

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. <b>UTU-73459</b>
B. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME <b>na</b>
2. NAME OF OPERATOR <b>The Houston Exploration Company</b>			7. UNIT AGREEMENT NAME <b>na</b>
3. ADDRESS OF OPERATORS <b>1100 Louisiana Suite 2000 Houston, TX 77002</b>			8. FARM OR LEASE NAME <b>na</b>
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement) at surface <b>550' FSL &amp; 2000' FEL SWSE 655494X 40.061144</b> At proposed prod. Zone <b>same as above 4429263Y -109.178434</b>			9. WELL NO. <b>Bonanza 15-26-9-24</b>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>42.75 miles south of Vernal, UT</b>			10. FIELD OR LEASE NAME <b>Undesignated Widdard</b>
15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drig. Unit line, if any) <b>550'</b>	16. NO. OF ACRES IN LEASE <b>960</b>	17. NO. OF ACRES ASSIGNED TO THIS WELL <b>40</b>	11. Sec., T., R., M., OR BLK AND SURVEY OR AREA <b>Sec. 26, T9S, R24E,</b>
16. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED. OR APPLIED FOR, ON THIS LEASE, FT. <b>1,200'</b>	19. PROPOSED DEPTH <b>6,490'</b>	20. ROTARY OR CABLE TOOLS <b>Rotary</b>	12. COUNTY OR PARISH   13. STATE <b>Uintah   Utah</b>
21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.) <b>5459' GR</b>			22. APPROX. DATE WORK WILL START <b>11 30 2005</b>

**PROPOSED CASING AND CEMENT PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	32#	2000'	779 sks
7 7/8"	4 1/2"	11.6#	T.D.	600 sks

**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**

*Federal Approval of this  
Action is Necessary*

**CONFIDENTIAL**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed in 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 Sept. 30 2005

( This space for Federal or State Office use )

PERMIT NO. 48-047-37256 APPROVAL DATE \_\_\_\_\_

APPROVED BY [Signature] TITLE BRADLEY G. HILL DATE 10-18-05  
 CONDITIONS OF APPROVAL, IF ANY: ENVIRONMENTAL SCIENTIST III

**\*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.

**RECEIVED**

**OCT 17 2005**

DIV. OF OIL, GAS & MINING

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

## THE HOUSTON EXPLORATION COMPANY

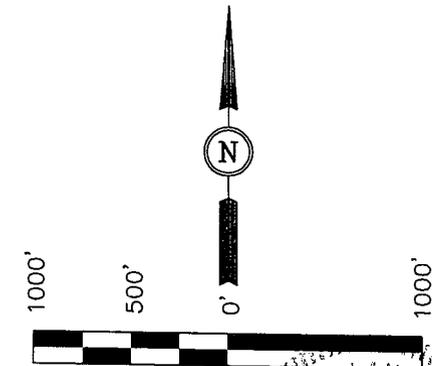
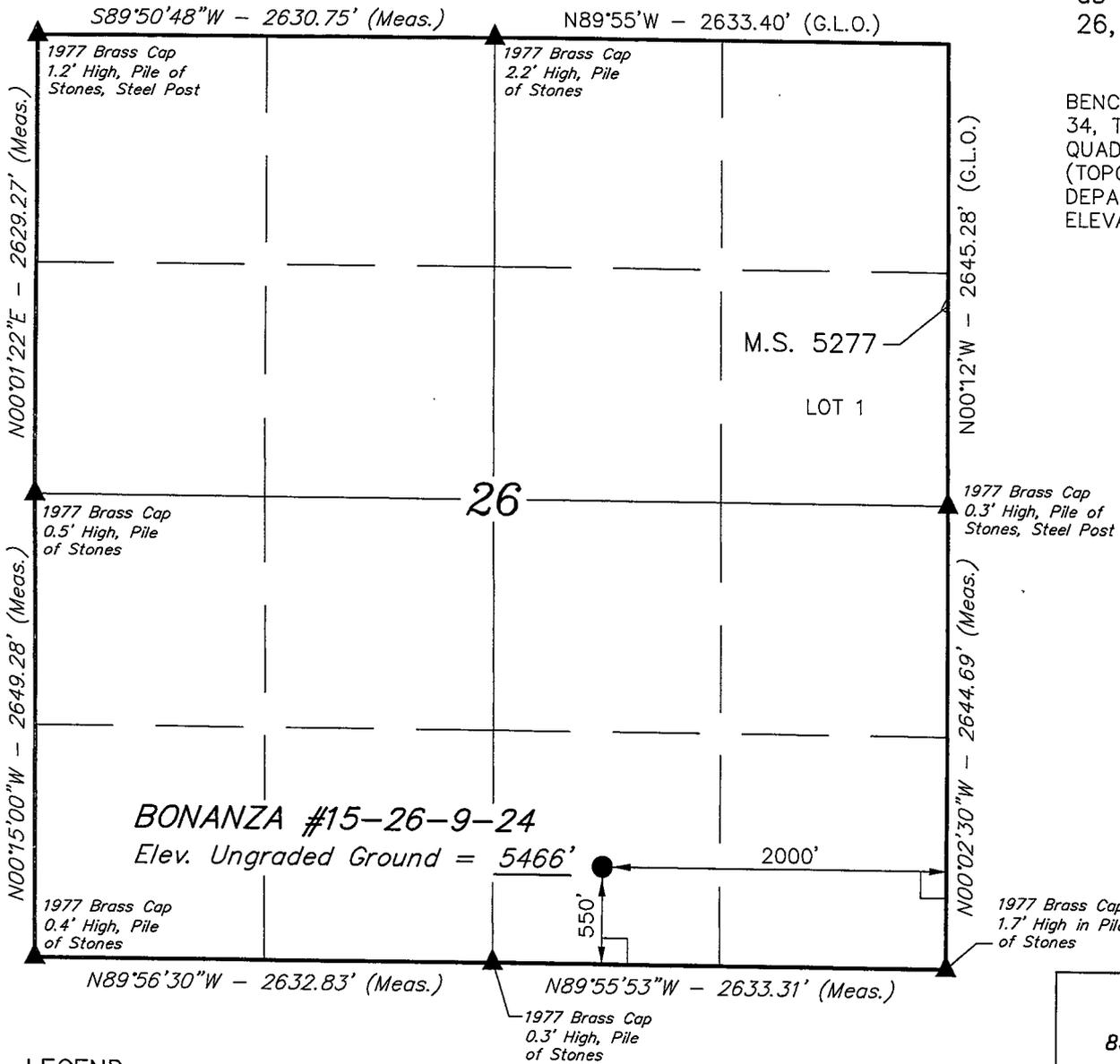
Well location, BONANZA #15-26-9-24, located as shown in the SW 1/4 SE 1/4 of Section 26, T9S, R24E, S.L.B.&M. Uintah County, Utah.

### 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 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

### LEGEND:

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

(AUTONOMOUS NAD 83)  
 LATITUDE = 40°00'03.97" (40.001103)  
 LONGITUDE = 109°10'44.96" (109.179156)  
 (AUTONOMOUS NAD 27)  
 LATITUDE = 40°00'04.09" (40.001136)  
 LONGITUDE = 109°10'42.54" (109.178483)

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

SCALE 1" = 1000'	DATE SURVEYED: 07-19-05	DATE DRAWN: 07-20-05
PARTY N.H. D.S. P.M.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE THE HOUSTON EXPLORATION COMPANY	

**SELF-CERTIFICATION STATEMENT**

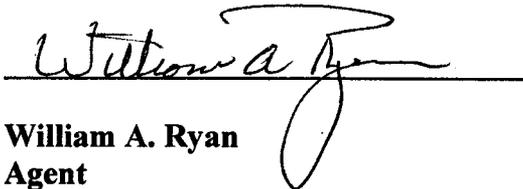
**The following self-certification statement is provided per Federal requirements dated June 15, 1988.**

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

**Bonanza 15-26-9-24  
Section 26, T.9S, R. 24 E.  
SW 1/4, SE 1/4  
Lease UTU-73459  
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 104155044 provides state-wide bond coverage on all Federal lands.**

A handwritten signature in cursive script, appearing to read "William A. Ryan", is written over a horizontal line.

**William A. Ryan  
Agent  
Rocky Mountain Consulting  
350 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 15-26-9-24**

Surface Location SW ¼ SE ¼, Section 26, 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	+5,459' G.L.
Uteland Butte Limestone	3,105	+2,354'
Wasatch	3,215	+2,244'
Mesaverda	5,525	-66'
Buck Tounge	6,395	-936'
Castlegate	6,505	-1,046'
TD	6,490	-1,031'

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:

B #5-26-9-24, B #16-26-9-24

Producing Wells:

B #8B-27, B #6-36, C #2

Abandon Wells:

DDU #22-26A

**4. Proposed Casing:**

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/FT</u>	<u>Grade</u>	<u>Coupling &amp; Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
11	8 5/8	32.6#	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 <sup>3</sup> /sk	11.0 ppg
Tail:	8 5/8	Class "G" 2% Calcium Chloride .25#/sk Cello Flake	329 sks. +/-	1.2ft <sup>3</sup> /sk	15.6 ppg
Top Job:	8 5/8	4% Calcium Chloride .25#/sk Cello Flake	200 sks. +/-	1.10ft <sup>3</sup> /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 <sup>3</sup> /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 <sup>3</sup> /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 Ml/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 1/2" 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):**

