

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No. UTU-77226
6. If Indian, Allottee or Tribe Name N/A
7. If Unit or CA/Agreement, Name and/or No. N/A
8. Well Name and No. Southam Canyon #5-4-11-24
9. API Well No. 43047 (APD submitted herewith)
10. Field and Pool, or Exploratory Area Wildcat
11. County or Parish, State Uintah, Utah

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator Enduring Resources, LLC	
3a. Address 475 17th Street, Suite 1500, Denver, CO 80202	3b. Phone No. (include area code) 303-573-1222
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 596' FWL - 2,045' FNL SWNW Sec. 4, T11S-R24E S.L.B.&M.	

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Change of Operator
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	effective 09-01-2005
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

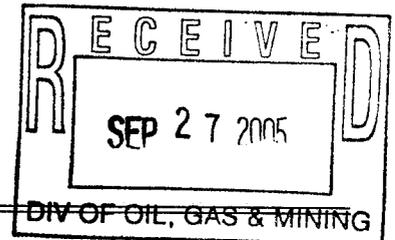
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths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

PLEASE NOTE THE SPELLING OF THE WELL NAME FROM THE NOTICE OF STAKING HAS BEEN CORRECTED FROM SOUTHMAN TO SOUTHAM.

Please be advised that Enduring Resources, LLC ("ERC") is considered to be the operator of the Southam Canyon #5-4-11-24 Well; located in the SW/4NW/4 of Section 4, Township 11 South, Range 24 East; Lease Serial No. UTU-77226; Uintah County, UT; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by UTB000173.

It is ERC's understanding that The Houston Exploration Company ("THX") previously submitted a Notice of Staking for this well and ERC has acquired THX's interest.

BLM Statewide Oil & Gas Lease Bond No. UTB000173
State of Utah, Division of Oil, Gas & Mining Surety Bond No. RLB0008031



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Alvin R. (Al) Arlian		Title Landman - Regulatory Specialist
Signature		Date 09/17/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office _____		

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

ENDURING RESOURCES, LLC

425 Seventeenth Street, Suite 1500

Denver, Colorado 80202

Telephone: 303-573-1222

Facsimile: 303-573-0461

September 21, 2005

State of Utah
School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818

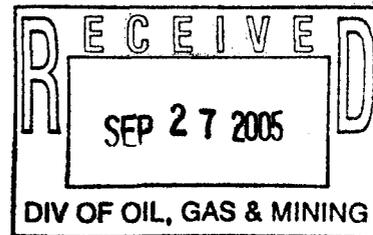
Attention: Ms. Diana Whitney

**RE: Southam Canyon 5-4-11-24
SWNW Sec 4 T11S-R24E
Uintah County, Utah**

RECEIVED

SEP 23 2005

TRUST LANDS
ADMINISTRATION



Dear Ms. Whitney:

Attached are one original and one copy of an Application to Drill the above-referenced well. This information was submitted to the Bureau of Land Management (hand delivered) on September 21, 2005

Enduring Resources, LLC respectfully requests that the Utah Division of Oil, Gas and Mining hold this application and all future information as confidential.

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

Very truly yours

ENDURING RESOURCES, LLC



Alvin R. (Al) Arlian
Land – Regulatory Specialist

ara/

Enclosures as stated:

CONFIDENTIAL

Form 3160-3
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No. UTU-77226	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. N/A	
8. Lease Name and Well No. Southam Canyon #5-4-11-24	
9. API Well No. 43-047-37097	
10. Field and Pool, or Exploratory Wildcat Undesignated	11. Sec., T. R. M. or Blk. and Survey or Area Sec 4, T11S, R24E, S.L.B.&M.
12. County or Parish Uintah	13. State UT
14. Distance in miles and direction from nearest town or post office* 67 miles south of Vernal, Utah	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 596'
16. No. of acres in lease 480	17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. n/a	19. Proposed Depth 6,635'
20. BLM/BIA Bond No. on file UTB000173	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,469' GL
22. Approximate date work will start* 10/01/2005	23. Estimated duration 20 days

24. Attachments

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

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ol style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|--|

25. Signature 	Name (Printed/Typed) Alvin R. (AI) Arlian	Date 09/19/2005
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Title Landman - Regulatory Specialist		
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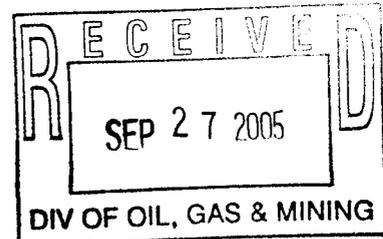
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 09-27-05
Title ENVIRONMENTAL SCIENTIST III		

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

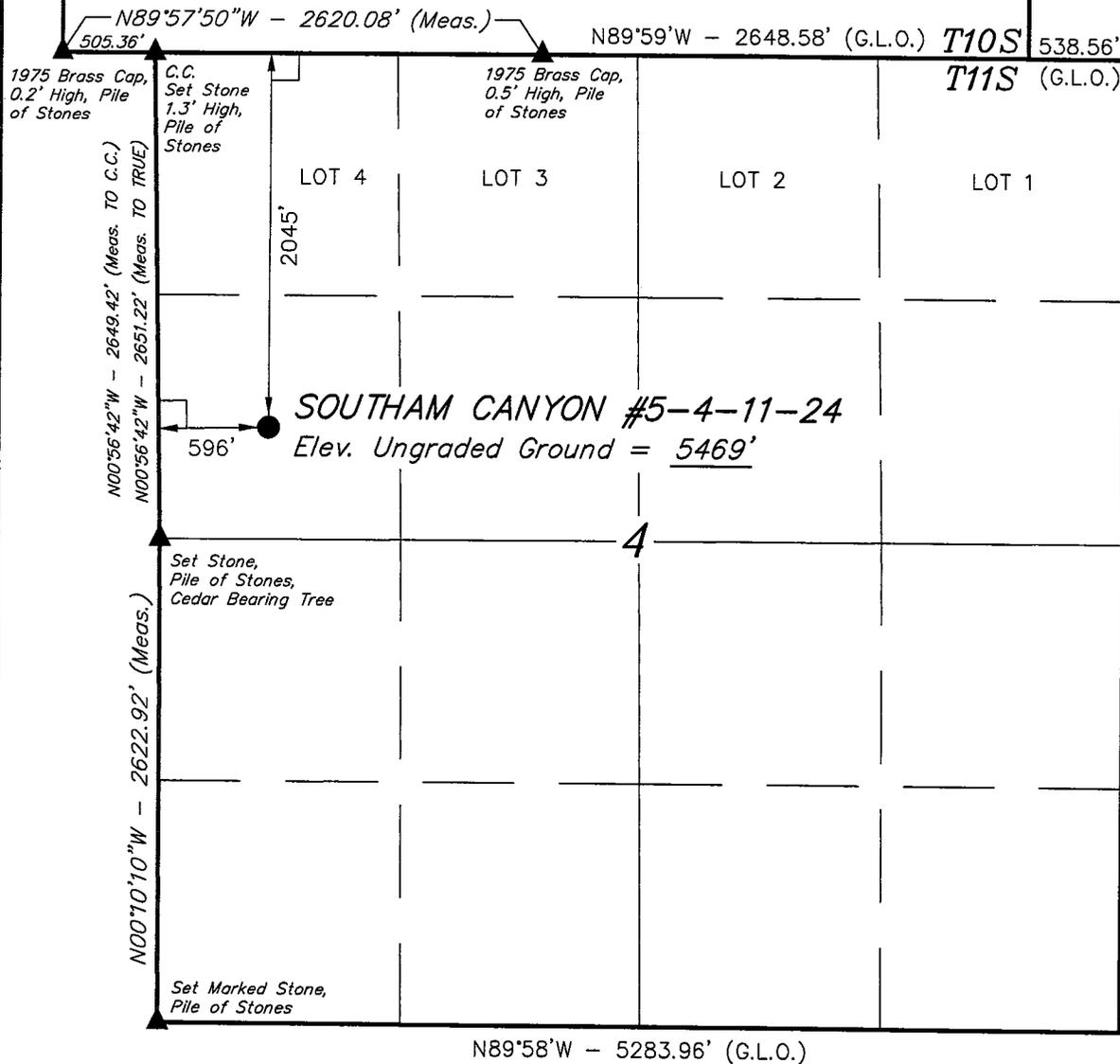
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

**Federal Approval of this
Action is Necessary**



T11S, R24E, S.L.B.&M.

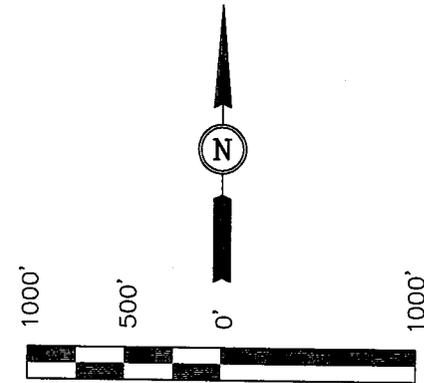


ENDURING RESOURCES, LLC

Well location, SOUTHAM CANYON #5-4-11-24, located as shown in the SW 1/4 NW 1/4 of Section 4, T11S, R24E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (87EAM) IN THE SE 1/4 SW 1/4 OF SECTION 1, T12S, R23E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5887 FEET.



SCALE

CERTIFICATE

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

[Signature]

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

REVISED: 09-19-05

BASIS OF BEARINGS

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

LEGEND:

- └ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
LATITUDE = 39°53'33.35" (39.892597)
LONGITUDE = 109°14'35.66" (109.243239)
(AUTONOMOUS NAD 27)
LATITUDE = 39°53'33.47" (39.892631)
LONGITUDE = 109°14'33.24" (109.242567)

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

SCALE 1" = 1000'	DATE SURVEYED: 03-01-05	DATE DRAWN: 03-07-05
PARTY G.O. B.C. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE ENDURING RESOURCES, LLC	

ENDURING RESOURCES, LLC

425 Seventeenth Street, Suite 1500

Denver, Colorado 80202

Telephone: 303-573-1222

Facsimile: 303-573-0461

September 21, 2005

Bureau of Land Management
Vernal Field Office
170 South 500 East
Vernal, Utah 84078

Attention: Leslie Walker

HAND DELIVERED

**RE: Southam (fka Southman) Canyon 5-4-11-24
Application for Permit to Drill**

Dear Ms. Walker:

Pursuant to our telephone conversation on September 17, 2005, attached are:

1. Three original copies of a Sundry Notice changing the spelling of the well name from that set forth in the Notice of Staking, and
2. Three original copies of an Application for Permit to Drill and attachments.

