

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.

UTU-75118

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

na

1a TYPE OF WORK

DRILL [X]

DEEPEN []

PLUG BACK []

B TYPE OF WELL

OIL WELL []

GAS WELL [X]

SINGLE ZONE []

MULTIPLE ZONE [X]

7. UNIT AGREEMENT NAME

na

8. FARM OR LEASE NAME

na

2. NAME OF OPERATOR

The Houston Exploration Company

9. WELL NO.

Bonanza 14-22-9-24

3. ADDRESS OF OPERATORS

1100 Louisiana Suite 2000 Houston, TX 77002

10. FIELD OR LEASE NAME

Natural Buttes Widdow

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)

at surface 1084' FSL & 2220' FWI SESW 653535Y 40.017083

11. Sec., T., R., M., OR BLK

AND SURVEY OR AREA Sec. 22, T9S, R24E

At proposed prod. Zone same as above 4430993Y -109.200965

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

43.75 Miles south of Vernal, UT.

12. COUNTY OR PARISH

Uintah

Utah

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)

1,084'

16. NO. OF ACRES IN LEASE

1,960

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

16. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED.

OR APPLIED FOR, ON THIS LEASE, FT. 800'

19. PROPOSED DEPTH

7,035'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.)

5,539 GR

22. APPROX. DATE WORK WILL START

September 30 2005

PROPOSED CASING AND CEMENT PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 11" hole with 8 5/8" casing and 7 7/8" hole with 4 1/2" casing.

The operator requests permission to drill the subject well. Please find the attached 10 point plan and 13 point plan.

William A Ryan 290 S 800 E Vernal, UT 84078 435-789-0968

CONFIDENTIAL

Federal Approval of this Action is Necessary

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; If proposed to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24 SIGNATURE William A. Ryan TITLE Agent DATE August 30 2005

(This space for Federal or State Office use)

PERMIT NO. 43-047-371658 APPROVAL DATE TITLE BRADLEY G. HILL DATE ENVIRONMENTAL SCIENTIST III 09-26-05

APPROVED BY CONDITIONS OF APPROVAL IF ANY:

SEP 22 2005

*See Instructions on Reverse Side

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

DIV. OF OIL, GAS & MINING

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

THE HOUSTON EXPLORATION COMPANY

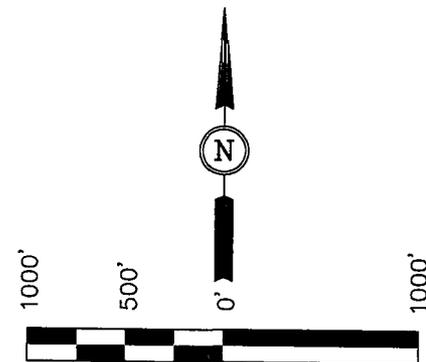
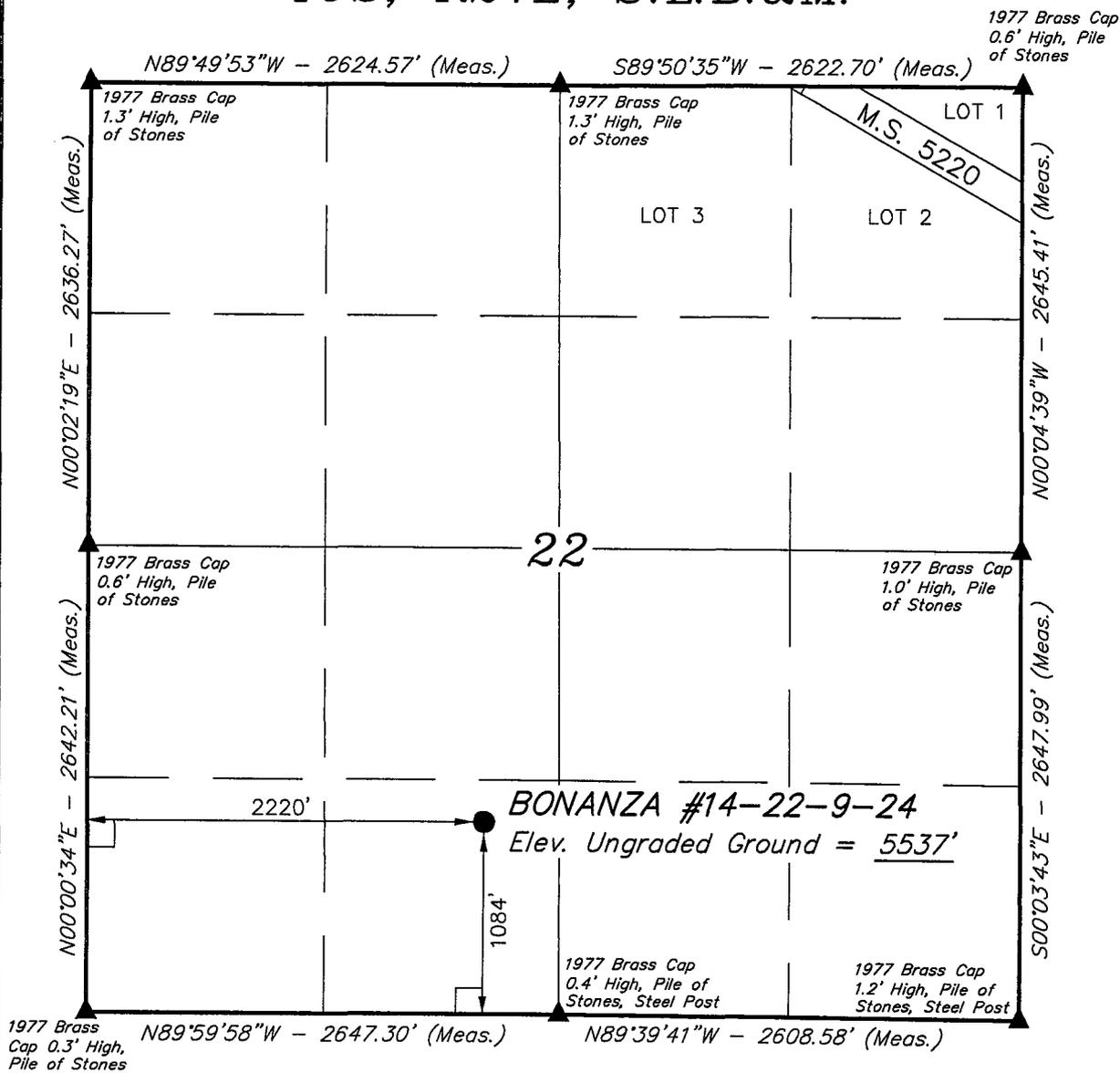
Well location, BONANZA #14-22-9-24, located as shown in the SE 1/4 SW 1/4 of Section 22, T9S, R24E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (45EAM) LOCATED IN THE SW 1/4 OF SECTION 34, T8S, R24E, S.L.B.&M. TAKEN FROM THE BONANZA QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5350 FEET.

BASIS OF BEARINGS

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



SCALE
CERTIFICATE

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

John H. ...
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

| | | |
|------------------------------------------------|-----------------------------------------|-------------------------|
| UINTAH ENGINEERING & LAND SURVEYING | | |
| 85 SOUTH 200 EAST - VERNAL, UTAH 84078 | | |
| (435) 789-1017 | | |
| SCALE 1" = 1000' | DATE SURVEYED: 07-04-05 | DATE DRAWN: 07-12-05 |
| PARTY N.H. D.S. P.M. | REFERENCES G.L.O. PLAT | |
| WEATHER HOT | FILE THE HOUSTON EXPLORATION COMPANY | |

LEGEND:

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

(AUTONOMOUS NAD 83)
LATITUDE = 40°01'01.59" (40.017108)
LONGITUDE = 109°12'06.04" (109.201678)
(AUTONOMOUS NAD 27)
LATITUDE = 40°01'01.71" (40.017142)
LONGITUDE = 109°12'03.62" (109.201006)

SELF-CERTIFICATION STATEMENT

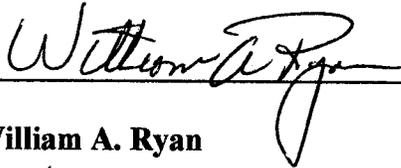
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that The Houston Exploration Company are considered to be the operator of the following well.

**Bonanza 14-22-9-24
Section 22, T.9S, R.24E.
SE 1/4, SW 1/4
Lease UTU-75118
Uintah County, Utah**

The Houston Exploration Company is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond UTB-000062 provides state-wide bond coverage on all Federal lands.