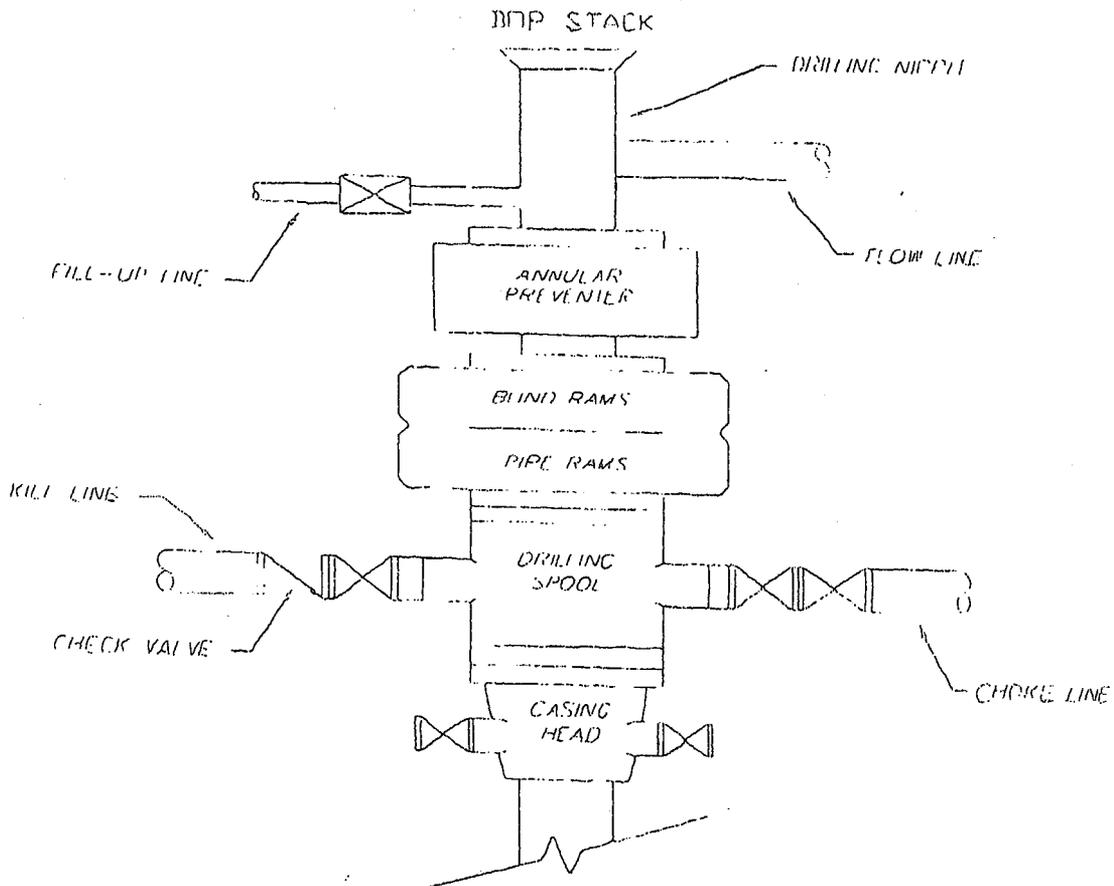
No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H<sub>2</sub>S.

**10. Drilling Schedule:**

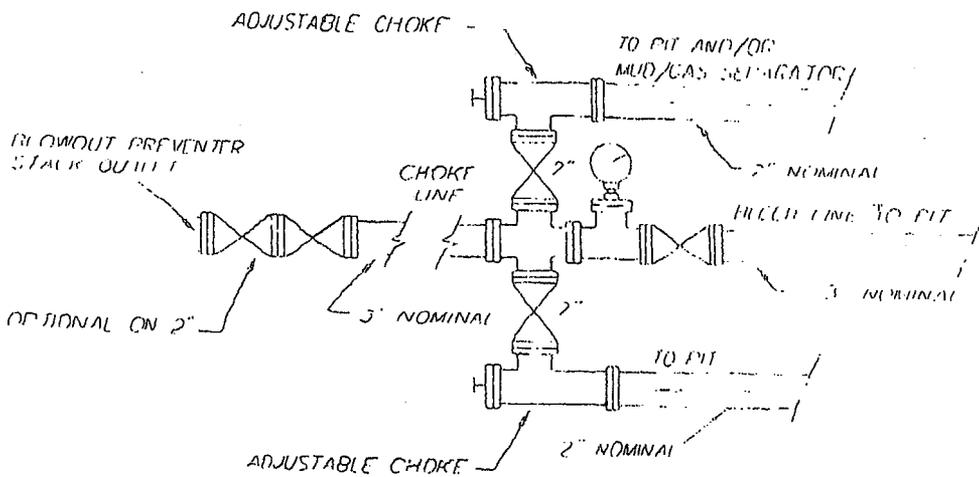
The anticipated starting date is 10/30/05. Duration of operations is expected to be 30 days.

# THE HOUSTON EXPLORATION COMPANY

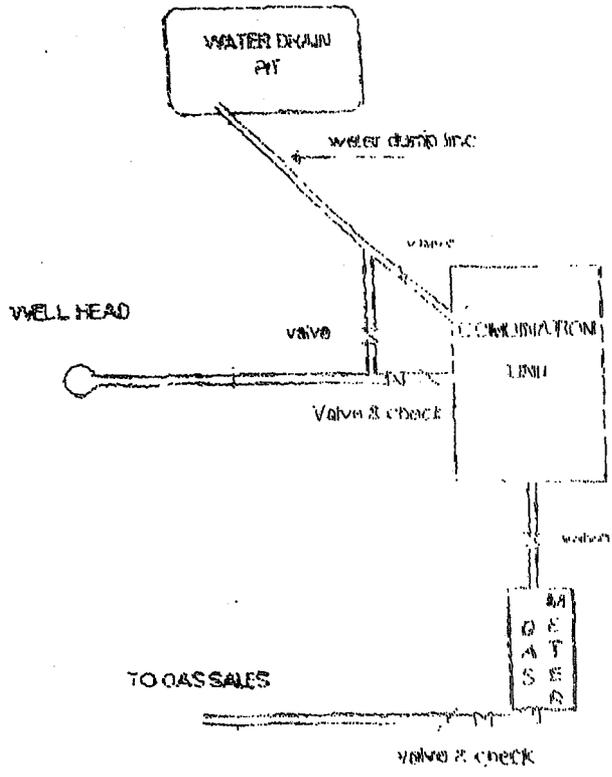
## TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



## TYPICAL 3,000 p.s.i. CHOKER MANIFOLD SCHEMATIC



TYPICAL GAS WELL



**THE HOUSTON EXPLORATION COMPANY**

**13 POINT SURFACE USE PLAN**

**FOR WELL**

**BONANZA 15-26-9-24**

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

**SECTION 26, T.9S, R24E, S.L.B.&M.**

**UINTAH COUNTY, UTAH**

**LEASE NUMBER: UTU-73459**

**SURFACE OWNERSHIP: FEDERAL**

**1. Existing Roads:**

To reach The Houston Exploration Co well Bonanza #15-26-9-24 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 38.1 miles on State Highway 45 to the junction of this road and an existing road to the northwest; turn right and proceed in a westerly, then northwesterly direction approximately 0.15 miles to the existing #2 and the beginning of the proposed access for the Bonanza 16-26-9-24 to the northeast; follow road flags in a northeasterly, then northwesterly, then easterly direction approximately 0.5 miles to the beginning of the proposed access to the southwest; follow road in a southwesterly direction approximately 0.1 miles to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 42.75 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 528' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

- A) Approximate length 528 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  
Bonanza 6-36  
Cartwrite #2
- B) Water well None

- C) **Abandoned well**  
DD #22-26A
- D) **Temp. abandoned well**      **None**
- E) **Disposal well**                      **None**
- F) **Drilling /Permitted well**  
Bonanza 16-26-9-24  
Bonanza 5-26-9-24
- G) **Shut in wells**                      **None**
- H) **Injection well**                      **None**
- I) **Monitoring or observation well**  
    **None**

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

Please see the attached map for additional details.

**Approximately 561' +/- of 3" steel surface gas gathering pipeline will be constructed on Federal Lands as determined at the onsite on 9/14/2005 with Karl Wright, due to shallow soils, bedrock sandstone and a tie-in with a surface gas gathering line . The pipeline will be buried at all wash crossings. The pipeline will tie into the proposed gathering line Sec. 26, T9S, R24E. A permanent width of 15' will be required for the pipeline right-of-way and a temporary width of 30' for construction for one week will be required. The pipeline will be strung and boomed to the south of the access road and to the north of the location.**

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

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

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Carlsbad Canyon** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is **Carlsbad Canyon**.

Please see the attached location diagrams for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

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-improving 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            19.8 ft
- G) Max fill            15.9 ft
- H) Total cut yds. 17,070 cu yds
- I) Pit location            west end
- J) Top soil location  
                                  northeast end
- K) Access road location  
                                  northeast 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 1,850 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 reseeding, 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**

**HY-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:

<b>Access road</b>	<b>Federal</b>
<b>Location</b>	<b>Federal</b>
<b>Pipe line</b>	<b>Federal</b>

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 1.5 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 09/30/2005

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 preformed 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 #15-26-9-24

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 26, T9S, R24E, S.L.B.&M.