The following have been requested:

1. Culture Inventory from Montgomery Archaeological Consultants, and
2. Paleontological Report from Intermountain Paleo-Consulting.

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

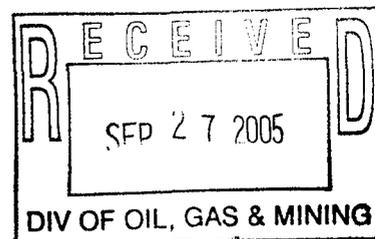
Very truly yours

ENDURING RESOURCES, LLC


Alvin E. Arlian
Landman – Regulatory Specialist

ara/

Attachments as stated:



SELF-CERTIFICATION STATEMENT

Southam Canyon #5-4-11-24
SWNW Sec. 4, T11S-R24E
Uintah County, Utah
Lease # UTU-77226

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that Enduring resources, LLC is considered to be the operator of the following well:

Southam Canyon #5-4-11-24
SWNW Sec. 4, T11S-R24E
Uintah County, Utah
Lease # UTU-77226

Enduring Resources, LLC is responsible under the terms of this lease for the operations conducted upon lease lands.



Alvin R. Arlian
Landman – Regulatory Specialist
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202
(303) 350-5114

PLEASE NOTE: IN THE ORIGINAL NOTICE OF STATING THIS WELL WAS REFERRED TO AS THE SOUTHMAN RATHER THAN SOUTHAM.

Enduring Resources, LLC

**Southam Canyon 5-4-11-24
SWNW Sec. 4 T11S-R24E
Uintah County, Utah
Lease # UTU 77226**

ONSHORE ORDER 1 - DRILLING PLAN

1. Estimated Tops of Geological Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	Surface
Green River	470'
Wasatch	2,775'
Mesaverde	4,275'
Buck Tongue	6,565'

2. Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals: (6228' estimated KB)

Substance	Formation	Depth
	KB - Uinta	5,485'
Oil / Gas	Green River	470'
Oil /Gas	Wasatch	2,775'
Oil /Gas	Mesaverde	4,275'
	Estimated TD	6,635'

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 – 6635'

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

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

B. Casing Design Parameters:

Depth (md)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40	16"			
2,000'	8-5/8", 24#/ft, J55, STC	1370/1.53(a)	4460/4.98(b)	244/5.08(c)
6,635'	4-1/2", 11.6#/ft, N-80, LTC	6350/1.74 (d)	7780/2.31 (e)	223/3.16 (f)

- (a.) based on full evacuation with 8.6 ppg fluid on annulus
- (b.) based on 8.6 ppg gradient with no fluid on annulus
- (c.) based on casing string weight in 8.6 ppg mud
- (d.) based on full evacuation with 10.0 ppg fluid on annulus, pipe evacuated
- (e.) based on 9.2 ppg gradient, gas to surface, with no fluid on annulus, no gas gradient.
- (f.) based on casing string weight in 9.2 ppg mud

PROPOSED CEMENTING PROGRAM

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

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

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

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

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

Production Casing and Liner-Cemented TD to Surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
4-1/2"	Lead	2765	Premium Lite II +3% KCL +0.25 pps celloflake +5 pps gilsonite +10% gel +0.5% extender	402	60	11.0	3.38
4-1/2"	Tail	3870	50/50 POZ Class G +10% salt + 2% gel + 1% R-3	1140	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' -6635'	8.8-10.2	8 - 10 ml	32-42	Water/Gel

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

6. Evaluation Program:

Tests: No tests are currently planned.

Coring: No cores are currently planned.

Samples: None

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

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

7. Abnormal Conditions:

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

Maximum anticipated bottom hole pressure equals approximately **3685** psi (calculated at 0.52 max psi/foot of hole) and maximum anticipated surface pressure equals approximately **2126** 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 issue.

9. Variations:

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 and to the School and Institutional Trust Lands Administration upon their receipt.

**Enduring Resources, LLC
Southam Canyon 5-4-11-24
SWNW Sec. 4 T11S-R24E
Uintah County, Utah
Lease # UTU 77226**

**ONSHORE OIL & GAS ORDER NO. 1
MULTI-POINT SURFACE USE & OPERATIONS PLAN**

1. Existing Roads:

Directions to the proposed location are as follows:

Proceed in an easterly, then southerly direction from Vernal, Utah along U.S. Highway 40 approximately 3.9 miles to the junction of State Highway 45; exit right and proceed in a southerly direction approximately 41.5 miles on paved State Highway 45 to the junction of this road and gravel State Highway 45 to the southeast; turn left and proceed in a southeasterly direction approximately 3.8 miles to the junction of this road and State Highway 207 to the southwest; turn right and proceed in a southwesterly direction approximately 7.7 miles to the junction of this road and an existing road to the northwest; turn right and proceed in a northwesterly, then southwesterly direction approximately 2.2 miles to the junction of this road and an existing road to the west; turn right and proceed in a northeasterly direction approximately 3.4 miles to the junction of this road and an existing road to the north; turn right and proceed in a northerly direction approximately 1.8 miles to the beginning of the proposed access for Southam Canyon #16-31 Well to the east; follow road flags in a southeasterly direction approximately 1.3 miles to the proposed Southam Canyon #16-31 and the beginning of the proposed access for the Southam Canyon #12-3 to the northeast; follow road flags in a northeasterly, then southeasterly direction approximately 0.9 miles to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 66.5 miles.

2. Planned Access Roads:

The proposed access road will be approximately 500 feet of new construction ON-LEASE, 6,000 feet of OFF-LEASE (new construction) surface disturbance. The existing County Class D road is bladed, ditched and crowned, no upgrading is anticipated (takeoff point for new road to be constructed). Please refer to Topo Map "B."

The proposed access road will be utilized to transport personnel, equipment and supplies to and from the proposed well site during drilling, completion and production operations. The road will be utilized year round.

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 provided a well constructed, safe road. No fence crossings, culverts, turnouts, cattle guards or major cuts and fills are required. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

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

The road surface and shoulders will be kept in a safe usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. Location of Existing Wells within a One-Mile radius (See "Topo" Map "C" attached):

The following wells are wells located within a one (1) mile radius of the proposed location.

a.	Water Wells:	None
b.	Injection Wells:	None
c.	Producing Wells:	None
d.	Drilling Wells:	None
e.	Shut-in Wells:	None
f.	Temporarily Abandoned Wells:	None
g.	Disposal Wells:	None
h.	Abandoned Wells:	None
i.	Dry Holes:	(2)
	i.	Texakoma Federal H #34-31 (API #4304733423)
	ii.	Shell Southman Canyon Unit #8 (API #4304715883)
j.	Observation Wells:	None

4. Location of Existing and/or Proposed Facilities:

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

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

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

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

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

OFF-LEASE Gas Pipeline Right-of-Way: An OFF-LEASE right-of-way is being requested for approximately 6,000 feet of proposed gas gathering line. The width of the right-of-way requested is 30 feet. A permanent right-of-way is requested for a term of 30 years. Please refer to the attached "Topo" Map "D."

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed. The gas gathering line shall be in use year round. A total of approximately 6,500 feet +/-: (a. ON-LEASE approximately 500 feet, and b. OFF-LEASE approximately 6,000 feet) of 6 inch or less diameter steel, unpainted, welded gas gathering line is proposed. The proposed line will begin at the well site; continue along the lease road northwesterly to a tie-in point where the lease road commences at the Canyon Gas Pipeline in the NESE of Section 36, Township 10 South Range 23 East.. The proposed gathering line will be placed above ground adjacent to the proposed and existing access route. The line will be welded together and pulled from the well site location and tie-in point when practical; however, it may be necessary to utilize the access road for welding of the line. The line will then be boomed off to the side of the road. The gas meter run will be located within 500 feet of the wellhead. The meter run will be housed. The gas gathering line will be buried or anchored down from the wellhead to the meter.

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

5. Location and Type of Water Supply:

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

Water will be hauled to the location over the roads marked on "Topo" 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 will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

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

The reserve pit will be lined with ¼ felt and a minimum of 16 mm plastic with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the will be disposed of in the pit.

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 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 crews' housing and eating facilities. These will be located on the perimeter of the pad site within the topsoil stockpiles. Refer to Sheet 4.

9. Well Site Layout: (Refer to Sheets #2, #3, and #4)

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

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

The top soil will be windrowed rather than piled. It will be reseeded and track walker at the time the location is constructed. Seeding will be with the determined during the onsite. (Refer to "Seed Mixture for Windrowed Top Soil Will included:" following herein.

The top soil removed from the pit area will be store separately and will not be reseeded until the pit is reclaimed.

All pits shall be fence to the following minimum standards:

- a. 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.
- b. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the new wire. Total height of the fence shall be at least 42 inches.
- c. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- d. Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.
- e. All wire shall be stretched by, using a stretching device, before it is attached to corner posts.
- f. 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.
- g. 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, the location will be re-surveyed and a Form 9 will be submitted.

10. Plans for Surface Reclamation:**Producing Location:**

- a. 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.
- b. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 40CFR 3162.7.
- c. 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.
- d. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximated natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.
- e. 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 round surface to allow the reclaimed pit area to drain effectively.
- f. Upon completion of back filling, leveling and re-contouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

- a. Abandoned well sites, roads and other disturbed areas will be restored as nearly 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.
- b. All disturbed surfaces will be re-contoured to the approximated natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

Seed Mixture for Windrowed Top Soil Will Included:

To be determined at On-site.