**William A. Ryan
Agent
Rocky Mountain Consulting
290 S. 800 E.
Vernal UT 84078
435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax
rmcwar@hotmail.com**

Ten Point Plan

The Houston Exploration Company

Bonanza 14-22-9-24

Surface Location SE ¼ SW ¼, Section 22, T. 9S., R. 24E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

| <u>Formation</u> | <u>Depth</u> | <u>Datum</u> |
|-------------------------|--------------|--------------|
| Green River | Surface | +5,539' G.L. |
| Uteland Butte Limestone | 3,710 | +1,829' |
| Wasatch | 3,800 | +1,739' |
| Mesaverda | 5,550 | -11' |
| Buck Tounge | 6,975 | -1,436' |
| Castlegate | 7,045 | -1,506' |
| TD | 7,035 | -1,496' |

A 11" hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Producing Formation Depth:

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information

Permitted/Drilled:

Bonanza 5-22-9-24
Bonanza 6-22-9-24
Bonanza 10-22-9-24
Bonanza 11-22-9-24
Bonanza 13-22-9-24
Bonanza 15-22-9-24
Bonanza 16-22-9-24

Producing Wells:

B #2D-27

Abandon Wells:

B #3
B #12A-22
DD #22-27

4. **Proposed Casing:**

| <u>Hole Size</u> | <u>Casing Size</u> | <u>Weight/FT</u> | <u>Grade</u> | <u>Coupling & Tread</u> | <u>Casing Depth</u> | <u>New/Used</u> |
|------------------|--------------------|------------------|--------------|-----------------------------|---------------------|-----------------|
| 11 | 8 5/8 | 36# | J-55 | STC | 2000 | NEW |
| 7 7/8 | 4 1/2 | 11.6# | N-80 | LTC | T.D. | NEW |

Cement Program:

The Surface Casing will be cemented to the Surface as follows:

| | <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|----------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------|----------------------|
| Lead: | 8 5/8 | Premium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride | 250 sks. +/- | 3.38ft ³ /sk | 11.0 ppg |
| Tail: | 8 5/8 | Class "G" 2% Calcium Chloride .25#/sk Cello Flake | 329 sks. +/- | 1.2ft ³ /sk | 15.6 ppg |
| Top Job: | 8 5/8 | 4% Calcium Chloride .25#/sk Cello Flake | 200 sks. +/- | 1.10ft ³ /sk | 15.6 ppg |

Production casing will be cemented to 2,500' or higher as follows:

| | <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|--------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------|--------------------------|
| Lead: | 4 1/2 | Premium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate | 200 sks +/- | 3.3ft ³ /sk | 11.0 ppg |
| Tail: | 4 1/2 | Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite | 400 sks +/- | 1.56ft ³ /sk | 14.3 ppg |

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

| <u>Interval</u> | <u>Mud weight lbs./gal.</u> | <u>Viscosity Sec./OT.</u> | <u>Fluid Loss MI/30 Mins.</u> | <u>Mud Type</u> |
|-----------------|---------------------------------|-------------------------------|-----------------------------------|-----------------|
| 0-2000 | Air/Clear Water | ----- | No Control | Water/Gel |
| 2000-T.D. | 8.4-12.0 | 30 | 8-10 | Water/Gel |

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

| Type | Interval |
|----------------------|-------------------|
| DLL/SFL W/GR and SP | T.D. to Surf. Csg |
| FDC/CNL W/GR and CAL | T.D. to Surf. Csg |

9. Abnormalities (including sour gas):

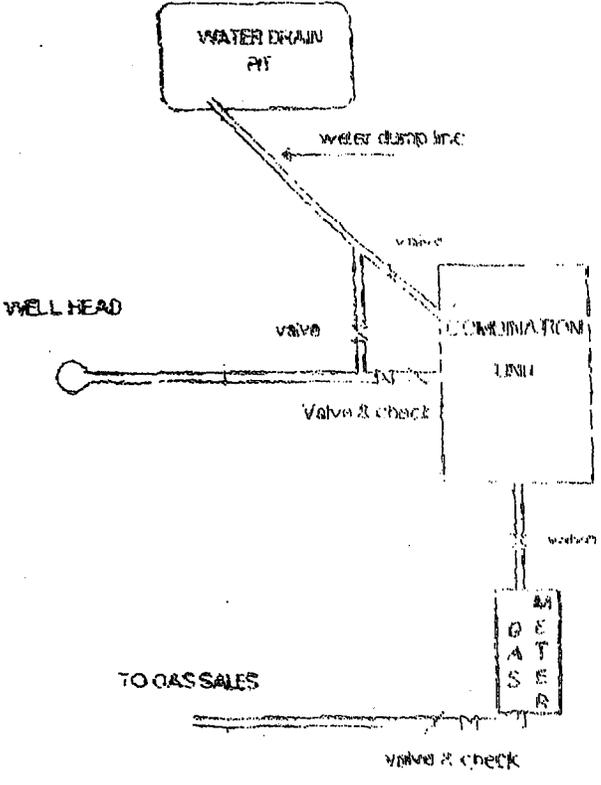
No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H2S.

10. Drilling Schedule:

The anticipated starting date is 09/30/2005. Duration of operations is expected to be 30 days.

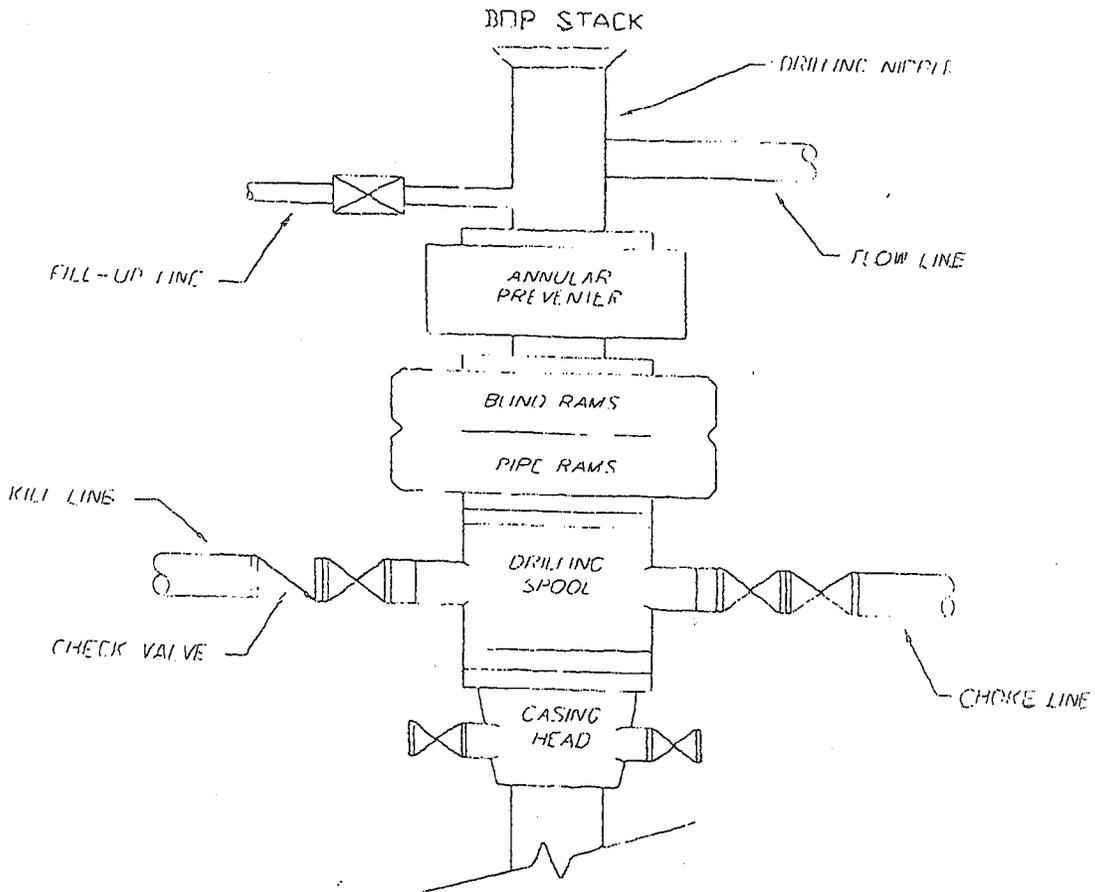
TYPICAL GAS WELL

WATER DRAIN PIT

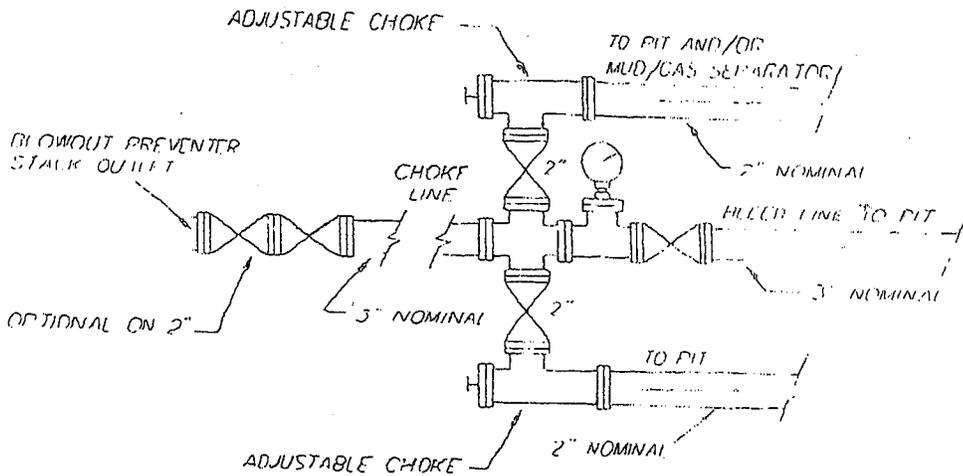


THE HOUSTON EXPLORATION COMPANY

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



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



THE HOUSTON EXPLORATION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

BONANZA 14-22-9-24

LOCATED IN SE $\frac{1}{4}$ SW $\frac{1}{4}$

SECTION 22, T. 9S, R24E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-75118

SURFACE OWNERSHIP: FEDERAL

1. Existing Roads:

To reach The Houston Exploration Co well Bonanza #14-22-9-24 in Section 22, T9S, R23E, starting in Vernal, Utah.

