Station JEK 9 ET (1966) located in the NW 1/4 of Section 32, T9S, R25E, S.L.B.&M. The elevation of this bench mark is shown on the Southam Canyon 7.5 min. Quadrangle as being 5729'.

THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED FROM FIELD NOTES OF A TRIANGULAR SURVEY 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. 362251  
STATE OF UTAH

## TIMBERLINE LAND SURVEYING, INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078  
(435) 789-1365

DATE SURVEYED: 5-9-05	SURVEYED BY: K.R.K.	SHEET <b>2b</b> OF 11
DATE DRAWN: 5-16-05	DRAWN BY: C.B.T.	
SCALE: 1" = 1000'	Date Last Revised: 6-30-05	

**SOUTHAM CANYON 9-24-24-36**  
(Bottom Hole) NAD 83 Autonomous

LATITUDE = 39° 59' 12.89"  
LONGITUDE = 109° 09' 53.83"

**SOUTHAM CANYON 9-24-24-36**  
(Surface Position) NAD 83 Autonomous

LATITUDE = 39° 59' 23.88"  
LONGITUDE = 109° 09' 52.13"



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155



IN REPLY REFER TO  
3180  
UT-922

Enduring Resources  
475 Seventeenth Street, Suite 1500  
Denver, CO 80202

August 15, 2007

Re: Initial Mesaverde Formation PA "A"  
Bonanza Unit  
Uintah County, Utah

43-047-36880

Gentlemen:

The Initial Mesaverde Formation Participating Area "A", Bonanza Unit, UTU80155A, is hereby approved effective as of July 18, 2006, pursuant to Section 11 of the Bonanza Unit Agreement, Uintah County, Utah.

The Initial Mesaverde Formation Participating Area "A" results in an Initial Participating Area of 40.00 acres and is based upon the completion of Well No. 23-36, API No. 43-047-36880, in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 36, Township 9 South, Range 24 East, SLM&B, Federal Unit Tract No. 25, on a Fee Lease as being a well capable of producing unitized substances in paying quantities.

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the establishment of the Initial Mesaverde Formation Participating Area "A", Bonanza Unit, and the effective date.

Sincerely,

/s/ Greg J. Noble

Greg J. Noble  
Acting Chief, Branch of Fluid Minerals

Enclosure

RECEIVED

AUG 20 2007

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

## Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

July 30, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 5834

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

43 047 36880  
Southam Cyn 9-24-23-36  
95 24E 36

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

Dear Mr. Arlian:

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

This is a second notice of non-compliance for wells 1 through 14 listed on Attachment A. The Division notified the previous operators, TCC Royalty, Ranken Energy, Mak-J Energy and Houston Exploration, on several occasions by certified mail about these wells non-compliance issues. Several plans to produce or plug were submitted, but no action has been taken to date on these wells. It has also come to the Divisions attention that Enduring no longer holds a valid lease for the DWR wells (wells 1 through 9 on Attachment A). Immediate action is required on these wells. The Division feels that sufficient time has passed to make a decision on these wells.

Please submit your plans to produce or plug these wells. If this is not addressed within 30 days, a Notice of Violation will be issued for these wells. A similar response is required for the other fifteen wells listed in Attachment A.



Page 2  
Mr. Arlian  
July 30, 2008

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

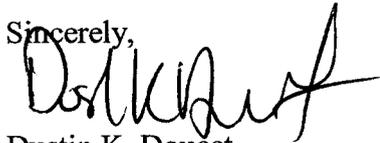
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence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

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

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

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

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

JP:js  
Enclosure

cc: Compliance File  
Well File  
Jim Davis, SITLA

## Attachment A

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

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>
		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
1. TYPE OF WELL <b>OIL WELL</b> <input type="checkbox"/> <b>GAS WELL</b> <input checked="" type="checkbox"/> <b>OTHER</b> _____		8. WELL NAME and NUMBER: <b>Southam Canyon 9-24-23-36</b>
2. NAME OF OPERATOR: <b>Enduring Resources, LLC</b>		9. API NUMBER: <b>4304736880</b>
3. ADDRESS OF OPERATOR: <b>475 17th St, Suite 1500</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
		PHONE NUMBER: <b>(303) 350-5114</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1,779' FSL - 2,073' FWL</b> <b>S.L.B. &amp; M.</b>		COUNTY: <b>Uintah</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NESW 36 9S 24E</b>		STATE: <b>UTAH</b>

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

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

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

This well had 800 psig SITP and 1000 psig SICP in August 2008.