11. Surface Ownership: Location, Access and Pipeline Route:

Bureau of Land management
170 South 500 East
Vernal, Utah 84078

Telephone: #435-781-4400

12. Other Information

On-site Inspection for Location, Access and Pipeline Route:

To be conducted September 28, 2005

Special Conditions of Approval:

- a. Lease No. UTU-77226, contains the following stipulations:

Archeology:

- a. A Cultural Resource Inventory Report is pending and to be prepared by Montgomery Archaeological Consultants.

Paleontology:

- a. A Paleontology Reconnaissance Report is pending and to be prepared by Intermountain Paleo-Consulting.

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

13, Lessee's or Operator's Representative and Certification:

Representatives:

Alvin R. (Al) Arlian
Landman – Regulatory Specialist
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202
Office Tel: 303-350-5114
Fax Tel: 303-573-0461
aarlian@enduringresources.com

Frank Hutto
Vice President – Operations
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202
Office Tel: 303-573-5102
Fax Tel: 303-573-0461
fhutto@enduringresources.com

Certification:

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

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

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

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

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


Alvin R. Arlian

9-19-2005
Date:

ENDURING RESOURCES, LLC
SOUTHAM CANYON #5-4-11-24
SECTION 4, T11S, R24E, S.L.B.&M.

PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 41.5 MILES ON PAVED STATE HIGHWAY 45 TO THE JUNCTION OF THIS ROAD AND GRAVEL STATE HIGHWAY 45 TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 3.8 MILES TO THE JUNCTION OF THIS ROAD AND STATE HIGHWAY 207 TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 7.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 2.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 3.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 1.8 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR SC #16-31 TO THE EAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE PROPOSED #16-31 AND THE BEGINNING OF THE PROPOSED ACCESS FOR THE #12-3 TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 66.5 MILES.

ENDURING RESOURCES, LLC
SOUTHAM CANYON #5-4-11-24
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 4, T11S, R24E, S.L.B.&M.

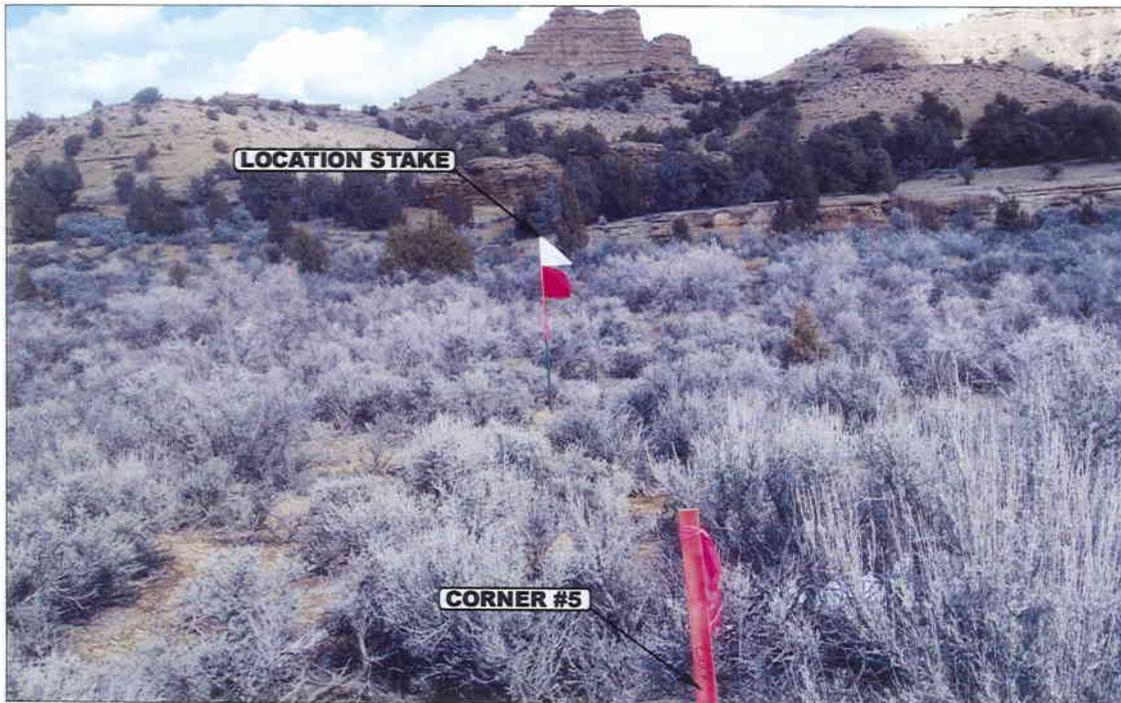


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS FOR THE #16-31 CAMERA ANGLE: SOUTHEASTERLY



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

LOCATION PHOTOS			03	08	05	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: GO.	DRAWN BY: C.P.	REVISED: 09-19-05				

ENDURING RESOURCES, LLC

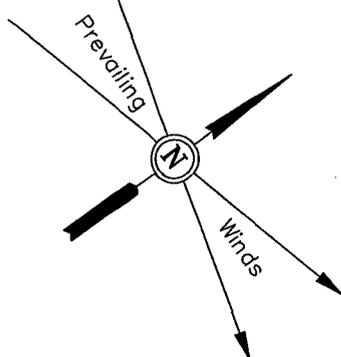
FIGURE #1

LOCATION LAYOUT FOR

SOUTHAM CANYON #5-4-11-24
SECTION 4, T11S, R24E, S.L.B.&M.
2045' FNL 596' FWL

Install CMP
as Needed

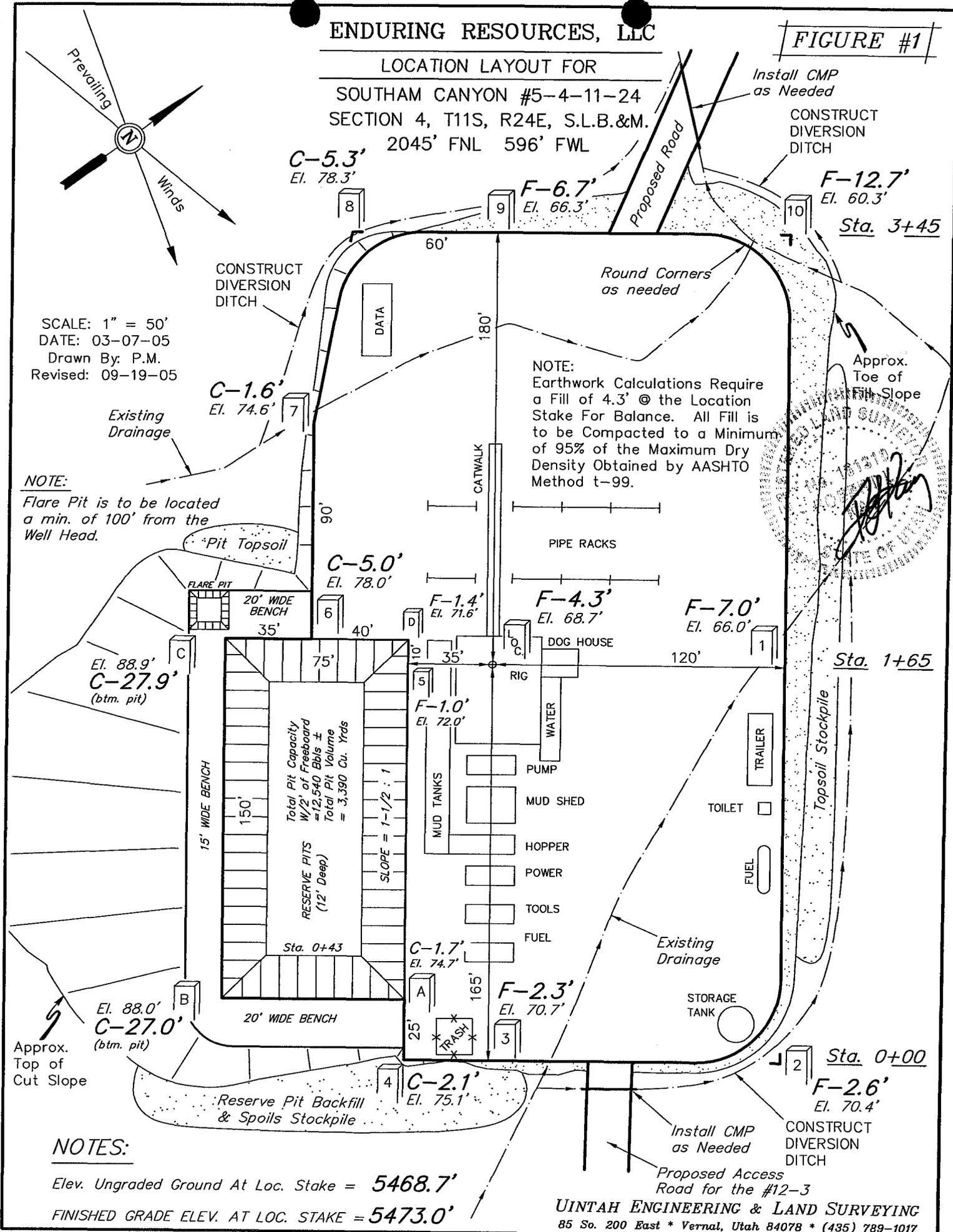
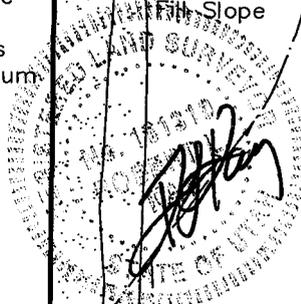
CONSTRUCT
DIVERSION
DITCH



SCALE: 1" = 50'
DATE: 03-07-05
Drawn By: P.M.
Revised: 09-19-05

NOTE:
Flare Pit is to be located
a min. of 100' from the
Well Head.