Proceed in an easterly, then southerly direction from Vernal, Utah along US Highway 40 approximately 3.9 miles to the junction of State Highway 45; exit right and proceed in a southerly, then southeasterly direction approximately 36.6 miles on State Highway 45 to the junction of this road and an existing road to the west; turn right and proceed in a westerly, then northwesterly direction approximately 2.5 miles to the junction of this road and the beginning of a rehabilitated road to the north' follow road flags in a northerly direction approximately 0.2 miles to the beginning of the proposed access for the B. 11-22-9-24 to the east; follow road flags in an easterly direction approximately 0.3 miles to the beginning of the proposed access to the southeast; follow road flags in a southeasterly direction approximately 0.25 miles to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 42.9 miles.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 1320' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

- A) Approximate length 1320 ft
- B) Right-of-Way width 30 ft
- C) Running surface 18 ft
- D) Surface material Native soil
- E) Maximum grade 5%
- F) Fence crossing None
- G) Culvert None
- H) Turnouts None
- I) Major cuts and fills None
- J) Road Flagged Yes
- K) Access road surface ownership Federal
- L) All new construction on lease Yes
- M) Pipe line crossing No

Please see the attached location plat for additional details.

An off lease Right-of-Way will not be required.

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

- A) Producing well None
- B) Water well None
- B) Abandoned well DD #22-27

from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer 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 report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from The White River at the Bonanza Bridge, Permit # - T75376.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately 12 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

- A) Pad length 345 ft
- B) Pad width 235 ft
- C) Pit depth 12 ft
- D) Pit length 150 ft
- E) Pit width 75 ft
- F) Max cut 12.9 ft
- G) Max fill 15.1 ft
- H) Total cut yds. 11,750 cu yds
- I) Pit location west end
- J) Top soil location north and west ends
- K) Access road location east end
- L) Flare Pit corner C

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall

be used with at least one strand of 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 above the net 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 posts shall be no greater than 16 ft.

- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,730 cubic yards of material.

Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled

the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site

and new access road cuts and shoulders shall be reseeded. Prior to reseeded, all disturbed areas will be scarified. And left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Interim Seed Mix:

4#/acre

Forage Kochia

4#/acre

Crested Wheat Grass

4#/acre

Thread & Needle Grass

A final seed mix will be provided by the Authorized Officer in the Conditions of Approval.

11. Surface ownership:

| | |
|--------------------|----------------|
| Access road | Federal |
| Location | Federal |
| Pipe line | Federal |

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of Sagebrush. Rabbit brush, Bitter Brush, and Indian Rice

grass are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office.

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.

D) Water:

The nearest water is the White River located approximately 4 miles to the South.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

- a) Location Construction
At least forty eight (48) hours prior to

construction of location and access roads.

- b) Location completion
Prior to moving on the drilling rig.
- c) Spud notice
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

The flare pit will be located in **corner C** of the reserve pit outside the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan
Rocky Mountain Consulting

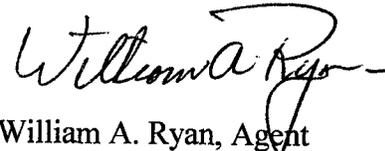
Vernal, UT 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

plan and the terms and conditions
under which it is approved.

Date 09/20/2005

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, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.



William A. Ryan, Agent
Rocky Mountain Consulting

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

Onsite Dates: 9/14/2005

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by The Houston Exploration Company and its contractors and subcontractors in conformity with this plan and terms and conditions with this

Statement of use of Hazardous Materials

No chemical(s) from the EPA's consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

William A Ryan
Agent for The Houston Exploration Company
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax

THE HOUSTON EXPLORATION COMPANY

BONANZA #14-22-9-24

LOCATED IN UINTAH COUNTY, UTAH
SECTION 22, T9S, R24E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

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

LOCATION PHOTOS

07 14 05
MONTH DAY YEAR

PHOTO

TAKEN BY: N.H.

DRAWN BY: C.P.

REVISED: 00-00-00

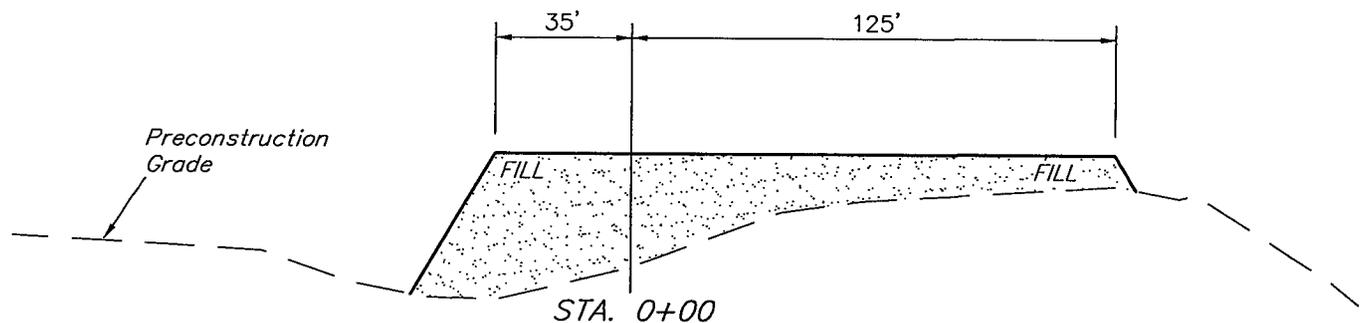
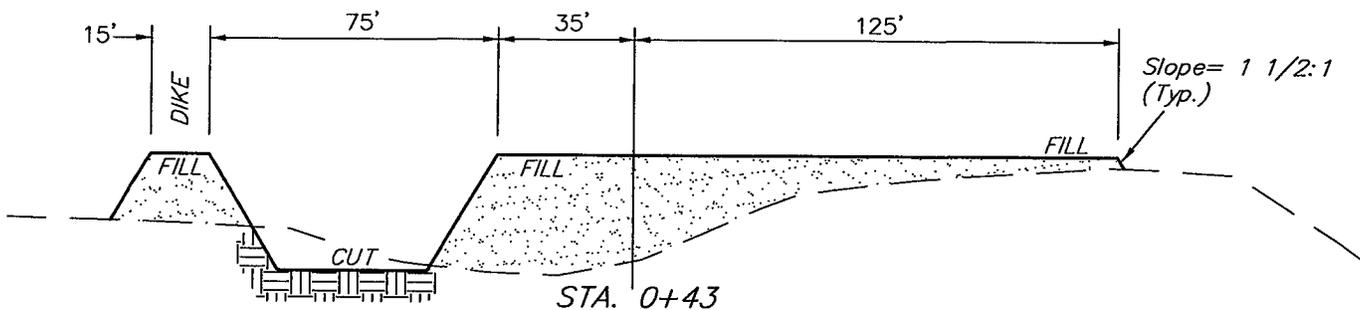
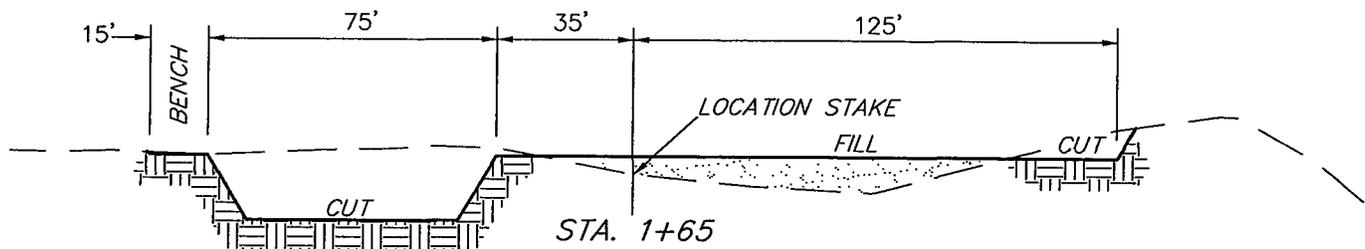
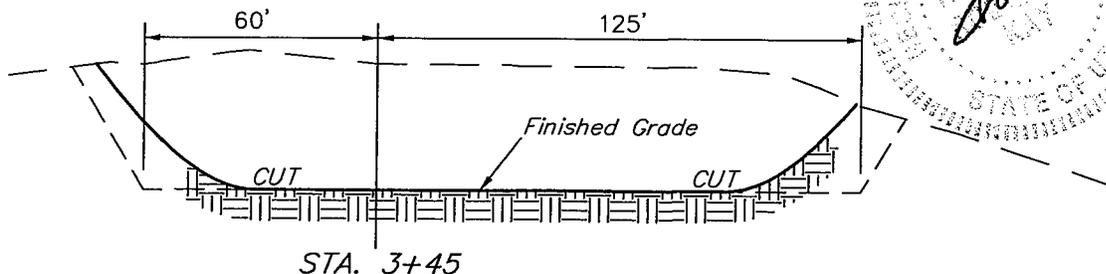
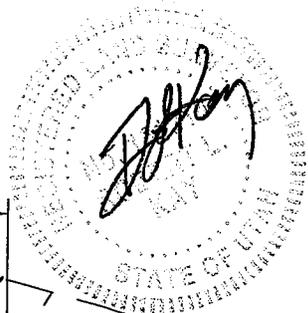
THE HOUSTON EXPLORATION COMPANY

FIGURE #2

TYPICAL CROSS SECTIONS FOR
 BONANZA #14-22-9-24
 SECTION 22, T9S, R24E, S.L.B.&M.
 1084' FSL 2220' FWL

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

DATE: 07-12-05
 Drawn By: P.M.

