



Enduring Resources

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

December 30, 2005

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

Attn.: Ms. Diana Whitney

RE: Rainbow 11-24-24-4
Lease Serial No.: FEE
564' FSL - 2,098' FWL SESW
Uintah County, Utah

Dear Ms. Whitney:

Enclosed are two original applications to drill concerning the above-referenced proposed well. Also enclosed is a copy of the Enduring/American Gilsonite surface use agreement.

Enduring Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or additional information is required, please contact me at 303-350-5114.

Very truly yours,

ENDURING RESOURCES, LLC

Alvin R. (Al) Arlian
Landman-Regulatory Specialist

ara
Enclosures:

RECEIVED
JAN 05 2006
DIV. OF OIL, GAS & MINING

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: FEE	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Enduring Resources, LLC			9. WELL NAME and NUMBER: Rainbow 11-24-24-4	
3. ADDRESS OF OPERATOR: 475 17th St., Ste 1500 CITY Denver STATE CO ZIP 80220		PHONE NUMBER: (303) 350-5114	10. FIELD AND POOL, OR WILDCAT: Undesignated	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 564' FSL - 2,098' FWL SESW <i>650725X 39.885171</i> AT PROPOSED PRODUCING ZONE: Same <i>4416290Y -109.237285</i>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 4 11S 24E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 22.7 miles southwest of Bonanza, UT			12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 564'	16. NUMBER OF ACRES IN LEASE: 160	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 acres		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) none	19. PROPOSED DEPTH: 6,820	20. BOND DESCRIPTION: RLB0008031		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5654' RT-KB	22. APPROXIMATE DATE WORK WILL START: 2/10/2006	23. ESTIMATED DURATION: 20 days		

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
20"	14" line pipe	40	3 yards	Ready Mix	
11"	8-5/8" J-55 24#	2,000	Premium Lead	138 sxs	3.50 11.1
			Premium Tail	138 sxs	1.15 15.8
7-7/8"	4-1/2" N-80 11.6#	6,820	Class G	66 sxs	3.3 11.0
			50/50 Poz Class G	797 sxs	1.56 14.3

25. **ATTACHMENTS**

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

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

CONFIDENTIAL

NAME (PLEASE PRINT) Alvin R. (AI) Arlian TITLE Landman - Regulatory Specialist

SIGNATURE DATE 12/30/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-047-37605

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

Date: 02-21-06
By:

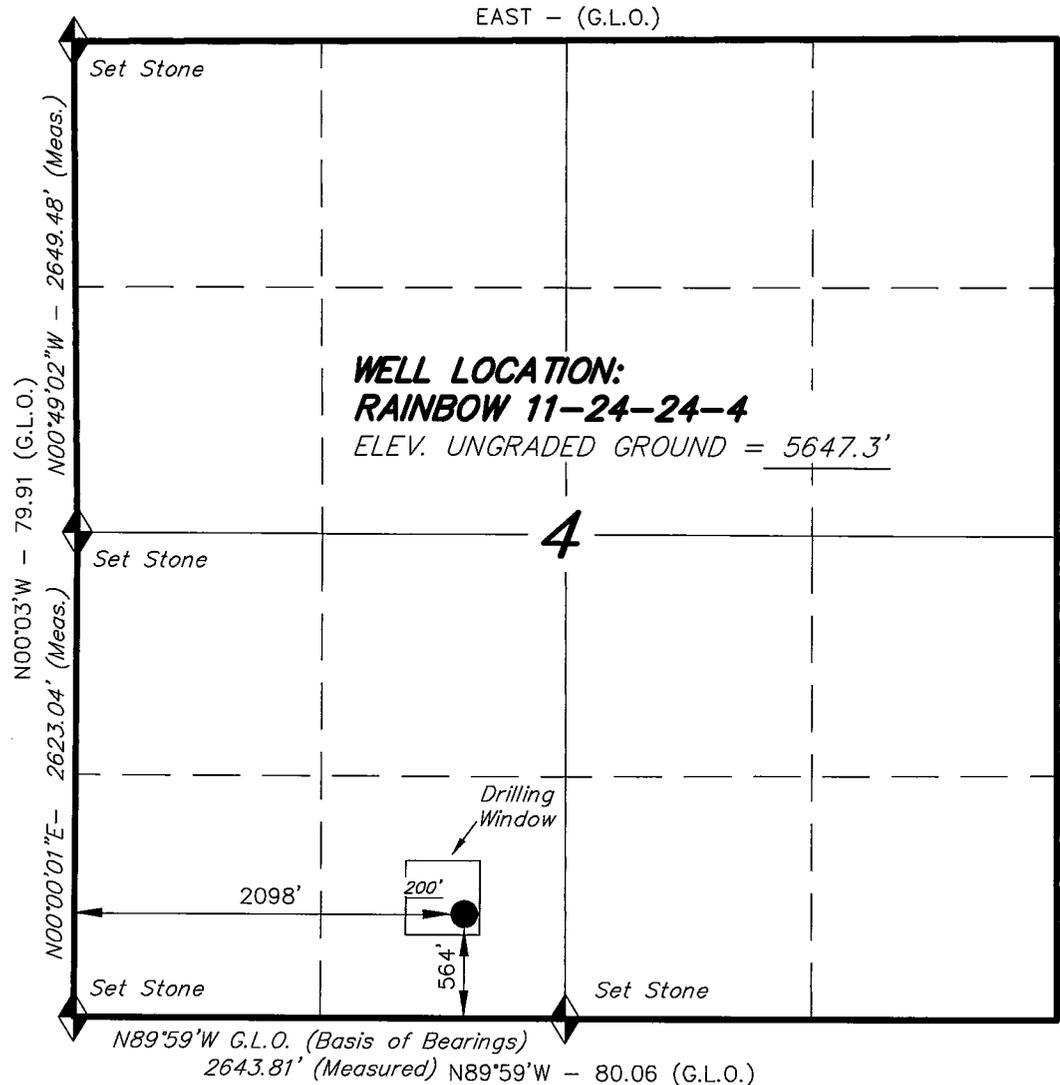
(See Instructions on Reverse Side)

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

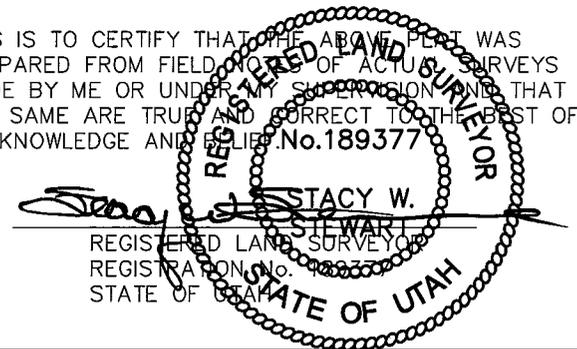
ENDURING RESOURCES

WELL LOCATION, RAINBOW 11-24-24-4,
LOCATED AS SHOWN IN THE SE 1/4 SW
1/4 OF SECTION 4, T11S, R24E,
S.L.B.&M. UINTAH COUNTY, UTAH.



N00°02'W (G.L.O.)

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF. No. 189377



◆ = SECTION CORNERS LOCATED
BASIS OF ELEV; U.S.G.S. 7-1/2 min
QUAD (SOUTHAM CANYON)

RAINBOW 11-24-24-4
(Surface Location) NAD 83
LATITUDE = 39° 53' 07.06"
LONGITUDE = 109° 14' 16.21"

TRI STATE LAND SURVEYING & CONSULTING		SHEET 2 OF 9
180 NORTH VERNAL AVE. - VERNAL, UTAH 84078 (435) 781-2501		
DATE DRAWN: 12-6-05	SURVEYED BY: J.H.	
REVISED:	DRAWN BY: F.T.M.	
NOTES:	SCALE: 1" = 1000'	

**Enduring Resources, LLC
Rainbow 11-24-24-4
SESW Sec. 4 T11S-R24E
Uintah County, Utah
Lease # FEE**

ONSHORE ORDER 1 - DRILLING PLAN

1. Estimated Tops of Geological Markers:

Formation	Depth (K.B.)
Uinta	Surface
Green River	491'
Wasatch	2851'
Mesaverde	4256'

2. Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals:

Substance	Formation	Depth (K.B.)
	KB-Uinta Elevation: 5654'	
Oil / Gas	Green River	491'
Oil /Gas	Wasatch	2851'
Oil /Gas	Mesaverde	4256'
	Estimated TD	6820'

A 11" hole will be drilled to approximately 2000 feet. The depth will be determined by the depth that the Birds Nest zone is encountered. The hole will be drilled 400 feet beyond the top of the Birds Nest zone and surface casing will be set.

3. Pressure Control Equipment: (3000 psi schematic attached)

- A. Type: Eleven (11) inch double gate hydraulic BOP with eleven (11) inch annular preventer on 3,000 psi casinghead, with 3,000 psi choke manifold equipped per the attached diagram. BOPE as specified in *Onshore Oil & Gas Order Number 2*. A PVT, stroke counter and flow sensor will be installed to check for flow and monitor pit volume.
- B. Pressure Rating: 3,000 psi BOPE
- C. Kelly will be equipped with upper and lower Kelly valves.
- D. Testing Procedure: Annular Preventer

At a minimum, the annular preventer will be pressure tested to 50% of the stack rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the annular preventer is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the annular preventer will be functionally operated at least weekly.

Blow-Out Preventer

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

E. Miscellaneous Information:

The blowout preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2*.

4. Proposed Casing & Cementing Program:

A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set (MD)
20"	14" O.D.				40' (GL)
11"	8-5/8"	24#	J-55	ST&C	0 – 2,016' (KB) est.
7-7/8"	4-1/2"	11.6#	N-80	LT&C	0 – 6,820' (KB)

The surface casing will have guide shoe, 1 joint, insert float collar. Centralize the shoe joint with bowspring centralizers in the middle and top of the joint and the next 16 joints with bowspring centralizers on every other collar (8 centralizers total). Thread lock guide shoe.