NOTE:
Earthwork Calculations Require
a Fill of 4.3' @ the Location
Stake For Balance. All Fill is
to be Compacted to a Minimum
of 95% of the Maximum Dry
Density Obtained by AASHTO
Method t-99.



NOTES:

Elev. Ungraded Ground At Loc. Stake = **5468.7'**
FINISHED GRADE ELEV. AT LOC. STAKE = **5473.0'**

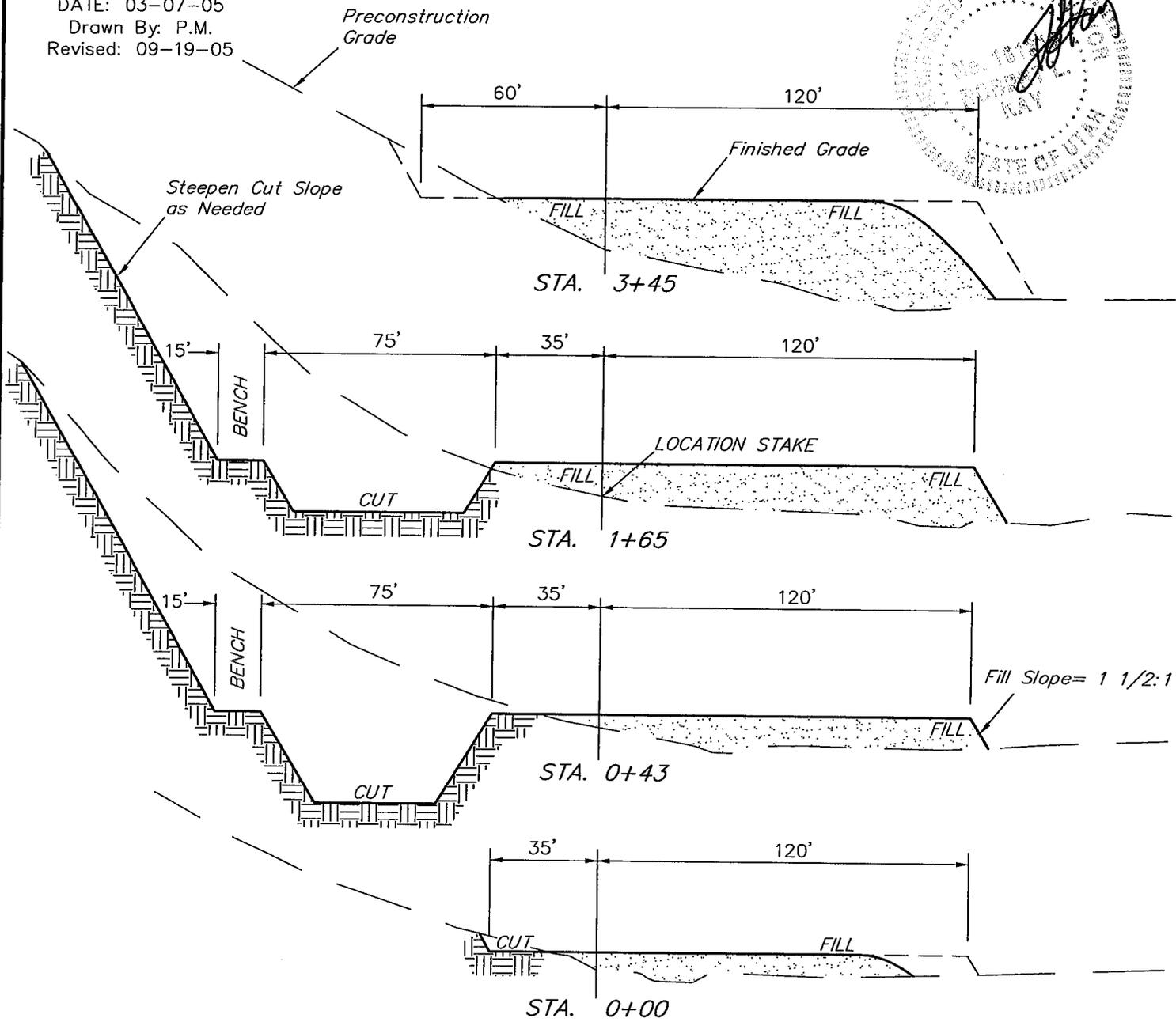
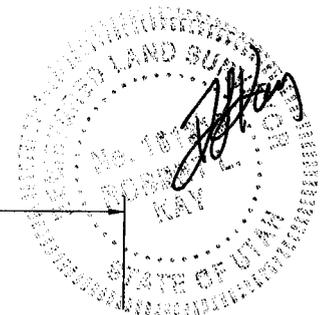
ENDURING RESOURCES, LLC

FIGURE #2

TYPICAL CROSS SECTIONS FOR
SOUTHAM CANYON #5-4-11-24
SECTION 4, T11S, R24E, S.L.B.&M.
2045' FNL 596' FWL

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

DATE: 03-07-05
Drawn By: P.M.
Revised: 09-19-05

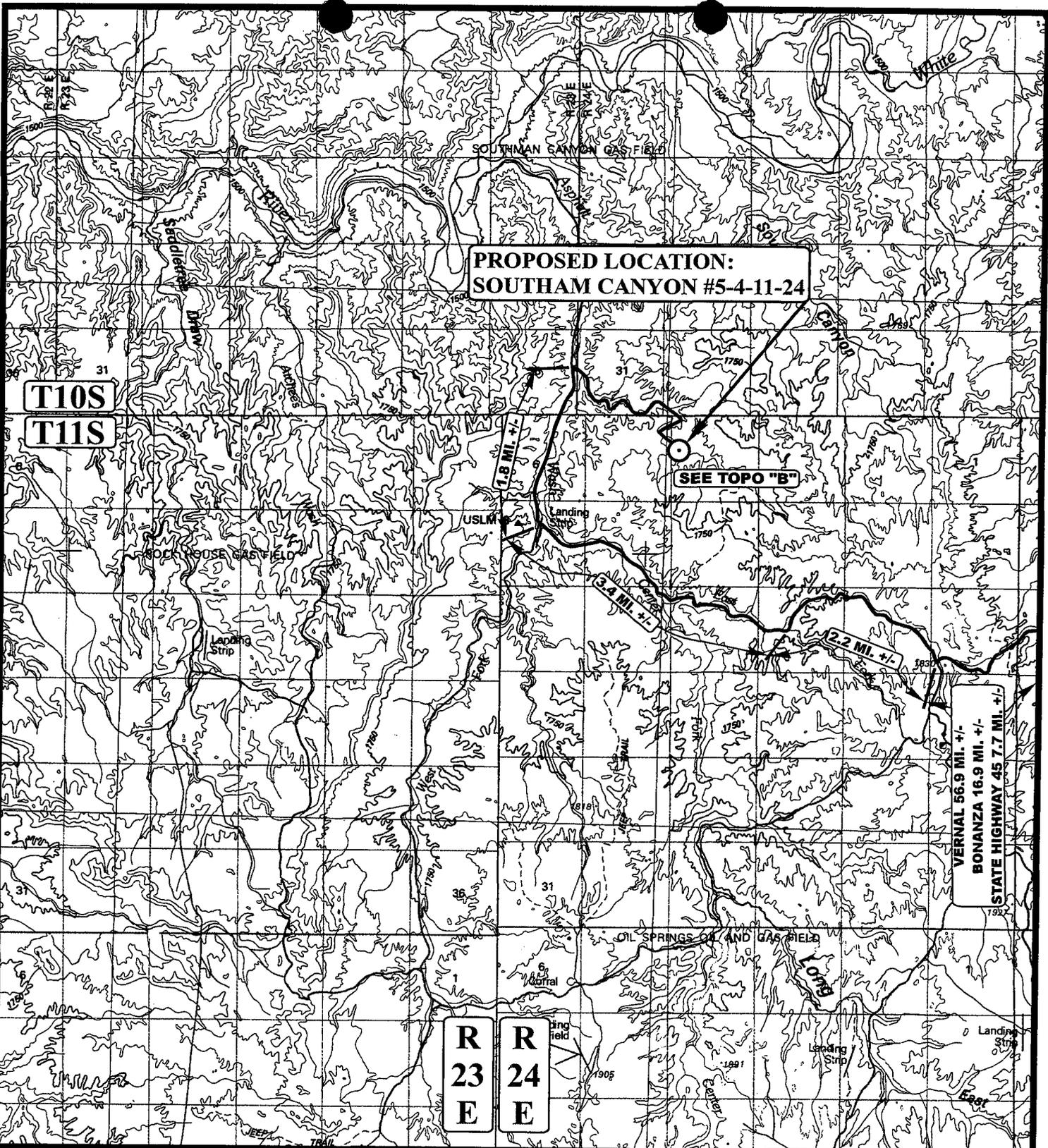


* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,940 Cu. Yds.
Remaining Location	= 15,480 Cu. Yds.
TOTAL CUT	= 17,420 CU.YDS.
FILL	= 13,790 CU.YDS.

EXCESS MATERIAL	= 3,630 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,630 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.