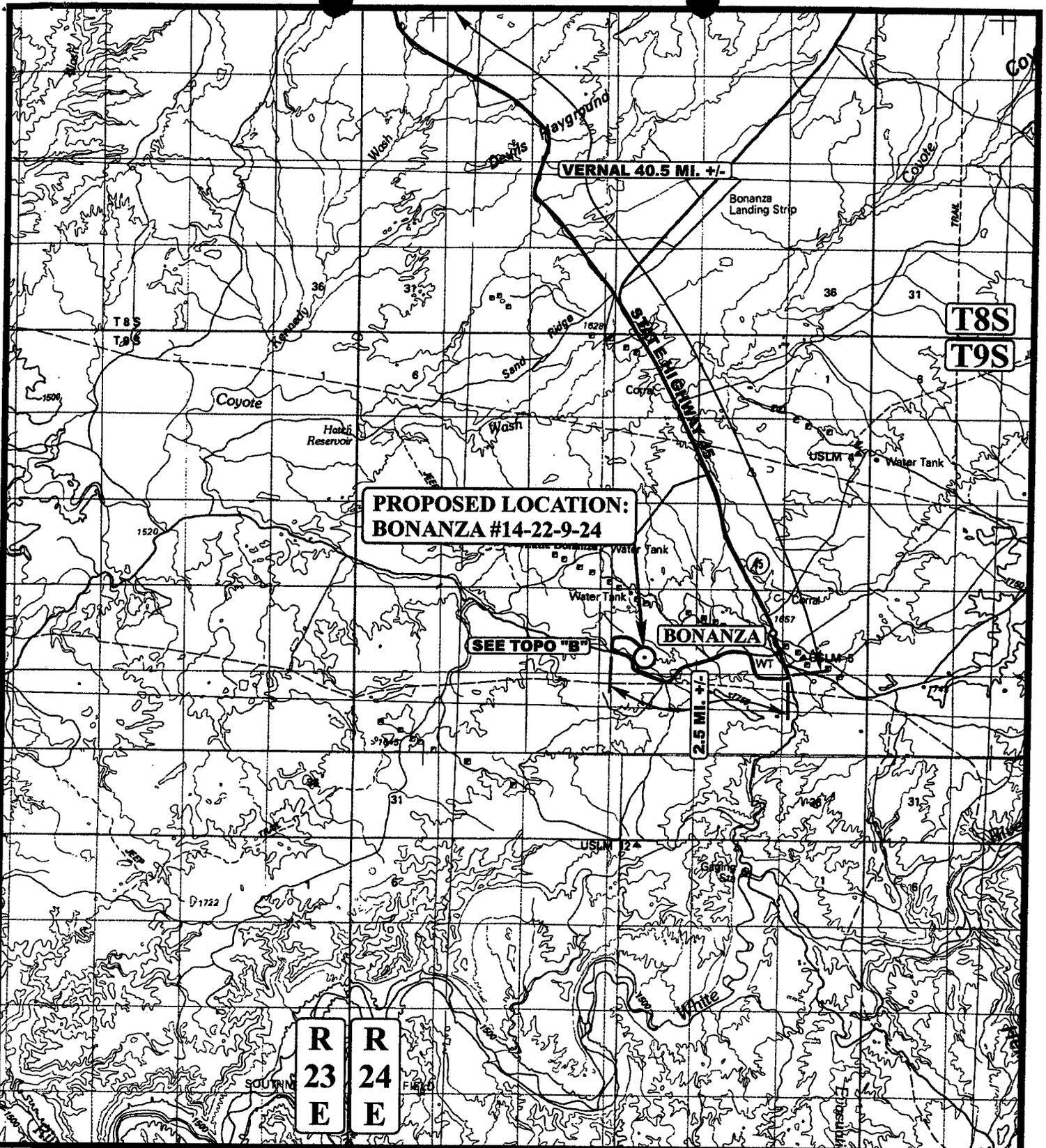


* NOTE:
 FILL QUANTITY INCLUDES
 5% FOR COMPACTION

APPROXIMATE YARDAGES

| | |
|------------------------|-------------------------|
| CUT | |
| (6") Topsoil Stripping | = 1,730 Cu. Yds. |
| Remaining Location | = 10,020 Cu. Yds. |
| TOTAL CUT | = 11,750 CU.YDS. |
| FILL | = 8,320 CU.YDS. |

| | |
|--------------------------------------------|------------------|
| EXCESS MATERIAL | = 3,430 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,430 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds. |



LEGEND:

○ PROPOSED LOCATION



THE HOUSTON EXPLORATION COMPANY

BONANZA #14-22-9-24
 SECTION 22, T9S, R24E, S.L.B.&M.
 1084' FSL 2220' FWL



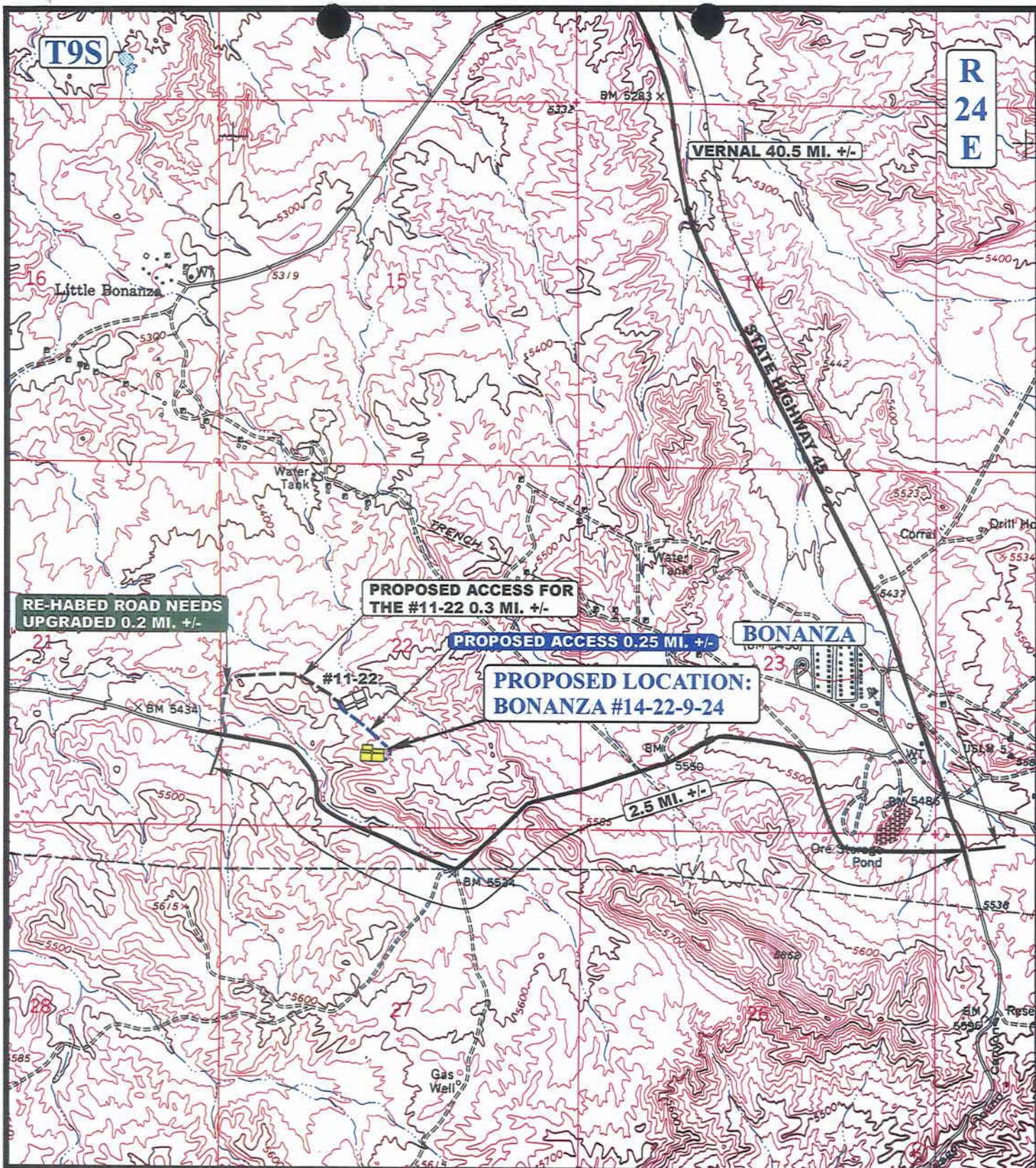
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP 07/14/05
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00



TOPO



LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD
-  RE-HABED ROAD NEEDS UPGRADED