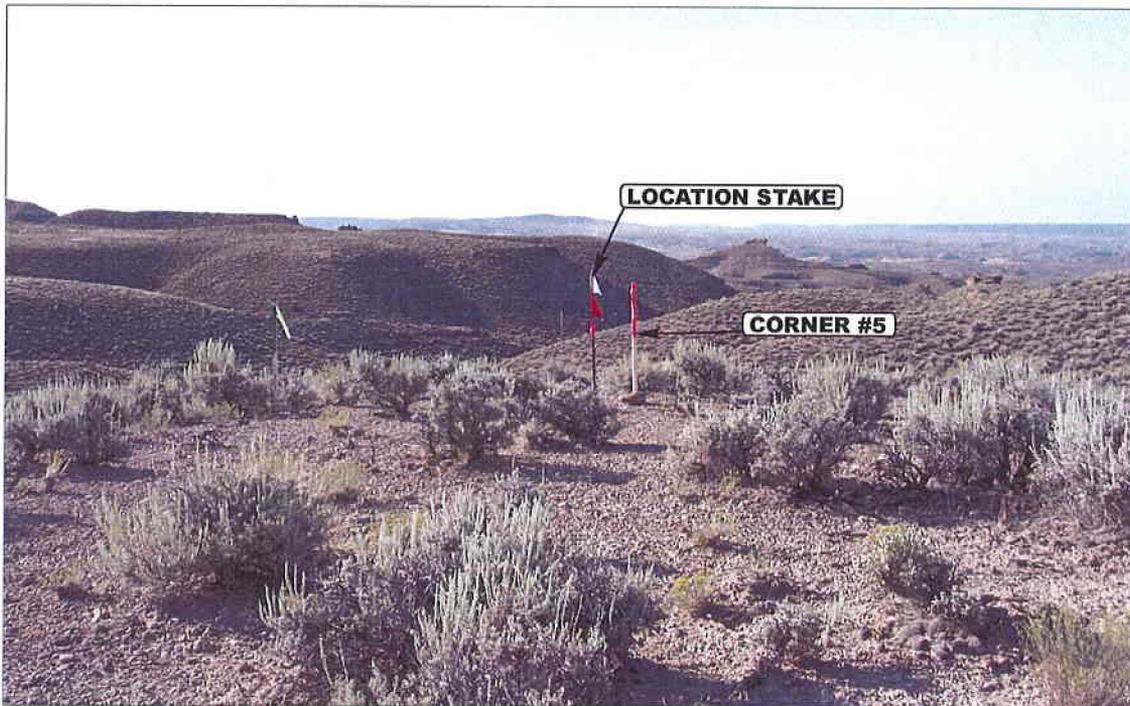


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

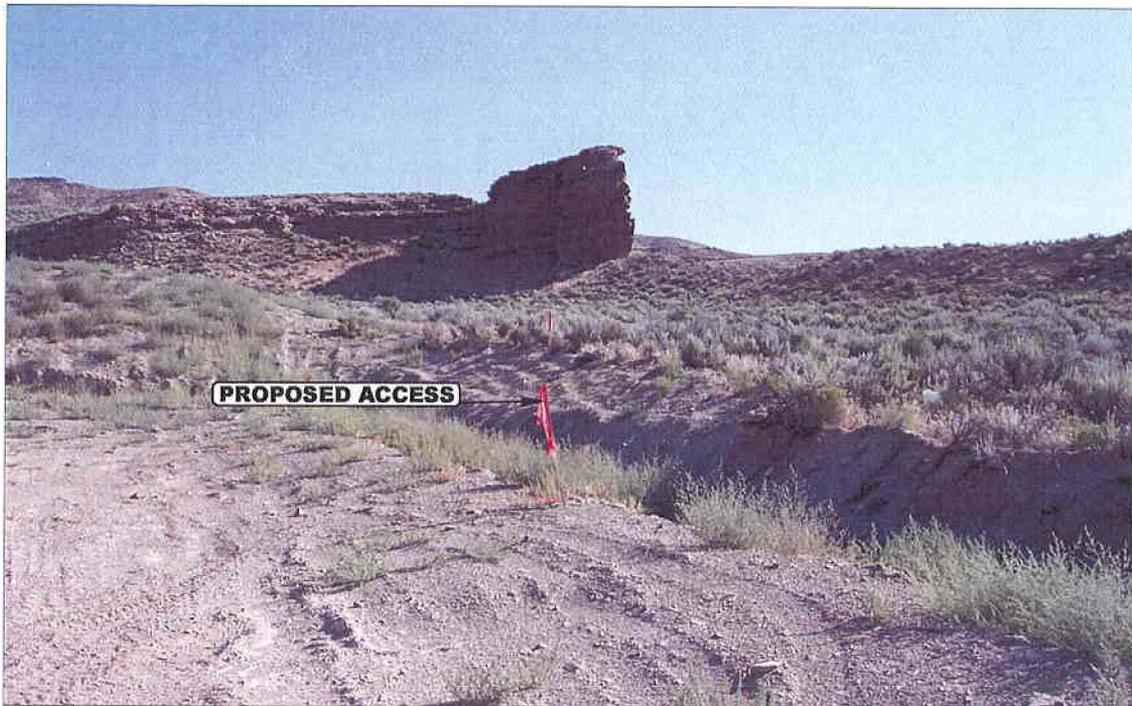


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

07 20 05  
MONTH DAY YEAR

PHOTO

TAKEN BY: N.H.

DRAWN BY: C.P.

REVISED: 00-00-00

THE HOUSTON EXPLORATION COMPANY

FIGURE #1

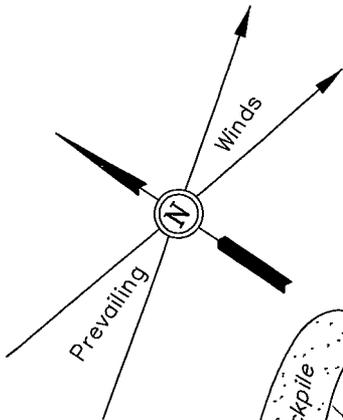
LOCATION LAYOUT FOR

BONANZA #15-26-9-24

SECTION 26, T9S, R24E, S.L.B.&M.

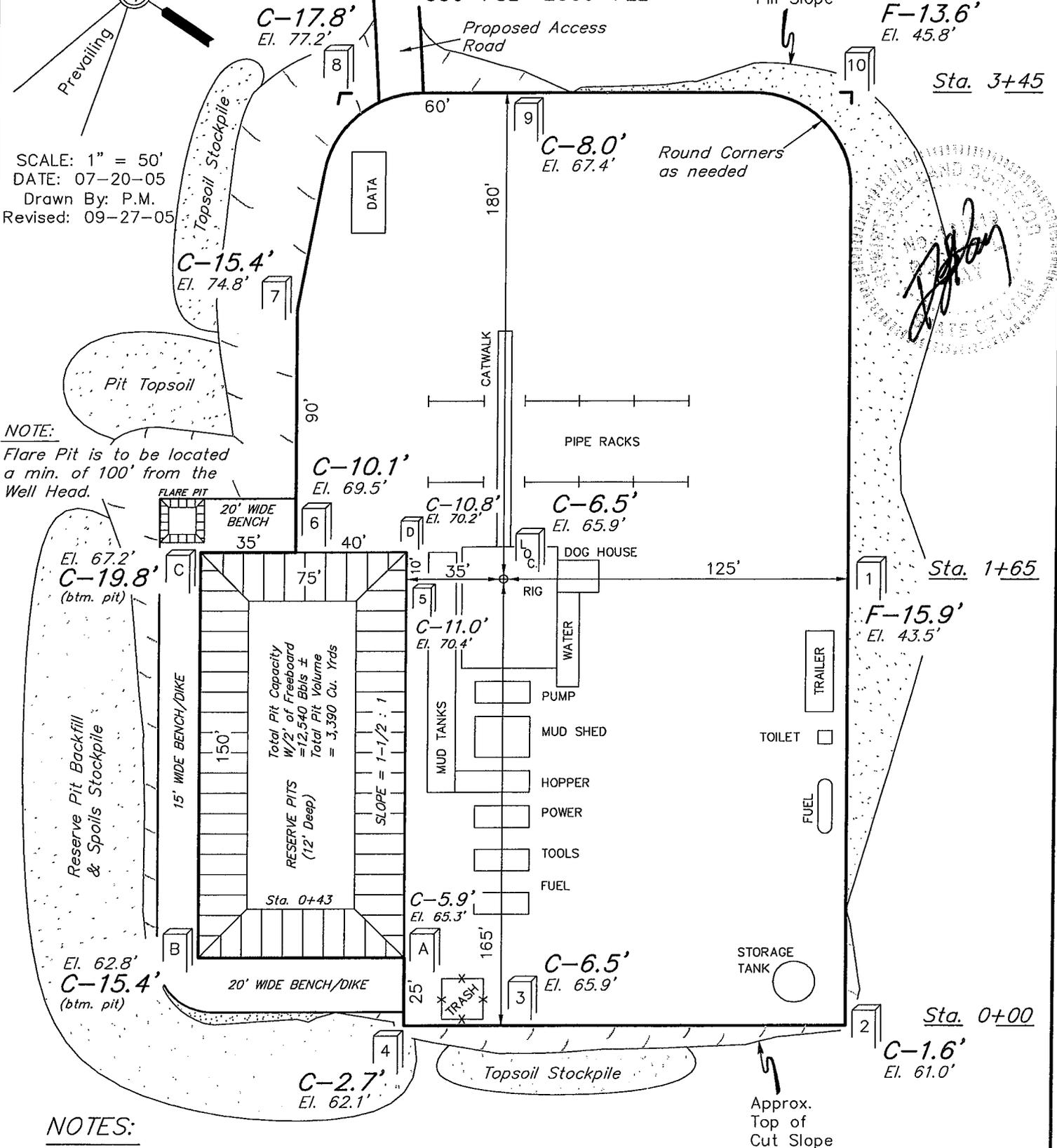
550' FSL 2000' FEL

Approx. Toe of Fill Slope



SCALE: 1" = 50'  
DATE: 07-20-05  
Drawn By: P.M.  
Revised: 09-27-05

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5465.9'

FINISHED GRADE ELEV. AT LOC. STAKE = 5459.4'