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

B. Casing Design Parameters:

Depth (MD)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40' (GL)	14" OD			
2016' (KB)	8-5/8", 24#/ft, J55, STC	1370/1.52(a)	2950/3.28(b)	244/5.81(c)
6820' (KB)	4-1/2", 11.6#/ft, N-80, LTC	6350/1.79 (d)	7780/2.39 (e)	223/3.28 (f)

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

PROPOSED CEMENTING PROGRAM

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

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	1516	Premium cement + 16% gel + 0.25 pps celloflake	138	25%	11.1	3.50
8-5/8"	Tail	500	Premium cement + 2% CaCl ₂ + 0.25 pps celloflake	138	25%	15.8	1.15

A cement top job is required if cement fallback is greater than 10' below ground level. Top job (weight 15.8 ppg, yield 1.15 ft³/sx) cement will be premium cement w/ 3% CaCl₂ + 0.25 pps celloflake. Volume as required

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

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	500	Premium cement + 2% CaCl ₂ + 0.25 pps celloflake	138	25	15.8	1.15
8-5/8"	Top job	As req.	Premium cement + 3% CaCl ₂ + 0.25 pps celloflake	As Req.		15.8	1.15

Production Casing and Liner - Cemented TD to 300' above base of surface casing

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
4-1/2"	Lead	735	Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender	66	25	11.0	3.3
4-1/2"	Tail	4369	50/50 POZ Class G + 2% gel + 1% CaCl ₂ + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam	797	25	14.3	1.56

Cement volumes for the 4-1/2" Production Casing will be calculated to provide a top of cement to 300' above base of surface casing. Cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole size and will be determined by running a caliper log on the drilled hole. Actual cement types may vary due to hole conditions and cement contractor used.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. **Drilling Fluids (mud) Program:**

Interval (MD)	Mud Weight	Fluid Loss	Viscosity	Mud Type
0' - 2016' (KB)		No cntrl		Air/mist
2000'-3000' (KB)	8.4-8.6	No cntrl	28-36	Water
3000'-6820' (KB)	8.8-9.8	8 - 10 ml	32-42	Water/Gel

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

6. **Evaluation Program:**

Tests: No tests are currently planned.

Coring: No cores are currently planned.

Samples: No sampling is currently planned.

Logging

- Dual Induction – SFL /Gamma Ray/Caliper/SP/TDLT/CNL/ML
TD to Base Surface Casing
- Cement Bond Log / Gamma Ray:
TD to Base of Surface Casing or Top of Cement if below Base of Surface Casing

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

7. Abnormal Conditions:

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

Maximum anticipated bottom hole pressure equals approximately 3,546 psi (calculated at 0.52psi/foot of hole) and maximum anticipated surface pressure equals approximately 2,046 psi (anticipated bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot of hole).

8. Anticipated Starting Dates:

- Anticipated Commencement Date- Within one year of APD issue.
- Drilling Days- Approximately 10 days
- Completion Days - Approximately 10 days
- Anticipate location construction within 30 days of permit issue.

9. Variances:

None anticipated

10. Other:

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

Single Shot directional surveys will be dropped every 2000 feet to monitor hole angle.

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SESW Sec. 4 T11S-R24E
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- Anticipated Commencement Date- Within one year of APD issue.
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9. Variations:

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Single Shot directional surveys will be dropped every 2000 feet to monitor hole angle.

Directions to the Rainbow 11-24-24-4 Well Pad

Beginning at the city of Bonanza, Utah. Leave the city of Bonanza heading southerly on state highway 45 for a distance of approximately 11.0 miles where there is a turn-off to the right. Turn right, leaving state highway 45, and proceed westerly for approximately 1.9 miles where the road forks. Keep to the left and bear southwesterly for approximately 4.9 miles where the road forks again. Turn right and proceed northwesterly for a distance of approximately 2.3 miles. Thence, continue westerly on the same road for approximately 1.6 miles. Thence, turn right onto proposed access and proceed northerly for approximately 8,995' (about 1.7 miles) to the proposed Rainbow 11-24-24-4

Exhibit "C"

RIGHT-OF-WAY and SURFACE DAMAGE AGREEMENT

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

WHEREAS, Grantor is the surface owner of _____ quarter Section ____ Township ____ South, Range ____ East, Uintah County, Utah (hereinafter referred to as the "Land(s)").

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

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

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

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

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

unreasonably withheld.

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

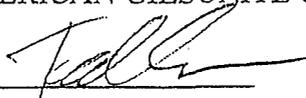
agreement will expire and Grantee shall remove all remaining property, fixtures, equipment and materials that were placed by Grantee on the Land. Such removal shall be accomplished at Grantee's sole cost, risk and expense. If such items are not removed within 90 days, Grantor shall have the right to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

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

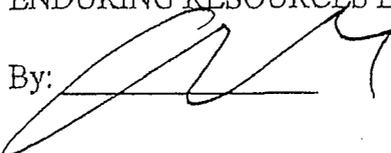
XXIII. Any controversy or claim, whether based in contract, tort or otherwise, arising in any way out of, relating to or in connection with this Agreement (a "Dispute") shall be finally settled by arbitration conducted expeditiously in accordance with the Commercial Arbitration Rules (the "Rules") of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

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

AMERICAN GILSONITE COMPANY, Grantor

By: 

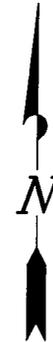
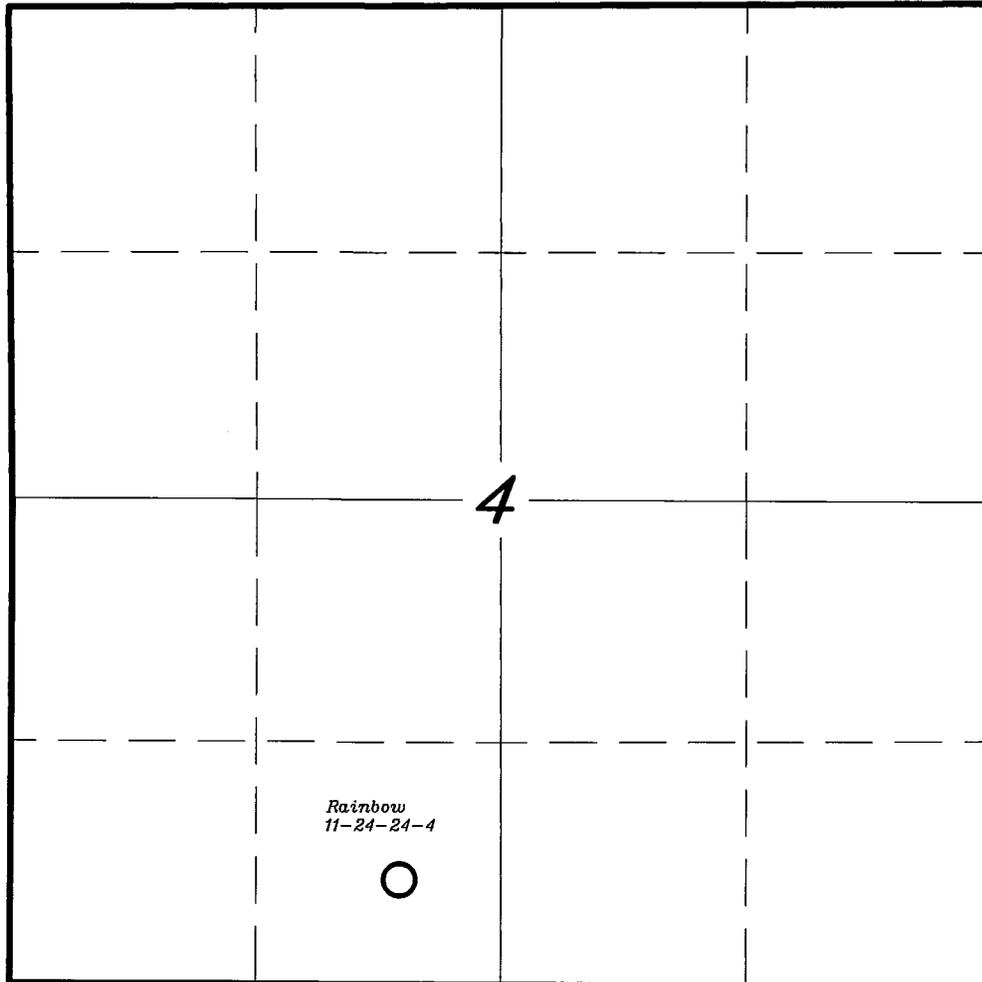
ENDURING RESOURCES LLC, Grantee

By: 

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

ENDURING RESOURCES

**SECTION DRILLING MAP
RAINBOW 11-24-24-4**



LEGEND

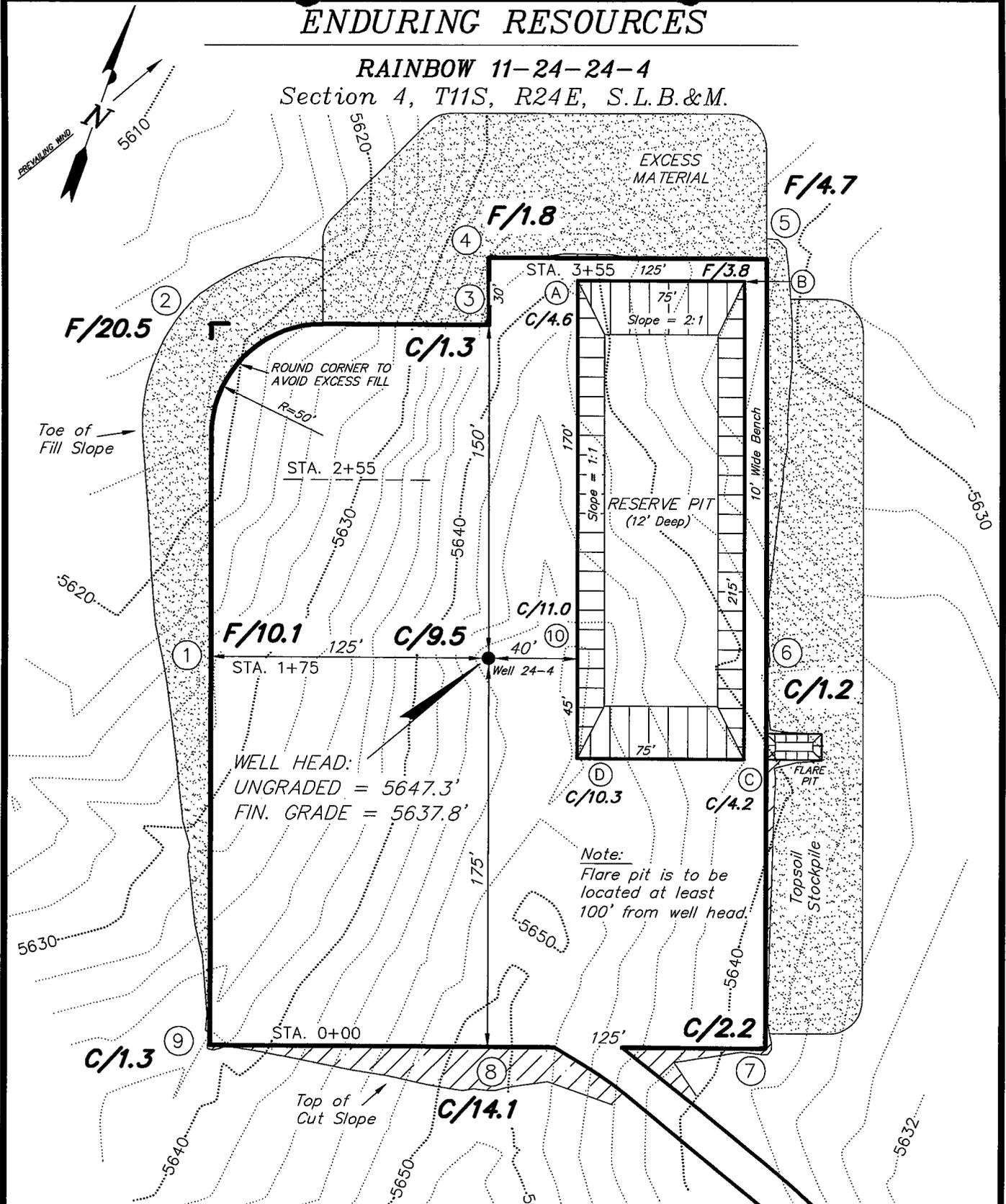
- = Vertical Well
- ⊙ = Directional Well (Bottom Hole)

TRI STATE LAND SURVEYING & CONSULTING
180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
(435) 781-2501

DATE DRAWN: 12-6-05	SURVEYED BY: J.H.	SHEET 1 OF 9
REVISED:	DRAWN BY: F.T.M.	
NOTES:	SCALE: 1" = 1000'	

ENDURING RESOURCES

RAINBOW 11-24-24-4
Section 4, T11S, R24E, S.L.B.&M.