THE HOUSTON EXPLORATION COMPANY

BONANZA #14-22-9-24
SECTION 22, T9S, R24E, S.L.B.&M.
1084' FSL 2220' FWL

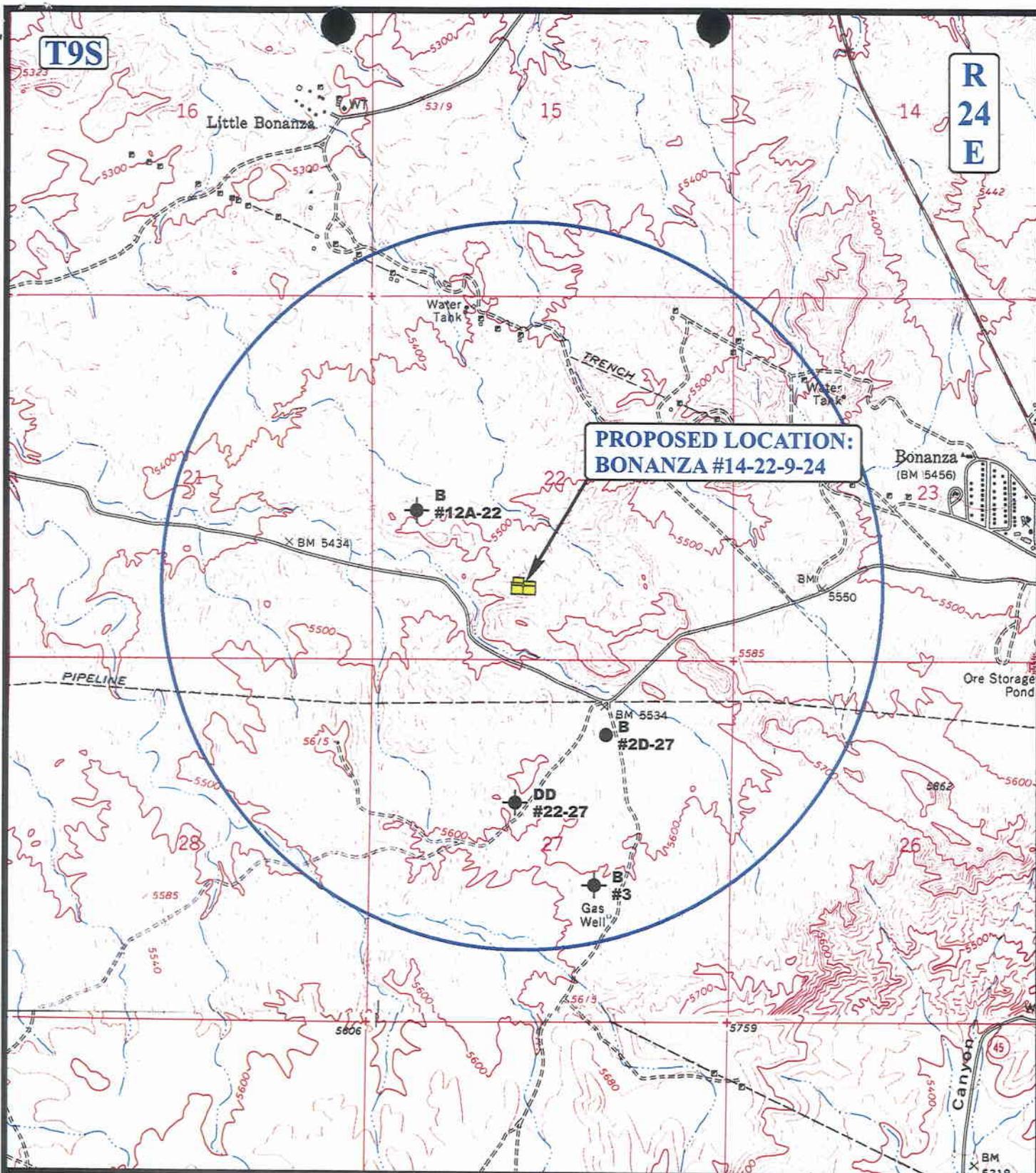


Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 07 14 05
MAP MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





LEGEND:

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

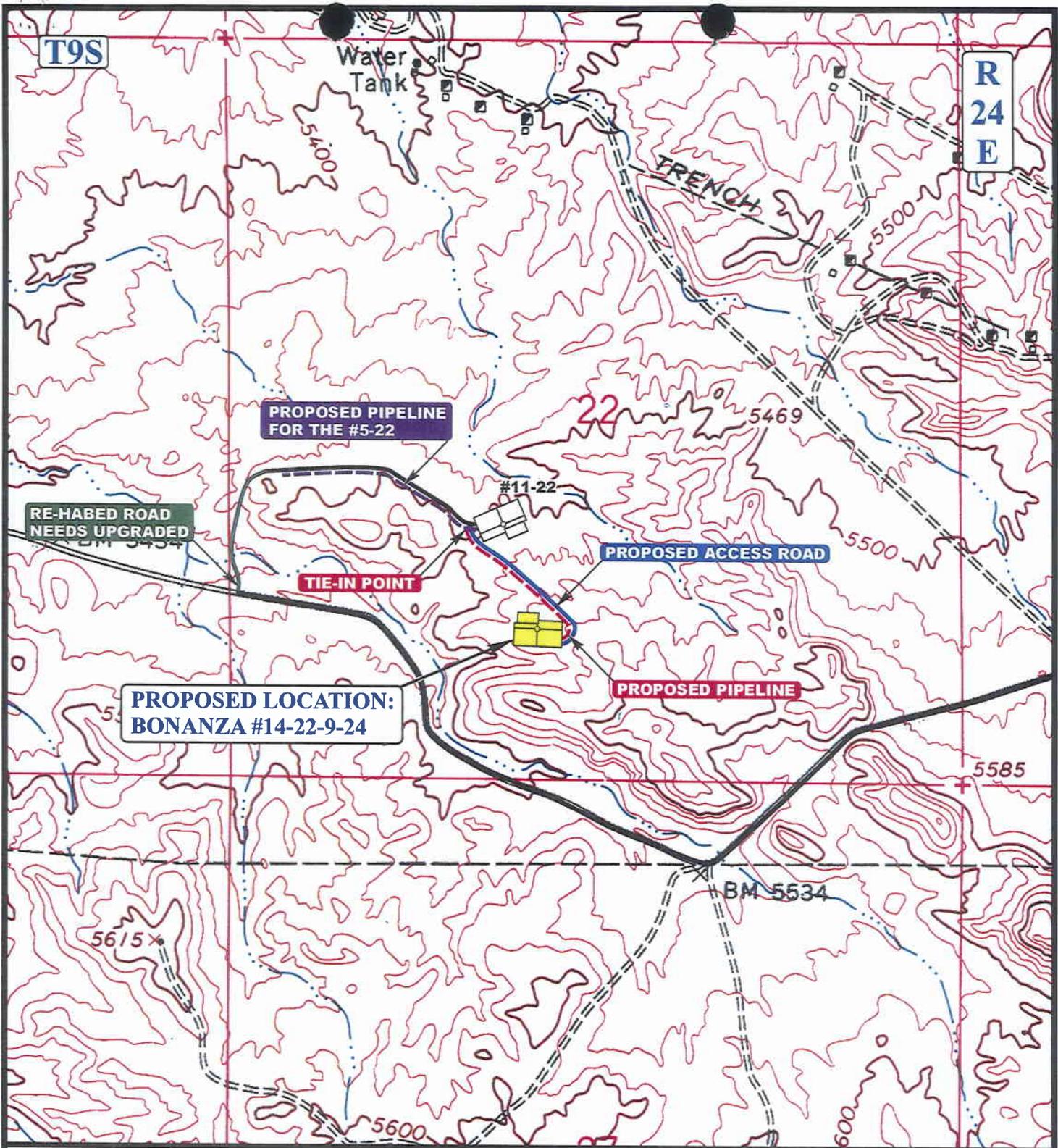


THE HOUSTON EXPLORATION COMPANY

BONANZA #14-22-9-24
SECTION 22, T9S, R24E, S.L.B.&M.
1084' FSL 2220' FWL

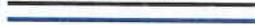
U&L S **Uintah Engineering & Land Surveying**
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP **07 14 05**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **C TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 1,193' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  RE-HABED ROAD NEEDS UPGRADED
-  PROPOSED PIPELINE
-  PROPOSED PIPELINE (SERVICING OTHER WELLS)

THE HOUSTON EXPLORATION COMPANY

BONANZA #14-22-9-24
SECTION 22, T9S, R24E, S.L.B.&M.
1084' FSL 2220' FWL



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



TOPOGRAPHIC 07 14 05
MAP MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/22/2005

| |
|--------------------------------|
| API NO. ASSIGNED: 43-047-37158 |
|--------------------------------|

WELL NAME: BONANZA 14-22-9-24
 OPERATOR: HOUSTON EXPLORATION CO, (N2525)
 CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

SESW 22 090S 240E
 SURFACE: 1084 FSL 2220 FWL
 BOTTOM: 1084 FSL 2220 FWL
 UINTAH
 WILDCAT (1)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-75118
 SURFACE OWNER: 1 - Federal
 PROPOSED FORMATION: CSLGT
 COALBED METHANE WELL? NO

LATITUDE: 40.01708
 LONGITUDE: -109.2010

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB-000062)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. T75376)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