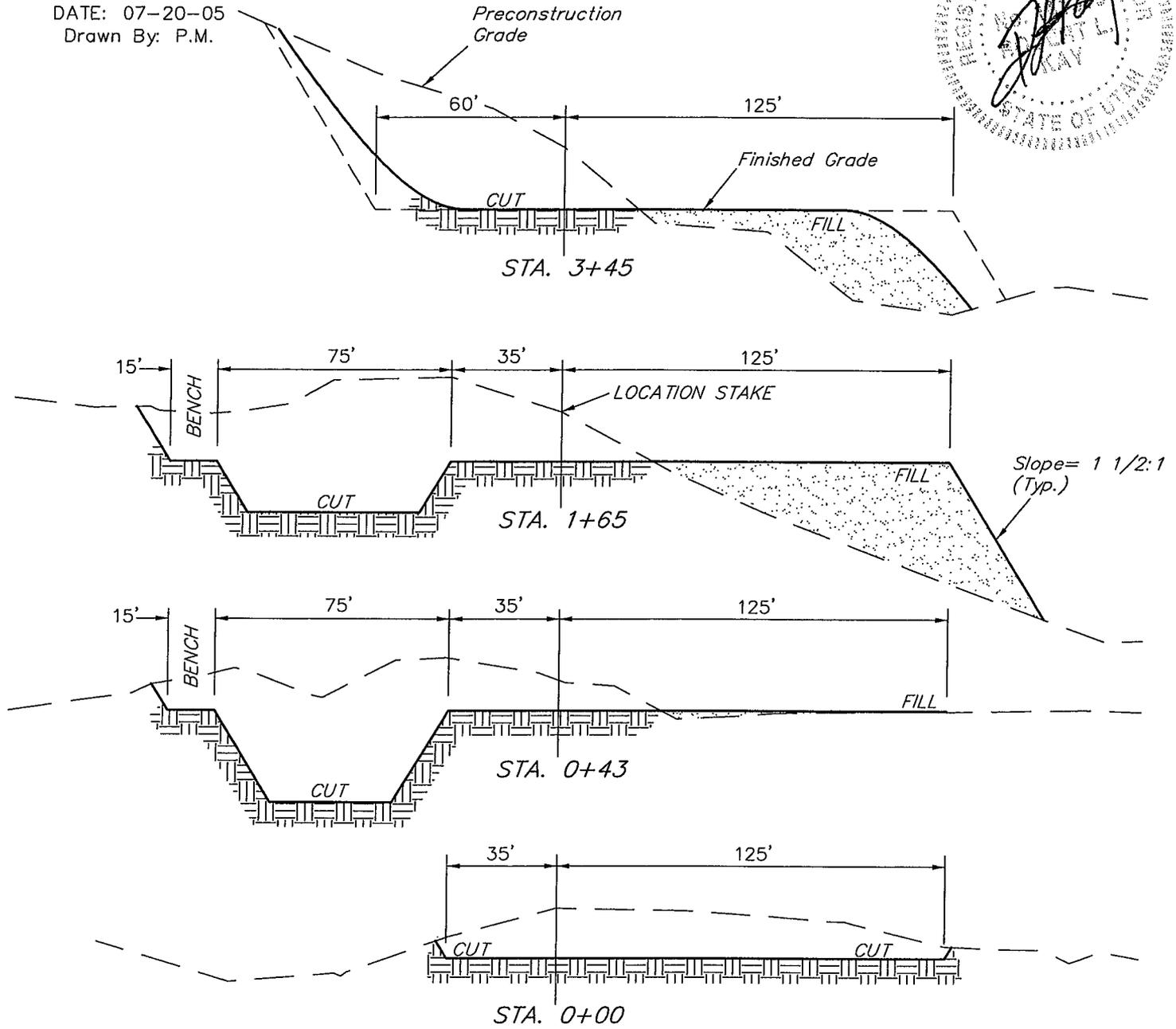
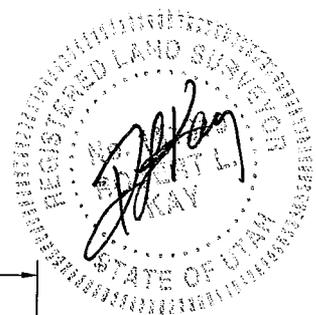
# THE HOUSTON EXPLORATION COMPANY

FIGURE #2

## TYPICAL CROSS SECTIONS FOR BONANZA #15-26-9-24 SECTION 26, T9S, R24E, S.L.B.&M. 550' FSL 2000' FEL

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

DATE: 07-20-05  
Drawn By: P.M.

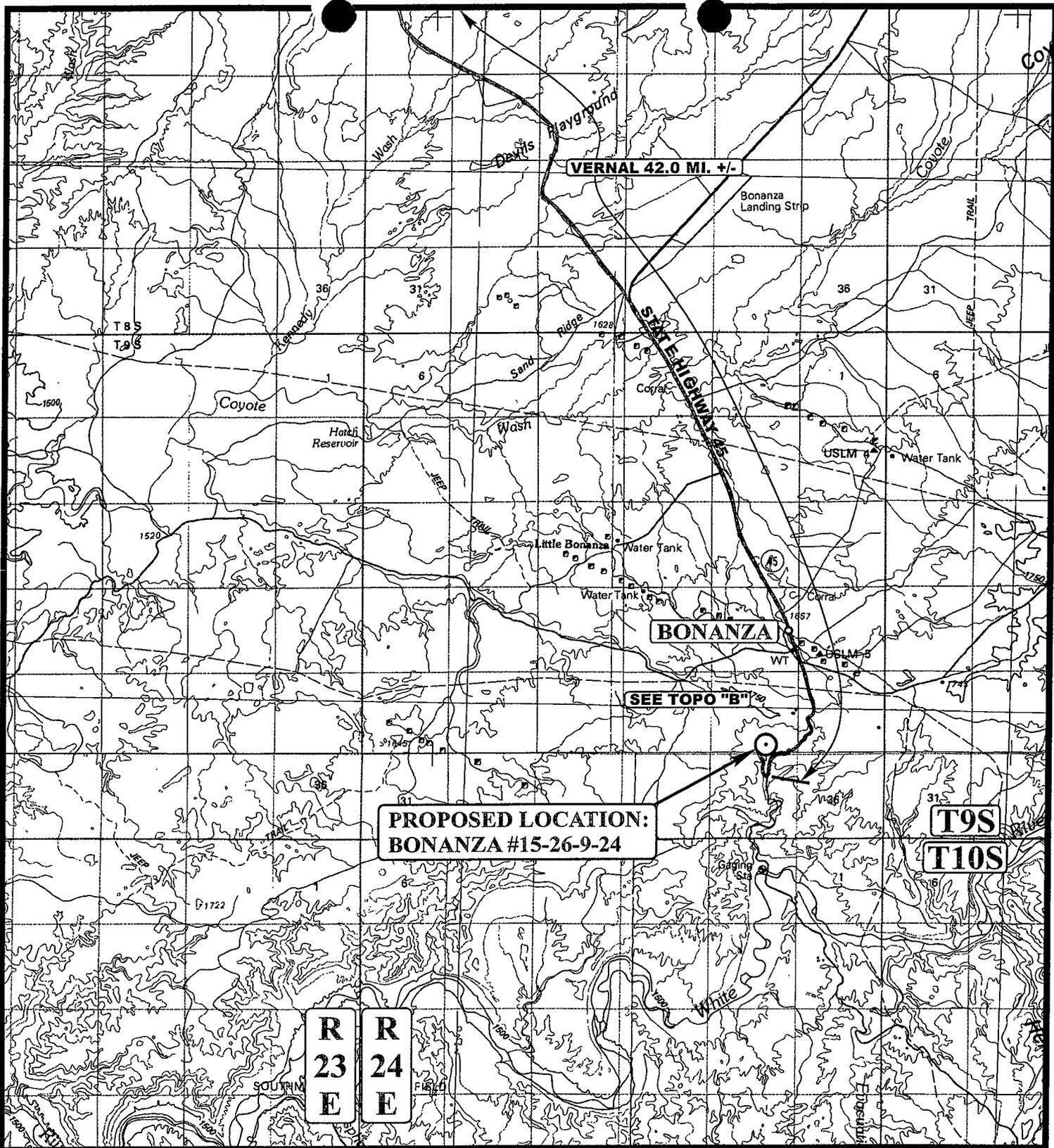


\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

### APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,850 Cu. Yds.
Remaining Location	= 15,220 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 17,070 CU.YDS.</b>
<b>FILL</b>	<b>= 13,530 CU.YDS.</b>

EXCESS MATERIAL	= 3,540 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,540 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.



**LEGEND:**

○ PROPOSED LOCATION



**THE HOUSTON EXPLORATION COMPANY**

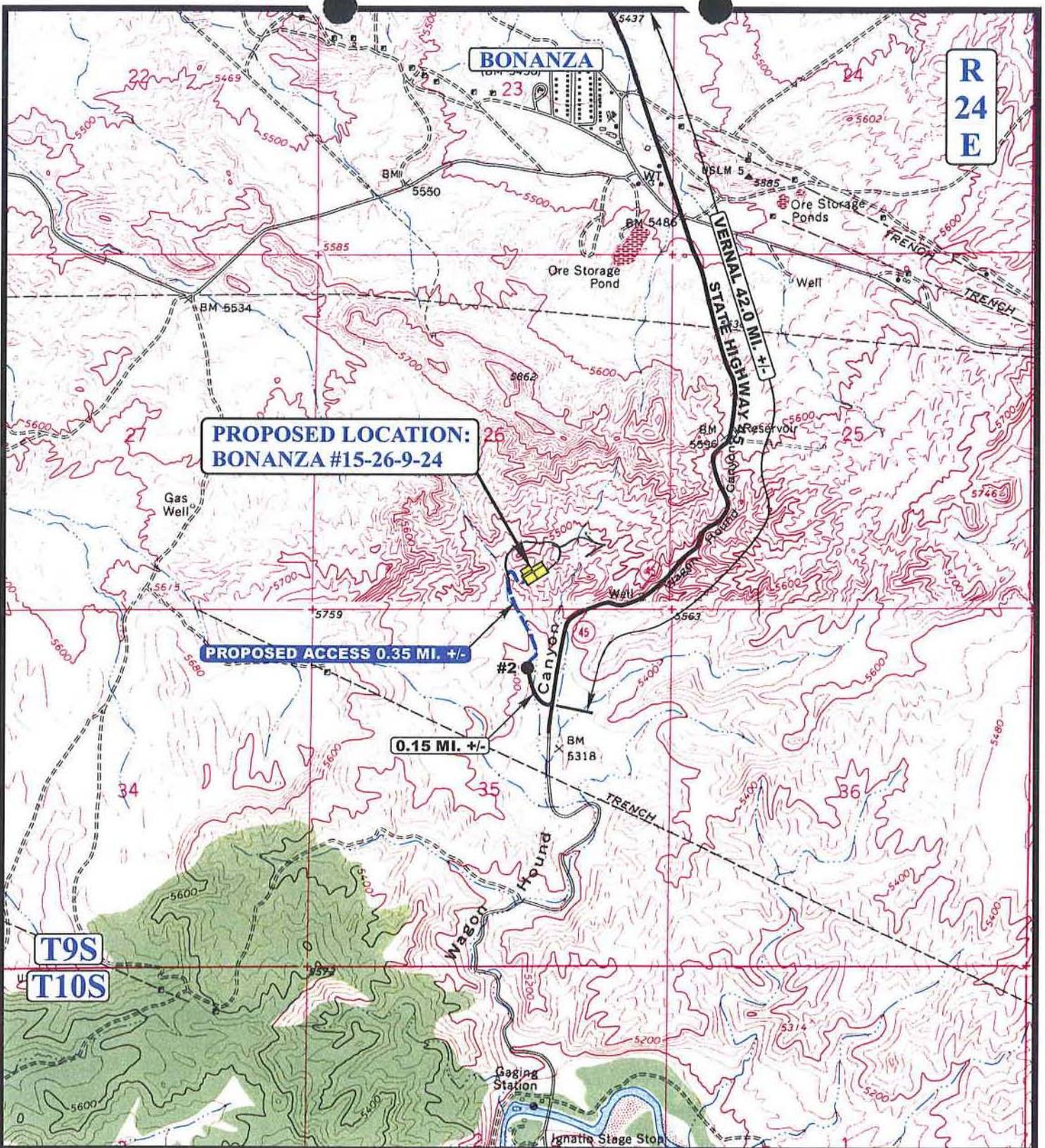
BONANZA #15-26-9-24  
 SECTION 26, T9S, R24E, S.L.B.&M.  
 550' FSL 2000' FEL