**PROPOSED LOCATION:
SOUTHAM CANYON #5-4-11-24**

**T10S
T11S**

**R
23
E**

**R
24
E**

**VERNAL 56.9 MI. +/-
BONANZA 16.9 MI. +/-
STATE HIGHWAY 45 7.7 MI. +/-**

LEGEND:

○ PROPOSED LOCATION



ENDURING RESOURCES, LLC

**SOUTHAM CANYON #5-4-11-24
SECTION 4, T11S, R24E, S.L.B.&M.
2045' FNL 596' FWL**



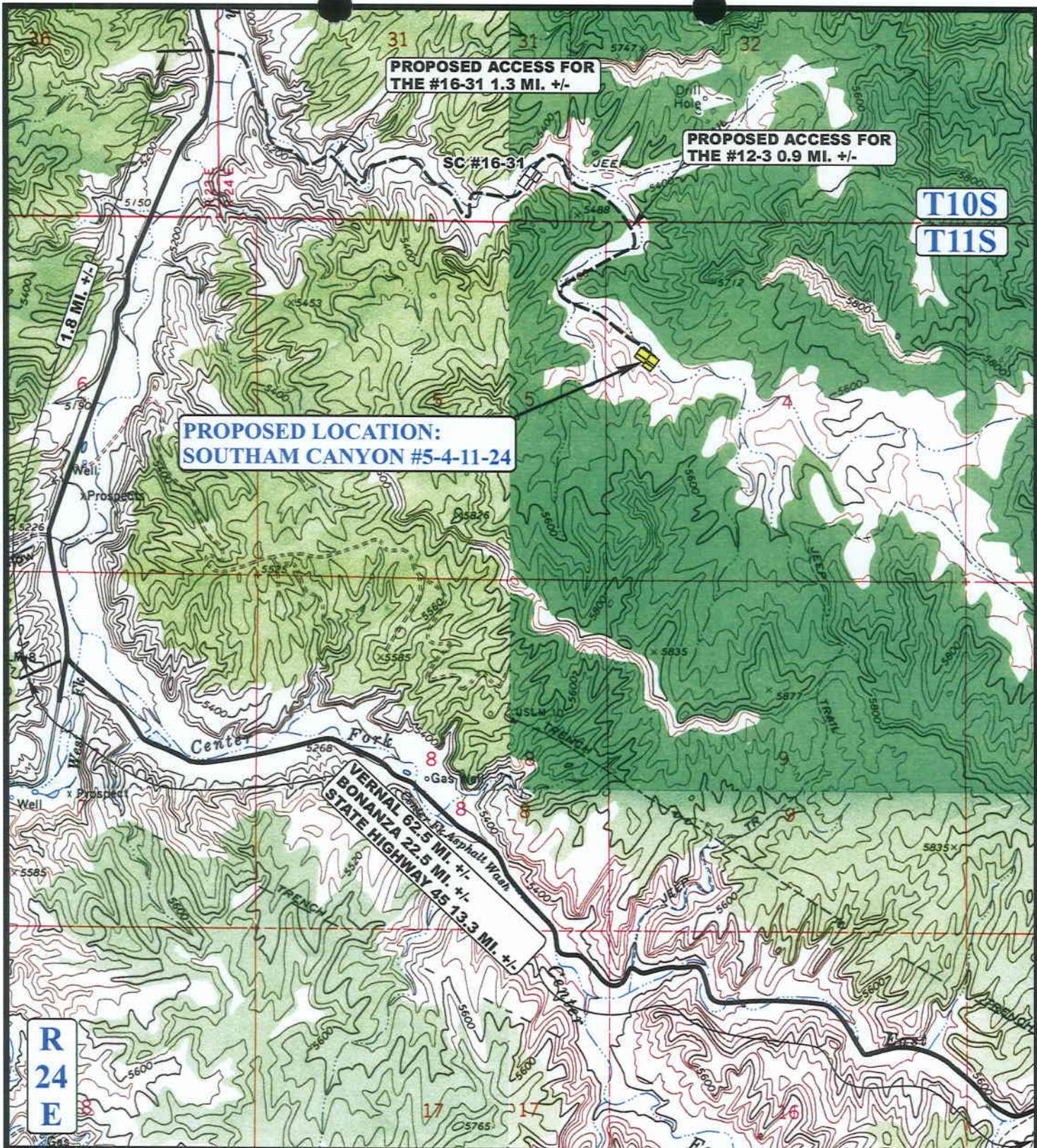
Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

03 08 05
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 09-19-05





T10S
T11S

R
24
E

LEGEND:

————— EXISTING ROAD

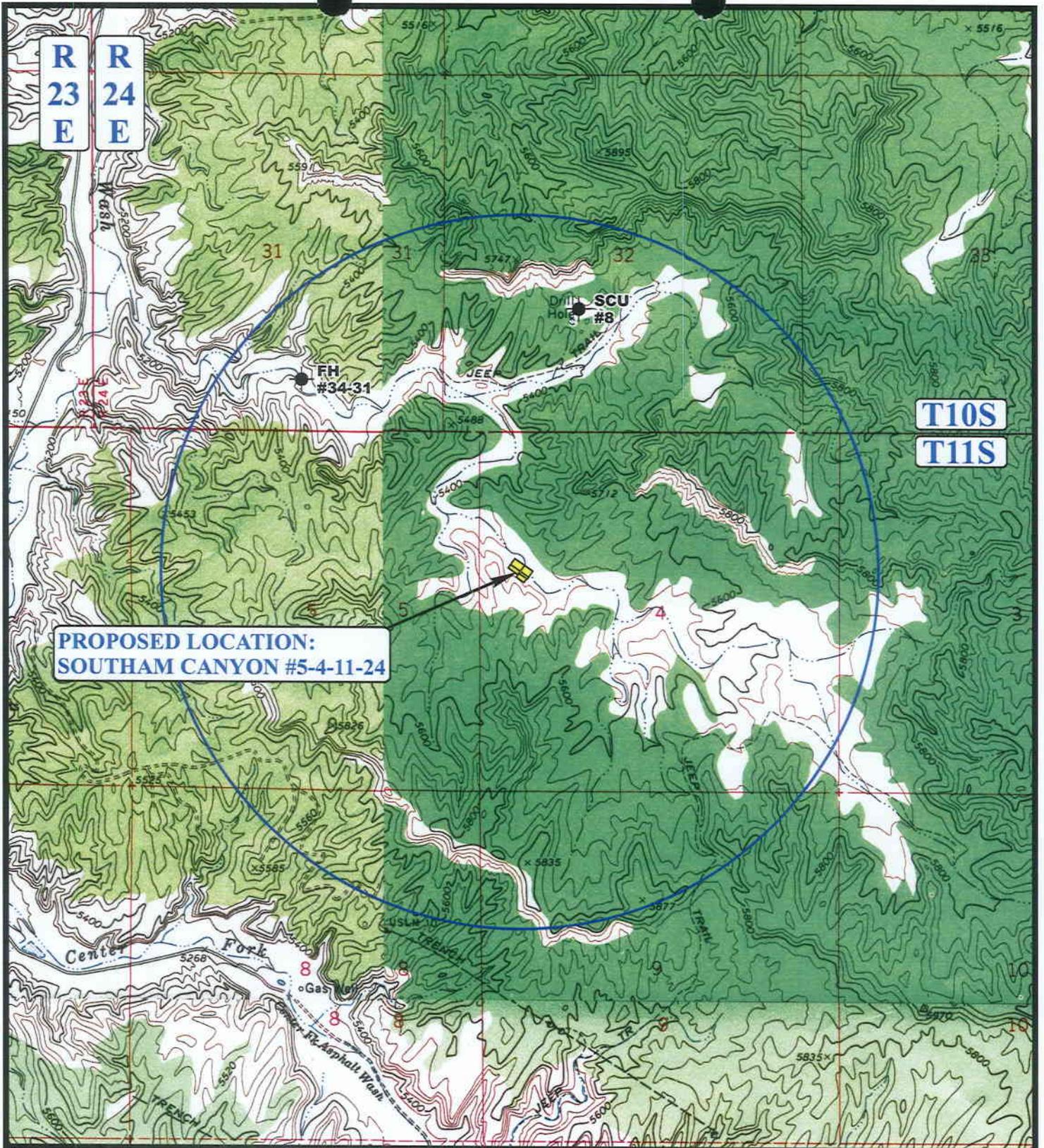


ENDURING RESOURCES, LLC

SOUTHAM CANYON #5-4-11-24
SECTION 4, T11S, R24E, S.L.B.&M.
2045' FNL 596' FWL

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

TOPOGRAPHIC **03 08 05**
MAP MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 09-19-05 **B**
TOPO