REFERENCE POINTS

225' SOUTHERLY = 5653.8'
275' SOUTHERLY = 5654.0'

SURVEYED BY: J.H. DATE DRAWN: 12-6-05

DRAWN BY: F.T.M. SCALE: 1" = 60'

NOTES:

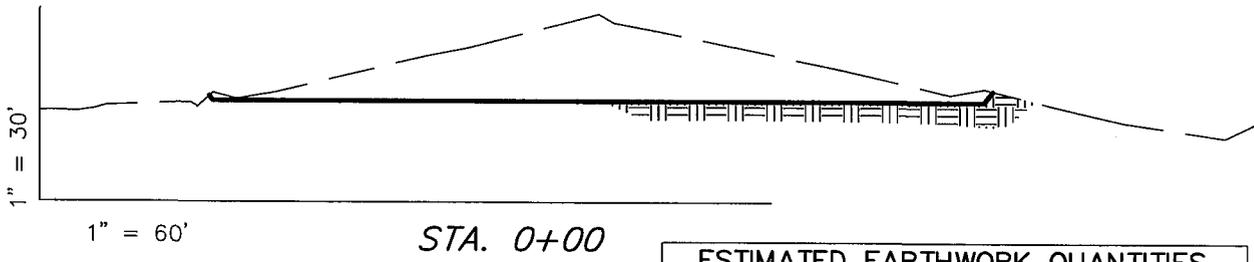
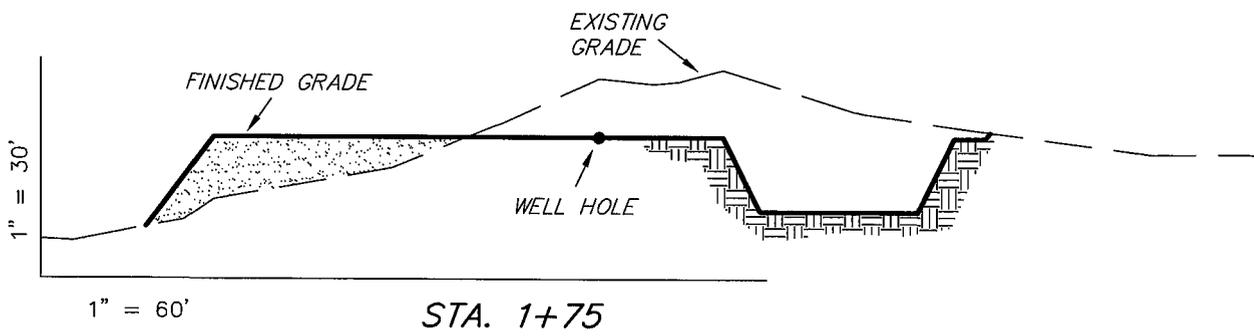
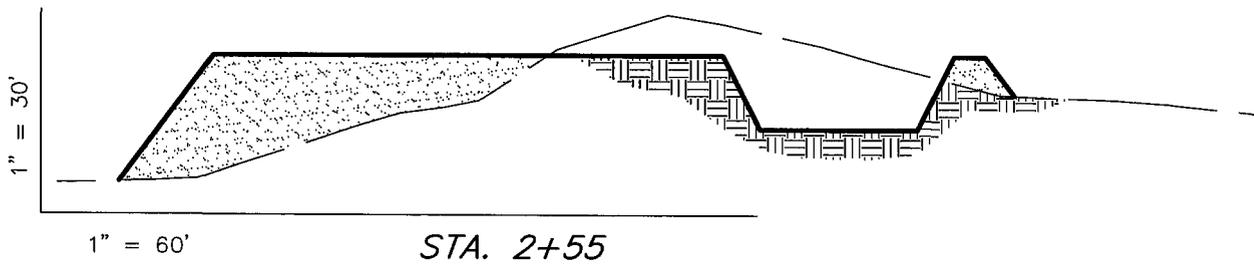
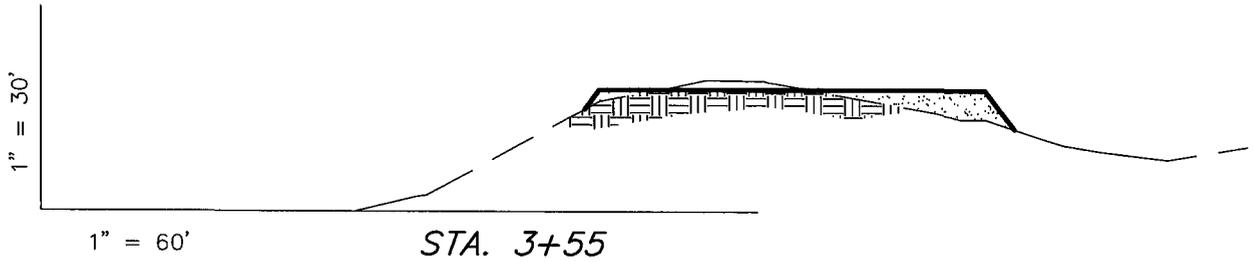
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SHEET
3
OF 9

ENDURING RESOURCES

CROSS SECTIONS

RAINBOW 11-24-24-4



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

ESTIMATED EARTHWORK QUANTITIES (No Shrink or swell adjustments have been used) (Expressed in Cubic Yards)				
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	10,200	10,200	Topsoil is not included in Pad Cut	0
PIT	5,390	0		5,390
TOTALS	15,390	10,200	1,820	5,390

SURVEYED BY: J.H.	DATE DRAWN: 12-6-05
DRAWN BY: F.T.M.	SCALE: 1" = 60'
NOTES:	

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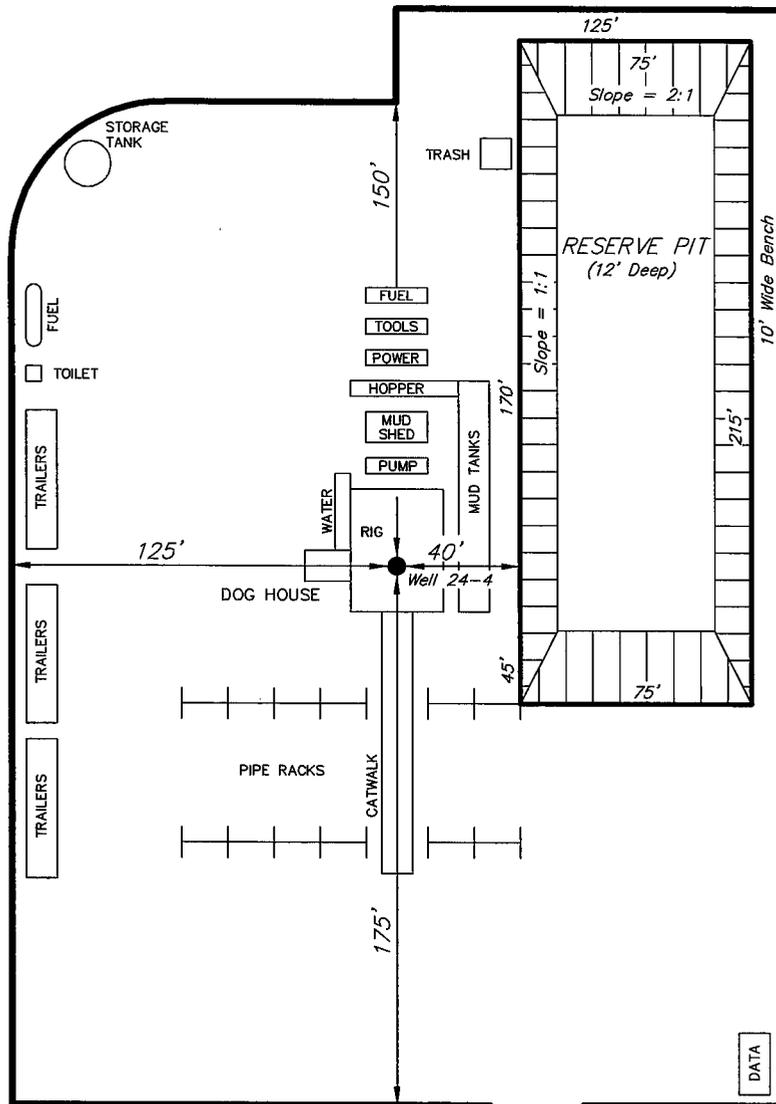
(435) 781-2501

SHEET
4
OF 9

ENDURING RESOURCES

TYPICAL RIG LAYOUT

RAINBOW 11-24-24-4



FLARE PIT

Note:
Flare pit is to be located at least 100' from well head.