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

TOPOGRAPHIC MAP  
 07 20 05  
 MONTH DAY YEAR  
 SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





**LEGEND:**

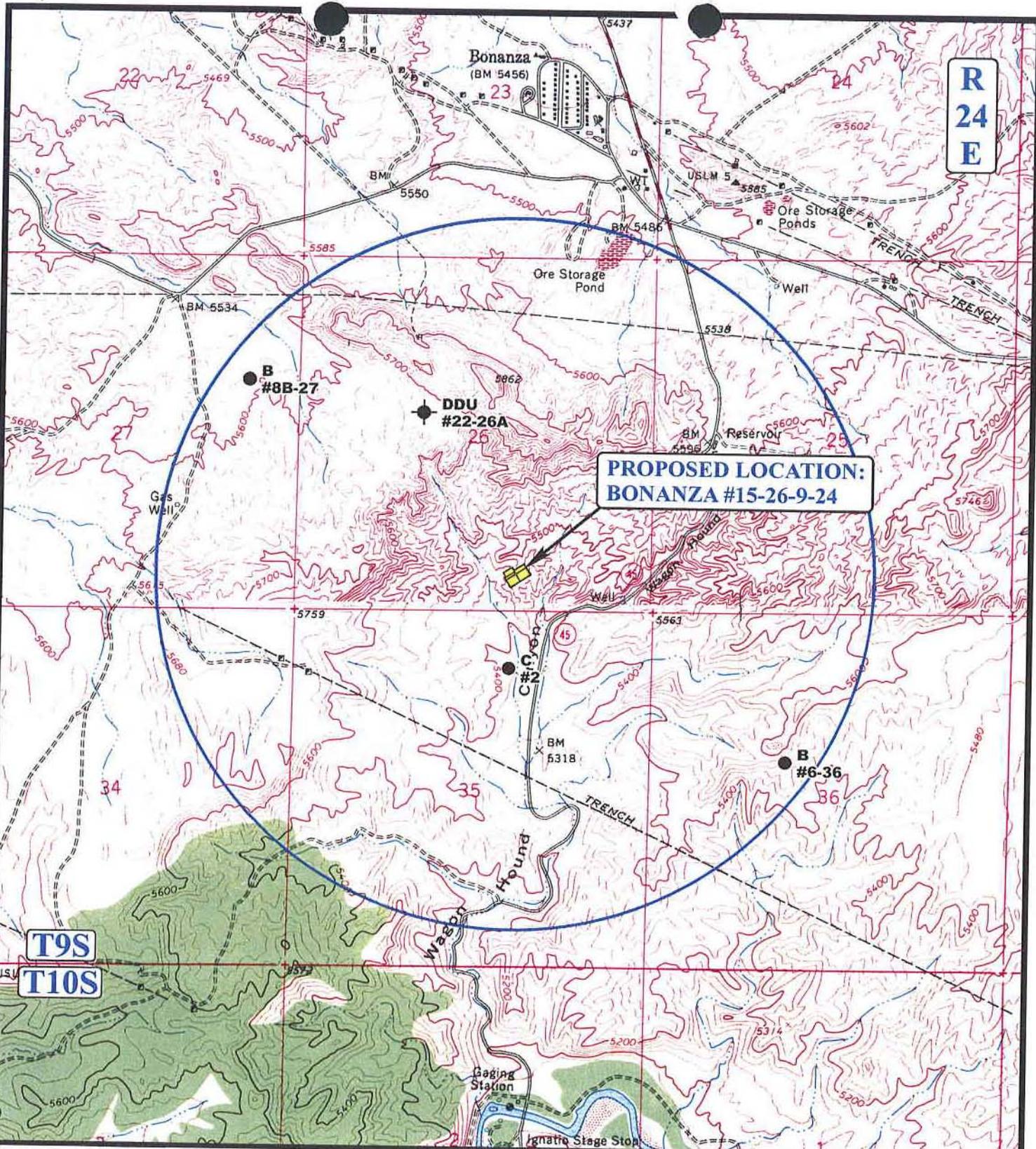
- EXISTING ROAD
- PROPOSED ACCESS ROAD

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

**THE HOUSTON EXPLORATION COMPANY**

**BONANZA #15-26-9-24**  
**SECTION 26, T9S, R24E, S.L.B.&M.**  
**550' FSL 2000' FEL**

<b>TOPOGRAPHIC MAP</b>	<b>07</b>	<b>20</b>	<b>05</b>	<b>B TOPO</b>
	MONTH	DAY	YEAR	
SCALE: 1" = 2000'	DRAWN BY: C.P.		REVISED: 00-00-00	



**PROPOSED LOCATION:  
BONANZA #15-26-9-24**

- LEGEND:**
- ⊗ DISPOSAL WELLS
  - PRODUCING WELLS
  - ⊖ SHUT IN WELLS
  - ⊕ WATER WELLS
  - ⊙ ABANDONED WELLS
  - ⊖ TEMPORARILY ABANDONED

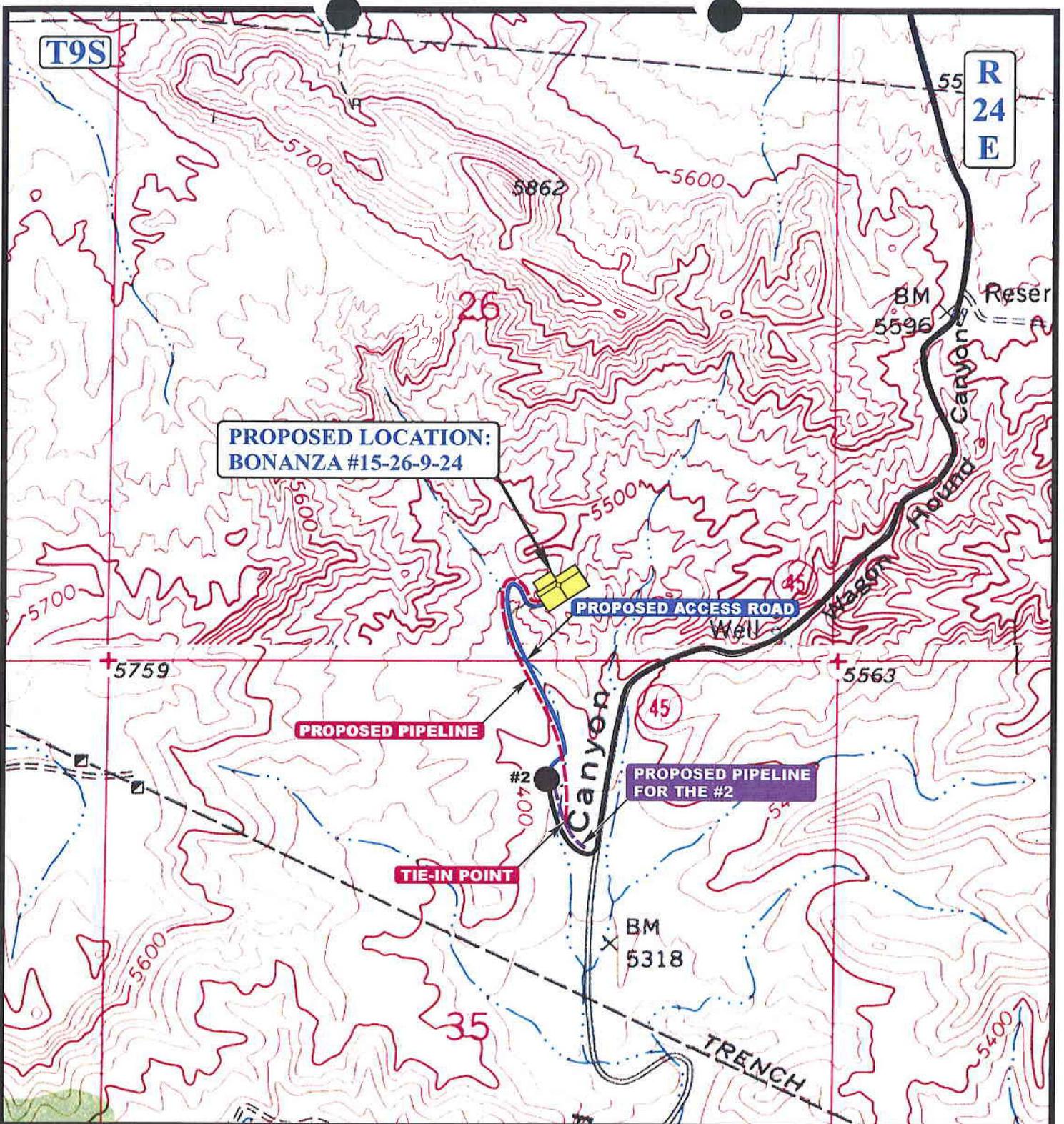


**THE HOUSTON EXPLORATION COMPANY**

**BONANZA #15-26-9-24  
SECTION 26, T9S, R24E, S.L.B.&M.  
550' FSL 2000' FEL**

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

**TOPOGRAPHIC MAP**  
 07 20 05  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00  
**C TOPO**



**APPROXIMATE TOTAL PIPELINE DISTANCE = 2,091' +/-**

**LEGEND:**

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



**THE HOUSTON EXPLORATION COMPANY**

**BONANZA #15-26-9-24**  
**SECTION 26, T9S, R24E, S.L.B.&M.**  
**550' FSL 2000' FEL**



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

**TOPOGRAPHIC MAP** 07 20 05  
 MONTH DAY YEAR  
 SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 10/17/2005

API NO. ASSIGNED: 43-047-37256
--------------------------------

WELL NAME: BONANZA 15-26-9-24  
 OPERATOR: HOUSTON EXPLORATION CO, ( N2525 )  
 CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