This well will be placed back into production during September 2008. The pipeline company ETC is working on installing a launcher and receiver in order to lower line pressure by keeping fluids out of the pipeline.

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

(This space for State use only)

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
For Record Only

(See Instructions on Reverse Side)

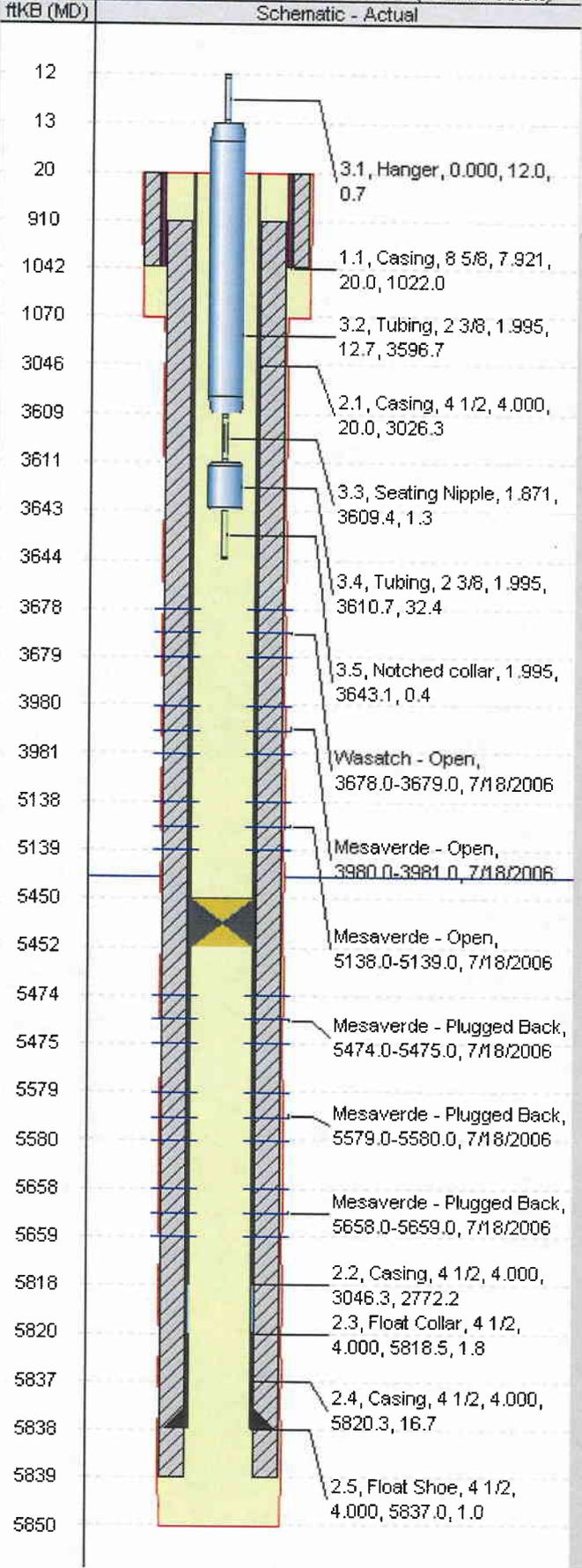
**RECEIVED**

**SEP 04 2008**

DIV. OF OIL, GAS & MINING



SOUTHAM CANYON 09-24-23-36: 8/27/2008 (KB-Grd: 20.0ft)