PROPOSED ACCESS ROAD

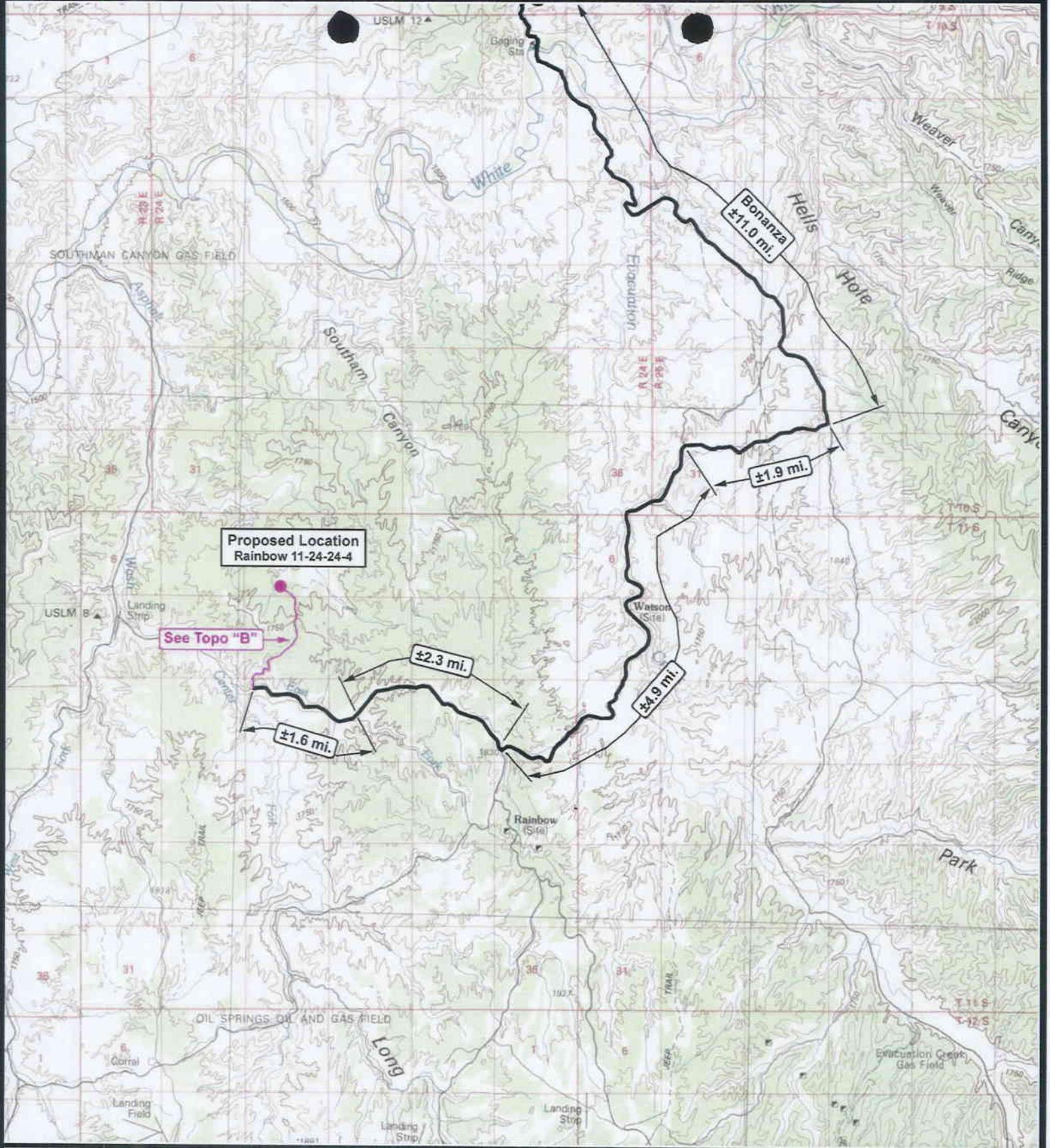
SURVEYED BY: J.H.	DATE DRAWN: 12-6-05
DRAWN BY: F.T.M.	SCALE: 1" = 60'
NOTES:	

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Directions to the Rainbow 11-24-24-4 Well Pad

Beginning at the city of Bonanza, Utah. Leave the city of Bonanza heading southerly on state highway 45 for a distance of approximately 11.0 miles where there is a turn-off to the right. Turn right, leaving state highway 45, and proceed westerly for approximately 1.9 miles where the road forks. Keep to the left and bear southwesterly for approximately 4.9 miles where the road forks again. Turn right and proceed northwesterly for a distance of approximately 2.3 miles. Thence, continue westerly on the same road for approximately 1.6 miles. Thence, turn right onto proposed access and proceed northerly for approximately 8,995' (about 1.7 miles) to the proposed Rainbow 11-24-24-4



ENDURING RESOURCES

Rainbow 11-24-24-4
Sec. 4, T11S, R24E, S.L.B.&M.



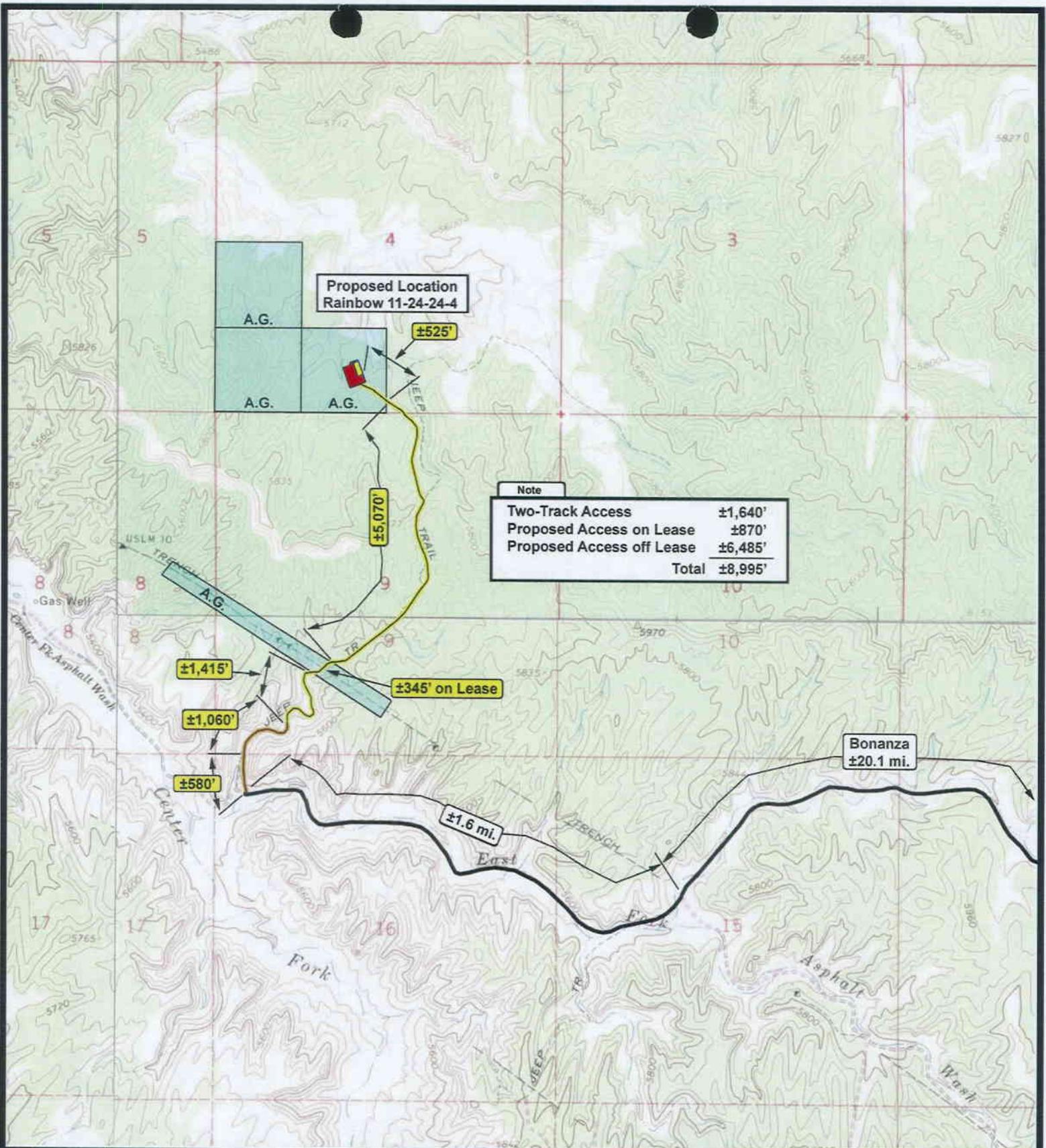
Tri-State
Land Surveying Inc.
 (435) 781-2501
 180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1 : 100,000
DRAWN BY: bgm
DATE: 12-06-2005

Legend

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP **SHEET**
"A" **6**
 OF 9

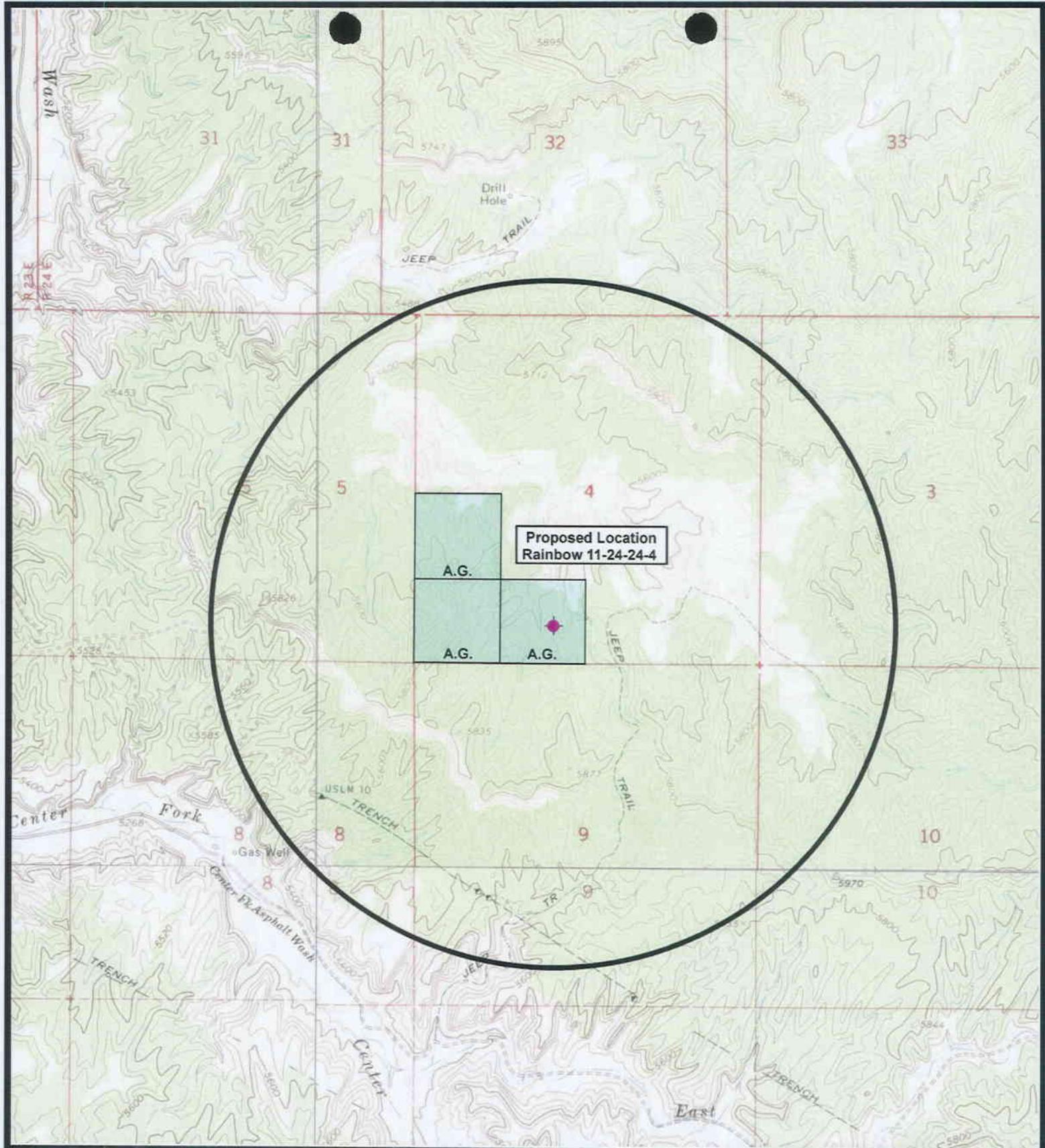


Note	
Two-Track Access	±1,640'
Proposed Access on Lease	±870'
Proposed Access off Lease	±6,485'
Total	±8,995'


ENDURING RESOURCES
Rainbow 11-24-24-4
Sec. 4, T11S, R24E, S.L.B.&M.