SWSE 26 090S 240E  
 SURFACE: 0550 FSL 2000 FEL  
 BOTTOM: 0550 FSL 2000 FEL  
 UINTAH  
 WILDCAT ( 1 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-73459  
 SURFACE OWNER: 1 - Federal  
 PROPOSED FORMATION: CSLGT  
 COALBED METHANE WELL? NO

LATITUDE: 40.00114  
 LONGITUDE: -109.1784

RECEIVED AND/OR REVIEWED:

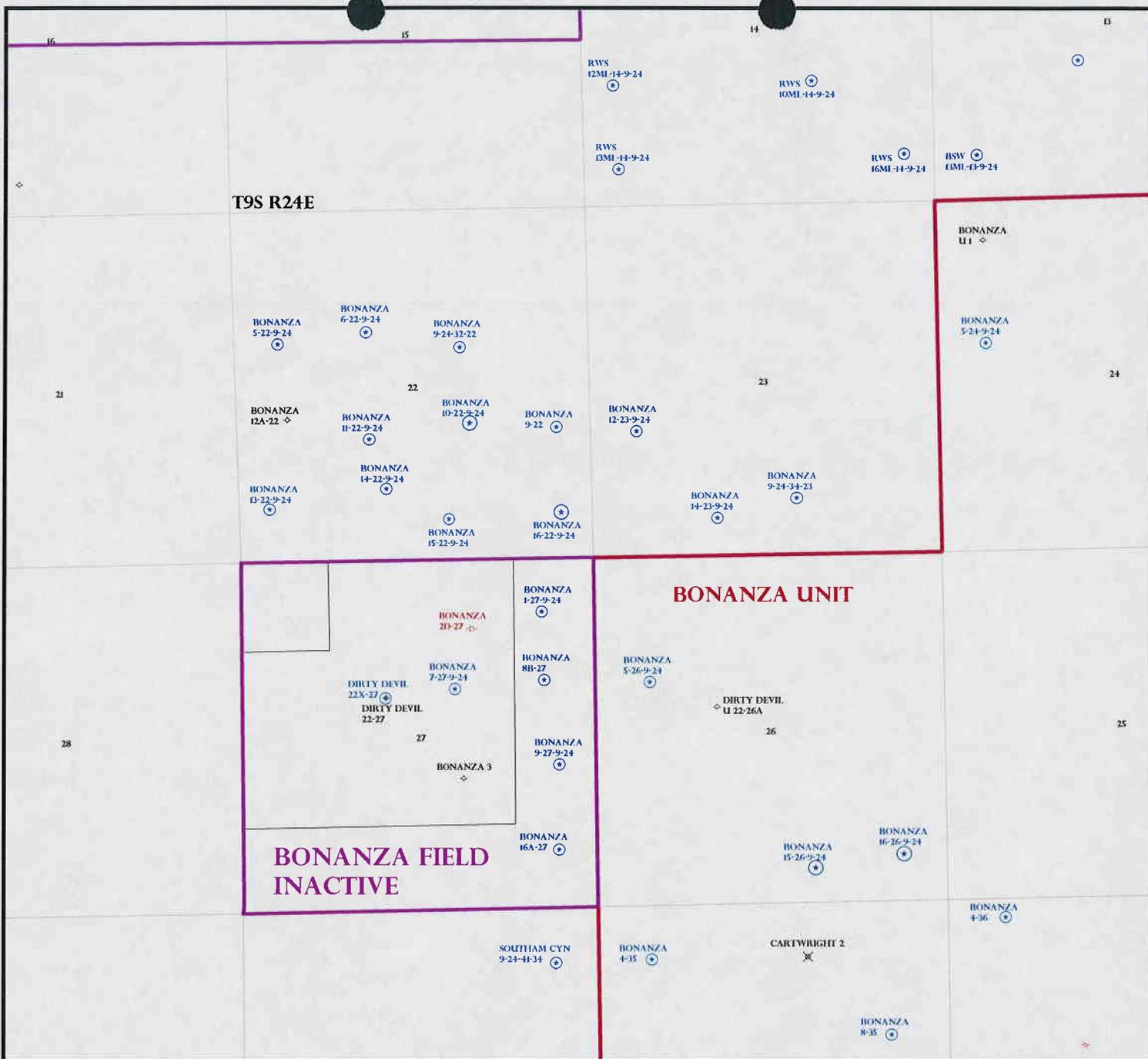
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. 104155044 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. T75376 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- \_\_\_\_\_ R649-2-3.
- Unit BONANZA
- 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  
 \_\_\_\_\_  
 \_\_\_\_\_



OPERATOR: THE HOUSTON EXPL CO (N2525)

SEC: 22,26 T. 9S R. 24E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

Field Status	Unit Status
ABANDONED	EXPLORATORY
ACTIVE	GAS STORAGE
COMBINED	NF PP OIL
INACTIVE	NF SECONDARY
PROPOSED	PENDING
STORAGE	PI OIL
TERMINATED	PP GAS
	PP GEOTHERML
	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: 17-OCTOBER-2005

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:  
3160  
(UT-922)

October 17, 2005

### Memorandum

To: Assistant District Manager Minerals, Vernal District  
From: Michael Coulthard, Petroleum Engineer  
Subject: 2005 Plan of Development Bonanza Unit, Uintah County,  
Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2005 within the Bonanza Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
------	-----------	----------

(Proposed PZ Caslegate)

43-047-37256 Bonanza 15-26-9-24 Sec 26 T09S R24E 0550 FSL 2000 FEL  
43-047-37257 Bonanza 16-26-9-24 Sec 26 T09S R24E 0731 FSL 0670 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File – Bonanza Unit  
Division of Oil Gas and Mining  
Central files  
Agr. Sec. Chron  
Fluid Chron



**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*

October 18, 2005

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

Re: Bonanza 15-26-9-24 Well, 550' FSL, 2000' FEL, SW SE, Sec. 26,  
T. 9 South, R. 24 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37256.

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 15-26-9-24

API Number: 43-047-37256

Lease: UTU-73459

Location: SW SE                      Sec. 26                      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.

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

- |        |
|--------|
| 1. DJJ |
| 2. CDW |

**X Change of Operator (Well Sold)**

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

**11/4/2005**

<b>FROM: (Old Operator):</b> N2525-The Houston Exploration Company 1100 Louisiana, Suite 2000 Houston, TX 77002 Phone: 1-(713) 830-6938	<b>TO: ( New Operator):</b> N2750-Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, CO 80202 Phone: 1-(303) 350-5102
---	--

CA No.

Unit:

**WELL(S)**

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
BONANZA 16-22-9-24	22	090S	240E	4304737254		Federal	GW	APD	C
BONANZA 10-22-9-24	22	090S	240E	4304737255		Federal	GW	APD	C
BONANZA 15-26-9-24	26	090S	240E	4304737256		Federal	GW	APD	C
BONANZA 16-26-9-24	26	090S	240E	4304737257		Federal	GW	APD	C
SOUTHMAN CYN 3-30-9-24	30	090S	240E	4304737258		Federal	GW	APD	C
SOUTHMAN CYN 7-30-9-24	30	090S	240E	4304737259		Federal	GW	APD	C
SOUTHMAN CYN 5-30-9-24	30	090S	240E	4304737260		Federal	GW	APD	C
SOUTHMAN CYN 1-30-9-24	30	090S	240E	4304737261		Federal	GW	APD	C
E BENCH 9-17-11-22	17	110S	220E	4304737262		Federal	GW	APD	C
ASPHALT WASH 13-5	05	110S	240E	4304736235	15012	Federal	GW	DRL	
ASPHALT WASH 11-7-11-24	07	110S	240E	4304737263		Federal	GW	APD	C
ASPHALT WASH 12-9-11-24	09	110S	240E	4304737264		Federal	GW	NEW	C
ASPHALT WASH 3-9-11-24	09	110S	240E	4304737265		Federal	GW	APD	C
BUCK CYN 9-16-12-21	16	120S	210E	4304737091	14994	State	GW	DRL	C
BUCK CYN 15-16-12-21	16	120S	210E	4304737120		State	GW	APD	C

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 10/26/2005
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 10/26/2005
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 9/29/2005
- Is the new operator registered in the State of Utah: YES Business Number: 5771233-0161
- If **NO**, the operator was contacted on: \_\_\_\_\_
- (R649-9-2)Waste Management Plan has been received on: \_\_\_\_\_ Requested 9/29/05
- Inspections of LA PA state/fee well sites complete on: n/a

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: 12/14/2005
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 12/14/2005
3. Bond information entered in RBDMS on: 12/14/2005
4. Fee/State wells attached to bond in RBDMS on: 12/14/2005
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 12/1/2005

**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

5. LEASE DESIGNATION AND SERIAL NUMBER:

UTU-73459

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

7. UNIT or CA AGREEMENT NAME:

N/A

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

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:

Bonanza 15-26-9-24

2. NAME OF OPERATOR:

The Houston Exploration Company

*N2525*

9. API NUMBER:

4304737256

3. ADDRESS OF OPERATOR:

1100 Louisiana, Ste. 2000 CITY Houston

STATE TX ZIP 77002

PHONE NUMBER:

(303) 350-5114

10. FIELD AND POOL, OR WILDCAT:

Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 550' FSL - 2,000' FEL S.L.B.& M.

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 26 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>11/4/2005</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change of Operator</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.