**PROPOSED LOCATION:
SOUTHAM CANYON #5-4-11-24**

LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



ENDURING RESOURCES, LLC

**SOUTHAM CANYON #5-4-11-24
SECTION 4, T11S, R24E, S.L.B.&M.
2045' FNL 596' FWL**

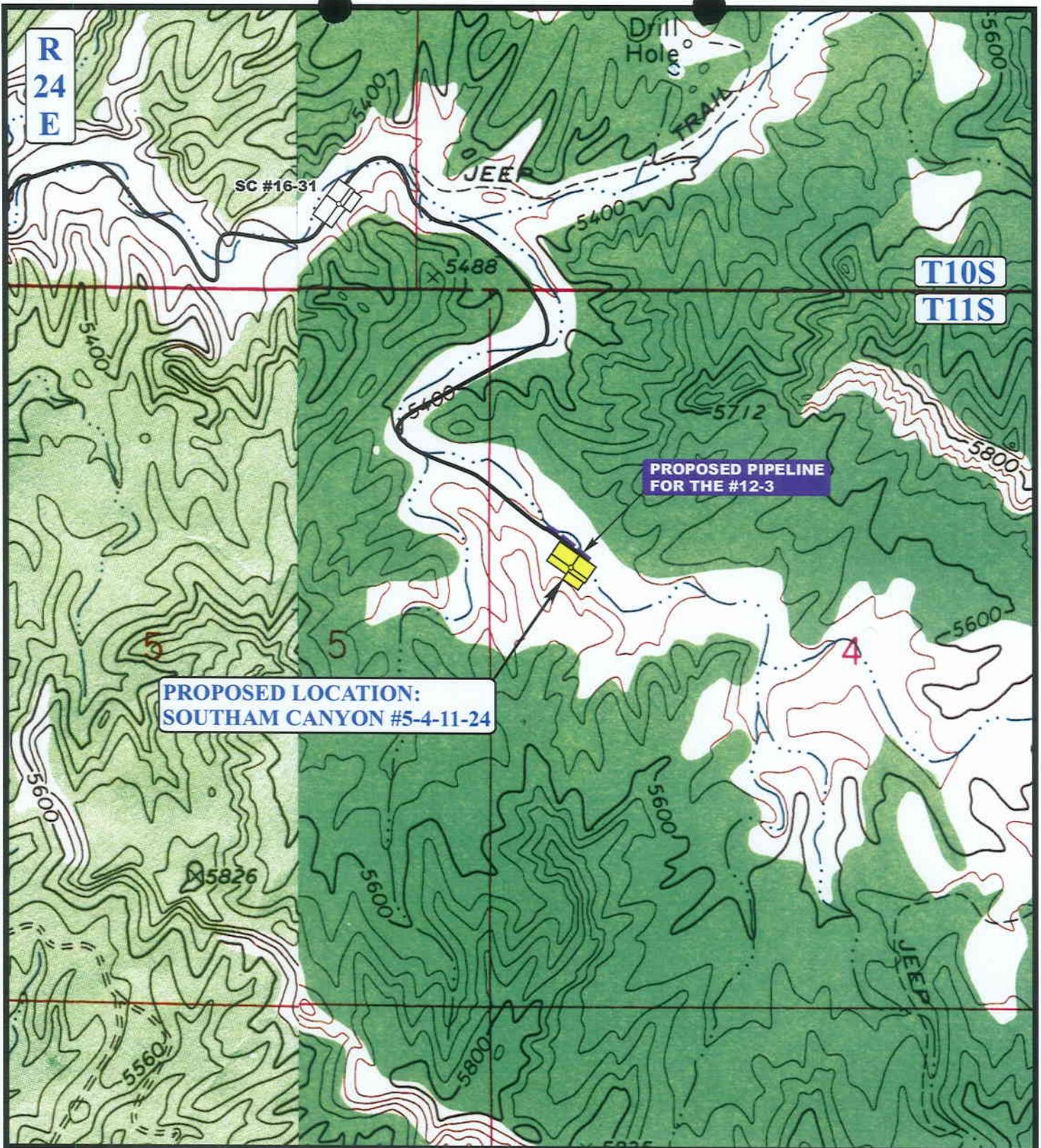


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 03 08 05
MAP MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 09-19-05





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)



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



ENDURING RESOURCES, LLC

SOUTHAM CANYON #5-4-11-24
SECTION 4, T11S, R24E, S.L.B.&M.
2045' FNL 596' FWL

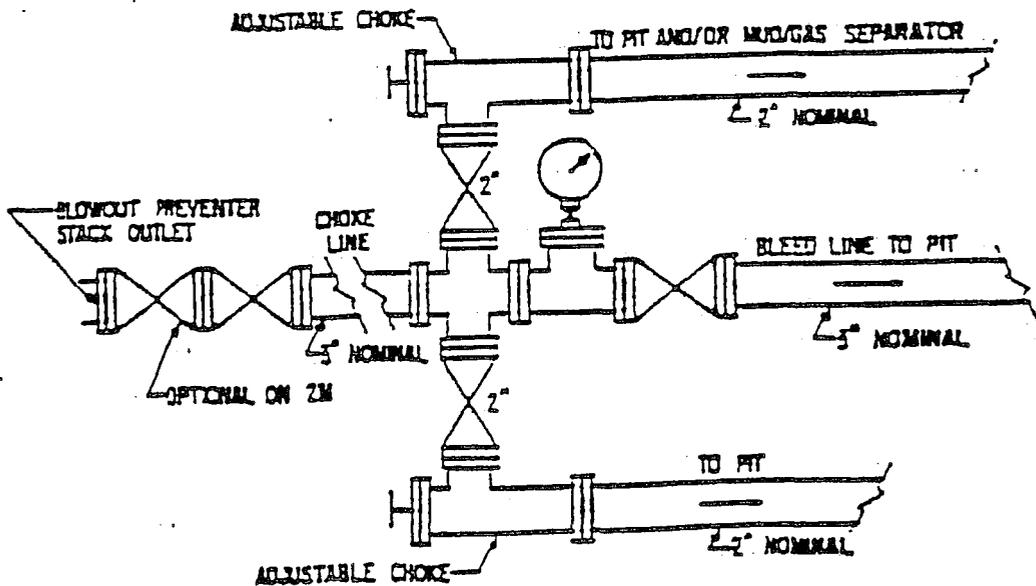
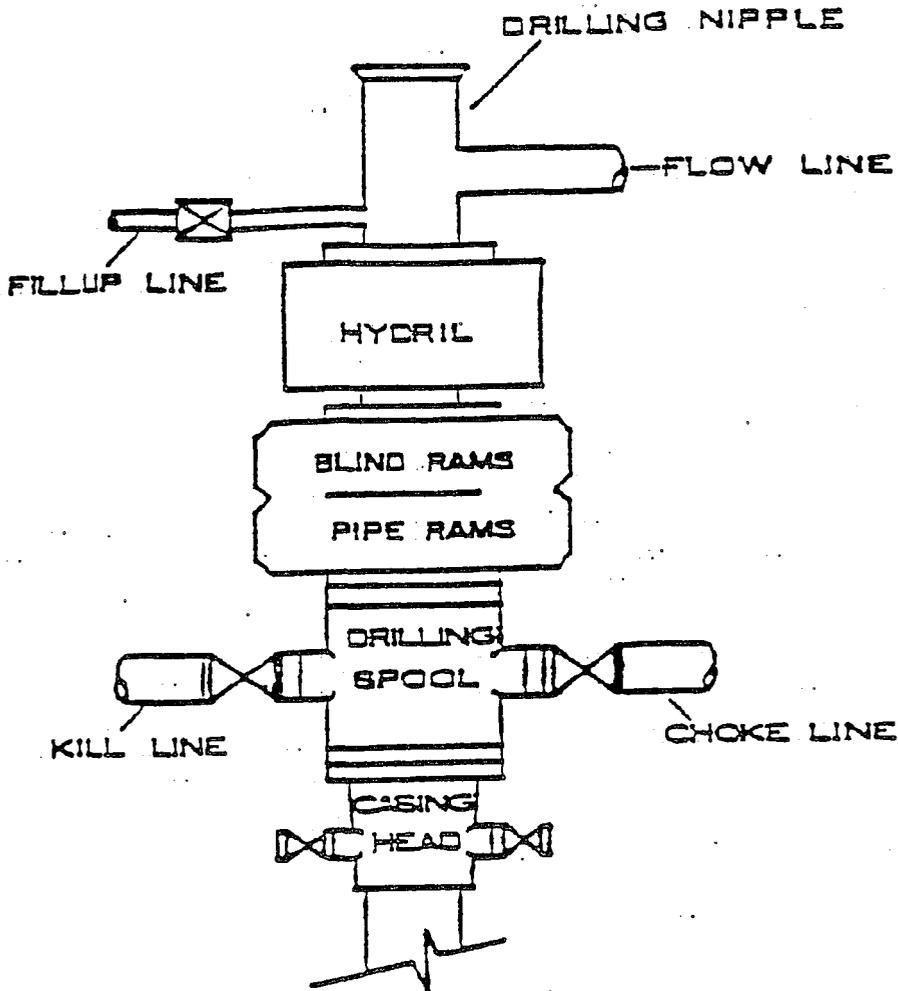
TOPOGRAPHIC 03 08 05
MAP MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 09-19-05



3,000 PSI

BOP STACK



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/27/2005

API NO. ASSIGNED: 43-047-37097

WELL NAME: SOUTHAM CYN 5-4-11-24
 OPERATOR: ENDURING RESOURCES, LLC (N2750)
 CONTACT: AL ARLIAN

PHONE NUMBER: 303-573-1222

PROPOSED LOCATION:

SWNW 04 110S 240E
 SURFACE: 2045 FNL 0596 FWL
 BOTTOM: 2045 FNL 0596 FWL
 UINTAH
 UNDESIGNATED (2)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-77226
 SURFACE OWNER: 1 - Federal
 PROPOSED FORMATION: MVRD
 COALBED METHANE WELL? NO

LATITUDE: 39.89256
 LONGITUDE: -109.2426

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB000173)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal Approval

2- Spacing Strip

NATURAL BUTTES FIELD

FED H 34-31

SOUTHMAN CYN
16-31-10-24

T11S R24E

SOUTHMAN CYN
5-4-11-24

SOUTHMAN CYN
12-14-24

ASPHALT WASH
13-5

ASPHALT WASH
17-11-24

ASPHALT WASH
18-7-11-24

ROCK HOUSE FIELD

RAINBOW UNIT #8

RAINBOW UNIT

ASPHALT WASH
2-9-11-24

ASPHALT WASH
7-9-11-24

ASPHALT WASH
11-9-11-24

ASPHALT WASH
10-9-11-24

ASPHALT WASH
9-9-11-24

ASPHALT WASH
14-9-11-24

ASPHALT WASH
15-9-11-24

ASPHALT WASH
16-9-11-24

ASPHALT WASH
4-16-11-24

ASPHALT WASH
3-16-11-24

RAINBOW 2-16
STATE N 31-16

ASPHALT WASH
5-16-11-24

ASPHALT WASH
7-16-11-24

ASPHALT WASH
8-16-11-24

ASPHALT WASH
12-16-11-24

ASPHALT WASH
11-16-11-24

ASPHALT WASH
14-16-11-24

ASPHALT WASH
15-16-11-24

RAINBOW 1-17
FED N 41-17
ROSEWOOD
FED E 17-1

RAINBOW
14-17
FED N 24-17
FED N 24-17

FED N 31-21

FEDERAL
N 42-22

OPERATOR: ENDURING RES LLC (N2750)

SEC: 4 T. 11S R. 24E

FIELD: UNDESIGNATED (002)

COUNTY: UINTAH

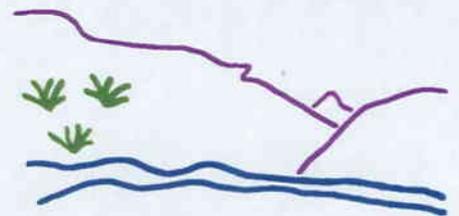
SPACING: R649-3-2 / GENERAL SITING

Field Status	
	ABANDONED
	ACTIVE
	COMBINED
	INACTIVE
	PROPOSED
	STORAGE
	TERMINATED

Unit Status	
	EXPLORATORY
	GAS STORAGE
	NF PP OIL
	NF SECONDARY
	PENDING
	PI OIL
	PP GAS
	PP GEOTHERML
	PP OIL
	SECONDARY
	TERMINATED

Wells Status

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



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 27-SEPTEMBER-2005



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 27, 2005

Enduring Resources, LLC
375 17th Street, Suite 1500
Denver, CO 80202

Re: Southam Canyon 5-4-11-24 Well, 2045' FNL, 596' FWL, SW NW,
Sec. 4, T. 11 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 43-047-37097.