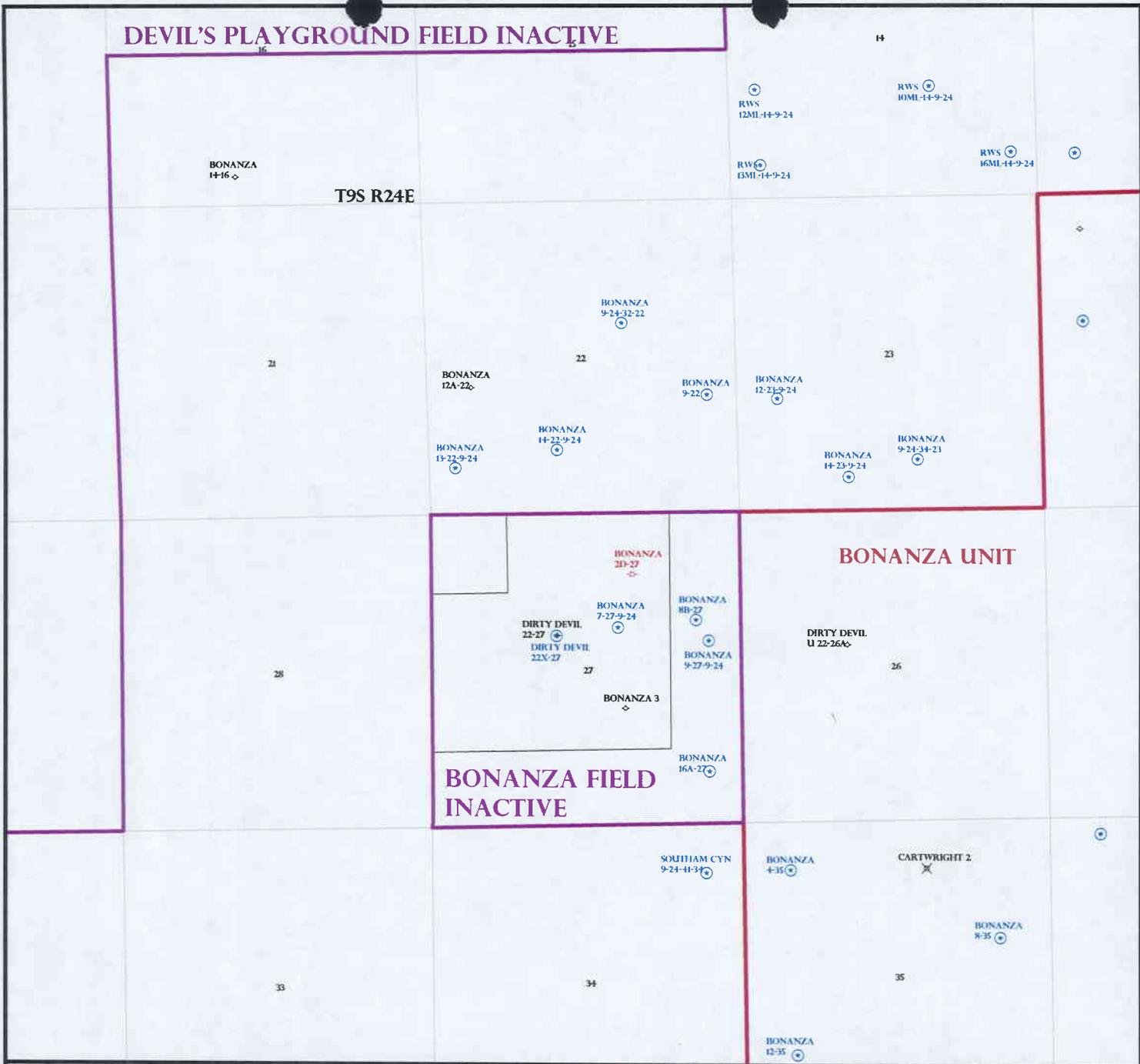
LOCATION AND SITING:

- 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

DEVIL'S PLAYGROUND FIELD INACTIVE



OPERATOR: THE HOUSTON EXPL (N2525)

SEC: 22 T. 9S R. 24E

FIELD: WILDCAT (001)

COUNTY: UINTAH

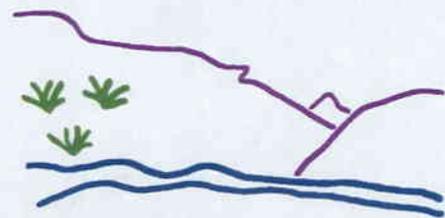
SPACING: R649-3-3 / EXCEPTION LOCATION

- 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: 23-SEPTEMBER-2005

September 20, 2005

RE: The Houston Exploration Company
Bonanza 14-22-9-24
Sec. 22, T9S, R24E

RECEIVED

SEP 26 2005

DIV. OF OIL, GAS & MINING

Utah Division of Oil, Gas and Mining
1549 West North Temple
Suite 1210
PO BOX 145801
SLC, UT 84114

Dear Sir or Madam,

The Houston Exploration Company respectfully requests a spacing exception for the subject well. The well has been moved from the center of the forty-acre spacing.

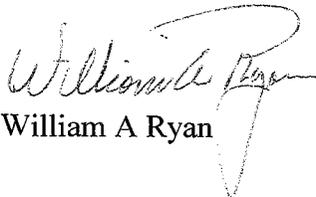
The well is located at 1084' FSL & 2220' FWL, which has changed from the proposed location at 660' FSL & 1,980' FWL.

The location was moved due to topographic considerations and access. Please see the plat maps.

The Houston Exploration Company is the only lease owner within a 460' radius.

If you have additional questions please contact William A Ryan, Agent
290 S 800 E
Vernal, UT 84078
435-789-0968

Sincerely,



William A Ryan

Cc: BLM, Vernal Field Office



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 26, 2005

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

Re: Bonanza 14-22-9-24 Well, 1084' FSL, 2220' FWL, SE SW,
Sec. 22, T. 9 South, R. 24 East, Uintah County, Utah

Gentlemen:

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

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37158.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Houston Exploration Company
Well Name & Number Bonanza 14-22-9-24
API Number: 43-047-37158
Lease: UTU-75118

Location: SE SW Sec. 22 T. 9 South R. 24 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

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

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a

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

9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- 1. Changes entered in the **Oil and Gas Database** on: 10/11/2005
- 2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/11/2005
- 3. Bond information entered in RBDMS on: 10/11/2005
- 4. Fee/State wells attached to bond in RBDMS on: 10/11/2005
- 5. Injection Projects to new operator in RBDMS on: n/a
- 6. Receipt of Acceptance of Drilling Procedures for APD/New on: 9/26/2005

FEDERAL WELL(S) BOND VERIFICATION:

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

INDIAN WELL(S) BOND VERIFICATION:

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

FEE & STATE WELL(S) BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

| | | |
|---------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: |
| 2. NAME OF OPERATOR: The Houston Exploration Company <i>N2525</i> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 1100 Louisiana, Ste 2000 CITY Houston STATE TX ZIP 77002 | | 7. UNIT or CA AGREEMENT NAME: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: See Attached List QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: | | 8. WELL NAME and NUMBER: See Attached List |
| PHONE NUMBER: (713) 830-6938 | | 9. API NUMBER: |
| COUNTY: Uintah | | 10. FIELD AND POOL, OR 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: Effective <u>9/1/05</u> | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input checked="" type="checkbox"/> OPERATOR CHANGE <u>9/1/05</u> | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

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

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

Contact : Frank Hutto 303-350-5102

Frank Hutto VP. OPS
Signature & Title
Date 9/19/05

| | |
|------------------------------------------|-----------------------------------------------------|
| NAME (PLEASE PRINT) <u>Joanne Hresko</u> | TITLE <u>Vice President/General Manager Onshore</u> |
| SIGNATURE <i>Joanne Hresko</i> | DATE <u>9/2/2005</u> |

(This space for State use only) **APPROVED** 9/29/2005

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

*AS AMENDED 10/11/05

APPROVED BY GREG DAVIS OF
HOUSTON EXPLORATION AND
ALVIN ARLIAN OF
ENDURING RESOURCES

RECEIVED

SEP 26 2005

DIV. OF OIL, GAS & MINING

Houston Exploration Co to Enduring Resources, LLC
 Amended List approved 10/11/2005
 Effective 9/1/05

| well_name (DOGM) | sec | twsp | rng | api (DOGM) | entity | lease | well | stat | flag | l_num | unit |
|--------------------------|-----|------|------|------------|--------|---------|------|------|------|-----------|---------|
| SOUTHMAN CYN 3-5 | 05 | 100S | 240E | 4304736107 | | Federal | GW | APD | | UTU-81204 | |
| SOUTHMAN CYN 6-6 | 06 | 100S | 240E | 4304736108 | | Federal | GW | APD | | UTU-81204 | |
| SOUTHMAN CYN 8-6 | 06 | 100S | 240E | 4304736109 | | Federal | GW | APD | | UTU-81204 | |
| BONANZA 14-22-9-24 | 22 | 090S | 240E | 4304737158 | | Federal | GW | APD | C | UTU-75118 | |
| BONANZA 13-22-9-24 | 22 | 090S | 240E | 4304737159 | | Federal | GW | APD | C | UTU-75118 | |
| BONANZA 9-27-9-24 | 27 | 090S | 240E | 4304737160 | | Federal | GW | APD | C | UTU-80571 | |
| BONANZA 7-27-9-24 | 27 | 090S | 240E | 4304737161 | | Federal | GW | APD | C | UTU-80571 | |
| E BENCH 3-17-11-22 | 17 | 110S | 220E | 4304737162 | | Federal | GW | APD | C | UTU-73920 | |
| E BENCH 1-17-11-22 | 17 | 110S | 220E | 4304737163 | | Federal | GW | APD | C | UTU-73920 | |
| E BENCH 16-17-11-22 | 17 | 110S | 220E | 4304737164 | | Federal | GW | APD | C | UTU-73920 | |
| BONANZA 5-22-9-24 | 22 | 090S | 240E | 4304737181 | | Federal | GW | APD | C | UTU-75118 | |
| BONANZA 15-22-9-24 | 22 | 090S | 240E | 4304737182 | | Federal | GW | APD | C | UTU-75118 | |
| BONANZA 11-22-9-24 | 22 | 090S | 240E | 4304737183 | | Federal | GW | APD | C | UTU-75118 | |
| BONANZA 6-22-9-24 | 22 | 090S | 240E | 4304737184 | | Federal | GW | APD | C | UTU-75118 | |
| BONANZA 1-27-9-24 | 27 | 090S | 240E | 4304737186 | | Federal | GW | APD | C | UTU-80571 | |
| E BENCH 5-17-11-22 | 17 | 110S | 220E | 4304737187 | | Federal | GW | APD | C | UTU-73920 | |
| E BENCH 7-17-11-22 | 17 | 110S | 220E | 4304737188 | | Federal | GW | APD | C | UTU-73920 | |
| ASPHALT WASH 9-9-11-24 | 09 | 110S | 240E | 4304737189 | | Federal | GW | APD | C | UTU-73920 | |
| ASPHALT WASH 15-16-11-24 | 16 | 110S | 240E | 4304737190 | | State | GW | NEW | C | ML-47080 | |
| BONANZA 5-26-9-24 | 26 | 090S | 240E | 4304737185 | | Federal | GW | APD | C | UTU-75118 | BONANZA |