Change of operator from Houston Exploration Company to Enduring Resources, LLC effective 11-04-2005

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

*N2750*

Operator No. N2750  
Utah State Bond #RLB0008031

Contact: Frank Hutto 303-350-5102

ENDURING RESOURCES, LLC

X Frank Hutto

BY: Frank Hutto  
TITLE: Vice President - Operations

DATE: 11/14/05

NAME (PLEASE PRINT) Steve L. Thomson

TITLE ROCKIES MANAGER

SIGNATURE Steve L. Thomson

DATE 11-11-05

(This space for State use only)

APPROVED 12/14/05

RECEIVED

NOV 17 2005

(5/2000) Earlene Russell  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

**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)

<b>Well name:</b>	Bonanza 15-26-9-24
<b>API number:</b>	4304736256
<b>Location:</b>	Qtr-Qtr: SWSE Section: 26 Township: 9S Range: 24E
<b>Company that filed original application:</b>	Houston Exploration Company
<b>Date original permit was issued:</b>	10/18/2005
<b>Company that permit was issued to:</b>	Houston Exploration Company

Check one	Desired Action:
<input type="checkbox"/>	<b>Transfer pending (unapproved) Application for Permit to Drill to new operator</b>
<input type="checkbox"/>	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"/>	<b>Transfer approved Application for Permit to Drill to new operator</b>
<input type="checkbox"/>	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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>RLB0008031</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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 11/30/2005  
 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**  
**DEC 01 2005**  
DIV. OF OIL, GAS & MINING

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

**CONFIDENTIAL**

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73459
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: 550' FSL - 2000' FEL		8. WELL NAME and NUMBER: Bonanza 9-24-34-26 (15-26)
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 26 9S 24E S		9. API NUMBER: 4304737256
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: <u>8/25/2006</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input 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: 10/18/2006  
TO: 10/18/2007

Approved by the  
Utah Division of  
Oil, Gas and Mining

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

NAME (PLEASE PRINT) <u>Evette Bissett</u>	TITLE <u>Regulatory Compliance Assistant</u>
SIGNATURE <u>[Signature]</u>	DATE <u>8/25/2006</u>

(This space for State use only)

COPIES TO OPERATOR  
Date: 9/29/06  
Initials: RIN

RECEIVED  
AUG 30 2006

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

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

**API:** 4304737256  
**Well Name:** Bonanza 9-24-34-26  
**Location:** 550' FSL - 2000' FEL, SWSE, Sec 26, T9S-R24E  
**Company Permit Issued to:** Enduring Resources, LLC  
**Date Original Permit Issued:** 10/18/2005

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

*Quetta Bussitt*  
Signature

8/25/2006  
Date

Title: Regulatory Compliance Assistant

Representing: Enduring Resources, LLC

RECEIVED

AUG 30 2006

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER:  
UTU-73459

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

7. UNIT or CA AGREEMENT NAME:  
n/a

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

8. WELL NAME and NUMBER:  
Bonanza 9-24-34-26

2. NAME OF OPERATOR:  
Enduring Resources, LLC

9. API NUMBER:  
4304737256

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

PHONE NUMBER:  
(303) 350-5719

10. FIELD AND POOL, OR WILDCAT:  
Wildcat

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 550' FSL - 2000' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 26 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: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: 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.

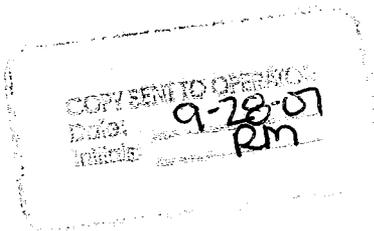
Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill ....

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

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 09-27-07

By: [Signature]



NAME (PLEASE PRINT) Alvin R. (Al) Arlian

TITLE Landman - Regulatory Specialist

SIGNATURE [Signature]

DATE 9/21/2007

RECEIVED  
SEP 25 2007

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

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

**API:** 4304737256  
**Well Name:** Bonanza 9-24-34-26  
**Location:** 550' FSL - 2000' FEL, SWSE, Sec 26, T9S-R24E  
**Company Permit Issued to:** Houston Exploration  
**Date Original Permit Issued:** 10/18/2005

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**

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73459
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: 550' FSL - 2000' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 26 9S 24E S		8. WELL NAME and NUMBER: Bonanza 9-24-34-26 (15-26)
		9. API NUMBER: 4304737256
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Uintah
		STATE: UTAH

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

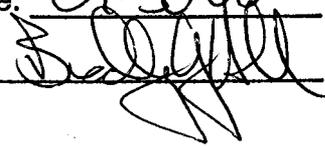
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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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

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

(This space for State use only)

COPY SENT TO OPERATOR  
Date: 10-2-2008  
Initials: KS

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:** 4304737256  
**Well Name:** Bonanza 9-24-34-26  
**Location:** 550' FSL - 2000' FEL, SWSE, Sec 26, T9S-R24E  
**Company Permit Issued to:** Houston Exploration  
**Date Original Permit Issued:** 10/18/2005

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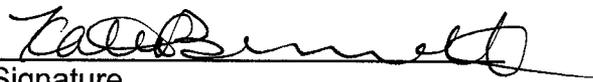
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

9/5/2007

Date

Title: Administrative Assistant

Representing: Enduring Resources, LLC

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

NOV 17 2005

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well  
 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)  
**550 FSL & 2000 FEL, Sec 26 9S 24E  
 SLB&M, (SWSE)**

5. Lease Serial No.  
**UTU-73459**

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

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

8. Well Name and No.  
**Bonanza 15-26-9-24**

9. API Well No.  
**43 047 37256**

10. Field and Pool, or Exploratory Area  
**Undesignated**

11. County or Parish, State  
**Uintah, Utah**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Change Well Name/ Number Requested</b>
	<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 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.)

**CHANGE WELL NAME AND NUMBER:**

**FROM: Bonanza 15-26-9-24**

**TO: Bonanza 9-24-34-26**

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 11-18-05**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

*Matt Baker*

**Petroleum Engineer**

Date

**10/31/2005**

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.

(Instructions on page 2)

**UDOGM**

**RECEIVED**

**OCT 27 2009**

**DIV. OF OIL, GAS & MINING**

*Dg* **07JT 10195**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. <b>UTU-73459</b>	
6. If Indian, Allottee or Tribe Name <b>N/A</b>	
7. If Unit or CA Agreement, Name and No. <b>Bonanza</b>	
8. Lease Name and Well No. <b>Bonanza 15-26-9-24</b>	
9. API Well No. <b>4304737256</b>	
10. Field and Pool, or Exploratory <b>undesignated</b>	11. Sec., T. R. M. or Blk. and Survey or Area <b>Sec 26, T9S-R24E</b>
12. County or Parish <b>Uintah</b>	13. State <b>UT</b>
14. Distance in miles and direction from nearest town or post office* <b>42.75 miles south of Vernal, UT</b>	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>550'</b>
16. No. of acres in lease <b>960</b>	17. Spacing Unit dedicated to this well <b>40 acres</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>1,200' +</b>	19. Proposed Depth <b>6490'</b>
20. BLM/BIA Bond No. on file <b>BLM - UTB000173</b>	21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5459' GR</b>
22. Approximate date work will start* <b>03/01/2006</b>	23. Estimated duration <b>20 days</b>

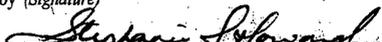
24. Attachments

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) <b>Alvin R. (AI) Arlian</b>	Date <b>12/20/2005</b>
--	---	---------------------------

Title  
**Landman - Regulatory Specialist**

Approved by (Signature) 	Name (Printed/Typed) <b>Stephanie J Howard</b>	Date <b>10/16/09</b>
--	---	-------------------------

Title  
**Assistant Field Manager**  
**Acting 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**

**NOS 8/11/05**

**06BM 2226A**



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: Bonanza 9-24-34-26  
API No: 43-047-37256

Location: SWSE, Sec. 26, T9S, R24E  
Lease No: UTU-73459  
Agreement: Bonanza Unit

**OFFICE NUMBER: (435) 781-4400**

**OFFICE FAX NUMBER: (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 was processed using a 390 CX tied to NEPA approved 07/18/2006. Therefore, this permit is approved for a two (2) year period OR until lease expiration OR the well must be spud by 07/18/2011 (5 years from the NEPA approval date), 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 to: <a href="mailto:ut_vn_opreport@blm.gov">ut_vn_opreport@blm.gov</a> .
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<sub>x</sub> 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<sub>x</sub> 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)  
Bonanza 15-26-9-24**

- A. 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.
- B. **Wildlife and T&E Species:**  
Observe the timing restrictions given below (Only during construction & drilling).

Lands in this lease have been identified as crucial habitat for pronghorn, and other wildlife. Therefore, modifications to the Surface Use Plan of Operations will be required in order to protect this wildlife habitat from surface disturbing activities (see below).

**TIME RESTRICTION**

**REASON**

January 1 – August 31.....Golden eagle nesting season  
*During this period, there will be no construction, drilling or fracing activities within 0.5 mile of golden eagle nests.*

- C. **NOXIOUS WEEDS:**  
Noxious and /or invasive weeds will be controlled along access roads, pipelines, well sites, or other applicable facilities by spraying or mechanical removal. An approved Pesticide Use Proposal is required for the application of herbicides, pesticides or possibly hazardous chemicals.
- D. **TRANSPORTATION:**
- All roads will be constructed to Gold Book standard.
  - The Authorized Officer (AO) may prohibit surface disturbing activities during severe winter, wet, or muddy conditions. This limitation does not apply to operation and maintenance of producing wells.
  - Bury pipelines at all low water crossings and all major road and drainage crossings.

E: INTERIM RECLAMATION:

- Interim reclamation of the surface environment shall take place after drilling and completion and the well is placed into production. At a minimum, this will include the stabilization of the soil surface during construction, re-contouring of the unused pad area, and the reserve pit to the original contour to the extent possible, and the re-spreading of the top soil after re-contouring takes place, up to the rig anchor points and any area not needed for production. Buried pipelines will be re-contoured, the salvaged topsoil redistributed and reseeded. The outside borrow of the access road will have the top soil salvaged and re-spread and reseeded. The area will be reseeded using appropriate seeding methods, which includes, but is not limited to, the drill seeding method (see below). Any adjustments, due to site specific production concerns, to the reclamation COAs in this document can be submitted on Sundry form 3160-5.
- The reclamation objective is to establish a desired self-perpetuating diverse plant community. The objective is to attain **75% basal cover** based on similar undisturbed adjacent native vegetative community, and comprised of desired species and/or seeded species within 5 years of initial reclamation action. However if after three (3) growing seasons there is less than **30%** of the basal cover based on similar undisturbed native vegetative community, then the Authorized Officer may require additional seeding efforts.
- Topsoil will be segregated from the subsoil (without mixing them), stockpiled separately from other soil materials, and maintained for future use in rehabilitating the locations.
- Topsoil piles stored beyond one growing season will be stabilized and seeded to prevent erosion.
- Topsoil storage areas will be identified with appropriate signage, so it is easily identifiable where topsoil is on location.
- Noxious and invasive weeds will be inventoried and monitored. Noxious and invasive weeds will be controlled through integrated weed management including chemical, mechanical, and biological control methods. An approved Pesticide Use Proposal (PUP) is required for all herbicide applications.
- All trash and waste materials not needed for production will be removed immediately.
- Earth work for interim and final reclamation must be completed within 6 months following well completion or well plugging (weather permitting).
- Salvaged topsoil will be re-distributed evenly, and to pre-disturbance depths, over the surfaces to be re-vegetated.
- The soil surface will be prepared to provide a seedbed for re-establishment of desirable vegetation. Site preparation may include gouging, scarifying, dozer track-walking, mulching, hydro mulching, contour furrowing, water terracing, fertilizing, disking, soil additives or other approved methods. The seedbed preparations will be determined to accomplish the reclamation objectives above.
- The seeding contractor will provide all seed tags to the appropriate SMA prior to seeding efforts.