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SCALE: 1" = 2,000'
DRAWN BY: bgm
DATE: 12-20-2005

Legend
 Existing Road
 Proposed Access
TOPOGRAPHIC MAP
"B"
SHEET 7 OF 9



ENDURING RESOURCES

Rainbow 11-24-24-4
Sec. 4, T11S, R24E, S.L.B.&M.



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SCALE: 1" = 2,000'
DRAWN BY: bgm
DATE: 12-06-2005

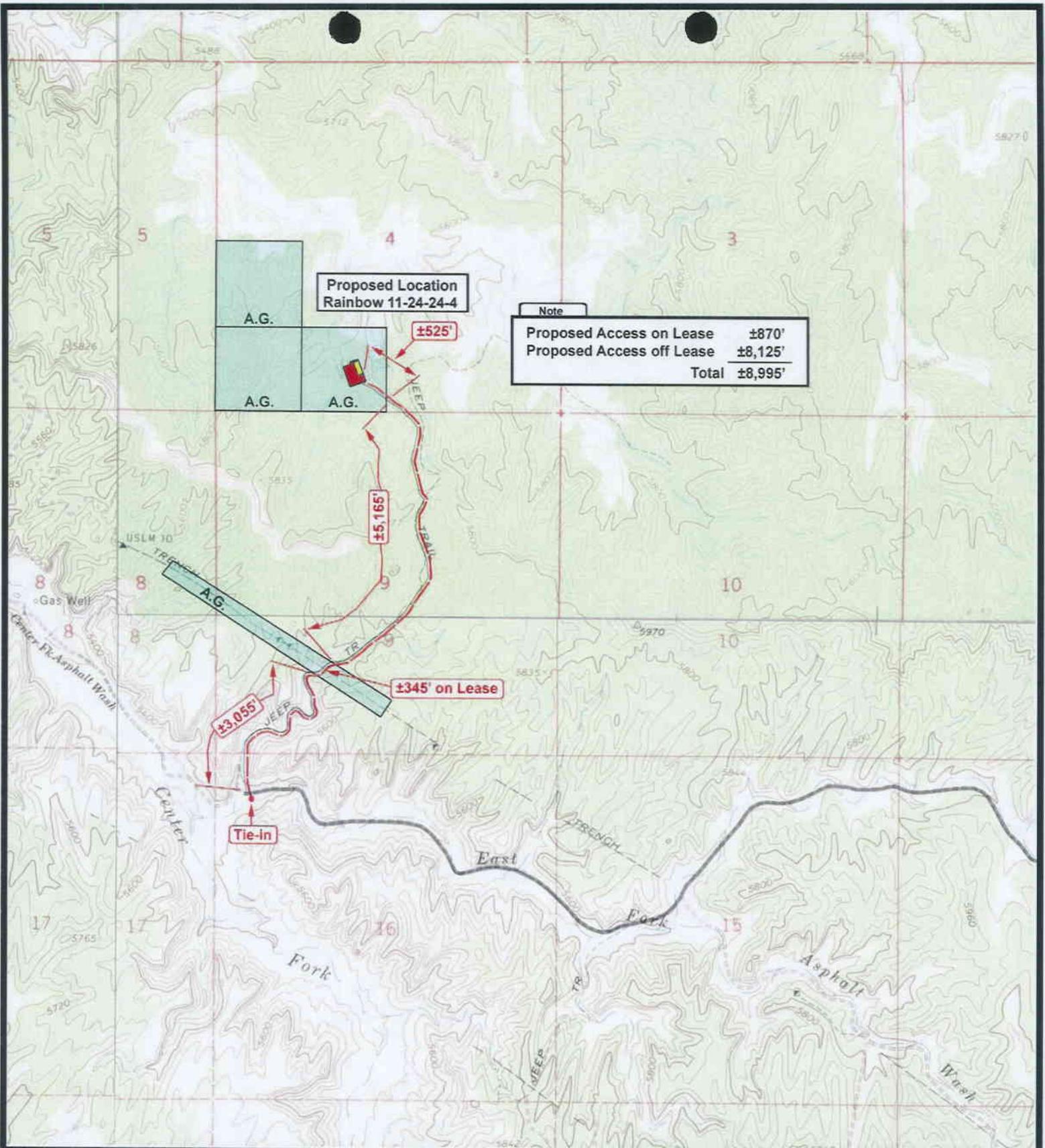
Legend

- Location
- One-Mile Radius

TOPOGRAPHIC MAP

"C"

SHEET
8
OF 9



Proposed Location
Rainbow 11-24-24-4

Note	
Proposed Access on Lease	±870'
Proposed Access off Lease	±8,125'
Total	±8,995'


ENDURING RESOURCES

Rainbow 11-24-24-4
Sec. 4, T11S, R24E, S.L.B.&M.



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180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: bgm
DATE: 12-06-2005

Legend	
	Existing Road
	Proposed Access
	Proposed Gas Line

TOPOGRAPHIC MAP
"D"
SHEET **9** OF 9



CENTER STAKE


ENDURING RESOURCES
Rainbow 11-24-24-4

Date Photographed: 12/01/2005

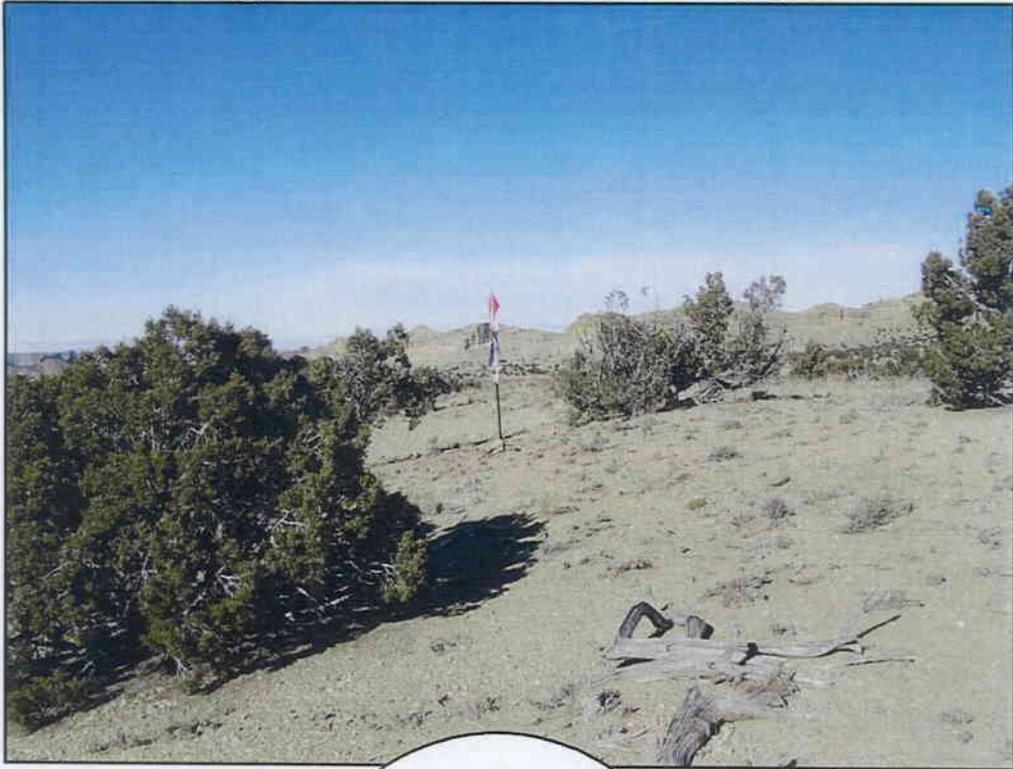
Date Drawn: 12/06/2005

Drawn By: bgm


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Land Surveying Inc.
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180 North Vernal Ave. Vernal, Utah 84078

**LOOKING NORTH
ACCESS**





NORTH


ENDURING RESOURCES

Rainbow 11-24-24-4

Date Photographed: 12/01/2005

Date Drawn: 12/06/2005

Drawn By: bgm


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EAST





SOUTH


ENDURING RESOURCES
Rainbow 11-24-24-4

Date Photographed: 12/01/2005

Date Drawn: 12/06/2005

Drawn By: bgm


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180 North Vernal Ave. Vernal, Utah 84078

WEST



**Enduring Resources, LLC
Rainbow 11-24-24-4
SESW Sec. 4 T11S-R24E
Uintah County, Utah
Lease # FEE**

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the Rainbow 11-24-24-4 Well Pad

Beginning at the city of Bonanza, Utah. Leave the city of Bonanza heading southerly on state highway 45 for a distance of approximately 11.0 miles where there is a turn-off to the right. Turn right, leaving state highway 45, and proceed westerly for approximately 1.9 miles where the road forks. Keep to the left and bear southwesterly for approximately 4.9 miles where the road forks again. Turn right and proceed northwesterly for a distance of approximately 2.3 miles. Thence, continue westerly on the same road for approximately 1.6 miles. Thence, turn right onto proposed access and proceed northerly for approximately 8,995' (about 1.7 miles) to the Rainbow 11-24-24-4 well pad.

Total distance from Bonanza, Utah to the proposed well location is approximately 22.7 miles in a southwesterly direction.