TRANSFER OF OPERATOR

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

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

TRANSFER OF OPERATOR

BLM APPROVED WELLS #2

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

| Well Name | Q/Q | Sec | T | R | Lease Number | Footages f/ Sec Lines - SL | API Number |
|------------------------------|------------------|---------------|----------------|----------------|----------------------|----------------------------------------|-------------------------|
| Asphalt Wash 13-7 | SW/SW | 7 | 11S | 24E | UTU-73010 | 739' FSL & 629' FWL | 43-047-36234 |
| Bonanza 16-18 | SE/SE | 18 | 9S | 24E | UTU-73457 | 861' FSL & 715' FEL | 43-047-35992 |
| Bonanza 4-11 | NW/NW | 11 | 9S | 23E | UTU-74426 | 671' FNL & 729' FWL | 43-047-35968 |
| Bonanza 10D-12 | NW/SE | 12 | 9S | 23E | UTU-74426 | 1,785' FSL & 1,855' FEL | 43-047-35919 |
| Bonanza 12-11 | NW/SW | 11 | 9S | 23E | UTU-74426 | 1748' FSL & 420' FWL | 43-047-35916 |
| Bonanza 14-18 | SE/SW | 18 | 9S | 24E | UTU-73457 | 472' FSL & 2,010' FWL | 43-047-35993 |
| Bonanza 14A-8 | SE/SW | 8 | 9S | 24E | UTU-73457 | 907' FSL & 2,298' FWL | 43-047-35952 |
| Bonanza 16A-27 | SE/SE | 27 | 9S | 24E | UTU-80571 | 862' FSL & 581' FEL | 43-047-35923 |
| Bonanza 2-21 | NW/NE | 21 | 8S | 25E | UTU-73470 | 1,207' FNL & 1,541' FEL | 43-047-35926 |
| Bonanza 3-8 | NW/NW | 8 | 9S | 24E | UTU-73457 | 573' FNL & 1,518' FWL | 43-047-35966 |
| Bonanza 6D-7 | SE NW | 7 | 9S | 24E | UTU-73457 | 2,310' FNL & 2,310' FWL | 43-047-35690 |
| Bonanza 8-11 | SE/NE | 11 | 9S | 23E | UTU-74426 | 2,163 FNL & 615' FEL | 43-047-35907 |
| Bonanza 8B-27 | SE/NE | 27 | 9S | 24E | UTU-80571 | 1,830' FNL & 735' FEL | 43-047-35923 |
| Buck Camp 4-25 | NW/NW | 25 | 11S | 22E | UTU-74424 | 804 FNL & 695 FWL | 43-047-36276 |
| Buck Camp 4-26 | NW/NW | 26 | 11S | 22E | UTU-74974 | 660' FNL & 660' FWL | 43-047-36274 |
| Buck Canyon 1-24 | NE/NE | 24 | 12S | 21E | UTU-73440 | 488' FNL & 833' FEL | 43-047-35606 |
| Buck Canyon 15-24 | SW/SE | 24 | 12S | 21E | UTU-73440 | 700' FSL & 2,139' FEL | 43-047-35905 |
| Buck Canyon 7-24 | SW/NE | 24 | 12S | 21E | UTU-73440 | 2,041' FNL & 2,171' FEL | 43-047-35904 |
| Buck Canyon 9-24 | NE/SE | 24 | 12S | 21E | UTU-73440 | 1784' FSL & 855' FEL | 43-047-35903 |
| Rainbow 1-17 | NE/NE | 17 | 11S | 24E | UTU-73920 | 795' FNL & 586' FEL | 43-047-36151 |
| Southman Canyon #14-30 | SE/SW | 30 | 9S | 24E | UTU-80571 | 740' FSL & 1,737' FWL | 43-047-35914 |
| Southman Canyon #4C-30 | NW/NW | 30 | 9S | 24E | UTU-80571 | 676' FNL & 568' FWL | 43-047-35913 |
| Southman Canyon 12-30 | NW/SW | 30 | 9S | 24E | UTU-80571 | 1,912' FSL & 513' FWL | 43-047-36104 |
| Southman Canyon 8-30 | SE/NE | 30 | 9S | 24E | UTU-80571 | 1,875' FNL & 818' FEL | 43-047-35994 |
| Southman Canyon 9-30 | NE/SE | 30 | 9S | 24E | UTU-80571 | 2,089' FSL & 831' FEL | 43-047-36019 |