- Seeding will occur after August 15 and prior to winter freezing of the soil.
- Drill seeding will be used except in areas where topography or substrate composition (rock) precludes the use of the drill. If drill seeding is not possible, broadcast seeding will be implemented. If the broadcast method is used (such as on slopes of 40 percent or greater), the seed rates established for drill seeding will be doubled and seed will be immediately covered to prevent seed desiccation or predation by birds or rodents. The seeds could be covered in several ways including spreading and crimping straw over the seeded area, raking the area by hand, or dragging a chain or chain-linked fence over the seeded area.
- Any altered drainages or water courses will be stabilized through rip rap, berming, seeding, matting, or other approved methods, and will be reconstructed to have the characteristics and features of nearby functional drainages. Any disturbance to "dashed line" drainages as depicted on USGS 1:24,000 topographic maps will be coordinated with the corps of engineers prior to disturbance.

F. FINAL RECLAMATION:

- Final Reclamation will be similar to interim reclamation except, all disturbance associated with the well location, access road and pipeline will be reclaimed. The seed mix may include more shrubs and native species. The visual composition will be reestablished to blend with the natural surroundings through re-contouring and reseeded.
- After pipeline installation is complete, all disturbed areas will be reseeded. The seed mixtures to be used will be similar to the vegetation of the surrounding areas and may consist of grasses, forbs, or shrubs. A recommended seed mixture is provided in the table below.

G. MONITORING – RECLAMATION:

- The initial monitoring report will include but is not limited to: when the re-contouring and seeding was completed. The seed applied, the amounts, and the depth of application. Seedbed preparation such as disking, mulching, etc. Seed application such as drilling or broadcast seeding. Are there any soil amendments, fertilizers, watering, etc. The amounts of noxious and invasive weeds. Are any fencing requirements needed?
- Prior to any surface disturbance, vegetative monitoring locations and reference sites will be identified by the operator and approved by the BLM Authorized Officer.
- Vegetation monitoring protocol will be developed by the operator and approved by the BLM Authorized Officer prior to implementation of re-vegetation techniques and will be designed to monitor % basal vegetative cover.
- Reclamation areas will be inspected annually and monitored to document location and extent of areas with successful re-vegetation. Monitoring will continue until the site is considered a success by the authorized officer and the objectives established in the Green River District Guidelines. A reclamation report will be submitted electronically to the Authorized Officer by March 31 of each year.
- On Federal lands, the reclamation objective will be a vegetation community that within 5 years is comprised of desired and/or seeded species, where the basal vegetative cover is 75 percent of a similar undisturbed adjacent native vegetation community. If after 3 years

basal cover is less than 30 percent, then additional seeding and reclamation efforts may be required.

**Seed mix - Interim Reclamation:**

Common name	Latin name	lbs/acre	Recommended seed planting depth (inches)
needle & thread grass	<i>Stipa comata</i>	3	1.5 - 3
Indian rice grass	<i>Achnatherum hymenoides</i>	3	1.5 - 3
galleta grass	<i>Hilaria jamesii</i>	3	0.5 - 1

**Seed mix - Final Reclamation: (May be amended at the time of well final abandonment)**

Common name	Latin name	lbs/acre	Recommended seed planting depth (inches)
Indian rice grass	<i>Achnatherum hymenoides</i>	3	1.5 - 3
Galleta grass	<i>Hilaria jamesii</i>	3	0.5 - 1
shadscale	<i>Atriplex confertifolia</i>	3	0.5 - 0.75
rabbit brush	<i>Chryothamnus nauseosus</i>	3	0.5 - 1
Black sagebrush	<i>Artemisia nova</i>	2	0.5 - 1

- All pounds are pure live seed.
- All seed and mulch will be certified weed free.
- Rates are set for drill seeding; double rate if broadcasting.
- Reseeding may be required if initial seeding is not successful.

- H. Specific Conditions Pertaining to Location Construction – as discussed during onsite:
- Line the reserve pit with 16 mil liner and felt.
  - Move access road to stay on the left side of the wash and enter the NW side.
  - Install culverts as needed.
- I. Restrictions for placement of surface pipelines:
- a) Surface pipelines will be placed 5-10 feet outside of the borrow area.
  - b) Surface pipelines will be placed in such a way that they will not wander into the borrow area.
  - c) Pipelines will be buried at all major road and drainage crossings.
- J. Paint all facilities covert green within six months of installation, except those facilities which are required to comply with the Occupational Safety and Health Act (OSHA):
- K. The NEPA documentation for this well was completed under Section 390 (b) (3) of the Energy Policy Act of 2005, which requires the well to be spudded within 5 years from the signing of EA on July 18, 2006. This requires the spudding to be completed prior to July 18, 2011. At this time this APD will expire and the operator is to cease all operations related to preparing to drill the well.

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

**SITE SPECIFIC DOWNHOLE COAs:**

- Production casing cement shall be brought up and into the surface casing. Production casing minimum cement top is 1500 ft. The minimum cement top is approximately 0500 ft above the surface casing shoe.

**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 ( $\frac{1}{4}$  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.

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-73459
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> BONANZA
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> BONANZA 9-24-34-26
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047372560000
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 350-5114 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0550 FSL 2000 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSE Section: 26 Township: 09.0S Range: 24.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> UNDESIGNATED  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 10/18/2010  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> 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 for an one-year extension to APD termination date.

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

**Date:** October 25, 2010

**By:** 

<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A		<b>DATE</b> 10/18/2010



**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 43047372560000**

**API:** 43047372560000

**Well Name:** BONANZA 9-24-34-26

**Location:** 0550 FSL 2000 FEL QTR SWSE SEC 26 TWP 090S RNG 240E MER S

**Company Permit Issued to:** ENDURING RESOURCES, LLC

**Date Original Permit Issued:** 10/18/2005

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:** 10/18/2010

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

**Date:** October 25, 2010

**By:** 

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

SEP 01 2011

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

**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.  
UTU73459

6. If Indian, Allottee or Tribe Name

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

**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		8. Well Name and No. BONANZA 9-24-34-26
2. Name of Operator ENDURING RESOURCES, LLC Contact: ALVIN (AL) R. ARLIAN E-Mail: aarlian@enduringresources.com		9. API Well No. 43-047-37256
3a. Address 475-17TH STREET, SUITE 1500 DENVER, CO 80202	3b. Phone No. (include area code) Ph: 303-350-5114 Fx: 303-573-0461	10. Field and Pool, or Exploratory WILDCAT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T9S R24E Mer SLB SWSE 550FSL 2000FEL 40.001103 N Lat, 109.179156 W Lon		11. County or Parish, and State UINTAH COUNTY, UT

**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: 10-16-2011  
TO: 10-16-2013

RECEIVED  
OCT 07 2011  
DIV. OF OIL, GAS & MINING

VERNAL FIELD OFFICE  
ENG. *RLM 9/20/11*  
GEOL. \_\_\_\_\_  
E.S. \_\_\_\_\_  
PET. \_\_\_\_\_  
RECL. \_\_\_\_\_

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

Electronic Submission #116715 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 09/14/2011 ( )

Name (Printed/Typed) ALVIN (AL) R. ARLIAN	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 09/01/2011

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <b>DENIED</b>	Title _____
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 <b>VERNAL FIELD OFFICE</b>

SEP 28 2011

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 \*\*

11RRH4063SE

# CONDITIONS OF APPROVAL

## Enduring Resources, LLC

### Notice of Intent APD Extension

**Lease:** UTU-73459  
**Well:** Bonanza 9-24-34-26  
**Location:** SWSE Sec 26 T9S R24E

An extension for the referenced APD is denied based on the following reason:

---

The well specific surface NEPA clearance for this well was completed using a Categorical Exclusion (CX) reference Section 390 of the Energy Policy Act of 2005 and was approved for this well on September 24, 2009. This 390 CX has a five year spud date requirement based upon the signature approval date of the Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) Decision Record for Enduring Resources 'West Bonanza Area Natural Gas Well Development Project' approved July 18, 2006. The Bonanza 9-24-34-26 well needed to be spudded by July 18, 2011. The Application for Permit to Drill (APD) for this well was approved on October 16, 2009 and could not be extended past the July 18, 2011 date.

If you have any other questions concerning this matter, please contact Robin L Hansen of this office at (435) 781-2777



# 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>



OCT 11 2011

IN REPLY REFER TO:  
3160 (UTG011)

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

43 0A7 37256

Re: Notice of Expiration  
Well No. Bonanza 9-24-34-26  
SWSE, Sec. 26, T9S, R24E  
Uintah County, Utah  
Lease No. UTU-73459  
Bonanza Unit

Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the above-referenced well was approved on October 16, 2009. An extension request of the original APD was received on September 1, 2011. The request was reviewed and the extension request was denied on September 28, 2011, due to the NEPA document expiring on July 18, 2011. 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

RECEIVED

OCT 17 2011

DIV. OF OIL, GAS & MINING

cc: UDOGM



GARY R. HERBERT  
Governor

GREG 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

October 21, 2011

Al Arlian  
Enduring Resources, LLC  
511-16<sup>th</sup> Street, Ste. 700  
Denver, CO 80202

Re: APD Rescinded – Bonanza 9-24-34-26, Sec. 26 T.9S, R.24E  
Uintah County, Utah API No. 43-047-37256

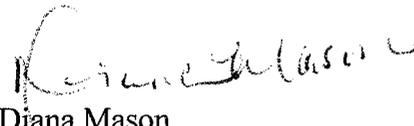
Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on October 18, 2005. On September 27, 2006, September 27, 2007, September 30, 2008, October 5, 2009 and October 25, 2010 the Division granted a one-year APD extension. On October 19, 2011, you requested that the APD be rescinded. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 19, 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