2. Planned Access Roads:

The proposed access road will be approximately 1640 feet of two-track off-lease, 6,485 feet of new construction off-lease and two portions the proposed access road being on-lease (525' and 345') being a total of 8,995 feet of new construction. Please refer to Topo Map "B" for the takeoff point for the new ON-LEASE road construction.

1. A surface use agreement with American Gilsonite is attached,
2. Pipeline and road r-o-w agreements with the BLM have been submitted.

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

The access road will be crowned 2% to 3%, ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet right-of-way. Maximum grade of road is 5% or less. Graveling or capping the roadbed will be performed as necessary to provided a well constructed, safe road. No fence crossings, culverts, turnouts, cattle guards or major cuts and fills are required. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

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

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

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

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

- a. None: Water Wells
- b. None: Injection Wells:
- c. None: Producing Wells:
- d. None: Drilling Wells:
- e. None: Shut-in Wells:
- f. None: Temporarily Abandoned Wells:
- g. None: Disposal Wells:
- h. None: Abandoned Wells:
- i. None: Dry Holes:
- j. None: Observation Wells:
- k. Four: Pending (staked) Wells:
 - i. Various Enduring wells have been staked in Section 4, T11S-R24E.

4. **Location of Existing and/or Proposed Facilities:**

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

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater treater). These dikes

will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank and be independent of the back cut.

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

All facilities will be painted within 6 months of installation. The color shall be Desert Tan. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

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

Gas Gathering Pipeline:	870' ON-LEASE	American Gilsonite
	7,545' OFF-LEASE	BLM (r-o-w pending)
	<u>580' OFF-LEASE</u>	SITLA (r-o-w pending)
	8,995' Total pipeline	

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed. The surface gas gathering line shall be in use year round. A total of approximately less than 8,995 feet of surface gas gathering pipeline shall be laid on the surface to minimize surface disturbance:

- a. ON-LEASE approximately 870 feet, and
- b. OFF-LEASE approximately 8,125 feet

of 4 inch or less diameter steel, unpainted, welded gas gathering line is proposed.

The Enduring/American Gilsonite agreement requires pipelines to be laid on the surface.

The proposed pipeline will begin at the well site; and be laid on the surface next to the new access road and tie-in directly to an existing pipeline next to this well pad. The meter run will be housed. The gas gathering line will be buried or anchored down from the wellhead to the meter.

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

5. Location and Type of Water Supply:

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

by Dalbo Inc. Water User Claim #43-8496

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

No water well is to be drilled on this lease.

6 Source of Construction Materials:

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

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

7. Methods of Handling Waste Materials:

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

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

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

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

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

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

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

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

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported or

disposed of in association with the drilling, completion or testing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well.

Produced oil will be stored in an oil tank and then hauled by truck to a crude purchaser facility. Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to an approved disposal site.

8. Ancillary Facilities:

During drilling operations, approximately 20 days, the site will be a manned camp. Three or four additional trailers will be on location to serve as the crews' housing and eating facilities. These will be located on the perimeter of the pad site within the topsoil stockpiles. Refer to Sheet 4.

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

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

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

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

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

All pits shall be fence to the following minimum standards:

- a. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- b. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the new wire. Total height of the fence shall be at least 42 inches.
- c. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- d. Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.
- e. All wire shall be stretched by, using a stretching device, before it is attached to corner posts.
- f. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and

maintained until cleanup.

- g. Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling, the location will be re-surveyed and a Form 9 will be submitted.

10. Plans for Surface Reclamation:

Producing Location:

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, materials, trash and debris not required for production.
- b. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 40CFR 3162.7.
- c. Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.
- d. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximated natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.
- e. To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface 3 feet above surrounding round surface to allow the reclaimed pit area to drain effectively.
- f. Upon completion of back filling, leveling and re-contouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

- i. Abandoned well sites, roads and other disturbed areas will be restored as nearly as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions and re-establishment of vegetation as specified.
- ii. All disturbed surfaces will be re-contoured to the approximated natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

Seed Mixture for Windrowed Top Soil Will Included:

To be provided by the BLM, SITLA and American Gilsonite.

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

Wellsite: American Gilsonite

Access: Bureau of Land Management, SITLA and American Gilsonite

Pipeline: Bureau of Land management, SITLA and American Gilsonite

12. Other Information**On-site Inspection for Location, Access and Pipeline Route:**

The on-site with the DOG&M and American Gilsonite is pending.

Special Conditions of Approval:

None

Archeology:

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

Paleontology:

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

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

13, **Lessee's or Operator's Representatives:**

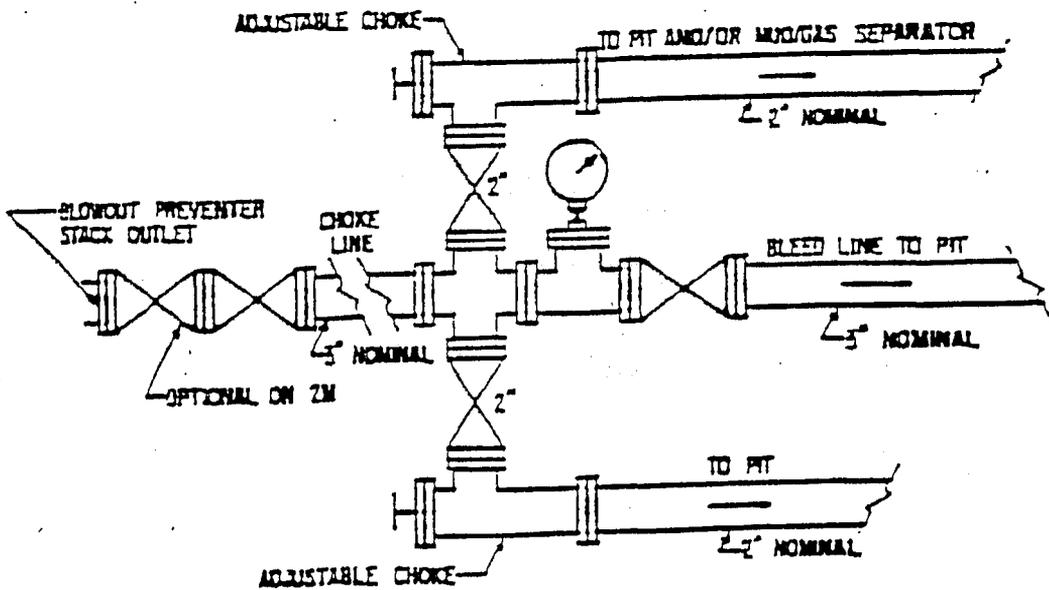
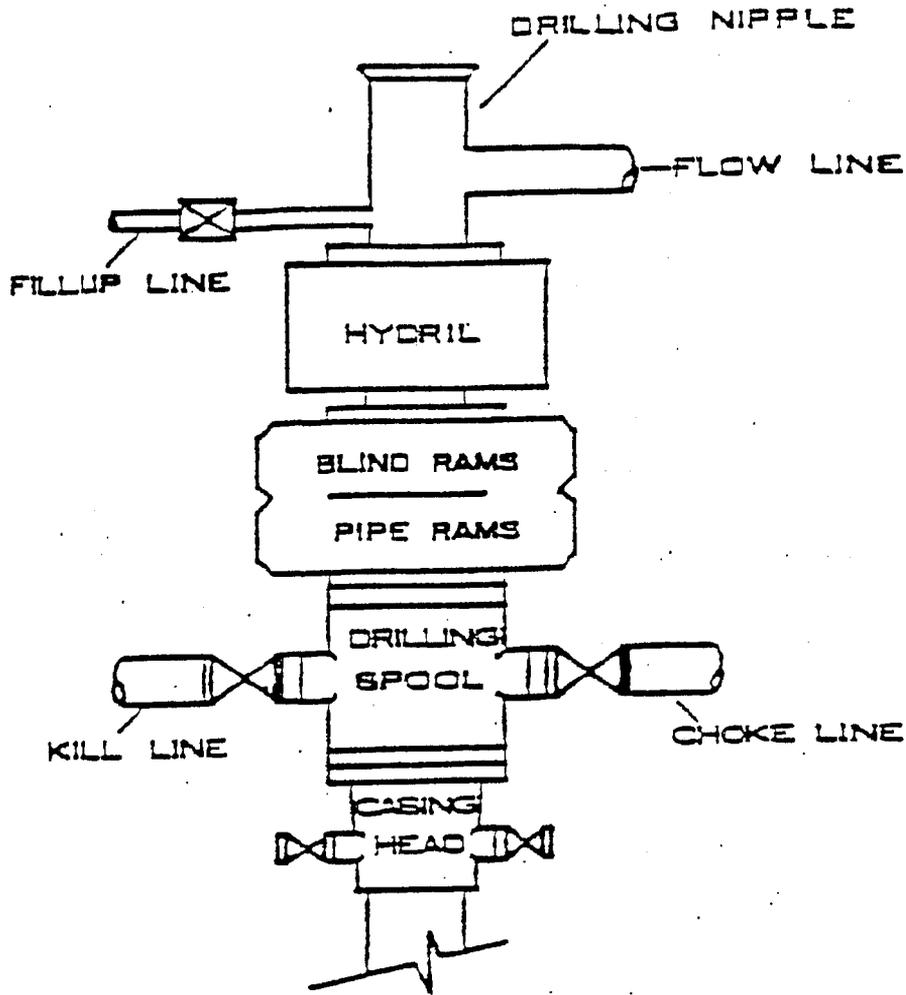
Representatives:

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

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

3,000 PSI

BOP STACK



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/05/2006

API NO. ASSIGNED: 43-047-37605

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

PHONE NUMBER: 303-350-5114

PROPOSED LOCATION:
 SESW 04 110S 240E
 SURFACE: 0564 FSL 2098 FWL
 BOTTOM: 0564 FSL 2098 FWL
 COUNTY: UINTAH
 LATITUDE: 39.88517 LONGITUDE: -109.2373
 UTM SURF EASTINGS: 650725 NORTHINGS: 4416290
 FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	2/17/05
Geology		
Surface		

LEASE TYPE: 4 - Fee
 LEASE NUMBER: FEE
 SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: MVRD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Fed[] Ind[] Sta[] Fee[]
 (No. RLB0008031)
 Potash (Y/N)
 Oil Shale 190-5 (B) or 190-3 or 190-13
 Water Permit
 (No. 43-8496)
 RDCC Review (Y/N)
 (Date: _____)
 Fee Surf Agreement (Y/N)
 Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS: Needs Permit (02-08-06)

STIPULATIONS: 1- Spacing Strip
2- STATEMENT OF BASIS
3- Surface Cgg Cont Strip

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

OPERATOR: ENDURING RESOURCES, LLC
WELL NAME & NUMBER: RAINBOW 11-24-24-4
API NUMBER: 43-047-37605
LOCATION: 1/4,1/4 SE/SW Sec: 4 TWP: 11S RNG: 24E 564' FSL 2098' FWL

Geology/Ground Water:

Enduring proposes to set 2,000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 5,100 feet. A search of Division of Water Rights records shows 3 water wells within a 10,000 foot radius of the proposed location. The wells are over a mile from the proposed location. The wells are owned by the BLM and no depth is listed. The surface formation at this location is the Uinta/Green River Formation transition. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The Green River Formation is made up of interbedded limestones, shales and sandstones. Fresh water aquifers can be found in the Green River Formation and should be protected. The proposed surface casing should adequately protect any potentially useable aquifers.