WellName										WellUserID	
SOUTHAM CANYON 09-24-23-36										UT0047.01	
APICode						County					
430473688000						UINTAH, UT					
Sec	Twn	Rge	Qtr1	Qtr2	Qtr3	XLoc	YLoc	Latitude	Longitude		
36	9S	24E		NE	SW						
2073 Feet From			W Line			1779 Feet From			S Line		
Engineer				Technician				Pumper			
Ron Lynch								TR5,			
SpudDate		Comp Date		KB Height		TD Drill Dept		TD Log Dept		TVD	
7/2/2006				20		5850		0		0	

Date In	Casing Type	Hole Dia	Size	Wt	Grade	Depth	Jts	Ft
9/24/2005	3. Surface	11.000	8.625	32.00	J-55	1042.00	21.00	0.00
7/9/2006	. Production	7.875	4.500	11.60	N-80	5837.90	36.0	5798.46

Date In	Size	Wt	Grade	Cou OD	ID	Depth	Avg Jt	Intake
10/3/2006	2.375	4.7	J-55	3.063	1.995	3644	32.40	3611

Sucker Rods

Formations

Perforations

Upper	Lower	Formation	Date	Status	Gun Sz	Shot/Ft	Phasg
3678	3679	Wasatch	7/18/2006	Open	3 1/8"	0	120
3980	3981	Mesaverde	7/18/2006	Open	3 1/8"	0	120
5138	5139	Mesaverde	7/18/2006	Open	3 1/8"	0	120
5474	5475	Mesaverde	7/18/2006	Plugged Ba	3 1/8"	0	120
5579	5580	Mesaverde	7/18/2006	Plugged Ba	3 1/8"	0	120
5658	5659	Mesaverde	7/18/2006	Plugged Ba	3 1/8"	0	120

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL		OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: Enduring Resources, LLC				6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 475 17th St, Suite 1500		CITY Denver	STATE CO	7. UNIT or CA AGREEMENT NAME: N/A
		ZIP 80202	PHONE NUMBER: (303) 350-5114	8. WELL NAME and NUMBER: Southam Canyon 9-24-23-36
4. LOCATION OF WELL		FOOTAGES AT SURFACE: 1,779' FSL - 2,073' FWL		9. API NUMBER: 4304736880
		S.L.B. & M.		10. FIELD AND POOL, OR WILDCAT: Wildcat
		QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 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: 9/25/2008	<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>Conformation of</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>Comminging.</u>

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

First Sales July 27, 2006.

Conformation that well was commingled in the Wasatch and Mesaverde formations "pools" in the initial completion attempt).

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>9/25/2008</u>

(This space for State use only)

**RECEIVED**  
**SEP 29 2008**

## ENTITY ACTION FORM

Operator: Enduring Resources, LLC Operator Account Number: N 2750  
 Address: 475 17th St, Suite 1500  
city Denver  
state CO zip 80202 Phone Number: (303) 350-5114

**Well 1**

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304736880	Southam Canyon 9-24-23-36	NESW	36	9S	24E	Uintah
Action Code	Current Entity Number	New Entity Number		Spud Date		Entity Assignment Effective Date
C		17121				9/30/2008
<b>Comments:</b> WSTC = 17121 MVRD = 14955 commingling approved 5/4/2007 but unit participating areas separate formations.						

**Well 2**

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number		Spud Date		Entity Assignment Effective Date
<b>Comments:</b>						

**Well 3**

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number		Spud Date		Entity Assignment Effective Date
<b>Comments:</b>						

**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)

**RECEIVED**  
**SEP 30 2008**

Earlene Russell for DOGM

Name (Please Print)

*Earlene Russell*

Signature

Engineering Tech

9/30/2008

Title

Date

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</b>
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2. NAME OF OPERATOR: <b>Enduring Resources, LLC</b>		8. WELL NAME and NUMBER: <b>Southam Canyon 9-24-23-36</b>
3. ADDRESS OF OPERATOR: <b>475 17th St, Suite 1500</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		9. API NUMBER: <b>4304736880</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1,779' FSL - 2,073' FWL</b> <b>S.L.B.&amp; M.</b> COUNTY: <b>Uintah</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NESW 36 9S 24E</b> STATE: <b>UTAH</b>		