* 43047-35906
 • 43047-35953

TRANSFER OF OPERATOR STATE OF UTAH APPROVED AND PENDING

3

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

| Well Name | Q/Q | Sec | T | R | Lease Number | Footages f/ Sec Lines - SL | API Number | FIELD | Well Type |
|---------------------------------------|-----------------|---------------|----------------|----------------|---------------------|-------------------------------------|-------------------------|---------------------------|----------------|
| Asphalt Wash 11-16-11-24 | NESW | 16 | 11S | 24E | ML-73921 | 2000 FSL & 1900 FWL | 43-047-37088 | Undesignated | Gas |
| Asphalt Wash 12-16-11-24 | NWSW | 16 | 11S | 24E | ML-47080 | 2060 FSL & 839 FWL | 43-047-36873 | Undesignated | Gas |
| Asphalt Wash 14-16-11-24 | SESW | 16 | 11S | 24E | ML-47080 | 537 FSL & 2140 FWL | 43-047-36876 | Undesignated | Gas |
| Asphalt Wash 3-16-11-24 | NENW | 16 | 11S | 24E | ML-47080 | 825 FNL & 2116 FWL | 43-047-36886 | Undesignated | Gas |
| Asphalt Wash 4-16-11-24 | NWNW | 16 | 11S | 24E | ML-47080 | 521 FNL & 766 FWL | 43-047-36885 | Undesignated | Gas |
| Asphalt Wash 5-16-11-24 | SWNW | 16 | 11S | 24E | ML-47080 | 1880 FNL & 630 FWL | 43-047-37089 | Undesignated | Gas |
| Asphalt Wash 7-16-11-24 | SWNE | 16 | 11S | 24E | ML-47080 | 1781 FNL & 1676 FEL | 43-047-36874 | Undesignated | Gas |
| Asphalt Wash 8-16-11-24 | SENE | 16 | 11S | 24E | ML-47080 | 1905 FNL & 642 FEL | 43-047-36875 | Undesignated | Gas |
| Bonanza 14-20 | SESW | 20 | 9S | 25E | ML-45558 | 838' FSL & 1,922' FWL | 43-047-35930 | Chapita Wells | Gas |
| Bonanza 4-20 | NWNW | 20 | 9S | 25E | ML-45558 | 933' FNL & 583 FWL | 43-047-35924 | Chapita Wells | Gas |
| Bonanza 4-29 | NWNW | 29 | 9S | 25E | ML-45559 | 600' FNL & 596' FWL | 43-047-36010 | Chapita Wells | Gas |
| Bonanza 4-36 | NWNW | 36 | 9S | 24E | ML-46527 | 258' FNL & 862' FWL | 43-047-35861 | Natural Buttes | Gas |
| Bonanza 6-20 | SESW | 20 | 9S | 25E | ML-45558 | 2,178' FNL & 1,839' FWL | 43-047-35928 | Chapita Wells | Gas |
| Buck Canyon 9-16-12-21 | NESE | 16 | 12S | 21E | ML-47085 | 1980' FSL & 660' FEL | 43-047-37091 | Buck Canyon | Gas |
| Buck Canyon 11-16-12-21 | NESW | 16 | 12S | 21W | ML-47085 | NA | 43-047-37119 | Undesignated | Gas |
| Buck Canyon 13-16-21-21 | SWSW | 16 | 21S | 21W | ML-47085 | NA | 43-047-37118 | Undesignated | Gas |
| Buck Canyon 15-16-12-21 | SWSE | 16 | 12S | 21W | ML-47085 | NA | 43-047-37120 | Buck Canyon | Gas |
| East Bench 1-16 | NENE | 16 | 11S | 22E | ML-46911 | 660' FNL & 660' FEL | 43-047-36126 | Undesignated | Gas |
| East Bench 15-16 | SWSE | 16 | 11S | 22E | ML-46911 | 545' FSL & 1,848' FEL | 43-047-36128 | Undesignated | Gas |
| East Bench 3-16 | NENW | 16 | 11S | 22E | ML-46911 | 832' FNL & 1,978' FWL | 43-047-36125 | Undesignated | Gas |
| East Bench 7-16 | SWNE | 16 | 11S | 22E | ML-46911 | 1,909' FNL & 1,643' FEL | 43-047-36127 | Undesignated | Gas |
| East Bench 12-16-11-22 | NWSW | 16 | 11S | 22E | ML-46911 | 1862 FSL & 838 FEL | 43-047-37128 | Undesignated | Gas |
| East Bench 13-16-11-22 | SWSW | 16 | 11S | 22E | ML-46911 | 880 FSL & 750 FWL | 43-047-37130 | Undesignated | Gas |
| East Bench 14-16-11-22 | SESW | 16 | 11S | 22E | ML-46911 | 848 FSL & 1930 FWL | 43-047-37122 | Undesignated | Gas |
| East Bench 16-16-11-22 | SESE | 16 | 11S | 22E | ML-46911 | 663 FSL & 1055 FEL | 43-047-37121 | Undesignated | Gas |
| East Bench 2-16-11-22 | NWNE | 16 | 11S | 22E | ML-46911 | 705 FNL & 2077 FEL | 43-047-37125 | Undesignated | Gas |
| East Bench 4-16-11-22 | NWNW | 16 | 11S | 22E | ML-46911 | 760 FNL & 860 FWL | 43-047-37126 | Undesignated | Gas |
| East Bench 5-16-11-22 | SWNW | 16 | 11S | 22E | ML-46911 | 1980 FNL & 758 FWL | 43-047-37129 | Undesignated | Gas |
| East Bench 6-16-11-22 | SESW | 16 | 11S | 22E | ML-46911 | 1887 FNL & 2138 FWL | 43-047-37124 | Undesignated | Gas |
| East Bench 8-16-11-22 | SENE | 16 | 11S | 22E | ML-46911 | 1880 FNL & 780 FEL | 43-047-37127 | Undesignated | Gas |
| East Bench 9-16-11-22 | NESE | 16 | 11S | 22E | ML-46911 | 2035 FSL & 1422 FEL | 43-047-37123 | Undesignated | Gas |
| Gusher 6-2 | SESW | 2 | 6S | 19E | ML-49144 | 1558 FNL & 1825 FWL | 43-047-36963 | Moffit Canal | Oil |
| Hanging Rock 1-32 | NENE | 32 | 11S | 23E | ML-47079 | 542' FNL & 690' FEL | 43-047-36309 | Undesignated | Gas |
| Little Pack Mountain 1-16 | NWNW | 16 | 12S | 20E | ML-47082 | 609 FNL & 688 FEL | 43-047-36981 | Wildcat | Gas |
| Little Pack Mountain 7-32 | SWNE | 32 | 12S | 20E | ML-47083 | 1792 FNL & 1797 FEL | 43-047-36980 | Wildcat | Gas |
| Rock House 12-36-10-23 | NWSW | 36 | 10S | 23E | ML-47907 | 1844 FSL & 755 FWL | 43-047-36534 | Natural Buttes | Gas |
| Rock House 13-32-10-23 | SWSW | 32 | 10S | 23E | ML-47063 | 564 FSL & 471 FWL | 43-047-36411 | Natural Buttes | Gas |
| Rock House 1-36-10-22 | NENE | 36 | 10S | 22E | ML-47061 | 620 FNL & 850 FEL | 43-047-36408 | Natural Buttes | Gas |
| Rock House 3-36-10-22 | NENW | 36 | 10S | 22E | ML-47061 | 934 FNL & 1783 FWL | 43-047-36407 | Natural Buttes | Gas |
| Rock House 4-32-10-23 | SWNW | 32 | 10S | 23E | ML-47063 | 1406 FNL & 562 FWL | 43-047-36412 | Natural Buttes | Gas |
| Rock House 7-36-10-22 | SWNE | 36 | 10S | 22E | ML-47061 | 2209 FNL & 2445 FEL | 43-047-36409 | Natural Buttes | Gas |
| Rock House 9-32-10-23 | NESE | 32 | 10S | 23E | ML-47063 | 2008 FSL & 1042 FEL | 43-047-36337 | Natural Buttes | Gas |
| Rockhouse #13-36 | SWSW | 36 | 10S | 22E | ML-46907 | 486 FSL & 844' FWL | 43-047-35902 | Natural Buttes | Gas |
| Rockhouse 16-2 | SESE | 2 | 11S | 23E | ML-47078 | 909' FSL & 748' FEL | 43-047-36152 | Rockhouse | Gas |
| Seep Springs 10-13-12-24 | NWSE | 13 | 12S | 24E | ML-49275 | 1950 FSL & 1802 FEL | 43-047-36634 | Undesignated | Gas |
| Seep Springs 1-13-12-24 | NENE | 13 | 12S | 24E | ML-49275 | 753 FNL & 487 FEL | 43-047-36628 | Undesignated | Gas |
| Seep Springs 15-11-12-24 | SWSE | 11 | 12S | 24E | ML-49274 | 829 FSL & 2178 FEL | 43-047-36626 | Undesignated | Gas |
| Seep Springs 15-13-12-24 | SWSE | 13 | 12S | 24E | ML-49275 | 622 FSL & 1806 FEL | 43-047-36630 | Undesignated | Gas |
| Seep Springs 16-11-12-24 | SESE | 11 | 12S | 24E | ML-49274 | 659 FSL & 466 FEL | 43-047-36625 | Undesignated | Gas |
| Seep Springs 16-13-12-24 | SESE | 13 | 12S | 24E | ML-49275 | 686 FSL & 640 FEL | 43-047-36629 | Undesignated | Gas |
| Seep Springs 2-13-12-24 | NWNE | 13 | 12S | 24E | ML-49275 | 465 FNL & 1807 FEL | 43-047-36627 | Undesignated | Gas |
| Seep Springs 7-13-12-24 | SWNE | 13 | 12S | 24E | ML-49275 | FNL & FEL | 43-047-36631 | Undesignated | Gas |
| Seep Springs 8-13-12-24 | SENE | 13 | 12S | 24E | ML-49275 | 1969 FNL & 642 FEL | 43-047-36632 | Undesignated | Gas |
| Seep Springs 9-13-12-24 | NESE | 13 | 12S | 24E | ML-49275 | 663 FSL & 1960 FEL | 43-047-36633 | Undesignated | Gas |
| Southman Canyon 11-36-9-23 | NESW | 36 | 9S | 23E | ML-47782 | 1965 FSL & 1953 FWL | 43-047-36535 | Natural Buttes | Gas |
| Southman Canyon 13-36-9-23 | SWSW | 36 | 9S | 23E | ML-47782 | 467 FSL & 823 FWL | 43-047-36532 | Natural Buttes | Gas |

TRANSFER OF OPERATOR

STATE OF UTAH APPROVED AND PENDING

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

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

TRANSFER OF OPERATOR BLM PENDING WELLS

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

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

TRANSFER OF OPERATOR BLM PENDING WELLS

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

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

*x Duplicate API -
Different well name*

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

Request to Transfer Application or Permit to Drill

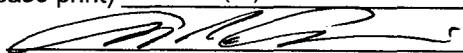
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

| | |
|-------------------------------------------------|---------------------------------------------------|
| Well name: | Bonanza 14-22-9-24 |
| API number: | 4304737158 |
| Location: | Qtr-Qtr: SESW Section: 22 Township: 9S Range: 24E |
| Company that filed original application: | The Houston Exploration Company |
| Date original permit was issued: | 09/26/2005 |
| Company that permit was issued to: | The Houston Exploration Company |

| Check one | Desired Action: |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | |
| | Transfer pending (unapproved) Application for Permit to Drill to new operator |
| | The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application. |
| <input checked="" type="checkbox"/> | Transfer approved Application for Permit to Drill to new operator |
| | The undersigned as owner with legal rights to drill on the property as permitted, 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. | Yes | No |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| If located on private land, has the ownership changed? | | ✓ |
| If so, has the surface agreement been updated? | | |
| Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? | | ✓ |
| Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? | | ✓ |
| Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location? | | ✓ |
| Has the approved source of water for drilling changed? | | ✓ |
| 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? | | ✓ |
| Is bonding still in place, which covers this proposed well? Bond No. <u>RLB0008031</u> | ✓ | |

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Alvin R. (Al) Arlian Title Landman - Regulatory Specialist
 Signature  Date 11/03/2005
 Representing (company name) Enduring Resources, LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

RECEIVED
NOV 04 2005

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

FORM 9

| |
|------------------------------------------------------------------------|
| 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU- 84011 75118 |
| 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a |
| 7. UNIT or CA AGREEMENT NAME: n/a |
| 8. WELL NAME and NUMBER: Bonanza 9-24-24-22 |
| 9. API NUMBER: 4304737158 |
| 10. FIELD AND POOL, OR WILDCAT: Wildcat |

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, re-enter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such purposes.

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: 1084' FSL - 2220' FWL COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 22 9S 24E S STATE: UTAH

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>8/22/2006</u> | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: <u>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: 9/26/2006
TO: 9/26/2007

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

Date: 08-27-06
By: [Signature]

| | |
|-------------------------------------------|----------------------------------------------|
| NAME (PLEASE PRINT) <u>Evette Bissett</u> | TITLE <u>Regulatory Compliance Assistant</u> |
| SIGNATURE <u>[Signature]</u> | DATE <u>8/22/2006</u> |

(This space for State use only)

RECEIVED
9/25/06
[Signature]

RECEIVED
AUG 25 2006

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

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

API: 4304737158
Well Name: Bonanza 9-24-24-22
Location: 1084' FSL - 2220' FWL, SESW, Sec 22, T9S-R24E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 9/26/2006

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

Ettore Bersatt
Signature

8/22/2006
Date

Title: Regulatory Compliance Assistant

Representing: Enduring Resources, LLC

RECEIVED

AUG 25 2006

DIV. OF OIL, GAS & MINING



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

April 12, 2007

Evette Bissett
Enduring Resources LLC
475 17TH Street, Suite 1500
Denver, CO 80202

Re: APDs Rescinded at the request of Enduring Resources

Dear Ms. Bissett:

Enclosed find the list of APDs that you requested to be rescinded to Enduring Resources. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective April 12, 2007.

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

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

Page 2
April 12, 2007
Subject:

AW 11-24-11-7
AW 11-24-32-7
Bonanza 9-24-12-24
Bonanza 9-24-44-8
Bonanza 9-24-42-35
Bonanza 9-24-23-18
Bonanza 9-24-14-18
Bonanza 9-24-34-18
Bonanza 9-24-24-23
Bonanza 9-24-24-22
Bonanza 9-24-43-27
Bonanza 9-24-32-27
East Bench 11-22-32-17
East Bench 11-22-43-20
East Bench 11-22-12-17
East Bench 11-22-41-17