Reviewer: Brad Hill **Date:** 02-15-06

Surface:

The predrill investigation of the surface was performed on 2/08/06. The surface and minerals of this location are private, both owned by American Gilsonite Company of Bonanza, Ut.. Mr. Jared Jackson of American Gilsonite was invited to and attended this investigation. He had no concerns regarding the construction of this location or the drilling of this well not covered in the Surface Use Agreement. From existing roads, betterment of and new construction of approximately 1.7 miles of access road will be needed. Most of this access as well as the proposed pipeline is off lease and will require a ROW from the BLM. The selected location appears to be the best site for constructing a pad and drilling and operating a well in the immediate area. No significant stability problems are anticipated.

Reviewer: Floyd Bartlett **Date:** 12/19/05

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.

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

OPERATOR: ENDURING RESOURCES, LLC

WELL NAME & NUMBER: RAINBOW 11-24-24-4

API NUMBER: 43-047-37605

LEASE: FEE **FIELD/UNIT:** UNDESIGNATED

LOCATION: 1/4, 1/4 SE/SW Sec: 4 TWP: 11S RNG: 24E 564' FSL 2098' FWL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): 650725 E 4416290 N **SURFACE OWNER:** American Gilsonite Co.

PARTICIPANTS

Floyd Bartlett (DOGM), Douglas Hammond (Enduring Resources), Larry Rowell (Ponderosa Construction), Jared Jackson (American Gilsonite), Paul Yoder (Westrock Oil Field Services)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

The proposed Rainbow 11-24-24-4 well lies on a rounded ridge top which runs in a southeast-northwest direction. The ridge top slopes moderately steep in all directions. This ridge is within a basin surrounded by higher ridges on the north and south. These ridges have exposed rim-rock cliffs at their tops. The location is approximately 23 miles southwest of Bonanza Ut. Access from Bonanza is by State Highway then Uintah County roads to the East Fork of Asphalt Wash, a distance of 20.7 miles then north following a two-track road and overland 8,995 to the location. Significant betterment will be required to the existing two-track road. Most of this road is off lease on BLM administered lands requiring a ROW.

Topography in the general area is broad canyon bottoms separated by steep and often ledgy side-slopes, which top out onto broad ridge tops. Frequent outwash plains and deposits occur along the sides of the major bottoms. The drainages of Asphalt Wash are broad somewhat gentle alluvial washes, which are dry except for spring runoff and sometimes-intense summer rainstorms. The Asphalt Wash drainages collectively run northerly to the White River about six miles to the north.

SURFACE USE PLAN

CURRENT SURFACE USE: Wildlife and domestic sheep grazing and hunting.

PROPOSED SURFACE DISTURBANCE: Approximately 9,000 feet of betterment to an existing access road or new construction will be required to reach the location. Construction of a well location 325'x 25' plus soil stockpile storage outside the described area.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: None.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. Approximately 9,000 feet of pipeline will follow access road and tie in with the pipeline along the road in Asphalt Wash.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be borrowed from site during construction of location.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? EXPLAIN: Unlikely. Oilfield activity is common in the area and is the dominant use.

WASTE MANAGEMENT PLAN:

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved land fill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: Poorly vegetated pinion juniper site. Black sage and bud sage exist.
Pronghorn, rodents, songbirds, raptors, elk, deer, bobcat, coyote., Domestic sheep

SOIL TYPE AND CHARACTERISTICS: Light brown sandy loam. Some small surface rock present. Sandstone bed rock is exposed on the west end of the location.

EROSION/SEDIMENTATION/STABILITY: No stability problems are anticipated with the construction and operation of the location.

PALEONTOLOGICAL POTENTIAL: none observed.

RESERVE PIT

CHARACTERISTICS: 170' by 75' and 12' deep. The reserve pit is planned primarily within an area of cut on the north west corner of the location. No stabilization problems are expected.

LINER REQUIREMENTS (Site Ranking Form attached): A liner will be required for reserve pit. Sensitivity score is 20 and a rating Level II. The operator plans to install a 16 mil liner in the reserve pit.

SURFACE RESTORATION/RECLAMATION PLAN

As per landowner agreement, which is in place with American Gilsonite Co.

SURFACE AGREEMENT: In place.

CULTURAL RESOURCES/ARCHAEOLOGY: None required or requested. Surface is

private ownership.

OTHER OBSERVATIONS/COMMENTS

Jared Jackson representing American Gilsonite was asked if he had any concerns or questions not covered in the Surface Agreement He had none. This predrill investigation was conducted on a cold sunny day.

ATTACHMENTS

Photos of site have been taken and placed on file.

Floyd Bartlett
DOGM REPRESENTATIVE

02/08//2006 10:30 AM
DATE/TIME

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

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

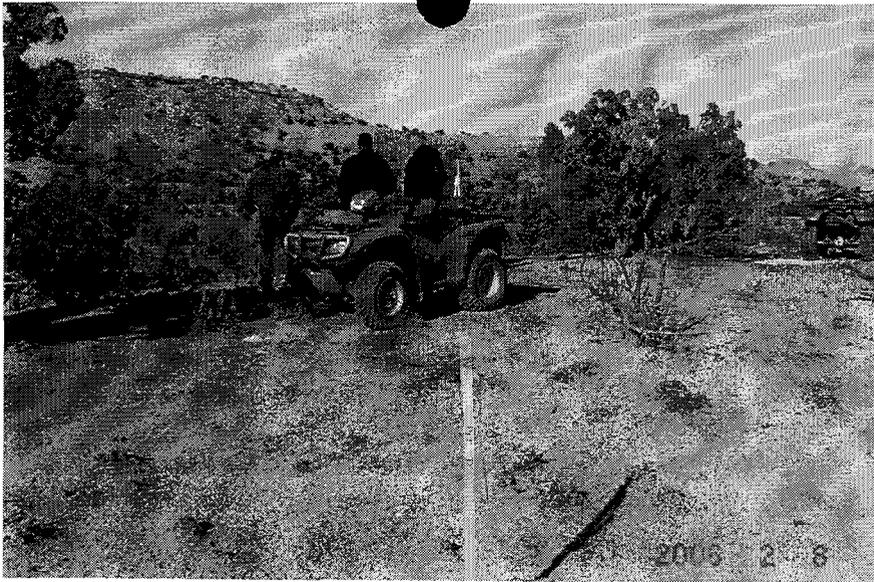
Final Score 20 (Level II Sensitivity)

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

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

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



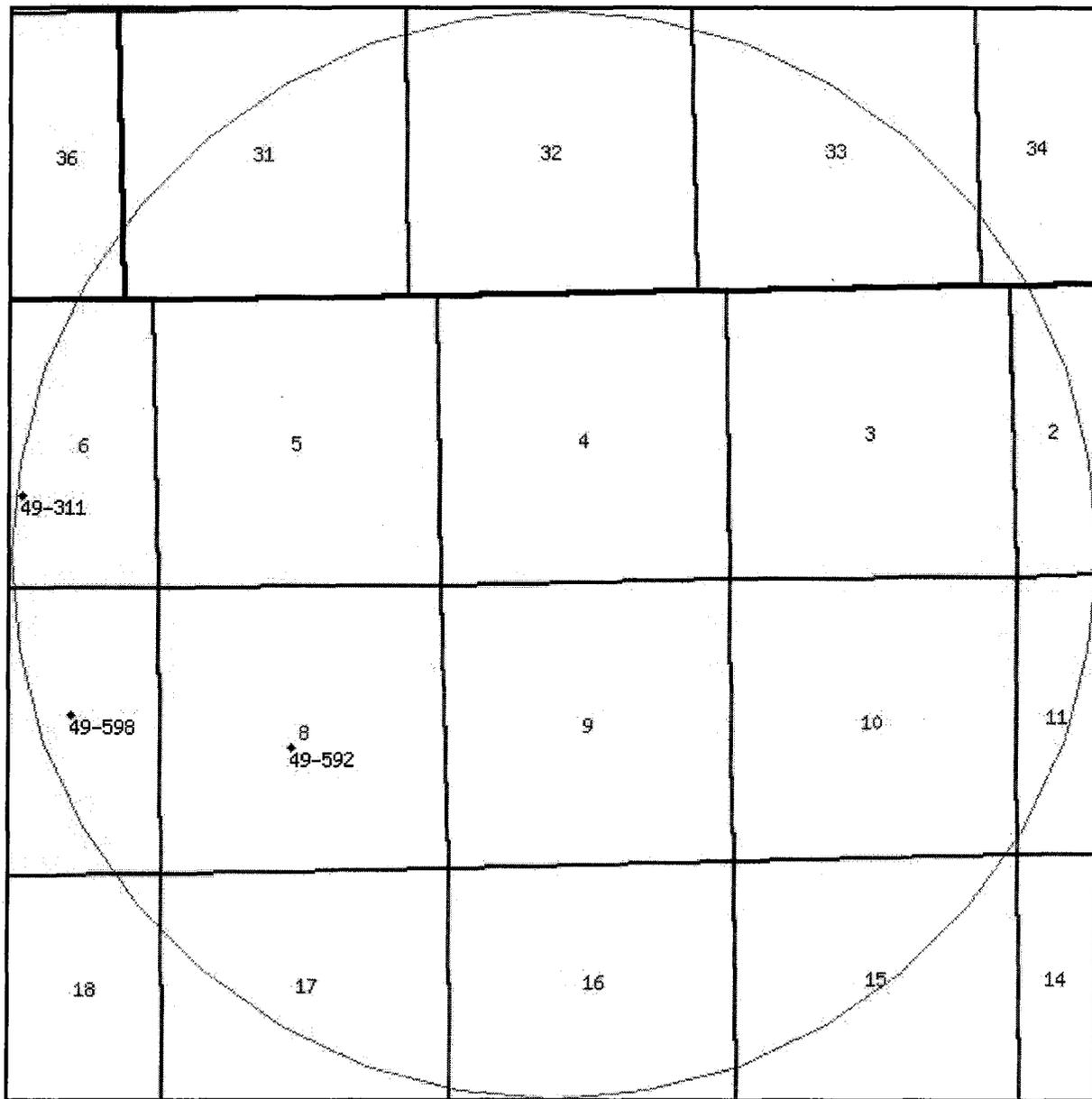




WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 02/15/2006 02:57 PM

Radius search of 10000 feet from a point N564 E2098 from the SW corner, section 04, Township 11S, Range 24E, SL b&m
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