Sincerely,

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 5-4-11-24
API Number: 43-047-37097
Lease: UTU-77226

Location: SW NW Sec. 4 T. 11 South R. 24 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-77226

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
n/a

7. UNIT or CA AGREEMENT NAME:
n/a

8. WELL NAME and NUMBER:
Southam Canyon 11-24-12-4

9. API NUMBER:
4304737097

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, re-perforate existing wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

CONFIDENTIAL

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Enduring Resources, LLC

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

PHONE NUMBER:
(303) 350-5719

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **2045' FNL - 596' FWL**

COUNTY: **Uintah**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWNW 4 11S 24E S**

STATE: **UTAH**

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: 8/24/2006	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for APD Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

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

FROM: 9/27/2006
TO: 9/27/2007

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-27-06
By: [Signature]

NAME (PLEASE PRINT) Evette Bissett

TITLE Regulatory Compliance Assistant

SIGNATURE [Signature]

DATE 8/24/2006

(This space for State use only)

CONFIDENTIAL
9/29/06
Rm

AUG 29 2006

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

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

API: 4304737097
Well Name: Southam Canyon 11-24-12-4
Location: 2045' FNL - 596' FWL, SWNW, Sec 4, T11S-R24E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 9/27/2005

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

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

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

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

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

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

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

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

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

Luetta Bassett
Signature

8/24/2006
Date

Title: Regulatory Compliance Assistant

Representing: Enduring Resources, LLC

AUG 29 2006

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77226
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: 2045' FNL - 596' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 4 11S 24E S		8. WELL NAME and NUMBER: Southam Canyon 11-24-12-4
		9. API NUMBER: 4304737097
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Uintah STATE: UTAH

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

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

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

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

FROM: 9/27/2007
TO: 9/27/2008

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-27-07
By: [Signature]

COPY SENT TO OPERATOR
Date: 9-28-07
Initials: RM

NAME (PLEASE PRINT) <u>Alvin R. (AI) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>9/21/2007</u>

(This space for State use only)

RECEIVED
SEP 25 2007

DIV. OF OIL, GAS & MINING

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

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

API: 4304737097
Well Name: Southam Canyon 11-24-12-4
Location: 2045' FNL - 596' FWL, SWNW, Sec 4, T11S-R24E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 9/27/2005

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

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

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

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

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

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

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

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

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


Signature

9/21/2007
Date

Title: Landman - Regulatory Specialist

Representing: Enduring Resources, LLC

RECEIVED
SEP 25 2007
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77226
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: 2045' FNL - 596' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 4 11S 24E S		8. WELL NAME and NUMBER: Southam Canyon 11-24-12-4
PHONE NUMBER: (303) 350-5114		9. API NUMBER: 4304737097
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

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

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

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

FROM: 9/27/2008
TO: 9/27/2009

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-30-08
By: [Signature]

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>9/5/2008</u>

(This space for State use only)

COPY SENT TO OPERATOR

Date: 10.2.2008

Initials: KS

(See Instructions on Reverse Side)

RECEIVED

SEP 29 2008

DIV. OF OIL, GAS & MINING



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

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

API: 4304737097
Well Name: Southam Canyon 11-24-12-4
Location: 2045' FNL - 596' FWL, SWNW, Sec 4, T11S-R24E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 9/27/2005

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

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

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

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

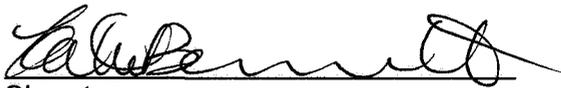
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

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

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

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



Signature

9/5/2008

Date

Title: Administrative Assistant

Representing: Enduring Resources, LLC

RECEIVED
 SEP 29 2008
 DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED NOV 07 2005

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

SUNDRY NOTICES AND REPORTS NOWELLS 2005

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

5. Lease Serial No.
UTU-77226

6. If Indian, Allottee or Tribe Name
n/a

7. If Unit or CA/Agreement, Name and/or No.
Asphalt Unit

8. Well Name and No.
Southman Canyon 5-4-11-24

9. API Well No.
43-047-37097

10. Field and Pool, or Exploratory Area
Undesignated

11. County or Parish, State
Uintah, Utah

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Enduring Resources, LLC

3a. Address
475 17th Street, Suite 1500, Denver, CO 80202

3b. Phone No. (include area code)
303-573-1222

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**596' FWL & 2,045' FNL, Sec 4 11S 24E
SLB&M, (SWNW)**

CONFIDENTIAL

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

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

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

CHANGE WELL NAME AND NUMBER:

FROM: **Southman Canyon 5-4-11-24**

TO: **Southman Canyon 11-24-12-4**

**Southman
per AI 05/06/2009,cs**

VERNAL DIST.
 ENG. _____
 GEOL. _____
 E.S. _____
 PET. _____
 A.M. _____

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Alvin R. (Al) Arlian

Title **Landman - Regulatory Specialist**

Signature

Alvin R. Arlian

Date

10/31/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Mark Baker

Petroleum Engineer

Title

Date

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

Office

VERNAL FIELD OFFICE

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

RECEIVED

(Instructions on page 2)

MAY 21 2009

DIV. OF OIL, GAS & MINERAL

UDOGM

SEP 21 2005

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. UTU-77226	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. Asphalt Unit	
8. Lease Name and Well No. Southam Canyon #5-4-11-24	
9. API Well No. 43-047-37097	
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	10. Field and Pool, or Exploratory Wildcat
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone	11. Sec., T. R. M. or Blk. and Survey or Area Sec 4, T11S, R24E, S.L.B.&M.
2. Name of Operator Enduring Resources, LLC	12. County or Parish Uintah
3a. Address 375 17th Street, Suite 1500, Denver, CO 80202	13. State UT
3b. Phone No. (include area code) 303-573-1222	14. Distance in miles and direction from nearest town or post office* 67 miles south of Vernal, Utah
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 596' FWL - 2,045' FNL SWNW Sec. 4, T11S-R24E, S.L.B.&M. At proposed prod. zone SAME	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 596'
16. No. of acres in lease 480	17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. n/a	19. Proposed Depth 6,635'
20. BLM/BIA Bond No. on file UTB000173	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,469' GL
22. Approximate date work will start* 10/01/2005	23. Estimated duration 20 days

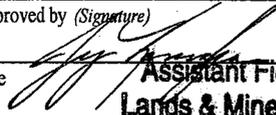
24. Attachments

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

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

25. Signature 	Name (Printed/Typed) Alvin R. (Al) Arlian	Date 09/19/2005
---	---	---------------------------

Title **Landman - Regulatory Specialist**

Approved by (Signature) 	Name (Printed/Typed) TERRY KERRICK	Date MAY 11 2009
---	--	----------------------------

Title **Assistant Field Manager**
Lands & Mineral Resources

Office **VERNAL FIELD OFFICE**

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

Conditions of approval, if any, are attached **CONDITIONS OF APPROVAL ATTACHED**

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

*(Instructions on page 2)

NOTICE OF APPROVAL

UDOGM

NO5 Rec 3-1-05
05PP0266A



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

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Enduring Resources, LLC
Well No: Southam Canyon 11-24-12-4
API No: 43-047-37097

Location: SWNW, Sec. 4, T11S, R24E
Lease No: UTU-77226
Agreement: Asphalt Unit

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Christine Cimiluca	(435) 781-4475	
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Lori Ford	(435) 781-4406	
NRS/Enviro Scientist:	David Gordon	(435) 781-4424	
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	(435) 828-7381
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544

Fax: (435) 781-3420

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

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

**CONDITIONS OF APPROVAL (COA)
Southam Canyon 5-4-11-24 (or 11-24-12-4)**

- This proposed well is located within the West Bonanza Area Natural Gas Well Development EA Project. Adhere to applicable COA's approved in the FONSI and Record of Decision for this EA that are listed below:
 1. Transportation:
 - Limit use of roads by heavy equipment during the periods when the roads are muddy.
 - Operator will perform normal operational winter maintenance; roads will be plowed to allow safe navigation. And if snow is heavy, plows will provide breaks in the snow piled berms to allow free movement of wildlife across all roads.
 2. Noxious Weeds:
 - Power-wash all construction equipment before commencing construction activities.
 - On a weekly basis, power-wash all vehicles that will travel between WBA and outside areas that are infested with noxious weed species.
 - The operator will be responsible for treatment and control of invasive and noxious weeds. Prior to any treatment on BLM administered lands, a Pesticide Use Proposal will be submitted to the Vernal Field Office for approval.
 3. Interim Reclamation:

All portions of the well pads and ROWS not utilized for the operation phase of the project will be re-seeded. Post construction seeding applications will continue until determined successful by the BLM.

- During interim reclamation of the surface, the following seed mixture will be used PLS (Pure Live Seed) formula:

Indian ricegrass (<i>Oryzopsis hymenoides</i>).....	3 lbs/acre
needle & thread grass (<i>Hesperostipa comate</i>).....	3 lbs/acre
Forage kochia (<i>Kochia prostrata</i>).....	2 lbs/acre
Hycrest Crested Wheatgrass (<i>Agropyron cristatum/Agropyron desertorum hybrid</i>)	2 lbs/acre

Rates are set for drill seeding; double the rate if broadcasting.

- Reseeding may be required if initial seeding is not successful.