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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: <b>1/5/2009</b>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well Status Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Shut-in, waiting re-completion attempt review.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>1/5/2009</u>

(This space for State use only)

**RECEIVED**  
**JAN 08 2009**  
DIV. OF OIL, GAS & MINING

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		6. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</b>
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: <b>N/A</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
2. NAME OF OPERATOR: <b>Enduring Resources, LLC</b>		8. WELL NAME and NUMBER: <b>Southam Canyon 9-24-23-36</b>
3. ADDRESS OF OPERATOR: <b>475 17th St, Suite 1500</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		9. API NUMBER: <b>4304736880</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1,779' FSL - 2,073' FWL</b> S.L.B.& M.		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NESW 36 9S 24E</b>		COUNTY: <b>Uintah</b> STATE: <b>UTAH</b>

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: <b>1/30/2009</b>	<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><b>Well Status Report</b></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.

Shut-in, waiting re-completion attempt review for next summer.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>1/30/2009</u>

(This space for State use only)

**RECEIVED**  
**FEB 03 2009**  
DIV. OF OIL, GAS & MINING

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

FORM 6

**ENTITY ACTION FORM**

Operator: Enduring Resources, LLC Operator Account Number: N 2750  
 Address: 475 17th Street, Suite 1500  
city Denver  
state CO zip 80202 Phone Number: (303) 350-5114

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736880	Southam Canyon 9-24-23-36		NESW	36	9S	24E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
E	14955	<i>see below</i>	9/19/2005		<i>2/9/09</i>		
<b>Comments:</b> Wasatch and Mesaverde commingled on 5-1-2007. <i>MVRD = 14955 WSTC = 17121 per Unit PA - MVRD only</i>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<b>Comments:</b>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<b>Comments:</b>							

**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)

*Alvin R. Arlian*

Signature

Landman-Regulatory

2/6/2009

Title

Date

**RECEIVED**

**FEB 09 2009**

(5/2000)

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: FEE
2. NAME OF OPERATOR: Enduring Resources, LLC				6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 475 17th St, Suite 1500		CITY: Denver	STATE: CO	7. UNIT or CA AGREEMENT NAME: N/A
		ZIP: 80202	PHONE NUMBER: (303) 350-5114	8. WELL NAME and NUMBER: Southam Canyon 9-24-23-36
4. LOCATION OF WELL		FOOTAGES AT SURFACE: 1,779' FSL - 2,073' FWL		9. API NUMBER: 4304736880
		S.L.B. & M.		10. FIELD AND POOL, OR WILDCAT: Wildcat
		QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 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: 4/1/2009	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well Status Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

MONTHLY WELL STATUS REPORT:

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

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

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

(This space for State use only)

**RECEIVED**  
**APR 02 2009**  
DIV. OF OIL, GAS & MINING

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> BONANZA
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> SOUTHAM CYN 9-24-23-36
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047368800000
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 350-5114 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1779 FSL 2073 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESW Section: 36 Township: 09.0S Range: 24.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> BONANZA  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

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

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.**  
 5-29-2009 Pursuant to an Action Plan submitted to DOG&M May-2009, this well shall continue to be shut-in while six other wells are being plugged commencing June-2009.

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

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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> BONANZA
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> SOUTHAM CYN 9-24-23-36
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047368800000
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 350-5114 Ext
<b>4. LOCATION OF WELL FOOTAGES AT SURFACE:</b> 1779 FSL 2073 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESW Section: 36 Township: 09.0S Range: 24.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> BONANZA  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion: 6/30/2009	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
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	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: Monthly Status Report

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

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

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

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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
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	7. UNIT or CA AGREEMENT NAME: BONANZA
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: SOUTHAM CYN 9-24-23-36
2. NAME OF OPERATOR: Enduring Resources, LLC	9. API NUMBER: 43047368800000
3. ADDRESS OF OPERATOR: 511-16th Street, Suite 700 , Denver, CO, 80202	PHONE NUMBER: 303 350-5114 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1779 FSL 2073 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 36 Township: 09.0S Range: 24.0E Meridian: S	9. FIELD and POOL or WILDCAT: BONANZA
	COUNTY: UINTAH
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <b>6/6/2012</b>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
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	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Proposed Plugging Procedure Attached.