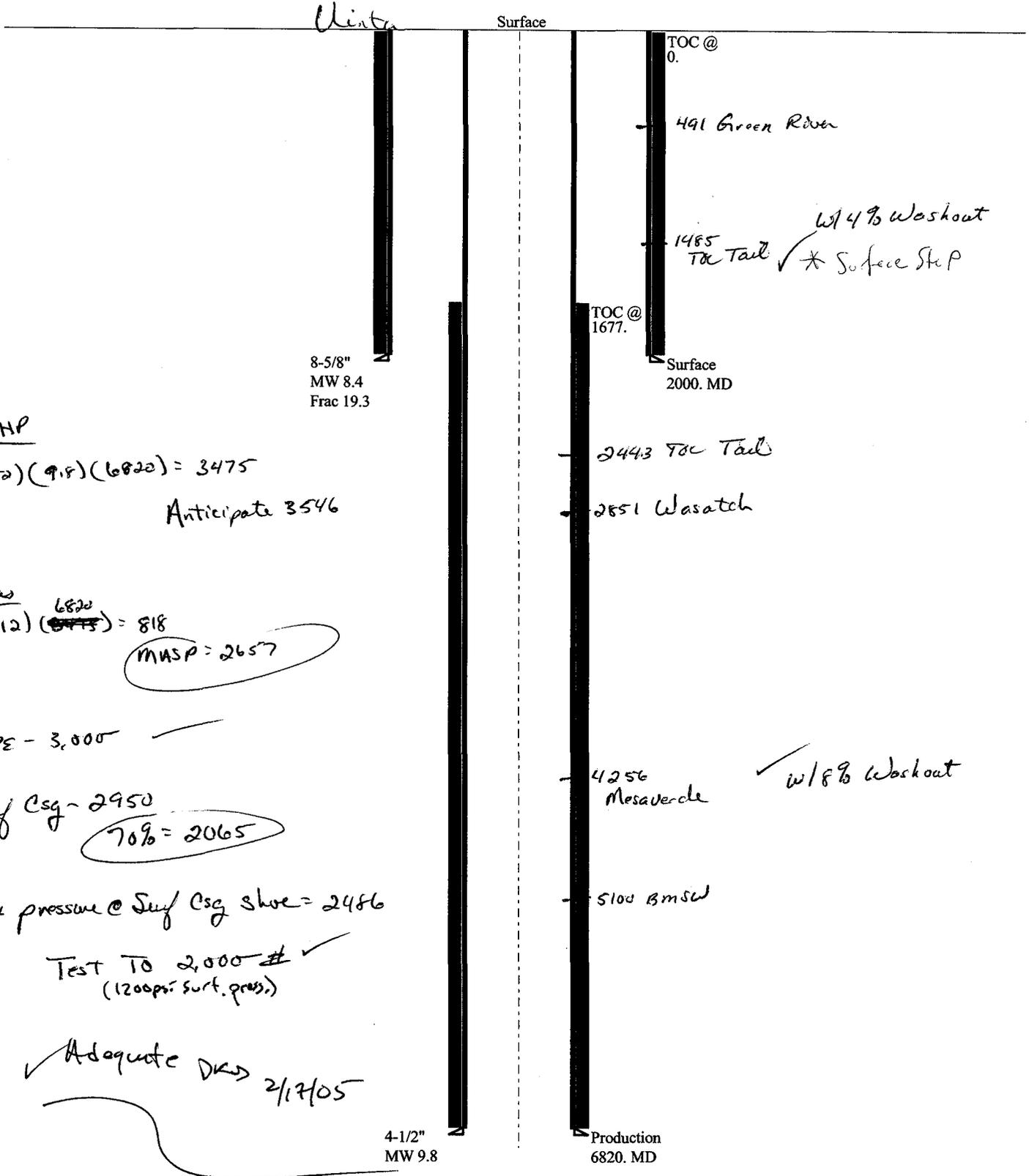
0 1300 2600 3900 5200 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>49-1547</u>	Underground N1700 W2500 SE 06 11S 24E SL		A	19950427	O	0.000	20.000	ROSEWOOD RESOURCES INC PO BOX 1668
<u>49-1547</u>	Underground S300 E2400 W4 08 11S 24E SL		A	19950427	O	0.000	20.000	ROSEWOOD RESOURCES INC PO BOX 1668
<u>49-2176</u>	Underground N1700 W2500 SE 06 11S 24E SL		U	20040504	O	0.000	20.000	MCELVAIN OIL AND GAS PROPERTIES, INC. 1050 17TH STREET, SUITE 1800
<u>49-311</u>	Underground N1700 W2500 SE 06 11S 24E SL		P	19770304	S	0.000	1.000	VERNAL DISTRICT USA BUREAU OF LAND MANAGEMENT 170 SOUTH 500 EAST
<u>49-592</u>	Underground S300 E2400 W4 08 11S 24E SL		P	19340000	OS	0.015	0.000	USA BUREAU OF LAND MANAGEMENT 2370 SOUTH 2300 WEST
<u>49-598</u>	Underground N300 W1650 E4 07 11S 24E SL		P	19340000	OS	0.015	0.000	USA BUREAU OF LAND MANAGEMENT 2370 SOUTH 2300 WEST

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02-06 Enduring Rainbow 11-24-24-4
Casing Schematic



8-5/8"
MW 8.4
Frac 19.3

TOC @
1677.
Surface
2000. MD

BHP

$$(0.52)(9.8)(6822) = 3475$$

Anticipate 3546

Gas

$$(12) \left(\frac{6822}{0.775} \right) = 818$$

MASP = 2657

BOPE - 3,000

Surf Csg - 2950

$$70\% = 2065$$

Mat pressure @ Surf Csg shoe = 2486

Test TO 2,000 # ✓
(1200psi surf. press.)

✓ Adequate DKS 2/17/05

4-1/2"
MW 9.8

Production
6820. MD

Well name:	02-06 Enduring Rainbow 11-24-24-4		
Operator:	Enduring Resources, LLC		
String type:	Surface	Project ID:	43-047-37605
Location:	Uintah County		

Design parameters:

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

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

No backup mud specified.

Minimum design factors:

Collapse:
Design factor: 1.125

Burst:
Design factor: 1.00

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

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

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 93 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 6,820 ft
Next mud weight: 9.800 ppg
Next setting BHP: 3,472 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure: 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	8.625	24.00	J-55	ST&C	2000	2000	7.972	96.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	1370	1.570	2000	2950	1.48	42	244	5.82 J

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

Phone: 801-538-5280
FAX: 810-359-3940

Date: February 17, 2006
Salt Lake City, Utah

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

Burst strength is not adjusted for tension.

Well name:	02-06 Enduring Rainbow 11-24-24-4		
Operator:	Enduring Resources, LLC		
String type:	Production	Project ID:	43-047-37605
Location:	Uintah County		

Design parameters:

Collapse

Mud weight: 9.800 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 2,654 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP: 3,472 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 5,828 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 160 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

 Cement top: 1,677 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	6820	4.5	12.60	N-80	Buttress	6820	6820	3.833	170.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3472	7500	2.160	3472	8430	2.43	73	288	3.92 J

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

Phone: 801-538-5280
 FAX: 810-359-3940

Date: February 17, 2006
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 6820 ft, a mud weight of 9.8 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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



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

February 21, 2006

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

Re: Rainbow 11-24-24-4 Well, 564' FSL, 2098' FWL, SE SW, Sec. 4, T. 11 South,
R. 24 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37605.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor

Operator: Enduring Resources, LLC

Well Name & Number Rainbow 11-24-24-4

API Number: 43-047-37605

Lease: Fee

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

Conditions of Approval

1. General

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

2. Notification Requirements

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

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

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

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

3. Reporting Requirements

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

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

5. Surface casing shall be cemented to the surface.

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
		7. UNIT or CA AGREEMENT NAME: n/a
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Rainbow 11-24-24-4	
2. NAME OF OPERATOR: Enduring Resources, LLC		9. API NUMBER: 4304737605
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: Undesignated
4. LOCATION OF WELL		
FOOTAGES AT SURFACE: 564' FSL - 2098' FWL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 4 11S 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: 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: 2/21/2007
TO: 2/21/2008

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-08-07
By: *[Signature]*

RECEIVED
1-8-07
RM

NAME (PLEASE PRINT) <u>Evette Bissett</u>	TITLE <u>Regulatory Compliance Assistant</u>
SIGNATURE <u><i>[Signature]</i></u>	DATE <u>1/3/2007</u>

(This space for State use only)

RECEIVED
JAN 05 2007

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

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

API: 4304737605
Well Name: Rainbow 11-24-24-4
Location: 564' FSL - 2098' FWL, SESW, Sec 4, T11S-R24E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 2/21/2006

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

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

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

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

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

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

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

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

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

Quello Bissett
Signature

1/3/2007
Date

Title: Regulatory Compliance Assistant

Representing: Enduring Resources, LLC

RECEIVED
JAN 05 2007

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

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

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:
Fee

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

7. UNIT or CA AGREEMENT NAME:
n/a

8. WELL NAME and NUMBER:
Rainbow 11-24-24-4

9. API NUMBER:
4304737605

10. FIELD AND POOL, OR WILDCAT:
Undesignated

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Enduring Resources, LLC

3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 350-5719

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 564' FSL - 2098' FWL COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 4 11S 24E S STATE: UTAH

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

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	<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: 1/8/2008
TO: 18/2009

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-27-08
By: [Signature]

COPY SENT TO OPERATOR
Date: 1-8-2008
Initials: KS

NAME (PLEASE PRINT) Alvin R. (Al) Arlian TITLE Landman - Regulatory Specialist

SIGNATURE [Signature] DATE 1/2/2008

(This space for State use only)

RECEIVED
JAN 07 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: 4304737605
Well Name: Rainbow 11-24-24-4
Location: 564' FSL - 2098' FWL, SESW, Sec 4, T11S-R24E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 2/21/2006

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

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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

1/2/2008
Date

Title: Landman - Regulatory Specialist

Representing: Enduring Resources, LLC

**RECEIVED
JAN 07 2008**

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 2, 2009

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

Re: APD Rescinded – Rainbow 11-24-24-4, Sec. 4, T. 11S, R. 24E
Uintah County, Utah API No. 43-047-37605

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 February 21, 2006. On January 8, 2007 and January 7, 2008, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 2, 2009.

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
SITLA, Ed Bonner