- The project area contains soils with critical to severe erosion rates. No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of three inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- Specific Conditions Pertaining to Location Construction (discussed during onsite):
 - a) Move topsoil from stake 1 to between stakes 8 and 9.
 - b) Construct a drainage dip at the entrance of the pad to prevent excessive water from entering the pad.
 - c) Construct a dry water crossing where the ditch crosses the access road.
 - d) Line the reserve pit with ≥ 16 mil and felt.
- Where the soils are deep and much of the pipeline is within the 100 year floodplain, the pipeline will be buried in accordance with Appendix B (Hydraulic Considerations for Pipelines Crossing Stream Channels) in the Vernal Field Office Resource Management Plan/Record of Decision (RMP/ROD - October 31, 2008.) As per onsite discussion, the pipeline associated with this gas well will be buried.
- Off-lease right of way (ROW) will be required for:
 - Approximately 600 feet by 50 feet width for access road and buried pipelines.
- Paint all facilities Yuma green within six months of installation, except those facilities which are required to comply with the Occupational Safety and Health Act (OSHA).

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

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

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth

(from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77226
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: ASPHALT
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: SOUTHAM CYN 11-24-12-4
2. NAME OF OPERATOR: Enduring Resources, LLC	9. API NUMBER: 43047370970000
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202	PHONE NUMBER: 303 350-5114 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2045 FNL 0596 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 04 Township: 11.0S Range: 24.0E Meridian: S	9. FIELD and POOL or WILDCAT: UNDESIGNATED 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: 9/30/2009	<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
	<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 type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

Request an one-year extension to APD terms.

Approved by the Utah Division of Oil, Gas and Mining

Date: October 05, 2009

By:

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A		DATE 9/30/2009



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047370970000

API: 43047370970000

Well Name: SOUTHAM CYN 11-24-12-4

Location: 2045 FNL 0596 FWL QTR SWNW SEC 04 TWNP 110S RNG 240E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 9/27/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
- Has the approved source of water for drilling changed? Yes No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
- Is bonding still in place, which covers this proposed well? Yes No

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

Signature: Alvin Arlian

Date: 9/30/2009

Title: Landman-Regulatory **Representing:** ENDURING RESOURCES, LLC

Date: October 05, 2009

By: 

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77226
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: ASPHALT
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: SOUTHAM CYN 11-24-12-4
2. NAME OF OPERATOR: Enduring Resources, LLC	9. API NUMBER: 43047370970000
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202	PHONE NUMBER: 303 350-5114 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2045 FNL 0596 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 04 Township: 11.0S Range: 24.0E Meridian: S	9. FIELD and POOL or WILDCAT: UNDESIGNATED 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: 9/27/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Request an one-year extension to APD termination date.

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

Date: September 29, 2010

By: 

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A		DATE 9/24/2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047370970000

API: 43047370970000

Well Name: SOUTHAM CYN 11-24-12-4

Location: 2045 FNL 0596 FWL QTR SWNW SEC 04 TWNP 110S RNG 240E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 9/27/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
- Has the approved source of water for drilling changed? Yes No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
- Is bonding still in place, which covers this proposed well? Yes No

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

Signature: Alvin Arlian

Date: 9/24/2010

Title: Landman-Regulatory **Representing:** ENDURING RESOURCES, LLC

Date: September 29, 2010

By: 

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

APR 08 2011

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

BLM

5. Lease Serial No.
UTU77226

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
SOUTHAM CANYON 11-24-12-4

9. API Well No.
43-047-37097

10. Field and Pool, or Exploratory
UNDESIGNATED

11. County or Parish, and State
UINTAH COUNTY, UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
ENDURING RESOURCES, LLC
Contact: ALVIN (AL) R. ARLIAN
E-Mail: aarlian@enduringresources.com

3a. Address
475-17TH STREET, SUITE 1500
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 303-350-5114
Fx: 303-573-0461

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 4 T11S R24E Mer SLB SWNW 2045FNL 596FWL
39.533335 N Lat, 109.143566 W Lon

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

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

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

Request a two-year extension of APD expiration date from 5-11-2011 to 5-11-2013.

VERNAL FIELD OFFICE
ENG. (Signature) APR 19 2011
GEOLOGIST _____
E.S. _____
PETROLEUM _____
RECLAMATION _____

RECEIVED

MAY 16 2011

CONDITIONS OF APPROVAL ATTACHED DIV. OF OIL, GAS & MINING

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

Electronic Submission #106113 verified by the BLM Well Information System
For ENDURING RESOURCES, LLC, sent to the Vernal
Committed to AFMSS for processing by ROBIN R. HANSEN on 04/12/2011 ()

Name (Printed/Typed) ALVIN (AL) R. ARLIAN Title REGULATORY SPECIALIST

Signature (Electronic Submission) Date 04/08/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By (Signature) Title Assistant Field Manager Date APR 26 2011
Lands & Mineral Resources

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

Office VERNAL FIELD OFFICE

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

UDOGM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

1100110001

CONDITIONS OF APPROVAL

Enduring Resources, LLC

Notice of Intent APD Extension

Lease: UTU-77226
Well: Southam Canyon 11-24-12-4
Location: SWNW Sec 4-T11S-R24E

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

1. The extension and APD shall expire on July 18, 2011.
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Carey Doyle of this office at (435) 781-4430.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

APR 08 2011

SUNDRY NOTICES AND REPORTS ON WELLS
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BLM

5. Lease Serial No.
UTU77226

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
SOUTHAM CANYON 11-24-12-4

9. API Well No.
43-047-37097

10. Field and Pool, or Exploratory
UNDESIGNATED

11. County or Parish, and State
UINTAH COUNTY, UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
ENDURING RESOURCES, LLC
Contact: ALVIN (AL) R. ARLIAN
E-Mail: aarlian@enduringresources.com

3a. Address
475-17TH STREET, SUITE 1500
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 303-350-5114
Fx: 303-573-0461

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 4 T11S R24E Mer SLB SWNW 2045FNL 596FWL
39.533335 N Lat, 109.143566 W Lon

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

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

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

Request a two-year extension of APD expiration date from 5-11-2011 to 5-11-2013.

VERNAL FIELD OFFICE
ENG. (Signature) APR 19 2011
GEOLOGIST _____
E.S. _____
PETROLOGIST _____
RECLAMATION _____

RECEIVED

MAY 16 2011

CONDITIONS OF APPROVAL ATTACHED DIV. OF OIL, GAS & MINING

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

Electronic Submission #106113 verified by the BLM Well Information System
For ENDURING RESOURCES, LLC, sent to the Vernal
Committed to AFMSS for processing by ROBIN R. HANSEN on 04/12/2011 ()

Name (Printed/Typed) ALVIN (AL) R. ARLIAN Title REGULATORY SPECIALIST

Signature (Electronic Submission) Date 04/08/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By (Signature) Title Assistant Field Manager Date APR 26 2011
Lands & Mineral Resources

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

Office VERNAL FIELD OFFICE

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UDOGM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

1100110001

CONDITIONS OF APPROVAL

Enduring Resources, LLC

Notice of Intent APD Extension

Lease: UTU-77226
Well: Southam Canyon 11-24-12-4
Location: SWNW Sec 4-T11S-R24E

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

1. The extension and APD shall expire on July 18, 2011.
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Carey Doyle of this office at (435) 781-4430.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

APR 08 2011

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

BLM

5. Lease Serial No.
UTU77226

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
SOUTHAM CANYON 11-24-12-4

9. API Well No.
43-047-37097

10. Field and Pool, or Exploratory
UNDESIGNATED

11. County or Parish, and State
UINTAH COUNTY, UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
ENDURING RESOURCES, LLC
Contact: ALVIN (AL) R. ARLIAN
E-Mail: aarlian@enduringresources.com

3a. Address
475-17TH STREET, SUITE 1500
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 303-350-5114
Fx: 303-573-0461

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 4 T11S R24E Mer SLB SWNW 2045FNL 596FWL
39.533335 N Lat, 109.143566 W Lon

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

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

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E.S. _____
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Lands & Mineral Resources

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** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

1100110001

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Lands & Mineral Resources

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UDOGM

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CONDITIONS OF APPROVAL

Enduring Resources, LLC

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Well: Southam Canyon 11-24-12-4
Location: SWNW Sec 4-T11S-R24E

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GARY R. HERBERT
Governor

GREGORY S. BELL
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 20, 2011

Al Arlian
Enduring Resources, LLC
475-17th Street, Ste. 1500
Denver, CO 80202

43 0A7 37097
Southam Cyn 5-4-11-24
11S 24E 4

Re: APDs Rescinded for Enduring Resources, LLC
Uintah County

Dear Mr. Arlian:

Enclosed find the list of APDs that are being rescinded per your request to Enduring Resources, LLC. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective July 20, 2011.

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

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

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

43-047-38383

43-047-38372

43-047-38089

43-047-38417

43-047-40332

43-047-37626

43-047-37075

43-047-40340

43-047-38867

→ 43-047-37097

ARCHY BENCH 11-23-31-29

SOUTHAM CYN 10-24-14-17

RAINBOW 11-24-14-17

RAINBOW 11-24-13-29

BONANZA 9-24-32-3

ARCHY BENCH 11-22-42-1

ASPHALT WASH 11-24-44-9

BONANZA 9-24-21-3

ARCHY BENCH 11-22-23-12

SOUTHAM CYN 11-24-12-4



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal.html>



IN REPLY REFER TO:
3160 (UTG011)

DEC 06 2011

Alvin R. Arlian
Enduring Resources, LLC
511-16th Street, Suite 700
Denver, CO 80202

43 047 37097

Re: Notice of Expiration
Well No. Southam Canyon 11-24-12-4
SWNW, Sec. 4, T11S, R24E
Uintah County, Utah
Lease No. UTU-77226
Asphalt Unit

Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the above-referenced well was approved on May 11, 2009. A two (2) year extension request of the original APD was received on April 8, 2011. On April 26, 2011 the request was reviewed and the extension request was approved to July 18, 2011, consistent with the expiration of the 390 CX used to process the APD. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

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

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

Sincerely,

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

cc: UDOGM

RECEIVED

DEC 14 2011

DIV. OF OIL, GAS & MINING