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

Date: May 08, 2012

By: *D. K. Quist*

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A	DATE 3/28/2012	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Sundry Conditions of Approval Well Number 43047368800000**

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. All balanced plugs shall be tagged to ensure they remain at the depth specified by the proposal.**
- 3. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.**
- 4. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.**
- 5. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.**
- 6. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.**

5/8/2012

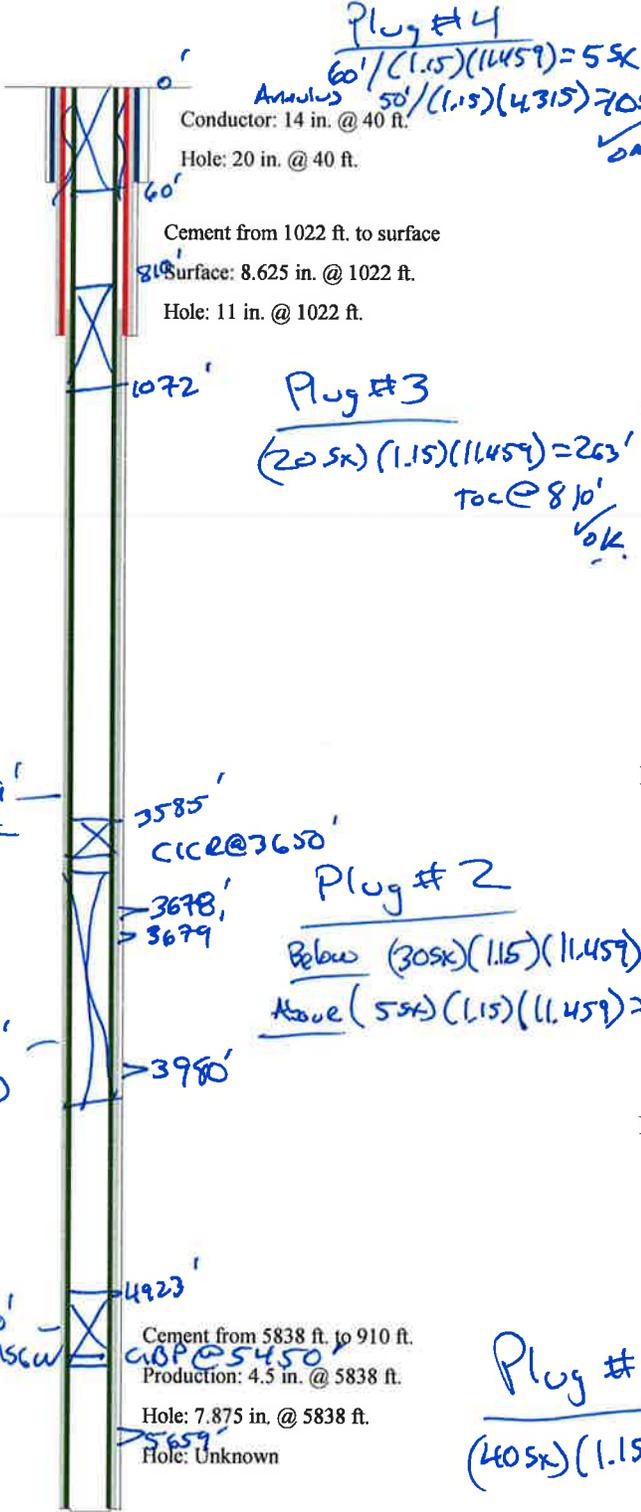
# Wellbore Diagram

r263

**API Well No:** 43-047-36880-00-00    **Permit No:**    **Well Name/No:** SOUTHAM CYN 9-24-23-36  
**Company Name:** ENDURING RESOURCES, LLC  
**Location:** Sec: 36 T: 9S R: 24E Spot: NESW  
**Coordinates:** X: 656699 Y: 4428256  
**Field Name:** BONANZA  
**County Name:** Uintah

### String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (F/CF)
HOL1	40	20			
COND	40	14			
HOL2	1022	11			
SURF	1022	8.625	32	1022	*
HOL3	5838	7.875			
PROD	5838	4.5	11.6	5838	11.459



### Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	5838	910	PC	978
SURF	1022	0	G	675

### Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
3678	3679			
3980	5659			

### Formation Information

Formation	Depth
UTEBT	2614
WSTC	2709
MVRD	3969

TD: 5850 TVD: 5850 PBD: 5818

**Proposed P&A Procedure for the Southam Canyon #9-24-23-36**

Surface Casing: 8 5/8" @ 1,022' TOC to surface  
Long String – 4 1/2" 11.6# N80 @ 5,830' TOC at 910'  
Open Perfs: 5,139', 3,981', and 3,679'

PBTD – 5,450' a CIBP

Tubing: 2 3/8" at 3,652'

MIRU – Note some extra tubing is needed

POH to check tubing

RIH and tag CIBP at 5,450'

Spot 40 sxs (514') on CIBP with LCM

POH and WOC and tag, cement should cover lower perfs at 5,139' with at least 50' of cement, add cement if necessary

POH

RIH with bit to 3,650'

POH, and RIH with a CICR and set at 3,650'

Pressure test tubing

Establish rate, and squeeze 30 sxs below (385') and 5 sxs on top of CICR

Roll hole with treated production water

Pressure test casing, if it fails call for orders

POH to 50' below the base of surface at 1,072'

Spot 20 sxs of cement (256')

POH to 60'

Circulate cement to surface

Cut off wellhead

Run 1" into the 4 1/2" x 8 5/8" annulus to 50' and circulate cement to surface

Weld on a plate

RDMO

All cement is 15.8 ppg with a 1.15 cuft/sx yield

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 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.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
		<b>7. UNIT or CA AGREEMENT NAME:</b> BONANZA
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> SOUTHAM CYN 9-24-23-36	
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047368800000	
<b>3. ADDRESS OF OPERATOR:</b> 511-16th Street, Suite 700 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 350-5114 Ext	<b>9. FIELD and POOL or WILDCAT:</b> BONANZA
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1779 FSL 2073 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESW Section: 36 Township: 09.0S Range: 24.0E Meridian: S		<b>COUNTY:</b> UINTAH
		<b>STATE:</b> UTAH

11.

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 6/6/2012	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input 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"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

See attached Plugging Report

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY  
June 07, 2012**

<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A	<b>DATE</b> 6/6/2012	

Southam Canyon 09-24-23-36 Well  
Plugging Report

5-30-2012

Install and test rig anchors with Benco . MIRU Western Wellsite to P and A Well. Blow down csg and tbg. ND WH. NU BOPE. SDFN.

5-31-2012

Onsite safety meeting. Tbg plugged. TOO H pulling wet. Found plunger with trash and BS plugged. PU 6 5 jts tbg, TIH and tag CIBP @5320'. Mix and pump 35 sacks Class G cement with CaCl. TOH, WOC. PU b it and make cleanout run to 3650. TOO H LD bit. TIH and Tag cement @4842. TOO H to 2000'. SWIFN.

6-1-2012

Pre job safety meeting. TIH w/CICR and set at 3630'. Good rate into pelf's. Test csg and tbg to 500 psi. Mix and pump 35 sks Class G cement under CICR, 5 sks on top. TOO H to 1080'. Mix and pump 20 sks Class G cement with CaCl. TOO H WOC. TIH tag top of cement at 782'. TOO H. RD SIWFN. All plugs witnessed by Mr. Dave Hackford DOGM

6-2-2012

Pre job safety meeting. Dig out WH. Cut off WH. Run 1" pipe to 75'. Fill both strings csg to surface with 2 5 sks Class G cement. Weld on plate. Load out tbg. Clean location. Backfill cellar. Cement and plate witnessed by Carroll Estes.

Final Re-hab and re-seeding will be completed this fall.